BBC STUDIOS

This statement has been published on behalf of **BBC Studios Australia Holdings Pty Ltd** (**ABN: 85 127 624 104**, trading as **BBC Studios Australia**) for the financial year ended March 31st 2020, in accordance with the Australian Modern Slavery Act 2018.

Introduction

<u>BBC Studios Australia</u> is a wholly owned Australian subsidiary of **BBC Studios Ltd**, the principal commercial subsidiary of the UK's publicly funded broadcaster the <u>BBC</u>. We produce and distribute world-class content that informs, educates and entertains, strengthening the BBC creatively and financially through our commercial activities.

We embody the values associated with the BBC and we have a strong commitment to ethical trading and corporate human rights. Our policies and procedures are largely set by our head office in the UK but they are fully embedded within BBC Studios Australia, with key compliance procedures carried out by our local teams.

BBC Studios General Counsel in our UK head office has executive ownership of ethical trading on behalf of all subsidiaries including BBC Studios Australia. We also have access to advice from a dedicated team of three subject matter experts in the UK, to help guide our ethical trading activities.

Quarterly oversight of ethical trading across the BBC Studios Group is provided by the UK **BBC Studios Compliance & Risk Committee**, a group of the company's most senior executives. Additionally, the entire **BBC Studios Executive Committee** is given an annual update on activities across the group.

Through our parent company, we are members of the UK's <u>Ethical Trading Initiative</u> and we are also a member of <u>Sedex</u>, with our Head of Ethical Policy currently elected to the Sedex board.

Our business

Our commercial activities are divided into two lines of business: **Production & Distribution** and **Branded Services**.

Production & Distribution (P&D) is the value chain responsible for the creation of programmes commissioned by the BBC and other broadcasters & content platforms, and the subsequent commercial sale of titles in the international market. It also includes the licensing of intellectual property of our content to specialist third party companies who produce live events and consumer products based on our programmes.

The Branded Services line brings these programmes to Australian audiences through broadcast on BBC branded channels and services, including **BBC First, BBC Earth, BBC UKTV, Cheebies** and **BBC Brit**.

Some of our production and distribution activities in Australia are managed through subsidiary companies: BBC Studios Australia Pty Ltd (ABN: 20 129 255 616) and BBC Studios Productions Australia Pty Ltd (ABN: 47 129 527 082).

Our office is located in Sydney and we have approximately 121 full-time employees.

Our operations and supply chains and associated forced labour risks

The supply chains for our operations and commercial activities are varied and complex. For example:

- Within our office, we use contractor companies for key services such as cleaning and security.
- Within Production, we rely on the services of freelance staff to help make our programmes, supported by contractors such as riggers, caterers and security, as well as post-production houses for the editing of the finished programmes.
- In Distribution, we use the services of post-production houses in the UK to deliver our content to Australian broadcasters. For our live events business we work with licensees who contract with venues for our shows, who in turn often contract with labour service providers.
- Within consumer products, we work with a number of licensees who source a wide range of product types from manufacturers in Australia and other countries across the globe, with China the most significant country of origin.

We know from our research that there may be significant risks of forced labour within our licensees' global manufacturing sites, particularly where migrant workers are commonly employed.

For example, migrant workers in Chinese factories may be required to lodge their identity cards with their employer, thereby restricting their ability to freely leave their employ. In Malaysia, migrant workers may have had to pay recruitment fees to local agents in order to secure employment, which puts them at risk of debt bondage.

Our approach to assessing our suppliers is therefore based on where the greatest risk of labour exploitation may be found. For more on this, see *Due diligence and risk management through our ethical trading programme* below.

Our policies in relation to modern slavery and forced labour

Central to the way in which we do business is the BBC Studios Ethical Trading Policy, which BBC Studios Australia has also adopted. It is modelled on the ETI Base Code and references key ILO Conventions & Recommendations, in addition to key legislation and frameworks such as UK and Australian Modern Slavery Acts and the UN Guiding Principles on Business & Human Rights.

It is a public document that can be viewed on our website and it forms part of all contracts with suppliers and licensees. It is reviewed on an annual basis and updated as necessary, with version 3.1 published in 2019.

The policy sets our requirements on labour standards within the supply chains of our licensees and suppliers and includes the requirement for appropriate remedy where workers' rights have been breached.

It is prefaced by a list of minimum standards that suppliers must meet, the first of which relates to forced labour.

Due diligence and effective risk management through our Ethical Trading Programme

While the inclusion of the Ethical Trading Policy in our contracts is an important part of our risk mitigation, we also operate an Ethical Trading Programme to assess its implementation.

The programme incorporates principles of due diligence and risk management, using independent data sources to help us identify the areas of our operations and supply chains where risks of exploitation may be greater. These risks will often depend on the geographical region and/or sector where our activities are taking place and so we manage our response accordingly.

Our core focus has generally been on the supply chains for our licensed consumer products businesses. The wide range of products made by our licensees are sourced from manufacturers all over the world, often in countries where the risk of poor labour practices may be higher. While the licensing model means we do not select the factories ourselves, we nevertheless work closely with our licensees to assess their chosen factories and identify areas of concern.

Our approach is to promote continuous improvement, acknowledging that not all supplier or licensee factories will immediately be able to meet our standards in full. However, we take a zero tolerance approach to the most serious rights abuses and so we set out minimum standards that must first be met before we can approve a site.

This on-going assessment is based on the review of independent ethical audits for higher risk countries and sectors. In recent years, we have also introduced employment profile assessments for sites in lower risk territories, in order to identify risk indicators for forced labour.

All first tier manufacturing sites must go through the assessment process and our product approval system is linked to our ethical policy database; if a site is not approved then final approval for manufacture cannot be granted. This comprehensive approach helps drive the effectiveness of our programme, as licensees and suppliers are incentivised to make real improvements to working conditions within their supply chain.

We provide extensive guidance documents and on-line training for all staff involved in the licensing or sourcing of branded products, to help them understand how to follow our policies

Looking ahead

In the coming year we will continue to work with our subject matter experts in the UK to help shape our ethical trading activities and build on our work to date.

Specifically, we will take the learnings from the labour services due diligence that has been carried out by our UK colleagues and will look to apply them within our own business where appropriate.

We will also roll out a general introduction to our modern slavery policies and mitigation practices as part of an overall Code of Conduct training module, which will sit alongside the targeted training for sourcing and licensing staff. This module will be mandatory for all staff and will further embed this key policy within company culture.

This statement was approved by our principal governing body, the BBC Commercial Holdings Board, at their meeting on the 5th of May, 2021.

This statement has been signed by

DocuSigned by:

Martyn Freeman General Counsel, BBC Studios