



## **ETHICAL TRADING POLICY**

### **POLICY OVERVIEW**

BBC Studios (“BBCS”) is committed to ensuring a high standard of ethical and environmental practices, including the provision of safe working conditions and the protection of workers’ rights across its global businesses and throughout its supply chains.

BBCS seeks to understand and mitigate the human rights impacts of its operations and supply chains (paying particular attention to the rights of the most vulnerable workers) and conducts its business in accordance with the provisions of this Ethical Trading Policy (“the Policy”). BBCS also expects its Suppliers to observe the Policy’s requirements and to demonstrate a similar commitment to an ongoing programme of ensuring and, where necessary, improving ethical and environmental practices.

This Policy enshrines all principles of the Ethical Trading Initiative Base Code<sup>1</sup> and reflects all eight ‘core conventions’ of the International Labour Organisation (ILO), along with other key ILO conventions and recommendations.<sup>2</sup>

### **SCOPE OF THE POLICY**

This Policy applies to all areas of BBCS’s business and operations, and to all Suppliers<sup>3</sup> providing goods and services (including labour services) to BBCS. BBCS requires all of its Suppliers to observe the requirements of this Policy, as well as procure compliance with its requirements from their Suppliers throughout the supply chain.

All parties to whom this Policy applies are required to comply, at a minimum, with applicable national and international laws. Where the requirements of this Policy afford greater protection than national law, the terms of this Policy will prevail.

### **COMPLIANCE WITH THE POLICY**

BBCS recognises that its Suppliers may not immediately be able to achieve all the standards laid out in this Policy, however BBCS is willing to engage with Suppliers who:

- are able to meet BBCS’s Core Requirements; and
- commit to a due diligence-based approach to understanding the impacts of their business activities on labour rights and human rights, and to the principles of remedying any violations of such rights, as set out in international legislation and widely recognised business and human rights frameworks;<sup>4</sup> and
- are able to demonstrate a responsible and transparent approach to their working and general practices; and
- have successfully undergone any required monitoring or verification procedure in accordance with BBCS’s Ethical Trading Programme that demonstrates that BBCS’s Core Requirements have been met; and

- demonstrate a clear and ongoing commitment to improving ethical and environmental standards beyond the Core Requirements.

## **CORE REQUIREMENTS OF THE POLICY ('MINIMUM STANDARDS')**

BBCS will not engage in business with Suppliers unless and until they meet the Core Requirements of this Policy.

BBCS will be entitled to terminate any contract with any Supplier who is found to have breached any of the Core Requirements or who has failed to notify BBCS of a breach as soon as reasonably practicable. (Such termination on the part of BBCS may be without notice and shall be without liability of any description on the part of BBCS, whether to the Supplier or any third party contracted by the Supplier.)

Where BBCS finds that a Supplier has implemented suitable corrective actions and provided remedy for negative impacts in order to meet the Core Requirements to BBCS's satisfaction, BBCS will then consider at its sole and absolute discretion engaging in business with the Supplier.

The Core Requirements are as follows:

### **A. Employment of appropriate workers & general practices**

A.1 Suppliers must not use any form of forced, bonded or involuntary labour, and workers must not be obliged to lodge identity papers or pay any recruitment fees (including compulsory service fees, deposits or deductions from wages to cover recruitment expenses) to the Supplier or its labour providers or brokers as a condition of work. Where any form of forced labour is found, or where workers have paid recruitment fees, Suppliers must provide appropriate remedy, including the reimbursement of fees.<sup>5</sup>

A.2 Suppliers must not use workers under the age of 15, or the minimum legal working age in the country in question, if higher than 15. Suppliers must accept the principles of remediation of child and underage workers, and where such labour is discovered, Suppliers must establish and implement appropriate remediation for such workers and introduce effective systems to prevent the use of child labour in the future.

A.3 Workers must not be subject to physical or verbal abuse or threats, sexual or other forms of harassment or intimidation of any description.

A.4 Suppliers must pay minimum wages as dictated by local law.

### **B. Worker safety & well-being**

B.1 Factories, work sites and living accommodation (where provided) used by Suppliers must be safe and hygienic with an adequate number of safe and accessible fire exits from all buildings, and workers must have access to potable water. Living accommodation must be in buildings that are separate from other areas of the workplace and must have an adequate fire alarm system.

B.2 Workers' life or limb must not be endangered through the use of dangerous machinery, unsafe building structure or layout, or the use of hazardous chemicals or substances. Where serious or fatal accidents have occurred Suppliers must demonstrate to the satisfaction of BBCS that all appropriate steps have been taken to prevent similar accidents occurring in the future and that appropriate remedy has been provided to the affected parties.

B.3 Workers must not be required to work extreme hours or work without adequate rest periods.

## **C. Business integrity**

C.1 Suppliers must maintain proper and accurate employment records, including calculation of pay and hours worked, and Suppliers must be transparent and cooperative as regards the inspection of employment records.

C.2 Suppliers must not engage in bribery, corruption or other similar unethical practices in order to gain competitive advantage or to influence the findings of audits or other such assessments of the Supplier's business practices.

## **COMPREHENSIVE REQUIREMENTS OF THE POLICY**

Once Suppliers have met the Core Requirements, BBCS expects them to work towards meeting the Comprehensive Requirements of the Policy within a reasonable timeframe, as determined by BBCS. For clarity and completeness, the Core Requirements are incorporated within the Comprehensive Requirements.

BBCS's Comprehensive Requirements are as follows:

### **1. Employment of appropriate workers**

1.1 No forced, bonded, or involuntary prison labour may be used in the production of goods. Workers must not be required to lodge deposits or identity papers or pay recruitment fees (including compulsory service fees) as a condition of work and must be free to leave their employer upon reasonable notice. Where fees have been paid by workers or where identity papers have been retained, repayment of fees or the return of the papers must be effected in a timely manner.

1.2 No child or under age labour may be used. All workers must have reached the age of 15, or have reached the minimum legal working age under national law, whichever age is the higher. Exemptions under ILO Convention 138 will be conditional on prior approval by BBCS.<sup>6</sup>

1.3 By entering into a contract with BBCS, Suppliers accept the principles of remediation programmes, enabling children and under age workers to return to quality education, even if children and under age workers do not form part of the Supplier's work force. Without prejudice to BBCS's right to terminate its Supplier contracts under the provisions of the Policy, Suppliers must establish and implement appropriate remediation programmes in cooperation with BBCS.

1.4 Workers under the age of 18 must not work at night or under potentially hazardous conditions. Suppliers must have in place effective risk management and monitoring systems for young workers.

### **2. Working environment**

All workers are entitled to a safe, hygienic working environment, and Suppliers must ensure that working conditions meet the following standards:

2.1 Suppliers must comply with all national health and safety laws, and with the standards laid down in ILO Convention 155.

2.2 Suppliers must establish an active Health and Safety Committee on which workers must be represented and which must be consulted on and entitled to participate in the investigation of health and safety matters.

2.3 Suppliers must formally appoint a senior manager to be responsible for health and safety issues, including compliance with the relevant terms of this Policy, and the establishment and communication of written health and safety policies.

2.4 Workers must not be employed in potentially hazardous conditions without regular adequate safety training or supervision. Training must include emergency evacuation procedures and, for appropriate designated personnel, first aid. Adequate records of all safety training must be maintained and made available to BBCS for inspection. Adequate first aid provision must be readily accessible to all workers.

2.5 Work places must be well ventilated with comfortable, well-lit workstations. No worker should be subject to unsafe or unhealthy working conditions (including dangerous machinery, unsafe building structure or layout, and hazardous chemicals and substances) and all necessary safety equipment must be provided by the Supplier without charge.

2.6 Factories and work sites used by the Supplier must be safe and hygienic with an adequate number of safe, accessible and clearly marked fire exits from all buildings (including production and storage facilities, and office and domestic accommodation used by employees).

2.7 Living accommodation, where provided, must be in buildings that are separate from other areas of the workplace and must have an adequate fire alarm system and fire safety equipment. In any event Suppliers must provide hygienic conditions, including adequate living space, clean bathrooms, access to potable water, and appropriate food preparation and storage facilities.

### **3. Hours, pay and benefits**

3.1 Suppliers must comply with local legislation regulating employment, hours of work, and pay, including any minimum wage, allowances and benefits (including, without limitation, holidays, sick leave, childcare, maternity provisions, social security). In any event, wages must be adequate to meet the basic needs of workers and provide a reasonable discretionary income. Suppliers must not seek to avoid their legal obligations to workers by any means, including the extended or on-going use of temporary or fixed-term contracts, excessive use of labour-only providers or the imposition or improper use of self-employed or contractor statuses for workers.

3.2 Workers must be provided with clear and understandable written information about their employment conditions (including pay and hours of work) before commencing work and Suppliers must at all times maintain proper and accurate employment records.

3.3 Workers must not be required to work excessive hours and may not ordinarily and regularly work more than 60 hours per week (including overtime). All workers shall be entitled to at least one day off in each 7 days period (or, where allowed by national law, 2 days off in every 14 day period) and overtime must be strictly voluntary and paid at a premium rate.<sup>7</sup>

3.4 Where deductions are taken from wages, they must be permitted by local law, be of a reasonable sum and relate to the service provided for that deduction. Workers must give their express agreement for each deduction and such agreement may not form a part of their employment contract. The use of fines as a disciplinary measure is not permitted.

3.5 Suppliers must comply with all applicable legislation concerning life insurance, health insurance, retirement benefits and workers' compensation.

### **4. Respect for the individual**

4.1 Suppliers must conduct their business in a manner that recognises the entitlement of all individuals to be treated equitably with dignity and respect, and to work in an environment free from physical or verbal abuse or threats, sexual or other forms of harassment, or intimidation of any description.

4.2 Disciplinary practices shall be fair and appropriate and must be clearly set out and communicated to workers. Workers must have the right to appeal decisions of its employers, and to representation at grievance or disciplinary proceedings.

4.3 Suppliers must not discriminate against workers in any manner on the grounds of race, caste, national or ethnic origin, gender, age, disability, health (including mental health), pregnancy, marital status, family or caregiver status, sexual orientation, union membership, religion or political affiliation.

4.4 Suppliers must put in place appropriate and effective workplace mechanisms and procedures through which workers may raise grievances. Such grievance mechanisms must be fair, clearly set out and communicated to all workers in a workplace, including contractors or those employed by labour providers. Documentation concerning grievances must be held on file and made available for review. No worker should suffer dismissal, discrimination or any other unfair treatment as a result of raising a grievance.

## **5. Freedom of association**

Suppliers must respect the right of all workers to join or form trade unions and to engage in collective bargaining in a lawful and peaceful manner. Suppliers must not discriminate against workers who engage in such activities. Where these rights are restricted by law, Suppliers must allow alternative lawful means for independent workers' representation.

## **6. Business integrity**

Suppliers must conduct their businesses in an ethical manner and must not seek to gain competitive advantage by means of unethical or dishonest practices including without limitation; bribery, corruption, kickbacks, the provision of gifts, favours or services.

## **7. Environmental standards**

Suppliers must comply with applicable local environmental regulations and such additional environmental standards as BBCS may notify in writing from time to time. In any event Suppliers must demonstrate an awareness of environmental impacts and a commitment to improving environmental standards, (including, without limitation, waste reduction, increased recycling, reduction of pollution, careful management of water usage, appropriate disposal of waste materials, increased use of materials or products from sustainable sources) and are to develop and implement a meaningful environmental action plan by which progress can be measured.

## **8. Documentation and inspection**

8.1 Suppliers must adopt effective systems (including the appointment of a named individual with responsibility for compliance with this Policy) for the implementation of the provisions of this Policy by Suppliers and for monitoring and documenting compliance with its provisions to the satisfaction of BBCS. Suppliers shall in turn be responsible for implementing, monitoring and recording the compliance of its own Suppliers and reporting to BBCS as required.

8.2 Suppliers must maintain such documentary records as may be necessary to demonstrate compliance with the terms of this Policy (or otherwise relating directly or indirectly to the implementation of the Policy) including a single set of verifiable, accurate and complete records on wages paid and hours worked for each employee, and stored for a period of three years. All such documentation must be original records and available to BBCS for inspection upon request.

8.3 Suppliers must permit BBCS (or its representatives or nominees) to enter their premises (and any other work place utilised for or on behalf of Supplier, whether or not owned or controlled by the Supplier) for the

purpose of inspecting premises and documentation, and in order to establish due compliance with the provisions of this Policy.

## **NON-COMPLIANCE WITH THE POLICY**

By entering into a contract with BBCS, Suppliers hereby agree to and accept the terms of this Policy. In the event that BBCS considers that a Supplier does not comply with the Comprehensive Requirements of this Policy, the Supplier must take all such appropriate remedial actions as requested by BBCS to address any areas of concern.

Without prejudice to the provisions of this Policy or the terms of any contract between Supplier and BBCS, BBCS shall be entitled in its sole and absolute discretion to terminate all contracts with Suppliers with immediate effect and without liability if:

1. Suppliers are not fully compliant with the Core Requirements at any time; or
2. Suppliers fail to notify BBCS of a breach of the Core Requirements as soon as reasonably practicable; or
3. in the reasonable opinion of BBCS, Suppliers have failed to demonstrate to the satisfaction of BBCS sufficient openness and transparency to allow a robust verification of their working practices; or
4. in the reasonable determination of BBCS, Suppliers have failed to demonstrate to the satisfaction of BBCS a genuine willingness to work towards meeting all of the provisions of this Policy within a reasonable time; or
5. in the reasonable opinion of BBCS, Suppliers have failed to demonstrate to the satisfaction of BBCS the provision of sufficient remedy for a breach of the Policy.

### **Version 3.1**

### **Approved by BBC Studios Compliance & Risk Committee, 1<sup>st</sup> October 2019**

<sup>1</sup> The Ethical Trading Initiative (ETI) is an alliance of companies, NGOs and trade union organisations working to promote and improve the implementation of corporate codes of practice that cover supply chain working conditions. The ETI Base Code reflects the most relevant international standards with respect to labour practices.

<sup>2</sup> BBCS Ethical Trading Policy reflects the standards set out in the following ILO Conventions and Recommendations: Conventions C029 & C105, Recommendation R035 and Protocol P029 (Forced and Bonded Labour); Conventions C087 & C098 (Freedom of Association and Rights to Collective Bargaining); Conventions C100 & C111 and Recommendations R090 & R111 (Equal Remuneration and Non-Discriminatory Practice); Convention C138, Convention C182 and Recommendation R146 (Child Labour and Elimination of the Worst Forms of Child Labour); Convention C135 and Recommendation R143 (Workers' Representation), Convention C155 and Recommendation R164 (Occupational Safety and Health); Convention C159 and Recommendation R168 (Vocational Rehabilitation and Disability); Convention C177 and Recommendation R184 (Home Work).

<sup>3</sup> The term "Supplier" shall be deemed to include direct suppliers of goods and services, contractors, labour providers, licensees, sub-licensees and their associated sub-contracted manufacturers, suppliers or labour providers throughout the supply chain.

<sup>4</sup> Applicable legislation may include the California Transparency in Supply Chains Act (USA), the Non-Financial Reporting Directive (EU), the Modern Slavery Act 2015 (UK), the Devoir de vigilance des sociétés mères et des entreprises donneuses d'ordre (France), the Modern Slavery Act 2018 (Australia) and the Wet zorgplicht kinderarbeid (Netherlands); frameworks may include the United Nations Guiding Principles (UNGPs) on Business & Human Rights and the OECD Guidelines for Multinational Enterprises (and its associated Due Diligence Guidance).

<sup>5</sup> BBCS supports the principle that no recruitment fees or related costs should be borne by workers, as reflected in internationally recognised initiatives such as the ILO's Fair Recruitment Initiative and the Dhaka Principles for Migration with Dignity.

<sup>6</sup> Exemptions under ILO convention 138 shall be considered only where BBCS is satisfied that there is evidence of compliance with applicable regulations and that the Supplier has in place a monitoring regime that is acceptable to BBCS.

<sup>7</sup> International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced.