Our purpose is to bring better content and innovation to all of our customers; better connecting them to more of what they love.
HOW WE ADDRESS MODERN SLAVERY

Sky Entertainment

Own operations
We have updated Sky’s own internal production documents to reflect the work we are doing to address modern slavery. Our production packs now include guidance on modern slavery for production companies. This is linked from Sky’s website, alongside the Anti-Bribery and Corruption Policy and the Whistleblowing Policy. It seeks to raise awareness among production companies of modern slavery issues, areas in which they might encounter them and the types of steps that can be taken.

Working with suppliers
As well as making our own programmes, Sky commissions independent production companies to make programmes on our behalf. In early 2018, we conducted two pioneering in-depth assessments of entertainment productions with third party experts to understand potential recruitment and labour issues. Both assessments, one of a production on location in South Africa and the other of a studio production in the UK, found no evidence of forced or child labour or of mistreatment. They instead identified a range of good practices that supported non-exploitative working conditions, including fewer layers of subcontracting than anticipated and confidence in the informal channels used for raising concerns. It is the nature of such production activities that working hours are long but for a relatively short defined period of time and these were not deemed to be exploitative by the workers involved or by the assessors. The assessments also identified a number of good practices to share with other productions and it helped us engage our people on the issue internally. One area that we are looking to explore further is whether there is a need for more formal grievance mechanisms for individuals to raise issues confidentially and anonymously if necessary. We believe this is the first time in the industry that this type of business activity has been the subject of a labour assessment.

Working at industry level
As noted in our previous statement we are a founding member, and 2018-19 Chair of the TV industry Human Rights Forum, sharing information with other working group members to better understand potential risks in programme-making. In 2018 the group shared learnings from human rights impact assessment on productions and agreed a new strategy towards creating industry-wide practical tools that help broadcasters, independent production companies and other suppliers to understand and manage the risks to people in their operations.

Sky Sports

Own operations
In 2018, we started to trial a country risk tool for Sky Sports that seeks to empower teams covering sporting events in host countries to recognise potential human rights issues, including specific references to modern slavery, and know how to raise their concerns. The short briefing notes for those that travel overseas combine information on risks with qualitative information related to the sporting situation. For these Sky employees, there appear to be few slavery risks in relation to Sky’s operations and subcontractors but there may be occasions when individuals may come across instances of forced labour, such as in hotels where they are staying. Through the development of this tool, we are increasing our own understanding of human rights risks in the sporting context.

Working with suppliers
We have reviewed which of the suppliers used by Sky Sports are at greater risk of having modern slavery in their own operations and supply chain. We have identified those supplying temporary low-paid labour, such as drivers, as being at higher risk. We continue to focus our engagement with these suppliers to ensure that they adhere to our Responsible Sourcing Policy.

Working at industry level
We have become Advisory Council Members of the Centre for Sports and Human Rights, established by the Institute for Human Rights and Business (IHRB), which is an unprecedented alliance in the field of sports aiming to further protection and promotion of human rights. We use the IHRB’s Guidance Questions in our sporting event due diligence process and are working to raise awareness of human rights and this tool with Sky’s partners, and other sports broadcasters.

Sky News

As a media company, Sky plays a role in increasing the visibility of modern slavery among the general public through broadcasting. Sky News’ mission statement emphasises a goal of unveiling wrongdoing and telling the stories of the voiceless and disempowered. This includes those defined as modern slaves, an issue we have covered within the UK and internationally: You can see our coverage here. In 2018, Sky News have continued to cover human trafficking and modern slavery cases in the UK and around the world, alongside support offered to survivors in the UK and legislative developments.
How we address modern slavery

Audit process

| Pre-screening of all Sky's key suppliers | All required to answer modern slavery due diligence questions, which are reviewed by the procurement team |
| Contracted suppliers required to comply with Responsible Sourcing Policy | Contract clauses explicitly refer to Responsible Sourcing Policy |
| Annual inherent risk assessment by third party provider | Review includes assessment of human rights and modern slavery |
| High risk suppliers added to 4 year rolling audit programme by third party provider | Audit includes assessment of labour practices and modern slavery indicators |
| Corrective Action Plan for critical, major and minor indicators is established with follow up and review |

Products

Own operations

Addressing the risk of modern slavery in products is an important part of the work of Sky’s compliance team, who carry out due diligence on suppliers. As well as ensuring that we have the tools we need to identify potential risks, we also continue to work on the knowledge and skills development of other teams who may encounter issues. For example, we are aware that issues in factories can be deliberately concealed from auditors. To take steps to mitigate this, we have developed a short training course for other types of factory visitors, including our engineers, buyers and quality managers, to increase our capacity to recognise indicators of potential forced or child labour. Following the training for our supplier managers and engineering teams and our main set-top box and router manufacturers in 2018, we are rolling out training for our procurement teams and buyers across Sky along with responsible sourcing training promoted to all employees and representatives from all our suppliers.

In 2018, we also delivered training to selected strategic suppliers on forced labour and child labour risks, including information on freedom of association and its role in mitigation.

Merchandise

To address potential risks in relation to merchandise, we are working to improve our purchasing practices. This includes giving our merchandise suppliers longer lead times, working with a smaller number of approved manufacturers that meet the highest standards.

Working with suppliers

Suppliers that are concerned about their own workforce, the quality of their parts and services and their impact on the environment make the best long-term partners for creating great Sky products. We have a programme to assess suppliers, foster international certification and aid improvement through site visits, compliance training and an in-depth audit programme, which includes interviews with workers, and which extends to audits in our supply chain beyond our direct suppliers.

In 2018, we audited a factory in our supply chain in Taiwan identified issues of concern, including the retention of workers’ documents, deductions from pay and the payment by workers of recruitment fees. These are all against our responsible sourcing policy.

In collaboration with our supplier and the factory management, we immediately initiated a process to address the issues of concern. These included the return of workers’ documents and changes in financial arrangements with workers and repayment of recruitment fees to the workers. We also started a process of further investigation and engagement with the factory owners to create an improvement plan, prioritising worker safety and wellbeing.

We are supporting our direct supplier to improve its own due diligence practices and have conducted a careful review to build on our own procedures that address mitigation of human rights risks where these are identified in our supply chains. We are continuing to work with the factory where the issues were found to ensure that improvements are sustained and that there are no further issues for workers.

Following this experience, we are continuing to focus on removing recruitment fees from our supply chain as set out in our Responsible Sourcing policy. Such fees can be a significant financial burden on workers and we know that this is a particular risk in number of countries, particularly where it is legal to charge recruitment fees. We recognise that a collaborative approach to this is needed and we are also engaging with the Responsible Business Alliance (formerly EICC), peer companies and other organisations to address any risks of recruitment fees in our supply chain.

Process review

We have put in place a system of pre-contract audits for potentially high-risk businesses in our supply chains in order to pick up concerns at an early stage. We are also adding other elements to our due diligence toolkit, including assessments that focus specifically on forced labour enhanced training for our buyers and suppliers and a review of our own purchasing practices to ensure that they are not linked to poor working conditions in any of our supply chains.

In addition to the issues identified above, through our human rights due diligence, we identified approximately 150 potentially high risk suppliers during 2018, who have been added to our rotating four year audit programme. Each will be audited at least once in that time. We typically audit c.60 suppliers per year and receive an additional 10 external audits through our membership of the Responsible Business Alliance. We have also identified the recycling industry as a potential risk and we only allow companies to bid for our end of life products if they are willing to be audited for human rights requirements.

All our main strategic suppliers provide information to us monthly on wages and working hours, including the number of workers exceeding 60 hours. In relation to our products, audits have found that support staff in factories, such as those providing cleaning, catering and security services, are among those most vulnerable to poor labour practices. Any specific, critical issues identified are prioritised and suppliers are required to address these urgently. We look at each action and provide an appropriate time to respond. This is an ongoing process and we continue to focus on engaging with suppliers to address non-compliances. In 2018, audits identified 347 critical or major issues related to labour practices and health and safety and 334 further minor issues.

In 2018, the work we have been doing through our campaign Sky Ocean Rescue to remove single-use plastics has helped us to understand our supply chain in considerably more depth and has created stronger supplier relationships. Most of this work has been carried out by Sky’s manufacturing and operational enablement teams based in Hong Kong.

We aim to reach 100% suppliers, identified as high risk, with Responsible Sourcing training provided by Sky.

Raw materials

For raw materials, our biggest risks lie with metals such as gold, tungsten, tin and cobalt. We are members of the Responsible Minerals Initiative (formerly the Conflict Free Smelter Initiative), which includes a focus on forced labour, among other serious human rights abuses. We have already undertaken a child labour assessment as part of our work on conflict minerals and are currently undertaking a risk assessment of all relevant suppliers to ensure we know where all minerals are sourced and can therefore take steps to address any risks.

Corporate

Own operations

In 2018, we conducted our annual review and update of the modern slavery risk register, which reviews our activities against known risk factors for slavery. Alongside the risks discussed above, we have identified the supply chains of merchandise as a focus area for 2019.

Our Human Rights Steering Group continued to oversee our progress on understanding and addressing modern slavery risks. In addition, our human resources team established a dedicated leadership group to deepen our understanding of risks to people working for Sky and for our joint ventures.

Training

We continue to provide training to relevant teams on modern slavery. In 2018 this included briefings for senior executives, refreshed training for those handling calls to the PeoplePlus line and embedding modern slavery into new health and safety training for UK Sky Sports production teams and two purchasing teams.

Working with suppliers

We continue to work with our main facilities management supplier to improve working conditions for those on Sky’s premises involved with cleaning, catering and maintenance. The risk profile for other suppliers managed by Property Services changes throughout the year as projects are completed and new projects start. We are working to improve our monitoring of such projects and pre-contractual due diligence.

Working at industry level

Group Chief Executive Officer Jeremy Darroch is a member of the Home Office’s Business Against Slavery Forum, which aims to discuss leadership in tackling modern slavery and progressing the role business plays in supporting survivors of slavery in the UK. The business leaders’ forum is supplemented by more frequent working group meetings to which Sky is also contributing. The business leaders’ forum is supplemented by more frequent working group meetings to which Sky is also contributing.

Signed Jeremy Darroch Group Chief Executive Officer Sky Limited April 2019

This statement has been approved by the Board of Directors of Sky Limited, and includes all its subsidiaries. As set out in our Annual Report on page 123-4.