

# Sky's Modern Slavery Statement 2017



Sky is Europe's leading entertainment company, serving 22 million customers across five countries: Italy, Germany, Austria, the UK and Ireland. We employ 32,000 people, and work with over 7,000 suppliers. Our approach to modern slavery is guided by a cross-functional Modern Slavery Steering Group.

## Our commitment

We are committed to addressing the risks of modern slavery in our own operations and supply chains. Our [Ways of Working](#) set out our values as a business, make clear exactly what we expect of everyone who works at Sky and explain where to go for further help and advice, including how to raise concerns. In 2017, we updated all our relevant People policies, such as our Temporary Worker and Whistleblowing Policies to include information about modern slavery concerns. Our [Responsible Sourcing Policy](#) is an integral part of all supplier contracts and includes our expectations on preventing forced labour and human trafficking.

As part of our commitment, Sky contributes to wider activities in the industry and beyond. We are active founding members of the TV and Human Rights Working Group (as part of our role in the BAFTA Sustainability Consortium) and active members of Tech UK, playing our role in advocating for improving the quality of modern slavery reporting. We provided input to an Australian government consultation to learn more about the UK's Modern Slavery Act. Sky News has also raised awareness of human rights impacts and slavery cases through its reporting.

## Risk Assessment

Sky maintains a modern slavery risk register and actions to mitigate these risks. This year, we reviewed this register with teams in the Sky business and extended the assessment to our operations in Italy and Germany, where we have identified potential risk areas and developed action plans to address them. We also conduct ongoing risk assessments of our suppliers, a process outlined in our previous statement which you can read [here](#).

Our four focus areas remain: Our People, Production, Products and Property Services. Risks relating to Our People and Property services now have mitigations in place. In 2017/8 we are prioritising the mitigation of risks that remain in the supply chain for our Products and in Production (programme making).

## Training and awareness raising

This year we conducted modern slavery briefing sessions for colleagues in HR, Compliance, Production, Sky Sports, Procurement and relevant teams in Italy and Germany. We also briefed key individuals and teams on spotting the signs of modern slavery, including training those who handle our internal employee support line and those who manage grievance channels.

## Tracking and Monitoring

This year our supplier audit programme identified 423 agreed improvement measures, ranging from a lack of policies on forced or child labour to health and safety breaches. 190 of these have been completed so far. These range from minor to critical non-compliances. Critical issues are prioritised and suppliers are required to address these immediately. For minor issues suppliers are required to address these within 90 days. This is an ongoing process and we continue to focus on engaging with suppliers to address non-compliances. The programme identified working hours as a common challenge for Chinese factories in our supply chain, with 79 non-compliances identified. Corrective actions have been taken in 28 of these cases, with 51 non-compliances remaining at year end. This can affect worker welfare and we are seeking to understand how best to address this complex issue.

In total, suppliers that have responded to modern slavery qualification questions represent 52% of Sky's UK spend on Goods and Services. This year, we focused on our suppliers where we spend above £1 m p.a. We are reviewing our strategy to extend this assessment to all remaining suppliers.

## Focus Areas – steps taken:

### Our People

In 2016/7 we engaged our labour suppliers, joint venture partners and international news bureaux to ensure that they are aware of potential modern slavery risks and we have reviewed their due diligence practices. In 2017/8, we will review due diligence processes for our new recruitment supplier and enhance general awareness among our employees.

### Property services

The risk profile for property services changed in 2016/7 when construction of Sky's new offices completed. To mitigate remaining risks, we engaged with our main supplier of property services and reviewed their due diligence processes. We will continue to collaborate with them in 2017/8 to protect workforces subcontracted to Sky sites.

### Products

In 2016/7, we have continued to strengthen our supplier due diligence practices, focusing in particular on higher risk manufacturers in China. As part of any bid, we advise all new potential suppliers of our modern slavery requirements. We rolled out a Qualification questionnaire which includes questions on modern slavery to all new suppliers and existing suppliers, beginning with those where Sky spend is more than £1m. We have introduced internal purchasing requirements for branded items to ensure that procurement activities go through our preferred suppliers. In addition, we are using our membership of the [Electronics Industry Citizenship Coalition](#) to collaborate with other organisations on supply chains for electronic products.

We have extended our audit programme and conducted human rights, health & safety and environmental audits on 25 Tier 1 suppliers in Europe and China. These include downstream suppliers such as our refurbishment centre and recyclers that dismantle our products at end of life. We have also collaborated with our Tier 1 suppliers to audit 22 Tier 2 suppliers on human rights, health & safety and environmental impacts. As part of wider analysis of conflict minerals we reviewed child labour risks within our supply chains for tin, tungsten, tantalum and gold. This is an area we will continue to focus on as part of our Conflict Free Smelter Initiative membership next year. Also in 2017/8, we intend to improve the understanding of Sky employees working on-site with our suppliers on slavery issues and provide training to our Chinese suppliers.

### Production

In 2016/7, we embedded information on modern slavery into our pre production and commissioning processes including our production packs and agreement letters with independent production companies to help increase their awareness of potential risks. We were also one of only a few broadcasters who collaborated with the [Institute for Human Rights and Business](#) to develop a white paper on Broadcasters and Human Rights in the Sports Context. In 2017/8 we plan to increase our engagement on modern slavery with Independent Production Companies and to build our understanding of labour risks in programme making.

## Grievance and Remedy

During the year, we updated our [whistleblowing processes](#) to ensure that any concerns raised via managers, our HR support line or the Whistleblowing line / inbox are dealt with swiftly and according to a clear process. We have communicated this to our people in Our Ways of Working guide. We are also reviewing our existing crisis response plans to ensure that should any incidents of forced labour or human trafficking arise, Sky's approach will put the safety of potential victims first.

## Governance

Sky has formal governance processes and committees in place for overseeing our responsible business commitments. This is outlined in our [2016 Modern Slavery Statement](#).

This statement has been approved by the Board of Directors of Sky plc.  
Signed

**Jeremy Darroch**  
Group Chief Executive Officer, Sky plc  
July 2017