



## **STV GROUP Plc – MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT 2021**

### **Introduction**

STV is fully committed to business integrity, holds strong ethical values and displays a high degree of professionalism in all its activities and considers it crucial to conduct itself honestly, transparently and responsibly while complying with all relevant legislation, including the Modern Slavery Act 2015. It is accountable to its stakeholders not only for ensuring that governance processes are in place, but that these are operating effectively.

STV recognises that it has a responsibility to take a robust approach to slavery and human trafficking and is committed to implementing and enforcing effective systems and controls to ensure that any form of slavery is not taking place in its business or supply chains. STV is committed to creating and ensuring a non-discriminatory and respectful working environment for all its staff and to improving its practices to combat slavery and human trafficking as these are recognised to be real yet hidden issues in society. STV will not enter into business with any organisation which knowingly supports or is found to be involved in slavery or compulsory labour.

### **Organisational structure and supply chains**

STV is a public service broadcaster with its business across three core divisions: Broadcast, Digital and Studios. The Broadcast division operates two Channel 3 commercial licences in Central and the North of Scotland and commissions, produces and broadcasts news, current affairs, documentaries, and entertainment across all genres. This content is also made available via the STV Player, the Group's advertiser-funded video on demand service, operated by the Digital division. Channel 3 content available through the STV Player is geo-blocked in Scotland and so is supplemented by third party programming, licenced from external distributors, which is made available to users across the UK. As well as generating revenue from advertisers, the Digital division generates revenue direct from consumers through subscription video on demand service, the STV Player+.

STV Studios is a nations producer of TV programmes principally for UK broadcasters although with an ambition to expand internationally and to video on demand platform buyers. The division comprises eight labels of which three are in-house (one for each of drama, entertainment and factual/daytime) and the others are investments in businesses run by strong, creative leaders. STV Studios also distributes finished programmes and formats worldwide.

STV employs around 500 people in the UK across offices in Glasgow, Edinburgh, Aberdeen, Dundee, Inverness and London and as well as these employees, at any given time there will be freelancers and short term contractors engaged to support production activity principally undertaken by STV Studios but also by other areas of the business.

There is one central purchase ledger for the Group's suppliers which is operated and maintained by a dedicated purchase ledger and treasury team. New suppliers are approved by the respective business area with the aim of engaging only with reputable companies. Of our total suppliers, 97% (by number) are based in either the UK or the USA, two of the lower risk jurisdictions and none of our suppliers are operating in countries identified as being of the highest risk by the Global Slavery 2018 index.

STV's biggest supplier is ITV plc, which accounts for 40% of the Group's cost base, with staff costs (of a UK-based workforce) constituting a further 22%. The Group operates stringent equal opportunities policies for all employees and considers itself to be transparent and fair in all dealings with colleagues. STV reviews ITV's annual Modern Slavery statement to seek assurance that the appropriate safeguards and policies are in place, and there is regular dialogue between members of the senior management teams at both organisations, through the ITV/STV Council and other forums, at which specific issues in this area would be expected to be raised.

STV's supply chains include the following:

**Broadcast:** Ad-serving technology; IT support; transmission; and technology operations.

Within Broadcast, many of the suppliers are large companies, such as Vidispine and BT, which publish Modern Slavery statements and STV is involved in reviewing the annual Modern Slavery statement for the division's biggest supplier, ITV.

**Digital:** technology development; third party content providers; and ad-serving technology.

The vast majority of companies that Digital works with are international brands including Amazon, Freewheel and YoSpace, all of which publish Modern Slavery statements, as do third party content providers Sony and EntertainmentOne. There are a few smaller distribution houses that Digital has contact with, and our intention is to introduce the topic of modern slavery into negotiations with future partners to seek assurances that they have appropriate policies and practices in place to ensure a robust approach in this area.

**Studios:** clothing, equipment, props, set construction materials, vehicles, cleaning, security, construction etc.

There are many suppliers which Studios engages with and several will be smaller companies. As these may be considered higher risk for modern slavery and labour exploitation, STV is looking to improve its understanding of the extent of the risks in this area.

### **Relevant policies**

The following policies are designed to ensure there are no instances of slavery or human trafficking across the Company's operations and sets out the steps to be taken to prevent these occurring. These policies are available to all staff on STV's intranet. Where STV has either direct control of, or a majority stake in, a production company, they are required to adopt STV's policies and procedures.

- Whistleblowing policy: all employees are encouraged to report any concerns they may have about the conduct of others in the business or the way in which the business is run. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. The Company's whistleblowing policy is designed to make it easy for employees to raise their concerns without fear of victimisation or detriment.
- Business Ethics policy: this policy sets out STV's charter for ethical conduct, promoting a culture of ethical behaviour throughout the organisation and protecting the integrity of the business.
- Equality, Diversity & Inclusion policy: the purpose of this policy is to provide the framework which enables fair treatment in the workplace for all employees.
- Respect & Dignity at Work policy: this policy applies to all employees, fixed term employees, temporary contractors, contractors and freelancers within STV and covers bullying and harassment in the workplace and in any other work-related setting outside the workplace, e.g. business trips and work-related social events.
- Disciplinary policy/code of conduct: this code makes clear to employees the actions and behaviour expected of them when representing the organisation. The Company strives to maintain the highest standards of employee conduct and ethical behaviour when operating and managing its supply chain.
- Producers' Handbook: as an affiliate of ITV1, STV has adopted ITV's policy and this detailed and comprehensive handbook sets out editorial and compliance standards, taking into account Ofcom's Broadcasting Code.

Supplier on-boarding policies are currently being reviewed as work continues to ensure that STV's supply chain is sustainable by 2030 and this review will also consider modern slavery. Training will be rolled out across the business in 2022.

### **Due diligence processes**

Effective systems and controls are implemented and enforced to ensure to every extent possible, that human trafficking and slavery do not take place within the business or across any of its supply chains. Due to the nature of its business, STV is not exposed to significant risk and has assessed itself to have a low risk of modern slavery in its operations and supply chains. However, STV is not complacent and will continue to reflect on and enhance

its controls and to monitor and review its supply chains.

STV would not enter into business with any organisation, in the UK or abroad, which knowingly supports or is found to be involved in slavery, servitude and forced or compulsory labour. Through undertaking due diligence in its activities, STV seeks to ensure that it does not inadvertently support modern slavery.

STV's recruitment and people management processes are designed to ensure that all prospective employees are legally entitled to work in the UK and to safeguard employees from any abuse or coercion. When engaging talent, only reputable employment agencies are used and pre-employment checks are made, including requests for 'right to work' documents where appropriate.

STV's approach to eliminating slavery is interlinked with its sustainability strategy and a review is underway with initial supporting activities including:

- the development of environmental sustainability criteria for all suppliers;
- undertaking a review of sourcing and procurement processes to ensure that sustainability and ethical criteria can be incorporated into supply chains in the long term; and
- performing a supplier database cleanse to remove old companies and focus on those suppliers who are actively engaged with STV at present

### **Risk assessment and management**

The Company regularly reviews its policies and operating processes to ensure these provide:

- protection against discrimination;
- a fair working environment; and
- fair trading conditions that do not violate human rights.

With the introduction of IR35, a full review of STV's contracting processes was carried out with training delivered to managers who had authority to recruit, to ensure that everyone was engaged under the appropriate contract and with the appropriate status.

There is a rigorous process to identify, monitor and manage the principal risks that have been identified through the business and its supply chains. Each of the three business divisions has its own risk register and is responsible for risks in its area, supported by various Group functions including Compliance and Human Resources. The Group risk register is made up from the highest rated risks in these three registers together with the highest rated risks in both the central and cyber risk registers and all are reviewed regularly with reporting to the Audit & Risk Committee and the Board also regularly done.

### **Measuring our performance**

Each year STV issues its gender pay report that demonstrates the progress being made towards its targets in this area and is a demonstration of the Group's approach to fairness of remuneration across the employee base. On an ongoing basis throughout the year, the Group's Head of HR and CFO meet to review and discuss new appointments with a specific line of sight to equality of salary bandings compared to existing roles and equality of treatment across permanent and fixed term contract employees. Separately, and at least annually, the salary bands for each role within STV are reviewed to ensure that they reflect market movements and that people are paid fairly.

There are regular employee engagement surveys, which have been carried out more frequently since the pandemic started, and employees are encouraged to raise any issues or concerns either with their line manager, a member of the Management Board or Human Resources.

### **Training**

Ongoing training is delivered to staff to ensure that responsibility to achieve compliance with the Company's policies is understood and fulfilled. During 2019, staff with responsibility for procurement undertook training designed to raise awareness of human trafficking and slavery risks and during 2020 and 2021, Diversity & Inclusion training took place. In early 2021, STV appointed Femi Otitoju as its Diversity & Inclusion Advisor who is helping to shape, accelerate and support the delivery of STV's wide-reaching inclusion strategy. Her role touches on all areas of STV's business, providing training, guidance and new insight to STV's people, its Diversity

& Inclusion Committee and network of peer groups, which are empowered to effect positive change across the business. All of the non-executive directors were offered a one to one meeting with the Diversity & Inclusion Advisor, an opportunity which several took up.

As part of STV's work to achieve a sustainable supply chain by 2030, during 2022 awareness training will be given to those colleagues with authority to procure goods and services on behalf of STV. This training will also address modern slavery and advise the appropriate action to take if they suspect a case of slavery or human trafficking.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending December 2021.

It was approved by the Board on 15 December 2021.

This statement will be reviewed and updated every year.

A handwritten signature in black ink, appearing to read 'Simon Pitts', written in a cursive style.

Simon Pitts  
Chief Executive Officer

(Signed on behalf of the Board of Directors of STV Group plc)

15 December 2021