



Penguin
Random House
UK

Manufacturing Labour Policy

October 2016

Penguin Random House UK and DK are collectively the largest trade book publisher in the UK. As a diverse organisation operating worldwide, we are committed to ensuring all our products – both our books and our non-book products such as tote bags, mugs, and children’s toys - are responsibly and ethically sourced and manufactured.

This document outlines the manufacturing labour policy for Penguin Random House UK and DK and incorporates the requirements of our licensing partners and retailers. All of our suppliers are required to adhere to this policy.

Fair working conditions and a safe environment

We believe that all manufacturing workers have a right to good labour conditions and a safe environment as set out in the International Labour Organisation Conventions, the Universal Declaration on Human Rights and the UN Global Compact.

Our goal is to ensure that all our products are made without infringement to human rights or local laws, and to ensure good working practices are embedded throughout our value chain. We take the following steps to protect and uphold human rights in this context:

Verification, monitoring and assessment

All new manufacturing suppliers have to complete an evaluation and internal assessment of their role in our supply chain. These evaluations are then risk assessed internally. If these evaluations show there to be risk, we will ask for third party social compliance audit reports to be submitted for assessment and approval.

We assess risk by location, spend and product group to determine which suppliers will be audited. This includes:

- All manufacturing suppliers operating in non-OECD countries;
- All manufacturing suppliers where the annual spend is more than £50,000 will be audited annually, or every 18-24 months for traditional print products
- All manufacturing suppliers producing non-traditional print products will be asked for annual audits

Where an audit is deemed necessary - we ask our manufacturing suppliers to complete a third party audit against an approved code of conduct and performed by an accredited independent body. PRELIMS (Publishers Resolution for Ethical International Manufacturing Standards) is our preferred audit system. Penguin Random House UK is a founding participant of this publishing industry group.

PRELIMS has developed a four-part system to improve standards within the publishing supply chain. This includes a code of conduct (see appendix below), auditing capability with an agreed audit body, an online database and quarterly meetings to develop collective action and understanding.



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PRELIMS audits will reference the PRELIMS code of conduct, and use the SMETA audit format which is widely recognised by global companies, providing the impartial information needed for us to make our own assessment of the information, alongside the audit recommendations for corrective actions.

We understand that our manufacturing suppliers will have many customers from different industries, and so our goal is to develop ongoing improvement plans together with our suppliers. We also recognise and will accept additional third party audits, and will notify suppliers when this list is revised. The list includes but is not limited to SMETA (four pillar), ICTI, BSCI.

When we receive audit reports which show non-compliances:

- We will assess the non-compliances, categorise them by severity and create an action plan
- Suppliers are expected to resolve any non-compliances found by the audit within the time frame agreed with the audit body
- We will provide support on how to follow-up on any non-compliance
- We expect suppliers to show continuous improvement

Where suppliers are unable to fully implement a corrective action plan on major non-compliances within the allotted time frame, we will cease our relationship with the supplier in question.

PRELIMS Code of Conduct

We have committed to only working with suppliers who have signed up to the PRELIMS industry-wide environment and labour standards by 2020. These standards are set out in the PRELIMS Code of Conduct below.

Our role as UK employers

We will maintain the same principles within our UK offices and warehouses as we do in our supply chain.

Responsibilities and Review

Overall responsibility for this Policy resides with the Operations Director of DK and the Group Publishing Operations Director of Penguin Random House UK.

We will regularly review this Policy and our approach to labour standards.



Appendix A

PRELIMS SUPPLIER CODE OF CONDUCT

Introduction

Prelims is a collaboration of leading publishers who have been working together since 2003 to drive social and environmental responsibility in our product supply chain.

We now expect all our product suppliers to commit to working towards the Standards set out in this Code of Conduct.

Code Implementation

1 Publisher's Responsibility

1.1 We expect all publishers to assign management responsibility for implementation of our Code of Conduct

1.2 We expect all publishers to communicate our Code of Conduct internally and externally as well as provide relevant training to staff where necessary

1.3 We expect all the publishers to work together to ensure that shared suppliers will only have to undergo one social audit and one environmental audit against our Code of Conduct

1.4 We expect publishers to take a risk based approach to managing suppliers. This means we will only ask suppliers deemed to be a medium or high risk to undergo a full social audit and/or a full environmental audit

2 Direct Supplier's Responsibility

2.1 We define direct suppliers as being those that manage or own the sites where our products are being manufactured

2.2 We expect some direct suppliers to undergo an audit against our Code of Conduct and it is at the publisher's discretion to decide when an audit is appropriate

2.3 If a site has undergone an audit within the last year, they will not be required to undergo another of the same kind (social or environmental) as long as we are fully satisfied with the process

2.4 We expect direct suppliers to ensure all staff on-site are aware of our Code of Conduct and publically display a copy of it in the principal languages of the workforce

2.5 We expect direct suppliers to monitor standards within their own supply chain to the same standard as we expect of them and to commit to continuous improvement

3 Agent's Responsibility

3.1 We define agents as being all suppliers who act as a broker between prelims publishers and our direct product manufacturers

3.2 We expect agents to apply a risk assessment process to their suppliers and to share the results of this with us

3.3 We expect agents to conduct audits of suppliers who are deemed a medium to high risk and for the audits to be of the same standard as our Code. We expect agents to share the results of these with us

4 Open and Transparent relationships



4.1 We are committed to working closely with all our suppliers to support them in meeting the Standards set out in our Code of Conduct, and therefore strongly encourage an honest and open engagement on all the issues set out in this Code

Labour Standards

1 Child Labour

- Our suppliers will only employ those who (whichever is higher):
 - o Meet the minimum legal age for employment or leaving age for compulsory education (whichever is higher out of these two)
- OR
- o Are 15 years of age or higher
- The only **exception** to this will be in developing countries listed under ILO Convention 138 where the minimum age may be 14 years
- If child labour is found, our suppliers will remove the child from work and put in place an appropriate **remediation** procedure to ensure the welfare of the child and their gradual transition to school. It is the employer's responsibility to provide on-going financial support for the child (at a level equivalent to their salary or the minimum wage, whichever is higher), and to fund any other needs such as accommodation and training during the transition period
- Our suppliers should **verify the ages** of new employees by checking original identity documents and cross checking them with the employee's photograph, and they should keep a register of employee ages
- Our suppliers will only allow **hazardous or overnight work** to be carried out by those over the age of 18. We define 'hazardous' work as being any task that will negatively impact on the health and safety of a young person or that will harm physical, mental or social development

Our suppliers will provide health checks for workers under the age of 18, at least annually (ILO Conventions 138, 182)

2 Discipline

- Our suppliers will not tolerate an intimidating workplace or threaten to, or engage in, any form of physical, psychological, sexual, or verbal abuse against employees
- Our suppliers will establish a fair disciplinary procedure (UNDHR Articles 3 & 5)

3 Forced Labour

- Our suppliers will not use forced, bonded, indentured, compulsory or involuntary prison labour
- Our suppliers will not directly or indirectly engage in or support human trafficking, by recruiting, transferring, harbouring or receiving a worker using threat, force, coercion or deception
- Our suppliers will not require employees to lodge financial deposits or identity documents in order to secure or retain employment



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- Our suppliers will not prevent free movement of employees to and from the site or accommodation unless this will compromise their safety or the safety of other workers. Their movements will not be controlled by security guards e.g. being followed during breaks (ILO Conventions 29, 105)

4 Discrimination

- Our suppliers will, without exception, treat employees, in all circumstances, on the ability to perform their jobs, and not on the basis of any personal characteristics or beliefs of any kind
- Our suppliers will treat all potential recruits fairly
- Our suppliers will not test potential recruits for pregnancy except where required by national laws or regulations because the nature of the work is unsuitable if pregnant (ILO Conventions 100, 111, 183)

5 Wages

- Our suppliers will pay wages in line with local minimum wage laws or local industry benchmarks, whichever is higher
- Our suppliers will also strive to pay wages that meet 'basic' needs, where legal or industry standards do not do so
- Our suppliers will meet local legal requirements for overtime or local industry benchmarks, whichever is higher. Where local law does not stipulate a rate for overtime, our suppliers will pay a premium rate or local industry benchmarks, whichever are higher
- Our suppliers will provide all employees with written terms of payment as well as pay slips covering each pay period
- Our suppliers will provide all employees with mandated benefits as required by local law
- Our suppliers will only make deductions from wages if:
 - they are required to do so by national laws i.e. social security contributions;
OR
 - the employee has been told about the grounds on which the deduction is being made, and the extent of the deduction, in advance
AND
 - The employee has consented to the deduction in writing
AND
 - The deduction is in accordance with local laws
AND
 - The deduction is fair and reasonable meaning that it does not compromise the employee's ability to ensure a decent living income for themselves and their family or bring their total remuneration below the minimum wage level
(ILO Convention 95)

6 Hours

- Our suppliers will comply with local laws on working hours, or local industry benchmarks, or ensure a standard 48 hour working week, whichever affords workers greater protection



- Our suppliers will comply with local laws on overtime, or not allow more than 12 hours of overtime a week on a regular basis, whichever affords workers greater protection
- Our suppliers will provide at least one day off after every 6 consecutive days of work unless local laws stipulate otherwise, in which case suppliers must meet the higher requirement (ILO Convention 1, 14 and UNDHR, Art 24)

7 Freedom of Association/Collective Bargaining

- Our suppliers will not interfere in the right to form or join a trade union and will create an open environment for trade union activities and will not discriminate against trade union members
- Where local law does not allow for free association or collective bargaining, our suppliers will not hinder parallel means of association and bargaining (ILO Conventions 87, 98)

HEALTH AND SAFETY

- Our suppliers will appoint a senior manager to oversee the implementation of health and safety requirements at each facility
- Our suppliers will maintain a clean, safe and healthy work place that comply with all local legislation and includes access to toilet and drinking water facilities. Our suppliers will extend the same standards to both on and offsite accommodation provided for their workforce
- Our suppliers will put reasonable measures in place to prevent fire, accidents, injuries, and causes of hazards in a working environment
- Our suppliers will provide relevant information, instruction, and training for all employees, to ensure health and safety onsite and to raise awareness of potential risks
- Our suppliers will provide, where necessary, protective clothing and equipment to prevent accidents and exposure of employees to hazards
- Our suppliers will provide measures to deal with emergencies and accidents, including first-aid arrangements
- Our suppliers will communicate emergency and evacuation procedures to workers in a language that the workers understand
- Our suppliers will designate a safe assembly point for emergency situations
- Our suppliers will run regular evacuation drills (ILO Convention 155)

ENVIRONMENT

1 Management Systems

- Our suppliers will have a written plan for managing environmental impacts, including targets
- Our suppliers will measure and track their environmental impacts
- Our suppliers will create organisational responsibility for environmental management.
- Our suppliers will take practical steps to reduce their environmental impacts
- Our suppliers will obtain all permits and waste receipts required by local and national law and keep them on file to demonstrate legal compliance
- Our suppliers will ensure that trained personnel are in place to manage environmental impacts

2 Energy



- We are committed to reducing energy consumption throughout our supply chain so that we can minimise our contribution to rising greenhouse gas emissions.
- Our suppliers will continuously measure, record and track consumption of electricity, gas, and fuel on site, including for transportation, from all sources, and from any on-site power generation
- Our suppliers will set targets to reduce consumption of energy and start a programme to achieve the reduction
- Our suppliers will carry out projects to reduce energy consumption onsite

3 Water

We are committed to reducing water consumption throughout our supply chain so that we can minimise our contribution to water scarcity.

- Our suppliers will continuously measure, record and track consumption of water onsite, for both domestic and industrial processes, and from all sources – municipal mains, groundwater (boreholes and wells), and surface water (rivers, lakes)
- Our suppliers will set targets to reduce consumption of water and start a programme to achieve the reduction
- Our suppliers will carry out projects to reduce water consumption onsite

4 Wastewater

We are committed to minimising pollution from wastewater in our supply chain.

- Our suppliers will reduce the volume and impact of wastewater by substituting potentially hazardous substances used in processing, and reduce the volume of wastewater requiring treatment by segregating liquid effluents (e.g. stormwater from process effluent)
- Our suppliers will treat wastewater in a fully functioning effluent treatment plant (ETP) either on-site or in a shared ETP off-site before discharge
- Our suppliers will measure, record and track wastewater volume and quality by collecting samples from the final discharge points
- Our suppliers will ensure that wastewater leaving the site meets the IFC Effluent Guidelines for Printing and all applicable local and national laws (see Annex A)
- Our suppliers will if discharging to a central ETP, have on file valid permits to do so, and test reports that show compliance with the central ETP's requirements

5 Hazardous Substances

We are committed to reducing the release of hazardous substances into the environment and where possible, substituting substances that pose a concern with safer alternatives.

- Our suppliers will continuously measure, record and track use of hazardous substances
- Our suppliers will keep an inventory of hazardous substances used, handled, transported and stored onsite, including their quantities and where they have been bought from
- Our suppliers will have Material Safety Data Sheets (MSDSs) available in the local language for all hazardous substances used onsite
- Our suppliers will ensure there are measures to prevent exposing workers to hazardous substances (via inhalation or dermal contact) and contaminating the environment. This should include:



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1. **Training** for workers who handle hazardous chemicals on how to do so safely; personal protective equipment (PPE) for workers
 2. **Clear labelling** of all hazardous chemical containers
 3. **Secure storage** of hazardous chemicals in areas with spill prevention/secondary containment controls
- Our suppliers will **communicate emergency procedures** to workers and follow them in the event of a spill or release
 - Our suppliers will make sure that all chemicals used in the manufacturing of our products **comply with our publishers' Restricted Substances Lists**
 - Our suppliers will take steps to reduce the use of hazardous substances through **efficiency, avoidance, and substitution** with safer alternatives e.g. water based adhesives and inks instead of solvent-based

6 Air Emissions

We are committed to minimising local air pollution from factories in our supply chain.

- Our suppliers will continuously **measure, record and track emissions** generated by any onsite combustion
- Our suppliers will **keep records** of annual **solvent consumption**
- Our suppliers will continuously **measure, record and track process emissions** and ensure emissions of volatile organic compounds (VOCs), Particulates, nitrogen oxides (NOx) and Isocyanates meet the Air Emissions Levels for the Printing Industry, stipulated by the IFC (see Annex B)
- Our suppliers will conduct **periodic air quality testing** to capture air quality on the factory floor
- Our suppliers will **minimise**, and as appropriate, **treat** before release, all **emissions to air** that have potential to adversely affect human health and/or the environment
- Our suppliers will develop a **solvent management plan**, set targets to reduce emissions to air and identify options to achieve the reduction
- Our suppliers will **select materials or processes** with no or low demand for VOC-containing products
- Our suppliers will **avoid or minimize VOC losses** through process modifications and solvent vapour recovers
- Our suppliers will implement **secondary controls**, as necessary, to address residual emissions
- Our suppliers will keep a **list of all air emissions points** within the factory and which substances are emitted at each point
- Our suppliers will **install air extraction devices** in areas of the factory where fumes or particulates (including dust) are generated and can be inhaled by workers

7 Raw Materials

We are committed to a long-term goal of tracing the raw materials in our products back to source.

- Our suppliers will **maximise efficiency** of non-renewable material use to avoid unnecessary consumption of resources
- Our suppliers will **use renewable materials** where possible



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- Our suppliers will **trace raw materials** back to the mill where were produced and be able to provide the brand name of the paper that the mill uses

8 Solid Waste

We are committed to minimising wastage in our supply chain, across all material types.

- Our suppliers will continuously **measure, record and track** the types and amount of **solid waste** produced by the factory, for all solid waste streams including: paper and board, plastics, metal, glass, wood, chemicals, plates, inks, toner cartridges, lacquers, glues, adhesives, general (domestic), sewage sludge if there is onsite wastewater treatment, and any other hazardous waste
- Our suppliers will have **systems** in place to ensure the **safe handling, movement, storage, recycling, reuse, or disposal** of waste
- Our suppliers will set **targets** to reduce solid waste production and start a programme to achieve the reduction
- Our suppliers will attempt to **reduce, re-use and recycle** for each waste stream (hazardous and non-hazardous)
- Our suppliers will **track the disposal route** for each waste stream
- Our suppliers will ensure **safe and legal disposal** of hazardous waste using licensed waste contractors only

9 Noise

- Our suppliers will conduct **periodic noise level testing** and as appropriate, employ noise prevention and control strategies and provide appropriate PPE for workers
- Our suppliers will ensure they meet the Noise Level Guidelines stipulated by the IFC (see Annex C)



ANNEXES

A: IFC Effluent Guidelines

Pollutants	Units	Guideline Value
pH	--	6-9
COD	mg/L	150
BOD ₅	mg/L	30
Total Phosphorus	mg/L	2
Total Suspended Solids	mg/L	50
Oil and Grease	mg/L	10
Aluminum	mg/L	3
Cadmium	mg/L	0.1
Chromium Hexavalent	mg/L	0.1
Total		0.5
Copper	mg/L	0.5
Iron	mg/L	3
Lead	mg/L	1
Silver	mg/L	0.5
Zinc	mg/L	0.5
Cyanide	mg/L	0.2
Adsorbable Organically-bonded Halogens (AOX)	mg/L	1
Toxicity	To be determined on a case specific basis	
Temperature increase	°C	<3*

* At the edge of a scientifically established mixing zone which takes into account ambient water quality, receiving water use, potential receptors and assimilative capacity



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B: IFC Aim Emissions Guidelines

Table 1. Air Emission Levels for Printing Industry		
Pollutants	Units	Guideline Value
VOCs	mg/Nm ³	100 ^{a,b}
		20 ^{a,c}
		75 ^{a,d}
		100 ^{a,e}
Particulates	mg/Nm ³	50 ^f
NO _x	mg/Nm ³	100 - 500 ^g
Isocyanates	mg/Nm ³	0.1 ^h
NOTES: ^a Calculated as total carbon ^b Heatset web offset printing with 15-25 tonnes / year solvent consumption ^c Heatset web offset printing with >25 tonnes / year solvent consumption ^d Publication rotogravure with >25 tonnes / year solvent consumption ^e Other rotogravure, flexography, rotary screen printing, laminating, or varnishing units (> 15 tonnes / year solvent consumption) rotary, screen printing on textile/card-board (> 30 tonnes / year solvent consumption) ^f As 30 minute mean for contained sources. From all processes / activities. ^g As 30 minute mean for contained sources. From turbines, reciprocating engines or boilers used as VOC abatement equipment. ^h As 30 minute mean for contained sources, excluding particulates, and expressed as NCD. From all processes / activities using isocyanates.		

C: IFC Noise Level Guidelines

Receptor	Table 1.7.1- Noise Level Guidelines ⁵⁴	
	One Hour L _{Aeq} (dBA)	
	Daytime 07:00 - 22:00	Nighttime 22:00 - 07:00
Residential; institutional; educational ⁵⁵	55	45
Industrial; commercial	70	70