



Our Green Pledge

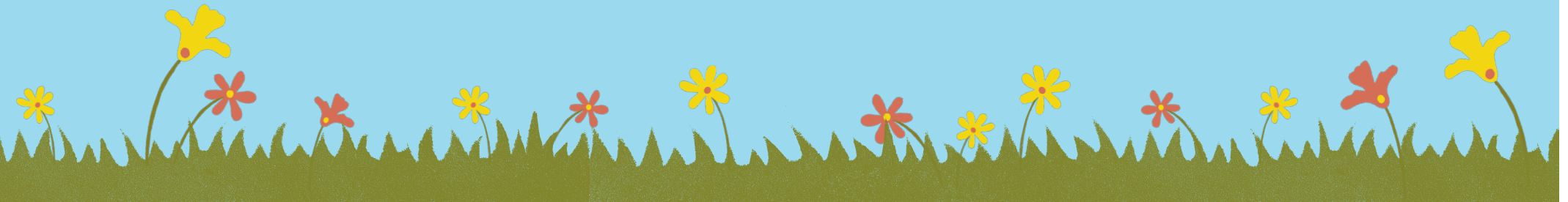
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At DK, we recognise our responsibility to take mindful action on behalf of our planet to combat the climate emergency. Our Green Pledge breaks down the positive actions we are taking to create and maintain a truly ethical supply chain, considering the materials we use, the safety of our products, and the people that make our products. We are dedicated to reducing the environmental impact of our operations and are working towards our target of becoming climate neutral by 2030.

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A handwritten signature in black ink, appearing to read 'SHH', followed by a long horizontal line extending to the right.

Shaun Hodgkinson, Chief Operating Officer



Materials



We are committed to the **ethical sourcing** of materials throughout our supply chain and seek to actively prevent deforestation through the responsible sourcing of paper and board used in our products, and are steadily working to reduce our use of plastic.

Our story so far...

- 🍃 **100%** of the paper used in our products is Forest Stewardship Council® (FSC) certified and **100%** of the board used is either FSC or recycled. We believe FSC is the gold standard in certification schemes promoting responsible forest management and protecting the rights of indigenous populations. We do not use any illegal or unsustainable wood fibres in our products.
- 🍃 In our UK warehouse we use FSC paper tape to seal our cartons, which are made from 100% recycled materials.
- 🍃 We have now fully mapped and measured single- and multiple-use plastics in our value chain and in our products.
- 🍃 We have removed **4.2 tonnes** of single use plastic from our UK distribution processes (**a 46% reduction**) every year since 2019.
- 🍃 The WWF Timber Scorecard assessed businesses on their product sourcing policies and performance, continuously awarding us the **highest rating of 3 Trees**.

What's next?

- 🍃 Our goal is to further **reduce the volume of single-use plastics** in our products, distribution and marketing. We have audited our value chain and will set a global plastic reduction target during 2021.
- 🍃 We are supporting **LEGO's REDO programme** which seeks to eliminate all single-use plastic from the packaging of LEGO branded products by 2025. We're developing our formats and will be trialing new designs in support of this goal.
- 🍃 We are working with our manufacturing suppliers to **increase the volume of recycled and FSC content** used in our export packaging and have challenged them to move to FSC paper based tape by the end of 2023.
- 🍃 We are undertaking further research into the sustainability credentials of a broad variety of materials that we use including **vegetable inks**. We will work collaboratively across the industry to support this research

Environment



We work to **minimise our impact** on the environment, whether that is in our supply chain, our warehouses or in our offices.

Our story so far...

- 🌿 We have monitored our **carbon footprint** since 2014, and by 2018 had reduced it (across Scopes 1, 2 and 3) by 29% by moving to renewable energy sources and increasing energy efficiency in our offices, amongst other activities. Our UK locations, German office and US warehouse already use 100% renewable energy.
- 🌿 Our new UK office has been awarded a **BREEAM** (Building Research Establishment Environmental Assessment Method) **score of Excellent**. BREEAM is the world's leading sustainability assessment method for measuring and reducing the environmental impact of buildings.
- 🌿 Colleagues in global offices have formed **volunteer committees**, working towards improving the day-to-day environmental habits and culture of our workplace.
- 🌿 We actively support the work of the **Publishers' Association Sustainability Taskforce** to establish common reporting frameworks and ethical standards across the industry and to create greater transparency and clarity around the carbon footprint and environmental impact of different materials so publishers and suppliers can make informed decisions.
- 🌿 Under our **Trees for Careers** programme, working in partnership with **One Tree Planted**, we plant one new tree for every new starter, and the corresponding number of trees for colleagues reaching career milestones (for example, five trees to mark five years of service). We planted 1,741 trees around the world in 2020.

What's next?

- 🌿 We are committed to becoming **climate neutral** across our direct operations, indirect operations, global supply chain, and production processes by 2030.
- 🌿 In our direct operations, we are focusing on improving the energy efficiency of our offices and warehouses. We're aiming to source **renewable energy for all of our global offices** by the end of 2022.
- 🌿 Our UK warehouse is working toward achieving ISO 14001 by the end of 2022, and working on energy efficiency improvements, such as installing **solar panels** during 2021.
- 🌿 We're collecting **environmental data from all of our Tier One suppliers** and will use this information to guide meaningful carbon reduction conversations with suppliers in support of achieving our climate neutral target.
- 🌿 We ask our suppliers to have **ISO 14001 certification**, the international standard for environmental management systems, and will make this a mandatory requirement by the end of 2023. 95% of our top 20 suppliers already hold this accreditation.
- 🌿 Our volunteer committees continue to develop new initiatives to promote a greener workplace and we're developing a set of guidelines to promote sustainable behaviours when we return to office working, including reviewing our business travel policy.
- 🌿 Only where we cannot avoid or reduce emissions will we invest in carbon offsetting.



Safety



Ensuring product safety is integral to the design, development and manufacture of all of the products that we create. We have a long established and effective **Global Compliance Programme** in place, which has been developed to ensure conformity with all applicable current regulations for the markets into which we regularly sell.

Our story so far...

- 🍃 We have a dedicated resource for **product safety**, setting policy and processes to ensure that our products are physically, mechanically, chemically and environmentally safe and compliant.
- 🍃 We monitor **international safety legislation**, and ensure that requirements are incorporated into our policies and processes.
- 🍃 We have created and maintain a live '**product safety manual**' that is regularly reviewed by our internal legal teams and verified by our third party testing partners.
- 🍃 We ensure that our suppliers use only **compliant substrates and materials** and have an annual monitoring programme in place to ensure compliance.
- 🍃 We use independent fully accredited third party **safety testing providers** to verify physical, mechanical and chemical compliance.
- 🍃 We seek to actively **eliminate harmful chemicals** in advance of legislative changes (e.g. we stopped using Benzophenone in 2015).

What's next?

- 🍃 We're relaunching our internal **Product Safety Manual** during 2021 to improve user experience.
- 🍃 We're updating our internal product safety training programme to **support ongoing staff development**.
- 🍃 We're supporting the work of the Book Chain Project's Chemicals and Materials tool to **improve substance level transparency** within our supply chain.



Sustainable supply chains



We take **positive action** to respect human rights and are committed to ensuring fair labour throughout our supply chain.

Our story so far...

- 🍃 All suppliers are required to adhere to our **Supplier Code of Conduct** and our **Manufacturing Labour Policy**, helping to ensure that all our products are made without infringement to human rights or local laws.
- 🍃 Suppliers in higher risk areas are required to participate in an **annual ethical audit** as part of our ongoing assessment of performance to ensure they continue to meet our standards.
- 🍃 We perform a number of **spot checks** and **site visits** throughout our supply chain each year.
- 🍃 We work with suppliers to **promote sustainable compliance**, helping them to build capacity and drive up standards.
- 🍃 When non-compliances are identified, we work with suppliers to resolve issues. They should show continuous improvement and implement a corrective action plan within an agreed timeframe or we will cease our relationship.
- 🍃 Our **Modern Slavery Statement** is published annually.
- 🍃 We have been members of the **ICTI Ethical Toy Programme** since 2017.
- 🍃 We are a **Living Wage Employer**, and we adhere to the principles of our **Code of Conduct**.
- 🍃 We have shared **ethical guidelines** specifying minimum compliance requirements for subcontractor and outsourcers in the supply chain.
- 🍃 We have fully mapped our Tier 1 and Tier 2 suppliers

What's next?

- 🍃 We are supporters of the Book Chain Project's beyond audit programmes which are currently focused on improving health and safety in factories and providing guidance for the **responsible recruitment of migrant workers**.
- 🍃 We have begun work to map our Tier 3 and 4 suppliers.
- 🍃 We are rolling out the **IETP Social Impact Assessment** to suppliers in lower risk regions, supporting better understanding of the effectiveness of management systems for labor standards in their businesses and in their supply chains.