



Modern Slavery Statement

This statement is published in accordance with the Modern Slavery Act 2015 and sets out the steps taken by Dorling Kindersley Ltd during the year ending December 31st 2018 to prevent Modern Slavery in our business and supply chain.

INTRODUCTION

The UK Modern Slavery Act 2015 requires companies to explain on an annual basis how they address the issue of modern slavery and human trafficking in their global supply chains.

This legislation aims to encourage positive action within companies' business practices and to deliver greater transparency. Modern Slavery is a broad term used to cover a number of offences including forced labour, child labour, domestic servitude, human trafficking and workplace abuse.

A number of factors may indicate that an individual is being held in servitude or subjected to forced or compulsory labour.

These may include violence or threats of violence, and nonviolent coercion such as threats to expose the worker to authorities, withholding documents, restriction of movement, debt bondage or the withholding of wages.

DK has a zero tolerance approach to Modern Slavery in all forms and is committed to ensuring fair labour within our business and our supply chain. During 2018 we reviewed our end to end supply chain assessment and monitoring process to ensure that we have an effective strategy to identify and respond to areas of risk.

DK is a world leading illustrated book publisher. In 2018 we had:



43.6m

books printed.



840+

colleagues worldwide, across 10 global locations.



60+

languages that we published in.



35+

awards for our books and publishing programmes.

OUR BUSINESS

DK was founded in London in 1974 and is now the world leading illustrated publisher and a member of the Penguin Random House division of Bertelsmann.

DK publishes highly visual, photographic, illustrated non-fiction for adults and children. DK produces content for consumers in over 100 countries and over 60 languages, with offices in the UK, India, US, Germany, China, Canada, Spain and Australia.

DK's aim is to inspire, educate and entertain readers of all ages, and everything DK publishes embodies unique DK design approaches. DK brings unrivalled clarity to a wide range of topics, with a unique combination of words and pictures, put together to spectacular effect.

The principles of fair labour are embedded in our organisation and that of our parent company Bertelsmann. We believe that all workers have a right to fair labour conditions and a safe environment as set out in the International Labour Organisation (ILO) conventions, the Universal Declaration of Human Rights and the UN Global Compact.

DK is a Living Wage employer. Within our directly managed operations we adhere to the principles of our [Code of Conduct](#) for permanent, contract and agency workers.



We are a diverse organisation operating worldwide and are actively committed to ensuring that all our products are responsibly and ethically sourced.

We procure services from a wide variety of providers which encompass the manufacturing, storage and distribution of our publishing, audio and digital content.



87

operational suppliers (i.e. manufacturers, freight, repro etc).



19

countries where our suppliers operate.



50

countries that goods were delivered to.

OUR SUPPLY CHAIN

All our business partners are required to comply with and implement the Penguin Random House **Supplier Code of Conduct**.

The code sets out mandatory minimum requirements for our partners in their business relationship with DK and includes stipulations regarding the prevention of Modern Slavery.

In addition, our **Manufacturing Labour Policy** sets out our commitment to ensure that all our products are made without infringement of human rights or local laws, and to ensure good working practices are embedded throughout our supply chain. All our Manufacturing suppliers are required to comply with the Policy and are asked to sign a Manufacturing Agreement confirming this. Further the Manufacturing Agreement includes specific obligations for suppliers to comply with the Modern Slavery Act.

DK has recognised the ICTI Ethical Toy Programme (IETP www.ethicaltoyprogram.org) since 2008, and have been full members since 2017. The IETP provides us with a range of tools and resources that help us to manage ethical risks at the factories we source from. Importantly, membership provides us with improved access to and transparency of real time audit findings, allowing us to act quickly should non-compliances be identified. IETP certification includes detailed criteria for manufacturers to ensure that no forced, child, involuntary or prison labour is used, no recruitment fees are charged, and all overtime is voluntary. It provides capability building and training programs, factory education, peer to peer learning, worker wellbeing programmes and a worker helpline which supports workers and drives continual improvements at the factory level. In addition, membership provides us access to IETP's expert special investigation team, working on-the-ground to solve problems and engaging factory management.

RISK MONITORING & DUE DILIGENCE



Within our supply chain we monitor and assess risk by location, spend and product group using internationally recognised risk indices.

We do this in line with industry standards and consider specific requirements from our customers and licensed partners.

We use The Book Chain Project's Country Risk Tool which assesses geographic risk based on key corruption, governance, environmental and human rights indices - providing a high or low risk categorisation.

During 2018 we reviewed our end to end due diligence process with a view to strengthening the checks and measures we have in place. As a result we have upgraded the metrics recorded in our internal Fair Labour Assessments, introduced comprehensive supplier visit checklists for higher and lower risk countries and clarified our procedures for the internal handling of non-compliances.

AUDITING, ASSESSMENT & COMPLIANCE

As part of our long established compliance programme, suppliers based in higher-risk locations are required annually to share a full ethical audit report for review and to maintain transparency and integrity throughout this process. We recognise and accept audits from the ICTI Ethical Toy Program, SEDEX and BSCI frameworks.

We then perform an internal fair labour assessment which categorises any non-compliances by severity, informing our own responsive action plan. We expect suppliers to resolve non-compliances within a timeframe agreed with the audit body. Suppliers are expected to show continuous improvement. Where a supplier is unable to fully implement a corrective action plan on major non-compliances within the allotted time frame we will cease our relationship with that supplier.

In 2018 we introduced a new Ethical Supply Chain questionnaire for suppliers in lower-risk countries that would not usually be required to participate in an audit. This allows us to collate and review data on the suppliers' approach to Modern Slavery compliance.

When a new supplier is provisionally approved we endeavour to visit that supplier in person. This is a key part of our assessment, providing a level of consistency which, in addition to audit reports and finance checks, allows us to develop a more reliable assessment of the supplier's management systems and the culture of the organisation. We continue to 'spot check' existing suppliers through random site visits. 22 site visits took place in 2018, 6 in lower risk locations and 16 in higher risk locations.

To understand how effective our policy and approach is in combating Modern Slavery and human trafficking within our supply chain, we continue to monitor the number of non-compliances, or observations that imply or demonstrate potential for Modern Slavery. In 2018 we performed 165 Fair Labour Assessments on 89 suppliers. We identified no Modern Slavery indicators in 2018.

TRAINING

Every year the updated Modern Slavery Statement is shared with every employee via our internal intranet.

All staff are required to participate in Code of Conduct training on joining the business as part of their induction. This helps them to understand our ethical stance and how it should be applied in our daily business activities. This training provides information on our confidential whistleblowing policy. Staff are expected to report any concerns, including those related to human rights violations, to the Ethics and Compliance team who will investigate all allegations and take appropriate action.

Introductory Ethical Supply Chain training takes place as part of the induction process for all new colleagues working within our production teams.

In 2018 all members of the Production team took part in end to end Ethical Supply Chain training, which covers Modern Slavery Risks, as part of a roll out of our updated procedures.

INTEGRATING STANDARDS WITHIN OUR BUSINESS

DK places high regard on the ethical and legally compliant conduct of the company and its employees with each other and our business partners.

In line with this, in the second half of 2018 DK reorganised its Integrity and Compliance function and programme, appointed the Group Legal Director as DK Integrity and Compliance officer with responsibility for overseeing compliance risk assessments and implementation of relevant corporate guidelines.

We have integrated our Manufacturing Labour Policy and our Supplier Code of Conduct with our purchasing strategy, to ensure we check and approve all suppliers prior to manufacture and include ongoing compliance in service levels reviews. We use a central operational database to ensure that work cannot be placed with suppliers who have not been approved.

Our production and procurement teams meet regularly to ensure that ethical criteria are addressed as soon as possible as part of establishing a new supplier relationship. We believe this creates a culture where upholding ethical principles is seen as central to our relationship with our suppliers.

This statement is approved by the DK Executive Board.



Ian Hudson
DK CEO
April 2019