



Modern Slavery Statement 2020

Penguin Random House Australia Pty Ltd (**Penguin Random House Australia**) is Australia's largest trade book publisher and distributor.

We exist to connect the world with the words that matter, through books that spark thoughts, dreams, conversations and learning.

Consistent with our values, we condemn forced or child labour and any form of exploitation or discrimination.

This Modern Slavery Statement is made for the year ending 31 December 2020 in accordance with the Modern Slavery Act 2018 (Cth) (**Act**) and is approved by the Board of Penguin Random House Australia. Each year, our statements will build on our actions to assess and address risks of modern slavery as defined in the Act and beyond.

1. About Penguin Random House Australia and its suppliers

We are part of the Penguin Random House group of companies, the world's largest trade publisher. Penguin Random House Australia is ultimately owned by the global media, services and education company Bertelsmann SE & Co KGaA (**Bertelsmann**).

We employ 380 FTE staff (as at 31 May 2021) across Australia, primarily in Melbourne and Sydney. Our warehouse and distribution division operates from Melbourne.

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

We adhere to our [Code of Conduct](#), including the principle of ensuring that fair working conditions is an integral part of our corporate culture. This Code of Conduct applies to all Penguin Random House companies worldwide and Bertelsmann controlled entities.

2. Our supply chain and modern slavery risk

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

We generally have long term relationships (ie, more than five years) with our suppliers.

Our suppliers predominantly operate within Australia except that we and our related Penguin Random House group companies engage some large printing companies operating from the United States, China and Japan.

According to the Global Modern Slavery Index, the goods that we source directly or indirectly from China present a higher risk of modern slavery. In the first tier of our supply chain, this includes books printed in China. The second tier of our supply chain includes products that our Australian suppliers provide, which may be made from materials sourced from China and other higher risk jurisdictions.

3. Assessing and addressing modern slavery risk

We are actively committed to ensuring that all our products are responsibly and ethically sourced.

Our practice of engaging suppliers includes an agreement to comply with the [Penguin Random House Supplier Code of Conduct](#), which prohibits using or tolerating any form of forced or child labour.

Printing suppliers have also committed to the Book Chain Project's Publishing Industry Code of Conduct for labour standards. Under this Code, the printing suppliers agree:

- not to use forced, bonded, indentured or compulsory labour, or involuntary prison labour;
- not to withhold payments of wages to workers;
- not to directly or indirectly engage in or support human trafficking;
- not to require employees to pay recruitment costs or fees, or lodge financial deposits or identity documents to secure or retain employment; and
- not to prevent free movement of employees.

Printing suppliers are also required to undertake annual approved and independent audits against this Code. These audits include full access to (a) the site for inspection, (b) full, transparent records and (c) randomly selected employees for confidential interviews.

The audit reports also confirm whether suppliers have written policies prohibiting modern slavery and provided training to relevant staff. Where an audit reveals minor non-compliances not directly related to modern slavery, we expect that the issues are addressed and reported.

Through the Book Chain Project, all member publishers (including other key publishers) have access to the audit results.

We have a zero tolerance to modern slavery in all forms and have a policy of ceasing our relationship with any supplier that participates or condones modern slavery.

4. Assessing our actions and next steps

Our review of audit reports have not identified any indication of modern slavery. The audit reports also show that printing suppliers have promptly addressed minor non-compliance issues (not directly related to modern slavery).

We will review our approach to assessing and addressing modern slavery risk to identify areas for improvement. This includes:

- a review of our due diligence processes for the second tier of our supply chain;
- post-induction training for staff responsible for procuring goods and services; and
- a review of our expectations on suppliers beyond our code of conduct.

Julie Burland
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