



Penguin  
Random House  
Australia

## Modern Slavery Statement 2021

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 2021 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**). Penguin Random House Australia does not have any subsidiary entities.

We employ 379.1 FTE staff (as at 31 May 2022) 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 remain 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 remain 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 also remain 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 has not identified any indication of modern slavery. However, we have noticed that some overseas printing suppliers have extended overtime hours for workers due to employee shortages and shorter delivery cycles. Although overtime is voluntary and workers are provided overtime pay, these printing suppliers have committed to taking measures to reduce workers' overtime, such as improvements in training of new staff, forecast and production plans, recruitment methods and/or investing in new equipment to improve production efficiency.

We will monitor the progress of these plans in light of the potential impact of global supply chain issues on working conditions.

In reviewing our second tier of our supply chain, we discovered that the source of materials for some once-off, low-value merchandising was not readily available, largely due to the ad hoc and variable nature of these purchases (also at relatively short notice). As a result, we have instructed our suppliers to only source merchandise where we can obtain information and assurances on the supply chain, particularly with respect to labour conditions.

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

- refresher training for staff responsible for procuring goods and services; and
- a review of our procurement practices for the second tier of our supply chain.

*Julie Burland*

Julie Burland (Jun 14, 2022 15:21 GMT+10)

Julie Burland  
Chief Executive Officer, Penguin Random House Australia