

Modern slavery statement 2020

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Introduction

This statement has been published in accordance with the Modern Slavery Act 2015. It explains Bonnier Books' processes to prevent modern slavery and human trafficking within its business and supply chains.

Definition of modern slavery

Modern slavery is defined as the recruitment, movement, harbouring or receiving of children, women, or men using force, coercion, abuse of vulnerability, deception, or other means for the purpose of exploitation. It is a crime under the [Modern Slavery Act 2015](#) and includes holding a person in a position of slavery, servitude forced or compulsory labour, or facilitating their travel with the intention of exploiting them soon after.



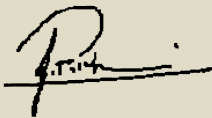
Bonnier Books UK statement

Bonnier Books UK is part of Bonnier Books – which is owned by the Swedish media company, Bonnier Group. The governance strategy of Bonnier Books embodies its core values: freedom of speech; power of the individual; commitment of a family-owned business; and a passion for books. Our commitment to the Modern Slavery Act of 2015 forms an essential part of our values. This report highlights our efforts to eradicate modern slavery and human trafficking from every part of our business. Any form of slavery forced, or bonded labour and human trafficking is unacceptable, and we are committed to combat any issues within our business and supply chain by reviewing our business practices regularly and closely collaborating with our manufacturing partners.

In 2020, we produced over 30 million books at 60 suppliers, delivering to 400 customers and many readers across the world. We employ 300 people across our trade and mass-market division sites. We understand that modern slavery is a global challenge which is constantly evolving. However, we strive to achieve the highest ethical standards, incorporating integrity and transparency into all our business operations. We challenge ourselves to achieve improvements through sound policies, with the aim of eradicating modern slavery completely from our supply chain.

Impact of COVID-19: Our global suppliers all had to close in the early part of 2020, and many aspects of our operational cycle were paused. As lockdowns across the world took hold, it has not been an easy period for any business. Additionally, the ability to conduct audits and supplier visits became impossible during this period. Nonetheless, our robust approach in upholding our policies has prevailed as much as realistically possible.

Board approval date: 22/9/2021



Jonathan Perdoni

COO/CFO Bonnier Books UK

Organisational structure

Originating from Stockholm, Bonnier Books is currently active in Sweden, Finland, Denmark, Norway, UK, Germany and Poland. **Bonnier Books UK** forms part of Bonnier Books' overall book publishing and retail activities, ranging from traditional and digital first publishing, to bookstore chains, paperback retailers, and digital subscription services. The publishing arm of Bonnier Books consists of several publishing houses. Together, these publishing houses provide readers with everything from award-winning contemporary fiction to children's books, illustrated non-fiction and innovative audiobooks.

Bonnier Books' policies and governance

Bonnier Books promotes within its operations four core values: freedom of speech, the power of the individual, commitment of a family-owned company, and passion for books. **Bonnier Books UK** incorporates those values in three governing documents for ethical business relations.

- Book Chain Project Code of Conduct
- Code of Business Ethics
- Production Policy

Book Chain Project (BCP) Code of Conduct

Bonnier Books is an active participant of The Book Chain Project, a forum for publishers to assess forest sourcing, labour and environmental workstreams, chemicals and materials within its supply chain. Regarding labour standards, the **Labour and Environment Workstream** module is an essential part of our efforts to monitor manufacturing practices within our supply chain. All suppliers are required to work towards the standards set out in this module, which includes areas such as child labour, discipline, forced labour, discrimination, wages, work hours, freedom of association and collective bargaining. They also include standards relating to occupational health and safety and the environment. The Book Chain Project hosts the publishing industry **Code of Conduct**, which states publishers' commitments to their suppliers and what is expected in return. It is based on internationally recognised standards and laws, including the ILO conventions, the UN Declaration of Human Rights and the ETI base code. It stipulates publishers' expectations around labour practices and environmental management, subcontracting, land and indigenous people's rights and is regularly updated.

Book Chain Code of Conduct, Clause 3: Forced Labour specifically outlines our requirements regarding Modern Slavery.

- Our suppliers will not use forced, bonded (debt bondage), indentured, compulsory or involuntary prison labour, nor withhold payments of wages to workers.
- Our suppliers will not directly or indirectly engage in or support human trafficking, by recruiting, transferring, harbouring, or receiving a worker using violence or

threats of violence, force, non-violent coercion such as threats to expose the worker to authorities, or deception.

- Our suppliers will not require employees to lodge financial deposits or identity documents to secure or retain employment.
- 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.

The Labour and Environment Workstream encourages suppliers to share ethical audits with all publishers on the Book Chain platform (including ICTI, SMETA, SA 8000, WCA and BSCI Amfori). Suppliers are also able to self-assess through an **Environmental Questionnaire**. The Environmental Questionnaire covers topics from water to waste, energy source and consumption, and chemical use and disposal.

Code of Business Ethics

Bonnier Books' Code of Business Ethics embodies key standards of business conduct and ethics that all employees and Board of Directors must follow. Examples are anti-corruption, trade sanctions, support of fair competition, confidentiality, human rights, and whistleblowing. These apply internally and externally with suppliers, customers, and other stakeholders (consultants and advisors). These standards are based on sound business practices and encourage a high degree of personal and professional integrity. For each business unit within Bonnier Books, the respective management team is responsible for implementing and monitoring the guidelines stipulated within the Code.

Production Policy

The Bonnier Books UK Production Policy defines three policy areas - labour and human rights, environment and materials. Our Code of Conduct plays a central role within labour and human rights and sets out the mandatory minimum requirements for our suppliers. The Code must be signed every 18 months. From 2020, Bonnier Books UK stopped working with any supplier that did not sign and comply with these standards. New suppliers (from high-risk countries) are required to provide valid social audits before we engage with them. The Code of Conduct also applies to the performance of third parties – all suppliers must guarantee that their supply chain complies. Any major changes to the suppliers' operations must be assessed in accordance with local or national law. It is the supplier's responsibility to inform of any changes that affect Bonnier Books and its business units immediately. The suppliers' labour standards and terms of employment must comply with national labour, social security, occupational health and safety laws and the International Labour Organization's (ILO) core conventions. Labour and working conditions must also apply to temporary, agency and migrant workers.

Due diligence

CSR project

In addition to the standards set out in our production policy, Bonnier Books embarked on a global CSR project in 2018, with a view to improving its standards beyond compliance and implementing collaborative and sustainable change. The project includes a complete review of our Labour and Human Rights policy in conjunction with a full evaluation of our suppliers, to assess current labour standards with the view to setting significant improvement targets.

Internationally recognised social audits

All our suppliers in high-risk countries are subject to annual third-party assessments and ongoing monitoring to ensure that they consistently demonstrate robust social, environmental and quality management practices. We insist that any approved supplier is transparent in their worker-care standards by maintaining an up-to-date, internationally recognised social audit and ethical business standards, such as BSCI (no less than Grade C), ICTI and Sedex (SMETA) 4-pillars. Other audits are SA8000 and ISO 45001.

New supplier approval procedure

As part of our due diligence, Bonnier Books UK employs the following new supplier approval procedure:

The supplier completes a **Supplier Profile Form** (which contains key data enabling us to assess the supplier's quality, sustainability, and CSR standards) plus other salient documentation. The Supplier Profile Form and any other relevant documentation is reviewed internally for authorisation. If we are satisfied that the supplier meets all Bonnier Books' requirements, the supplier is "amber lit" for quotations. If we would like to proceed to work with a supplier, the Bonnier Code of Conduct must be signed and returned to us. Once all documentation is in order, the supplier is "green lit". The supplier's accreditation is reviewed annually. As per our production policy, we ensure that all suppliers provide us with an up-to-date social audit on an annual basis. The audit report is assessed internally, and any corrective action plans (CAP) are followed-up with the relevant supplier to ensure compliance. Where a supplier is unable to provide an acceptable social audit certificate or unable to follow up successfully on any required CAP, we will cease to do business with that supplier. This is a continual ongoing process which is an integral part of our procurement workflow.

Mitigating risks in our supply chains

We use tools like the BCP Country Guides and the Transparency International Corruption Index to help us identify high risk areas as regards labour standards. The country guides assess geographic risk based on key corruption, governance, environmental and human rights indices - providing a high or low risk category. Data at Bonnier Books Group level is routinely shared, to highlight any emerging issues. With divisions that represent trade and mass-market, three quarters of our print spend is in China and the Far East. Our risk tools identified the following areas as high risk: China, South Africa, Malaysia, and India. China represents our largest manufacturing base, with 24 suppliers. Malaysia has 3 suppliers, and India and South Africa just 1 supplier each. We have signed Code of Conducts for all these suppliers in high-risk regions and request annually social audits from them.

Promising Futures

In 2018, the labour and environment workstream developed its first special project, Promising Futures, which focuses on the emerging issue of social insurance in China. It aims to increase the awareness of social insurance and improve dialogue between employer and employee. A short video, a website, worker advice line, and channel to share policy updates and employee FAQs with managers were produced and promoted to participating factories. Nine key Chinese print suppliers took part and over 1400 employees followed the project media channel. This project has highlighted the barriers to joining social insurance in China, but also opportunities to make improvements in this area. Building on that success, another project **Creating Safer Workplaces** was launched in 2019. Its aim was to tackle health and safety issues in factories. It was a two-year project that supports factory managers to better handle these issues through best practice sharing between peers, to raise awareness on health and safety. A training webinar was produced alongside a guidebook, translated into Mandarin from English.

Best Practice Overseas Migrant Recruitment document

An emerging issue has been responsible recruitment – particularly in Malaysia, the Philippines, and the Middle East. As a result, a Best Practice Overseas Migrant Recruitment document has been compiled to assist suppliers on the recruitment practices expected by publishers. The BCP has partnered with a leading audit firm to develop a responsible recruitment audit module, which can be an add-on to existing third-party audits in areas with a high density of migrant workers. We have circulated the BCP Guidance to Good Practice for Recruitment of Overseas Migrant Workers to suppliers in key sourcing markets, where use of overseas migrant workers is known to be prevalent.

The BCP Recruitment Audit module is being finalised with SGS which will include an additional half day of audit time, with the requirement that all audits must include interpreters able to translate for all languages spoken on site. We would like everything to be in place for these audits within 3 months from the lifting of travel restrictions. We are also keeping a watching brief on what is happening in Malaysia and other Southeast Asian countries as demand potentially slows down and migrant workers are at risk of being laid off. We want to know that those workers are being adequately remediated for work done and supported with flights home. The BCP is adding new measures to our due

diligence process by gathering insights from suppliers, specifically around their recruitment of migrant workers (internal and overseas).

Staff training

Our Modern Slavery Statement is available on our websites, Intranet site and new starter training pack. It is also included as part of a company-wide production CSR presentation, which takes place annually. Additionally, all staff involved in production procurement are made aware of our Code of Conduct and Production Policy. They are an integral part of our Supplier Approval Procedure. All relevant staff are fully trained in their importance and our accompanying policies.