

**MODERN SLAVERY STATEMENT OF
MACMILLAN PUBLISHERS INTERNATIONAL LIMITED**

Macmillan Publishers International Limited is a part of the Macmillan publishing group.

The board of directors of Macmillan Publishers International Limited has considered and adopted the Modern Slavery Statement of Macmillan Publishers International Limited, a copy of which is annexed.

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Director for and on behalf of Macmillan Publishers International Limited

Annex

MODERN SLAVERY STATEMENT

Macmillan Publishers International Limited ("MPIL") is a part of the Macmillan publishing group of companies ("Macmillan"). Pursuant to s.54 of the Modern Slavery Act 2015, this statement constitutes MPIL's slavery and human trafficking statement ("Modern Slavery Statement"). It reflects practices and policies in place across the Macmillan publishing group of companies.

The Modern Slavery Act 2015 prohibits slavery, servitude, forced or compulsory labour and human trafficking ("Modern Slavery"). We do not tolerate Modern Slavery in our organisation or in our supply chain.

OUR BUSINESS

MPIL's businesses include trade book publishing and book distribution services. The Macmillan publishing group of businesses produce printed and electronic trade and educational books, digital educational and assessment products, educational response devices and provide publishing and distribution services. Macmillan has just under 3,000 employees in North America, Asia, Europe, the UK, South Africa and Australia.

OUR SUPPLY CHAINS

Our supply chains include print production, logistics and distribution services, manufacturers of our educational response device and some book-related components, IT and other office equipment suppliers, professional services from lawyers, accountants, computer staff and other advisors, travel-related services, office cleaning and other office facilities services.

OUR POLICIES ON MODERN SLAVERY

The Macmillan Code of Conduct reflects our commitment to acting ethically and with integrity in all our business relationships.

Our opposition to Modern Slavery is reaffirmed in the Macmillan Code of Ethics for Business Partners. It provides that our vendors, suppliers, agents and other business partners must conduct business ethically, honestly and with integrity. The current Code requires that all workers are treated with dignity and respect and prohibits using any form of slavery, servitude, forced or compulsory labour, bonded labour or human trafficking or violence or coercion against labourers. Compliance with applicable minimum age and child labour laws is also specifically required.

Various Macmillan businesses participate in professional and other organisations that require detailed commitments from suppliers with respect to health and safety, labour standards, wages, discrimination and the environment. Such organisations include The Book Chain Project

in the UK, a collaboration of leading publishers who have worked together since 2003 to drive social and environmental responsibility in product supply chains. We expect all our product suppliers in this part of our supply chain to commit to working towards the standards set out in the Prelims Code of Conduct.

DUE DILIGENCE PROCESSES

As part of our commitment to identifying and mitigating the risk of Modern Slavery in our supply chains, we are implementing a Supplier Information Management tool in 2017 to enable us to assess our supply partners in respect of Modern Slavery risk. This new due diligence process will also provide us an opportunity to remind suppliers of our values and ethical standards. Once the tool is in place, new suppliers will only be appointed after a risk assessment has been carried out. Separately, we have developed and implemented an observation checklist for business staff to use on supplier visits to review onsite conditions periodically.

SUPPLIER ADHERENCE TO OUR VALUES AND ETHICS

Our Code of Ethics for Business Partners forms part of our contract with all suppliers and they are required to confirm that no part of their business operations contradicts this policy.

TRAINING

Beginning in 2017, we will have available training on the risks of Modern Slavery for our procurement staff and others who work with vendors. We will also request that our business partners provide training to their staff and suppliers and urge those suppliers who have joined Prelims to take the training that organisation makes available for members.

WHISTLEBLOWING

Macmillan has in place whistleblowing procedures in order that violations of our Code of Conduct or Code of Ethics for Business Partners can be reported. Issues can be raised internally or the online facility "Speak Up" can be used to anonymously report certain issues.

PERFORMANCE INDICATORS

We will continue to monitor Modern Slavery risk, including by considering reports from our new due diligence processes and our training.

APPROVAL

This Modern Slavery Statement has been approved by the Board of Directors of Macmillan Publishers International Limited for the financial year ending 31 December 2016.

A handwritten signature in black ink, appearing to read "Aine Conroy". The signature is written in a cursive style and is positioned above a horizontal dotted line.

Director for and on behalf of Macmillan Publishers International Limited