



The Imago Group

Social Accountability Code

Imago recognises the need for companies that wish to trade together across international boundaries to have confidence that trading partners work to mutually acceptable standards regarding the employment conditions of their workers, and the Company fully supports the United Nations Global Compact on the Responsibilities of Business. Imago adopted a formal policy in this area in 2001, based on the principles of International Standard SA8000 (which itself supports the UN Global Compact). The policy has 5 mandatory conditions, which are:

1. **Employment standards:** Suppliers shall pay wages that shall meet at least legal or industry minimum standards and shall always be sufficient to meet basic needs of personnel and to provide some discretionary income
2. **Child labour:** Suppliers shall comply with all applicable labour laws and shall employ only workers who meet the legal minimum age for work, or are at least 14 years of age, whichever is the greater
3. **Forced or Prison labour:** Suppliers shall not engage in or support the use of forced or prison labour, nor shall personnel be required to lodge 'deposits' or identity papers upon commencing employment with the company
4. **Health and safety:** Suppliers shall provide a clean, safe and healthy working environment, and shall provide for the use of all personnel clean toilet facilities, access to potable water, and, if appropriate, sanitary facilities for food storage
5. **Environmental protection:** Suppliers shall comply with all applicable environmental laws and regulations

Imago regularly visits its suppliers and questions both management and workers to ensure that the supplier and its staff are aware of and comply with these fundamental mandatory requirements, and our policy is to immediately discontinue business relations with any supplier who chooses not to govern their operations to meet these mandatory Standards.

However, Social Accountability is a sensitive area, as it can appear as a form of cultural imperialism if imposed by Western companies without understanding of the social and cultural conditions in the country of the supplier. Because Imago has been trading internationally for more than 26 years, we are very much aware of these

issues. In recent years we have received increasing requests from our customers to meet their specific social accountability criteria, and this has been an increasing difficulty, because although the fundamental principles are similar, they all differ in detail, and sometimes even conflict in some areas.

Consequently, in January 2003 Imago convened a working group of the major publishers in the UK with a view to agreeing a common standard for the industry. The working group of publishers is called PRELIMS (Publishers Resolution for Ethical International Manufacturing Standards). It was agreed to adopt the CARE Process, the auditable social accountability standard also used by the international toy industry, and PRELIMS is now widely recognized by publishers internationally. Full details of the publishers who are signatories to PRELIMS can be found at www.prelims.org.

It is Imago's policy, as it is for all Prelims signatories, to require its suppliers to commit to the CARE Process, and to work towards achieving the Seal of Compliance within a maximum of twenty four months. Full details of the CARE Process can be found at www.icti-care.org

Paper sourcing:

Imago's policy is to source paper produced from pulp obtained from managed sustainable forests, and from paper mills which meet ISO14001 environmental standards. It is currently extremely difficult to be certain of the exact source of all pulp, and as with social accountability standards, it is Imago's policy to work within the industry to progressively improve traceability and accountability in this area. Consequently, Imago was one of the founder companies which has set up PREPS (Publishers database for Responsible Environmental Paper Sourcing), which is establishing a database of papers used in the industry to identify the mills producing each paper and the sources of their pulp, to enable publishers to take informed decisions about the environmental standards met in the papers that they use.

September 2007