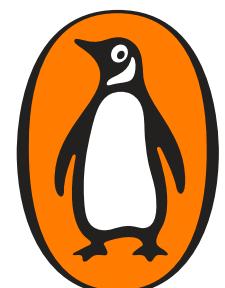
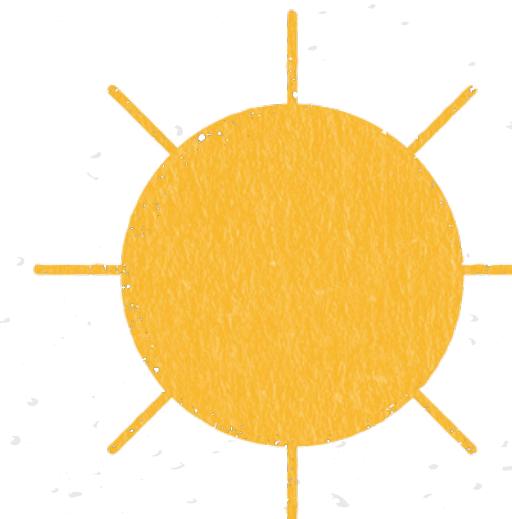


# Journey to zero



Sustainability  
Impact Report  
2020/2021



Penguin  
Random House  
UK

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Every individual, company and organisation must consider the role they have to play in combatting the climate emergency.

As a publisher, one of our most important roles is through the books we publish and their power to change minds and influence behaviour.

But we also need to take urgent action to put sustainability at the heart of our business strategy and the decisions we make every day.

Tom Weldon, CEO  
Penguin Random House UK

# Forward from author and climate activist Mark Maslin



Climate change is one of the four defining challenges of the 21st century, alongside environmental degradation, global inequality, and global security. Climate change is increasing the temperature of the Earth and raising global sea levels, increasing the frequency of extreme weather events such as droughts, heat waves, wildfires, floods, and storms, and in turn threatening the health and livelihoods of billions of people.

The severity of these climate change impacts will depend on what we do now to cut greenhouse gas emissions. World leaders have pledged to keep global warming to significantly below 2°C – and if at all possible to 1.5°C – but we have already warmed our planet by over 1.2°C. Despite 30 years of climate negotiations, the amount of human produced carbon dioxide has doubled over the same period. In 2020 the geopolitical landscape around climate change shifted seismically. The UK, EU and USA all announced they would go net zero carbon emissions by 2050. China announced they would go net zero by 2060. At COP26 in 2021, India announced their net zero target of 2070. Currently 90% of the world's GDP sits under pledges to hit net zero emissions in the middle of this century. Is this rate of decarbonisation enough to keep climate change to below 2°C? No, and even if all the pledges are kept, we are still looking at warming of between 2.4°C and 2.8°C by the end of the century.

## Foreword

This lack of ambition to save our planet is why many companies around the world are taking up the challenge to set net zero targets. In my book, *How To Save Our Planet*, I outline the steps companies need to take on the path to sustainability. The first is to be open and transparent about the company's impact, and the second is to set clear ambitious reduction targets. Penguin's carbon footprint is 33,945 tonnes of CO<sub>2</sub>e. Unlike many other companies, this calculation includes Penguin's supply chain. This is important as it spreads the company's positive climate agenda far beyond the company, with an ability to influence many other industries such as paper manufacturing, printing, distribution, selling and ultimately disposal.

Penguin's 2025 sustainability targets include: 20% reduction of office energy, 20% reduction in waste, 25% reduction in the carbon footprint of production suppliers, including paper mills and printers and 50% reduction in business travel. They will achieve ISO 14001 certification by end of 2022 for all their UK owned sites and sustainability training has become mandatory for all staff involved in the production of books.

Penguin have also pledged to use the power of their brand, books, and authors to amplify the knowledge of the climate emergency and encourage positive behaviour change. Given the huge power of books and the ideas they contain this could make a huge difference, as people will become aware of all the positive win-win solutions there are to deal with our global environmental crisis. There is still a way to go, but I am proud that my latest book was published by Penguin, who are now on an active mission to help save our planet.

“

**The severity of these climate change impacts will depend on what we do now to cut greenhouse gas emissions.**

# Our commitments and impact at a glance

As the UK's leading publisher, it is vital for us to innovate and improve to reduce the environmental impact of our own operations. Thinking and acting for the planet underpins everything we do, every day.

We are committed to managing environmental issues effectively across our entire global supply chain. This is the right thing to do, but it is also in the knowledge that disruption from extreme weather and climate change can have an impact on our global operations and business in the future, so it makes good business sense too.



## Our key areas of focus are:

### 1. Journey to Zero

Become climate neutral in our global value chain by 2030 and maintain climate neutrality in direct operations.

### 2. Sustainable sourcing

Ensure 100% of our paper and other core materials are ethically and sustainably sourced.

### 3. Content

Use the power of our brand, books, and authors to amplify the climate emergency and encourage positive behaviour change.

→ [Click here to read our sustainability policy.](#)

# Our environmental impact at a glance



## Our direct carbon footprint (Scopes 1 and 2):

- The energy used to power our offices and distribution centres
- Company vehicles



## Our indirect carbon footprint (Scope 3)\*

### \*Where our biggest impact lies

- The energy used to power our printers and paper mills
- How we source our raw materials, especially our paper
- Employee travel

# Our methodology



When we measure our carbon impact we count all of it. This means that our carbon footprint reporting includes all the carbon in our supply chain (known as Scope 3) as well as our direct impacts such as the energy we use to power our offices and warehouses (Scopes 1 & 2). We believe this is the only way to understand our true impact.

Our carbon footprint is based on research, data gathering and supplier questionnaires. We also work with closely our parent company, Bertelsmann, and follow the Department for Environment, Food & Rural Affairs (DEFRA)'s carbon calculations.

Every year the scope of our reporting improves to capture more robust carbon data. In 2020 we extended our reporting scope to add in new business areas, as well as strengthened our third-party supply chain data. These additions to our carbon reporting retrospectively increased both our 2019 and 2018 carbon emissions.

In future years, we may see some fluctuation to our 2020 carbon impact figure as new information becomes available. Importantly, this will not stop us implementing our reduction strategy. [Click here](#) to find out more.

## Terminology

Throughout this report we refer to CO<sub>2</sub>e rather than CO<sub>2</sub>. When discussing emissions, CO<sub>2</sub>e stands for 'Carbon Dioxide Equivalent' which includes CO<sub>2</sub> (Carbon Dioxide) and other greenhouse gases such as carbon monoxide and methane. By reporting on CO<sub>2</sub>e, we ensure that we are accounting for all the greenhouse gases that are emitted in our supply chain, not just carbon dioxide.

## Baseline year

A baseline year is a fixed point in time against which future emissions and our progress towards climate targets are measured. Our baseline year for carbon reporting is 2018, in line with our parent company Bertelsmann.

# 2020: our impact



- Our carbon footprint accounted for 33,945 tonnes of CO<sub>2</sub>e (as our complete carbon emissions). This was an increase of 1% compared with 2019 due to improved data reporting. Our carbon footprint per book has remained the same.
- Our overall carbon footprint has reduced by 14% compared to our baseline year of 2018
- We've removed 1,277 tonnes of CO<sub>2</sub>e emissions, going climate neutral in our direct operations
- 100% of our paper is sustainably sourced (FSC™ certified)
- We have joined the Science Based Targets Initiative (SBTi) (as part of Bertelsmann)
- Our climate goal has been scientifically verified by SBTi (as part of Bertelsmann)

# Where our impact has changed

## Areas where our emissions have decreased (in comparison to 2018, our baseline year):

- Electricity in our direct operations (by 100% as we now only use renewable sources)
- Business travel (by 91%)
- Warehouse (by 83%)
- Office paper (by 75%)
- Employee commuting (by 51%)
- Distribution (by 33%)

## Areas where our emissions have increased (in comparison to 2018, our baseline year):

- IT devices (by 139%. In early 2020 we provided colleagues with IT equipment so they could work from home during the Covid-19 pandemic)
- Travel from printer to warehouse (by 41%)
- Paper Mills (by 37%)
- Printers (9%)
- Transport from Paper Mill to Printer (by 12%)

The majority of areas where our emissions have increased – such as paper mills and printers – is a result due to higher paper usage in 2020.

Moving forward, we want to make better choices about the type of paper we use and where we print our books, so that our emissions decrease year on year regardless of increased sales.



# Our overall carbon emissions for 2020

As noted on page 7 each year we widen our scope of reporting, and retroactively go back and adjust data for previous years. This means that some of the numbers reported here may be different to previous reports.

Site related emissions (in tonnes)	2018	2019	+ / - 2019 to 2018	2020 *	+ / - 2020 to 2019	+ / - 2020 to 2018
<b>Scope 1 Mobile Fuels (cars, trucks, etc)</b>	64	63	-2%	32	-100%	-100%
<b>Scope 1 Stationary Fuels (boilers, generators etc)</b>	81	53	-35%	21	-100%	-100%
<b>Scope 2 Electricity (lighting etc)</b>	3,007	0	-100%	0	-	-100%
<b>Scope 2 Heat (hot water and heating)</b>	1,373	939	-32%	878	-100%	-100%
<b>Scope 1 Refrigerant Losses (from refrigeration and air conditioning)</b>	3	0	-100%	141	-	-100%
<b>Scope 3 Waste</b>	134	122	-9%	83	-100%	-100%
<b>Scope 3 Energy related emissions</b>	609	130	-79%	122	-100%	-100%

\* We have reduced our site-related emissions for 2020 as far as we can, and have offset the emissions that cannot be eliminated. See page 17 for more information on offsetting.

# Our overall carbon emissions for 2020

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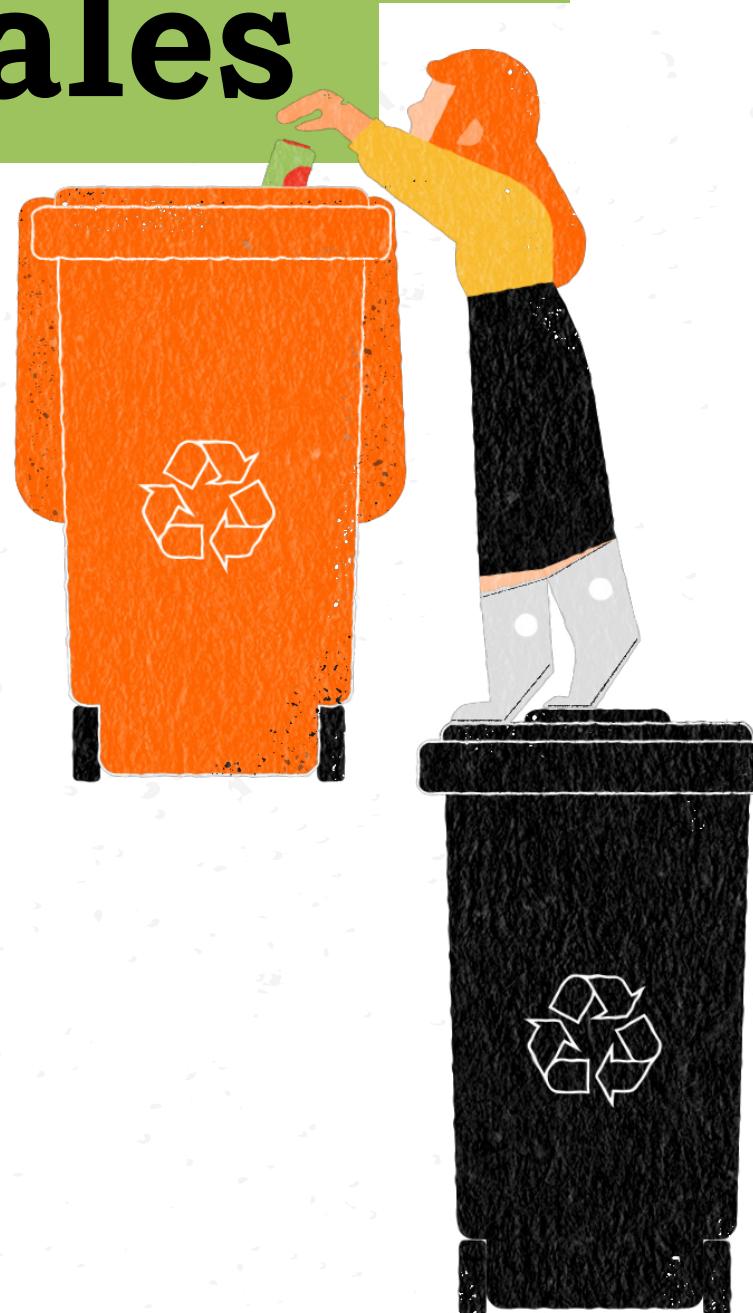
Employee related emissions (in tonnes)	2018	2019	+ / - 2019 to 2018	2020	+ / - 2020 to 2019	+ / - 2020 to 2018
<b>Scope 3 Business Travel</b>	2,300	1,066	-54%	199	-81%	-91%
<b>Scope 3 Hotel</b>	223	219	-2%	30	-86%	-87%
<b>Scope 3 Office Paper</b>	175	160	-8%	43	-73%	-75%
<b>Scope 3 IT Devices</b>	209	208	0%	499	139%	139%
<b>Scope 3 Employee Commuting</b>	2,130	2,130	0%	1,046	-51%	-51%

# Our overall carbon emissions for 2020

As noted on page 7 each year we widen our scope of reporting, and retroactively go back and adjust data for previous years. This means that some of the numbers reported here may be different to previous reports.

Product related emissions (in tonnes)	2018	2019	+ / - 2019 to 2018	2020	+ / - 2020 to 2019	+ / - 2020 to 2018
<b>Scope 3 Paper Mills</b>	10,748	12,094	13%	14,682	21%	37%
<b>Scope 3 Printers / Printing Materials</b>	10,591	9,722	-8%	11,533	19%	9%
<b>Scope 3 Warehouses</b>	3,011	954	-68%	505	-47%	-83%
<b>Paper Mill to Printer</b>	1,961	2,000	2%	2,194	10%	12%
<b>Printer to Warehouse</b>	1,166	1,825	57%	1,647	-10%	41%
<b>Distribution (Delivery &amp; Returns)</b>	998	1,196	20%	664	-44%	-33%
<b>Scope 3 End of Life (product waste)</b>	662	785	19%	902	15%	36%
<b>TOTAL EMISSIONS</b>	39,445	33,666	-15%	33,945	1%	-14%

# Progress against our targets: raw materials & value chain, sales and marketing



● = performing well

● = performing well but with challenges this year

● = significant challenges

## ● Target: 25% reduction in the carbon footprint coming from our production suppliers, including paper mills and printers, by 2025

Since 2018, our production emissions have risen by 11%, which has been down to a combination of collecting more robust carbon data and slightly higher paper volumes.

Overall 74% of our complete carbon footprint comes from our paper and printers alone, so making different choices about the types of paper we use, and where we print our books, has the single biggest impact on reducing our overall carbon footprint.

That's why we work in partnership with our paper mills and printers, setting targets to support them to make more sustainable choices, and in turn reducing their overall emissions. For example, this includes more suppliers switching to, or investing in, renewable resources, reviewing shipping methods and using more sustainable processes during manufacturing.

## Progress against our targets: raw materials & value chain, sales and marketing

### Target: 100% of printers and paper suppliers are considered ‘best practice’ by our in-house team for their sustainability efforts by 2023

We also want to ensure that 100% of our paper and other core materials are ethically and sustainably sourced, which is why we have an incredibly robust ethical trade and sustainability programme that specifically looks at our suppliers responsible sourcing methods. Read our [Sustainable Sourcing Policy](#) to find out more.

### Target: 100% of editorial and design teams will take part in Sustainable Production Toolkit training by end of 2021

We have created a bespoke Sustainable Production Toolkit to help our designers, editorial and production teams to make more informed choices about the type of paper we use, where we print our books, and the kinds of finishes (such as foil or glitter) we use on our books. This toolkit will be launched in early 2022.

### Target: 100% of the promotional packaging and materials we use are recyclable or made from sustainable materials by 2025

The Sustainability Production Toolkit, launching in early 2022, will also contain sections that are relevant to wider parts of the business, like sales and marketing, to support them in considering materials with a low environmental impact when placing orders.



# Progress against our targets: direct operations, distribution and logistics



## Target: 20% reduction in office energy by 2025

We are on target to achieve this by 2025. Our new office at Embassy Gardens is more energy efficient than our previous space, and our Facilities team are continuously on the lookout for improvements that can be made at our other offices.

## Target: 50% reduction in carbon emissions from business travel by 2025

In 2020 overall employee business travel decreased by 91% and commuting travel decreased by 51% compared to 2018.

We know these reductions are primarily down to the Covid-19 pandemic, which is why it's vital for us to learn from the changes made during the pandemic and only travel when it is business critical to do so.

When it is business critical to travel, we will consider alternatives to air travel where possible. We do not take domestic flights.

## Progress against our targets: direct operations, distribution and logistics



### **Target: 100% LED lighting throughout all our sites by the end of 2021**

The majority of our offices have switched to LED lighting, though there is still work to do at our warehouse distribution centres. This work has been delayed by the knock-on effect of Covid-19, and some replacements are likely to be delayed until the end of 2022.



### **Target: achieve ISO 14001 certification by end of 2022 for all our UK owned sites**

ISO 14001 certification will help us map out a framework we can follow to achieve an effective environmental management system. We are on track to receive accreditation for two of our sites by the end of this year, and all other sites by the end of 2022.



### **Target: 20% reduction in total waste from office and distribution centres by 2025**

We are making changes across our sites, such as reusing cardboard waste at our Grantham warehouse to void fill inside the packages we are sending out, to ensure this is on track for 2025.



### **Target: roll out a bespoke distribution training programme for staff on waste and recycling by 2022**

This has already taken place at our Grantham site, and is on track to take place at all other sites before the end of 2022.



### **Target: create a road map to reduce our carbon emissions with our transport carriers by the end of 2021**

We are working closely with our transport carriers, Knights of Old, to reduce carbon emissions by implementing:

- Better load consolidation
- A new Transport Management System, to drive more efficiency of vehicle travel and utilisation
- More deliveries to local customer hubs, and reducing travel to hubs that are far away
- Utilising backhaul transport to reduce overall empty mileage



## Where we're taking action



### Setting science-based and ambitious climate targets

In 2020, we joined the “Science Based Targets” initiative (SBTi), as part of our parent company Bertelsmann. SBTi advocates for ambitious and scientifically based climate targets. In 2020, SBTi audited Bertelsmann's CO<sub>2</sub>e accounting principles and carbon emissions reduction plans. Their audit confirmed that the Group's target of cutting emissions by 50 percent by 2030 is ambitious and in line with the Paris Climate Agreement. Through a combination of reducing emissions and carbon offsetting, we aim to meet our overall target to be climate neutral by 2030.

### Carbon offsetting

We eliminated our scope 1 and 2 emissions by reducing our impact as much as possible and then offsetting what was left, through carbon credits, into protecting forest in Brazil. To make sure our investment of carbon credits has the biggest impact, we are supporting a project set up by our shareholder Bertelsmann in partnership with Climate Partner. The project aims to protect forest located southeast of Campo Grande in Brazil. Find out more [here](#).

## Where we're taking action

### Strengthening our carbon data

We widened the scope of our 2020 reporting to include new areas such as employee commuting, IT devices, and refrigerants (air conditioners). We also worked collectively with other group companies and Bertelsmann to gather more robust carbon data for our paper mills and printers, within our third-party supply chain.

### Launching a new Sustainability Policy and mandatory training

In Spring 2021 we launched a new bespoke Sustainability Policy for Penguin Random House UK, which set out new principles and targets for all areas of our business. We developed this policy in collaboration with an external environmental consultant. Design and editorial teams will receive mandatory training on an accompanying toolkit to help empower employees to make more informed choices.

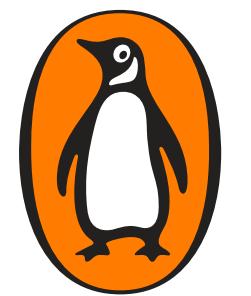
### New Sustainability Hub for readers

We launched a new sustainability hub on [penguin.co.uk](https://penguin.co.uk) to use the power of Penguin's brand, books and authors to amplify the climate emergency and encourage positive behavioural change among readers. This hub aims to help readers more easily discover the breadth of our climate publishing.

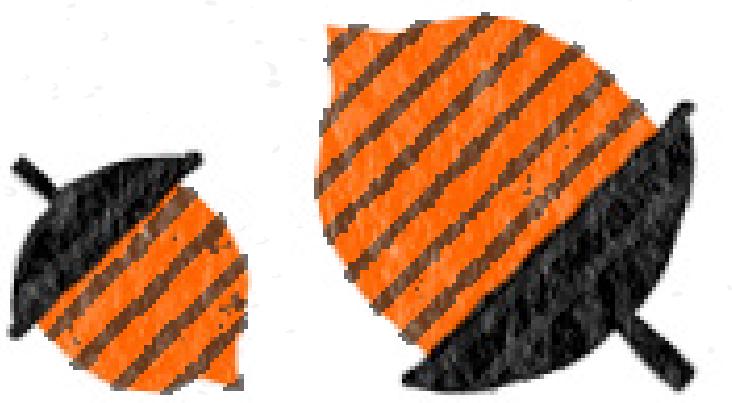
### Industry collaboration

We are a founding signatory of Publishing Declares, committing to industry-wide collaboration on climate action in the UK.





Penguin  
Random House  
UK



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