

Our Sustainability Policy

Spring 2022



Penguin
Random House
UK

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Introduction

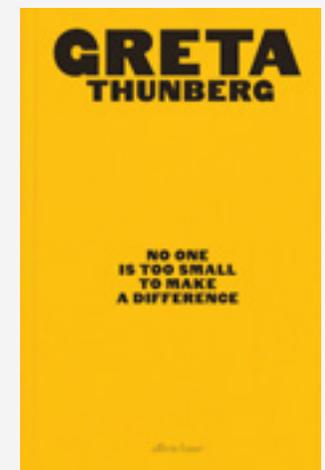
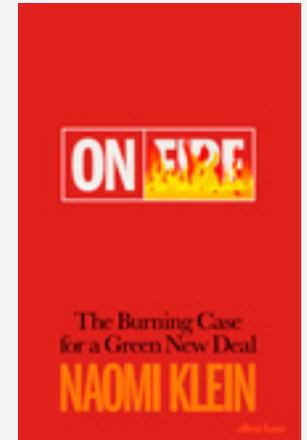
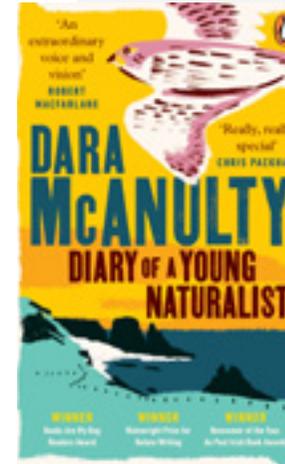
Every individual, company and organisation has a role to play in combating the climate emergency.

As the UK's leading publisher, our most important role is through the books we publish and their power to change minds and influence behaviour.

We have a proud history of publishing important and wide-ranging content in this space, from globally renowned writers like Naomi Klein and David Wallace-Wells, to books which help people make practical changes in everyday life. More recently we have established a dedicated environmental publishing imprint with Sir David Attenborough, Witness Books.

Alongside our role as a publisher, it is also 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.

Penguin Random House UK is committed to managing environmental issues effectively across our entire value 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 policy commitments

Be environmental leaders

Our leadership team will ensure environmental issues are managed effectively, providing the support and resources to deliver on our environmental objectives.

Maintain an effective management system

We will implement and maintain an effective environmental management system that meets the requirements of ISO 14001: 2015.

The scope of our ISO 14001 environmental management system covers our activities to publish books and operate book distribution warehouses.

This includes:

- Responsible sourcing and value chain management
- Editorial, design, marketing and publicity functions
- Operating distribution warehouses at Frating and Grantham

- Operating a recycling centre at Manningtree
- Operating offices at 1 Embassy Gardens and 20 Vauxhall Bridge Road
- Business travel and commuting

Set objectives and targets

We will set objectives to improve our environmental performance – such as those contained within this policy – and report on our progress publicly, and transparently.

Protect the environmental and prevent pollution

We will work to protect the environment and avoid pollution and waste across the lifecycle of our products, services and operations.

Use our position to create positive environmental outcomes

We will take action on our sites, through our value chain and staff actions, and in partnerships across the sector to create positive environmental outcomes.

Meet our obligations

We will comply with all applicable legislation and any voluntary and contractual obligations that we take on.

Continually improve

We will work to improve our environmental management and performance on an ongoing basis.

Tom Weldon

22 April 2021



Did you know?

Since 2020 we have removed
2,556 tonnes of Co2e, going

climate neutral

in our direct operations

This year we installed over

**1,000 solar
panels**

in our warehouse

100% of our paper is

**sustainably
sourced** through FSC™

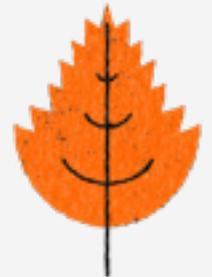
Dedicated

**environmental
publishing
imprint**

with Sir David Attenborough

We became signatories to
the publishing industry's first
declaration on climate action,

**Publishing
Declares**



Our key areas of focus

01

Zero by 30

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



02

Sustainable sourcing

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



03

Content

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



10 principles guiding our approach to sustainability

Where we can, we aim to:

01

Source all our paper and raw materials sustainably

02

Eliminate our carbon footprint across our entire value chain by 2030

03

Amplify the climate emergency through our books, authors and brand

04

Recycle everything

05

Redistribute returned books back into the community

06

Improve continuously and incrementally

07

Guide our global value chain partners to make more sustainable choices

08

Share our progress

09

Certify our work with external experts

10

Collaborate across the industry

Our environmental impact at a glance

Our direct carbon footprint: (Scopes 1 & 2)



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

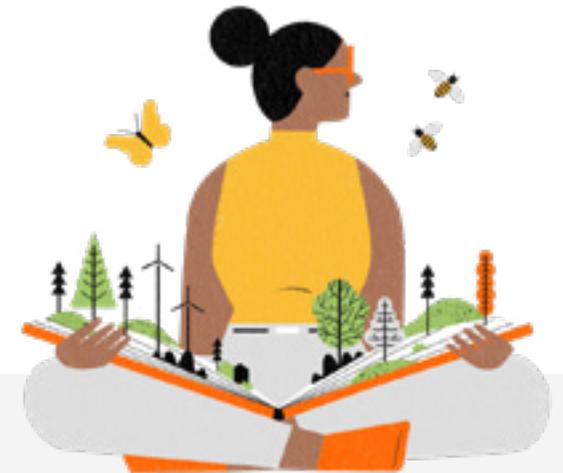
Our indirect carbon footprint: (Scope 3)*

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

The power of our books and authors



- Educating, inspiring and informing people about the climate emergency

For a more detailed overview of our environmental impact, see our appendix [here](#).

Zero by 30: how will we get there?

Our direct operations

Aim: maintain climate neutrality

- Reducing the energy we use in our offices and warehouses by making our facilities more energy-efficient.
- Building on great work which has already reduced our direct emissions by 65% since 2018.
- Where we cannot avoid or reduce emissions, investing in off-setting.

Please note that for all targets our baseline year is 2018.



Our indirect operations in our value chain, where our biggest impact lies

Aim: climate neutral by the end of 2030

- Making different choices in the materials we source, for example choosing more energy-efficient paper to print our books.
- Working in partnership with partners in our value chain including paper mills and printers.
- Creating a new Sustainable Production Toolkit and associated training for relevant colleagues, to help make informed choices.
- Where we cannot avoid or reduce emissions, invest in off-setting.

Our targets in more detail

These targets and principles govern our activity and behaviour as a company. Some apply to everyone, and others are particularly relevant to certain teams in our business.



What is **off-setting** and why do we need to do it?

Off-setting means organisations or people investing in projects which have a positive impact on the planet in order to balance out the negative impact they have through their operations or lifestyle choices. These projects could involve renewable energy technology, restoring biodiversity or giving back to communities.

While our key priority is for us to reduce the actual impact we have on the environment, the nature of our operations mean that we can never reduce our impact to zero. That's why we will avoid and reduce as much as we can, and then off-set our remaining footprint in order to restore the balance.

We're investing in 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](#).

For all colleagues

We all aim to:

Reduce

the amount of energy and materials we use every day at work.

Re-use

envelopes, boxes, anything we can.

Recycle

everything (in the correct bins).

Did you know?

We have a dedicated 'Green Team' of champions across the business who help engage and inspire colleagues to think and act with the environment in mind.



Raw materials & value chain

Relevant teams: Production, Design, Editorial

Principles:

- We source 100% of our paper from Forest Stewardship Council™ (FSC™) certified sources.
- We use the Sustainable Production Toolkit to help make informed choices about the materials and finishes used on all our books.
- We only work with paper mills and printers who have the highest environmental standards or can demonstrate continuous improvement for sustainability.
- We do everything we can to avoid transporting books by air freight to international customers, defaulting to printing locally wherever possible.

Ongoing targets:

- 100% of printers and paper suppliers are considered 'best practice' by our in-house team for their sustainability efforts by 2023.
- 25% reduction in the carbon footprint coming from our production suppliers, including paper mills and printers, by 2025.

Completed targets:

- 100% of editorial and design teams will take part in Sustainable Production Toolkit training by end of 2021.



Direct operations

Relevant teams: Facilities, Technology

Principles:

- We ensure 100% of the energy used to power our sites is purchased from renewable sources.
- We ensure none of our waste goes to landfill.
- We purchase sustainably sourced stationery for our offices, and all of our printing paper is recycled.
- We empower colleagues to make sustainable choices, including providing a range of meat-free options at all of our canteens for all meals, creating clear signage at all recycling points, offering bike lockers at all our sites, and ensuring that where company cars are provided that either hybrid or electric cars are promoted first.
- We work with partners like our catering providers to reduce single-use plastics.
- We give colleagues the option of choosing an ethical pension supplier.

- Where we have opportunities to encourage biodiversity, for example on balconies on our London offices.
- We set default power saving settings on all our company hardware.
- We work with third party suppliers to ensure that our data centres are powered by renewable energy.

Ongoing targets:

- 20% reduction in office energy by 2025.
- Achieve ISO 14001 certification for all our sites by end of 2022 for all our UK owned sites.
- 20% reduction in total waste from offices and distribution centres by 2025.
- 50% reduction in carbon emissions from business travel by 2025.

Completed targets:

- 100% LED lighting throughout all our sites by the end of 2021.



Distribution and logistics

Relevant teams: Distribution

Principles:

- We innovate to avoid using single-use plastics on our own sites wherever we can, and collaborate with our value chain partners to follow suit.
- We actively encourage biodiversity across our sites.
- We take steps to reduce our own carbon emissions at every stage in our distribution processes.
- 100% of pulped books within our internal value chain are recycled.

Ongoing targets:

- Achieve ISO 14001 certification by the end of 2022 for all our UK owned sites.
- Create a road map to reduce our carbon emissions with our transport carriers by the end of 2021.
- Roll out a bespoke distribution training & education programme for staff on waste & recycling by 2022.



Sales & Marketing

Relevant Teams: Sales, Marketing, Publicity

Principles:

- We work with retail partners to keep our returns rate as low as possible.
- We only use recyclable packaging or materials, or those made from recycled materials, when sending out promotional materials or creating POS for retailers.
- We only send out physical book proofs when absolutely necessary or when requested.
- We only travel internationally when it is business critical that we do so, and when we do, we consider alternatives to air travel where possible. We do not take domestic flights.

Ongoing targets:

- 100% of the promotional packaging and materials we use are recyclable or made from sustainable materials by 2025.



Amplifying the climate emergency through the power of our books

Relevant Teams: Publishing, Brand & Audiences

Principles:

- We use the power of our brand and platform to amplify the climate emergency and encourage behaviour change, including ensuring key titles are easily discoverable on our website via a new bespoke space and commissioning new content from our authors on this topic.
- We are transparent about our value chain and progress, publishing a detailed carbon footprint each year.
- We work with partners across the publishing industry and beyond to share best practice and challenge our thinking, including actively participating in industry bodies focused in this space.

Completed targets:

- Externally verified carbon footprint published by the end of 2021.
- New climate hub on penguin.co.uk by the end of 2021.

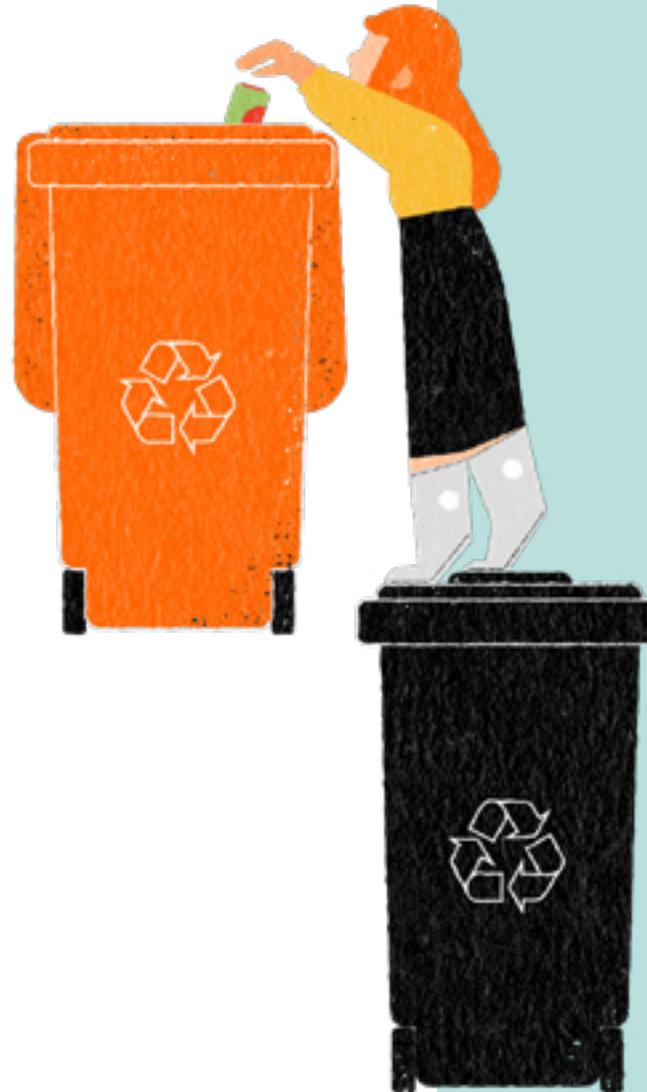


Product end of life

Relevant teams: Technology, Facilities, Audiences, Brand & Communications

Principles:

- We recycle or donate to charity all of our unwanted technology equipment and office furniture.
- We work with Neighbourly to distribute returned stock, wherever possible, from our recycling centre to good causes across the UK including food banks and homeless shelters.
- We encourage our readers to recycle our books at the end of their life, whether donating to charity, passing on to a friend or family member, or recycling responsibly.



CASE STUDY:
REDUCING SINGLE-USE PLASTICS

“We want to
be leaders in
the change to
reduce plastic
usage”

Since 2017, we've transformed our approach to using plastics at our distribution sites.

Neil Springall, Head of Operations at Penguin Random House Services shares the leading innovating work being created by his team at Frating.

How were single-use plastics used in our distribution sites, and what were they used for?

Predominantly, single-use plastics in the form of shrink wrapping is used extensively in warehouse environments. It's the quickest, probably safest and securest way of moving stock. You'll build your product - in our case books, to a certain height and then for transit purposes, you need to secure that product to the pallet itself. Because clearly, once it's been transported around the country, going around bends at speed, it has a tendency to move! So historically, shrink wrap was designed to tie to the base of the pallet, but then layer upon layer was added to enclose all of the stock and attach it to that pallet itself.

Clearly, shrink wrap was also waterproof, so it's a cheap way of protecting your goods whilst in transit delivery. And we used a lot of it. In an average peak day we'll send out 500+ pallets at one distribution site in Frating alone, which is one of the two distribution sites we have. Every single one of those 500 pallets was shrink wrapped in plastic. Additional to that, within the carton itself to hold the books down, we had this plastic that shrink wrapped everything so the books wouldn't move and were protected from dust, movement and damage in transit, plus plastic bubbles to fill any gaps. A very simple way of doing it, **and that's the problem - plastic is a very, very simple solution in distribution.**

So, we had a massive sustainability challenge internally. In 2017 we started discussing what we could do to really try and reduce the amount of single-use plastic.

Tell us about the innovative solutions we've created for replacing single-use plastics.

We identified three main areas for our plastic usage: shrink wrap, plastic inside the cartons and the void fill. To start with, we set ourselves quite an ambitious target of 60% reduction of plastic usage and worked with project manager Jason Edmonds to research alternatives.

He stumbled across a design called a 'load hog lid', which is a rigid, solid plastic – still plastic, yes, but reusable and recyclable. Once we build our books on top of the pallet, this lid sits on top. You have straps that come out of the lid itself and attach to the base of the pallet so it bonds everything together, and then you send it to your end customer, who then send them back, like a big conveyer belt. We looked at the hundreds of pallets coming in every night from our printers at Clays, and used the same process. It's worked an absolute dream! Before the pandemic hit, we achieved a 46% reduction of our shrink wrap usage.

For protecting the books inside the cartons we came up with the ingenious idea of re-using cardboard packaging from books sent to us from abroad. We bought a machine that finely shreds the cardboard and creates a really flexible material that we use as void fill, so if it does

turn in transit, it's bouncing against this flexible cardboard infill. And wow, it just eradicated all use of any plastic within the cartons. **We're now totally plastic free on all our forward shipment cartons, which is phenomenal.**

Which areas are you hoping to encourage more innovation in, sustainability wise at Frating?

I mention we eradicated 46% of our shrink-wrap use – sadly, the other 54% is quite difficult because a lot of that is in exporting overseas. If we used the load hog lids in that area, it would be nearly impossible to ensure they came back to us. But, we can at least use them to transport the stock to the freight forwarder in the UK, and that's something we're very keen to trial this year. We think that would see us achieve another 20% at minimum of reduction in plastic which would be fantastic.

We're also always looking for new ideas. In China, they're trialing use of crepe paper as an alternative to shrink wrap. We sent a pallet overseas and they shrink wrapped in this paper,

before sending it back to us in the UK. Coming from China, it went through several different hubs before it came to us, and they arrived in perfect condition. We're now pushing hard with partners to invest in that technology to move away from plastic.

So we just say, keep the initiatives going. We're open to any ideas or challenges, anything is possible. **We've got some very passionate people in the warehouse who care deeply about the environment** and care about our future, because we've all got to do our bit. I was born and brought up by the sea, so I've seen the devastation that plastic has done to our oceans. And for me, it's also a personal thing to try and make the world a better place for my children, and indeed my grandchildren.



CASE STUDY:
OUR NEW OFFICES

“There was **zero**
waste to landfill
in our office
refurbishment
and move”

In 2020 we moved into a new office space at Embassy Gardens, and refurbished our building at Vauxhall Bridge Road.

Paula Prentice, Head of Facilities, led the Our Space project that oversaw the move and renovations of both sites. Here, she details how sustainability was the first consideration in every part of the process.

At what stage was sustainability considered in the Our Space project?

Right at the very beginning – as soon as we decided the location of the new building – sustainability was our key driver for looking at architects and other partners. **Perkins & Will, who we worked with, are one of the industry’s preeminent sustainability design firms.** They were ranked Best Large Architecture Firm in the 2014 U.S. Green Building Council’s Awards, so sustainability is in their DNA. From appointing them, to selecting carpets and choosing wood for our bookshelves, all design decisions were led with sustainability in mind.

Tell us about some of the design decisions that were made?

Both our Vauxhall Bridge Road office that we refurbished and the new space at Embassy Gardens feature some brilliant, innovative design work. **All carpets in the buildings are recycled**, all the furniture is manufactured in the UK which means the carbon footprint was minimal, our bookcases are FSC certified wood, **parts of the chairs we chose use recycled fishing nets** – we looked into every detail. Additional to this, all lights are now energy efficient across every site, and our London offices use sensor movement technology to minimise energy waste.

In terms of the move, all of our old furniture has either been reused in the new office spaces, given to charity, resold, or broken down and recycled if we weren’t able to save it. That means there was zero waste to landfill from the whole refurbishment of Vauxhall Bridge Road, and the moving out of our old office space.

How do we empower colleagues to make the most sustainable choices?

From hire cars to stationery, there are a number of things we've set up to ensure choice is as sustainable as possible for colleagues. Currently, where company cars are provided, hybrid or electric are promoted first; we now only travel internationally when it is business critical to do so, and we do not take domestic flights.

In the office, we're introducing FollowMe Printing which will make a huge impact. The effort to start cutting down our printing and office paper use began in 2018 and has fallen year on year, but the FollowMe Printing will further lower our usage. Another thing we're tightening up on is stationery ordering. We have a core list of products that are all sustainable, so colleagues can use things that we've already tried and tested, and know are the best solution.

Is there any detail you've been working on that might surprise people?

Our new restaurants in both of our London offices are working towards zero plastics. That means that all drinks are either in bottles or cans, and all yoghurts, fruit and other snacks are in reusable glass jars. We also have bamboo cutlery for takeaway use, so everything is sustainably sourced; and offer lots of vegetarian and vegan

options to empower colleagues to make greener choices. The Covid-19 pandemic has meant we were only able to start our work on this for a short period of time, but when we re-open we'll continue to work towards our zero plastics goal.

What is something you're keen to develop and work on to make our facilities as sustainable as possible?

This year **we're exploring an initiative to install solar panels on our warehouse in Frating**, which would be brilliant! We're constantly looking for spaces to innovate in, so hopefully things with real impact will continue to take place.



CASE STUDY:
PAPER SOURCING

“We’ve been focused on using sustainable paper for over ten years”

Michael Perera, Paper Purchasing Manager, explains what sustainably sourced paper means, and how we regularly learn from our partners in paper mills.

What does sustainably sourced paper mean, and when did we start using it for our books?

Sustainably sourced paper is multifaceted really. From forest management to social impact, conservation to lowering carbon emissions, all elements of producing paper should be helping deliver positive impacts on forests, markets and people. The sourcing of the paper should not be contributing to unethical issues in the pulp industry such as illegal logging, abuse of workers’ rights or advancing climate change. It also means transparency along the supply chain, from the forest to the printing of the book, every process has to be maintained and within strict environmental standards – standards that are constantly evolving.

We’ve always advocated FSC™ (Forest Stewardship Council™), as it’s the most credible and effective out of all the certification systems for forest products. Even though there’s room for improvement in all certification bodies, FSC™ provides stronger forest and rights protections than other schemes, and is favoured by Non-Governmental Organisations such as WWF and The Woodland Trust.

We’ve been focused on using sustainable paper for over ten years. The awareness was always there in terms of monitoring paper mill practices and pushing for more certified paper on our books. Since then the importance and focus has only grown, which has led us to being more knowledgeable and proactive in our environmental impacts.

Could you tell us about recycled papers vs sustainably sourced virgin fibres?

We're always exploring new areas and are very supportive of circular economy. In the last few years we've learned a lot more about paper production. Even though we've always been assured by how environmentally sound our suppliers are, we were prompted to investigate and scrutinise all of the variables when looking at sustainable paper, both with virgin fibre and recycled paper.

An independent, neutral study was commissioned to analyse carbon and environmental footprints of the main papers used by Penguin Random House, and the main recycled book papers on the market.

The study thoroughly analysed all factors of paper production – from emissions to water, landfill, to factoring in carbon storage in recycled papers. The study concluded that even when factoring in the environmental benefits of recycled paper, due to the renewable energy used and the efficiency of their integrated mills, Holmen, who are our largest supplier of mono paper (only black ink used on the text paper), had the lowest carbon footprint. Holmen actually has the lowest carbon footprint out of all our papers.

We will always continue to research on more sustainable papers, but at the moment it's been proven that using our current mono papers has the lowest carbon footprint, and is the most sustainable.

Could you tell us about working with paper mills who have the highest environmental standards? Have we learned anything from them?

For all our mono books printed in the UK, we've developed long term relationships with the paper suppliers. We've been working with them consistently for the quality of their products, but also because of their extensive environmental procedures, which are very efficient. As well as producing the best papers for our books, it's encouraging to know that historically the mills have always had strict regulations when it comes to forest management, as well as long term goals with renewable energy and lowering emissions within paper production.

Holmen are based in Sweden, where long term responsibility to the forest has been embedded into their practices. They are directly contributing to lowering carbon in the atmosphere, operating on, and developing, new renewable energy

sources. It's really reassuring that our main paper mills are already significantly ahead with their practices, and a big factor as to why we use their paper.

We've learned from our suppliers over the years, which has led us to implement our environmental policies and strategies. As development and focus in the environmental sector grows, a lot of questions arise and we can definitely quiz our suppliers on their environmental credentials if we feel they need to be challenged. Through this we've come to learn the depth of their environmental practices, which has expanded our own knowledge as to just how sustainable their papers are.



Appendix

Please note that for all targets our baseline year is 2018.

*Please note that this policy was formed in 2020, during the ongoing disruptions caused by COVID-19. Given the ongoing uncertainty, this may impact our ability to meet certain targets in 2021, especially those which have a health & safety implication such as the use of disposable coffee cups in our canteens.

Our impact as a publisher: in more detail

Raw materials and activities in our value chain, especially printing and logistics

Raw materials

The most important raw material for us is paper. There are a complex range of environmental impacts from paper production, which include biodiversity impacts from forestry, energy and water use, carbon emissions and waste from paper mills.

Printing and our value chain

We work with specialist printers across the world to create our books. Printing uses energy and generates carbon emissions, and we also use cardboard and plastic for packaging.

We also work with manufacturers who make toys, branded merchandise, electronic books and e-books. The manufacturing of these uses energy and increases our overall carbon emissions.

Our own operations, including business travel and commuting

Our operations

We have a direct impact on the environment from our operations. We use energy for lighting, heating, to run equipment and IT systems. We also travel to support authors, meet retailers and suppliers, and for our staff to get to work. We directly consume materials and water and generate waste.

Our operations also influence environmental issues indirectly. Most importantly, we make key design and planning decisions which will impact the life-cycle environment impacts of our books and products.

Our retail partners, including point of sale materials, proofs and returns

Distribution and logistics

We have offices across London and operate two main warehouses in the UK, storing and picking our own books and those of other independent publishers.

We distribute our books globally working with trusted logistics partners. We mainly transport books, products and materials by road and sea, with some air freight.

Sales & marketing

We provide retail partners with a range of point of sale marketing materials to promote our titles. We also send proof copies to retailers, journalists and influencers as part of our sales and publicity processes, and retailers return unsold books to us.

The use and end-of-life of our products

The power of books and authors

We publish some of world's most important books on environmental issues. Our ability to educate, inspire and inform people about the environment and pressing issues such as the climate emergency is one of the most important areas of impact.

End of life of books

We manage book returns and do everything we can to restock returned books. Those books that are not sold are dismantled and pulped, either at our site or by a specialist contractor. The pulp is then sold to be used as new books, paper or card products. Where possible, we also redistribute returned stock back into the community by making donations to schools, food banks and other good causes.

Illustration: Mike Ellis for Penguin



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