

### About Penguin Random House UK



~2,000 colleagues



1,500 titles published annually



print books sold in UK in 2022



all formats in 2022



Booker Prize winners to date



120 countries in which we sell and license books

### Our sustainability strategy

#### Priority 1: Journey to zero

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

#### Priority 2: Design for the future

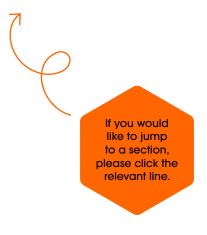
Ensure 100% of our paper and other core materials are ethically and sustainably sourced

### Priority 3: Content

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

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### A message from our CEO

It can feel overwhelming to know how we can each play a meaningful part in addressing the climate and nature emergency.

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

Some of our recent publications include *The Climate* Book, the essential handbook to combating climate disaster from the world's leading activist Greta Thunberg, and Rewilding The Sea by Charles Clover which reveals that saving our oceans is easier than we think.

At Penguin Random House in the UK, we have made progress in our sustainability journey, but we still have much work to do to meet our ambitious sustainability goals.

Reflecting on the last year, I'm pleased that for the first time since 2019, we have reduced our paper and print emissions by 11%. This is particularly significant because the majority of our carbon footprint (91%) lies in product emissions created in our global supply chain. This is also the area where we have less direct control and so driving change requires working in partnership

with our suppliers, particularly printers and paper mills. Actions we have taken in recent years include placing a cap on high-carbon papers, launching a toolkit and training to equip teams with the information they need to make more sustainable book design and production choices, and defaulting to rail transport in Europe.

This reduction shows that our approach is working, but we need to continue to accelerate these efforts as we work towards our global goal to become climateneutral by 2030. Our 2022 emissions remain stable in comparison to 2021, and this is due to an increase in employee commuting and business travel emissions as we continue to navigate a post-pandemic hybrid work model. Importantly, we have reduced our emissions by 10% compared to our baseline year of 2018.

I've seen first-hand how working to integrate sustainability can be incredibly challenging and complex, and that there is not one simple solution. Over the coming year, we hope to continue to work with colleagues and partners across the publishing industry to share solutions and innovations and tackle common challenges.

I hope, whether you are a colleague, partner, or author, that this report informs and encourages you on our commitment to acting for the planet.



TD Weldon

Tom Weldon CEO, Penguin Random House UK

## Our strategy on a page

Journey to Zero	Design for the future	Content	
Become climate-neutral in our global value chain by 2030 and maintain climate neutrality in our direct operations.	Ensure 100% of our paper and other core materials are ethically and sustainably sourced.	Use the power of our brand, books, and authors to amplify the climate emergency and encourage positive behaviour chang	
Reduce our emissions by 50% by 2030 in line with the Science Based Targets Initiative (SBTi).	All core materials will be 100% responsibly sourced by 2030.	Editorial teams continue to publish climate and nature content.	
Decarbonise our supply chain.	Remove unsustainable materials.	<ul> <li>Publish and promote climate/nature books to readers via Penguin channels.</li> </ul>	
<ul> <li>Invest in low-carbon papers.</li> </ul>	<ul> <li>100% transparent supply chain.</li> </ul>		
Build robust data and compliance.	Progressive policies and practices.	<ul> <li>Educate and engage colleagues, authors, and readers.</li> </ul>	
Research low-carbon innovations.	Educate and engage colleagues.		
	Embed nature-based solutions.		
	Become climate-neutral in our global value chain by 2030 and maintain climate neutrality in our direct operations.  Reduce our emissions by 50% by 2030 in line with the Science Based Targets Initiative (SBTi).  • Decarbonise our supply chain.  • Invest in low-carbon papers.  • Build robust data and compliance.	Become climate-neutral in our global value chain by 2030 and maintain climate neutrality in our direct operations.  Reduce our emissions by 50% by 2030 in line with the Science Based Targets Initiative (SBTi).  Decarbonise our supply chain.  Invest in low-carbon papers.  Build robust data and compliance.  Research low-carbon innovations.  Ensure 100% of our paper and other core materials are ethically and sustainably sourced.  All core materials will be 100% responsibly sourced by 2030.  Remove unsustainable materials.  100% transparent supply chain.  Progressive policies and practices.  Educate and engage colleagues.	

Relevant **UN Sustainable Development** goals











### Our actions at a glance



50% of our books are printed using renewable energy and produced locally in the UK.

Introduced Sustainable Tailored **Actioned Plans with** key suppliers.

Became ISO 14001 certified across all sites. **Published books** amplifying the climate and nature emergencies.

Joined DIMPACT to start calculating our digital carbon footprint.

1,000 solar panels installed at our warehouse.

Phased out harmful plastics such as glitter varnish.

80+ colleagues part of our Green Team network.

Introduced cap on high carbon papers.



**Updated our award**winning Sustainability **Production Toolkit to** help colleagues make more informed book design choices.

Adopted vegetablebased inks with select suppliers.

Joined global **Publishers' Compact** to champion **UN Sustainable** Development Goals.

### Partners and accreditations

We work with a range of external partners who, by sharing their expertise, work to improve sustainability across the publishing industry and accelerate our journey to become a more responsible and sustainable publisher.

For over 20 years Penguin Random House UK has been an active and valued supporter of, and contributor to BIC as an organisation in general. They offer consistent and active representation on the BIC Green **Supply Chain Committee which** oversees the various Green Work Plan projects.

Karina Urguhart, Executive Director, **Book Industry Communication Ltd** 

Penguin Random House UK demonstrates their commitment to transparency and the protection of workers' human rights through their membership of IETP, we applaud PRHUK for their commitment and look forward to achieving more together.

Carmel Giblin, CEO, ICTI Ethical Toy Program (IETP)

Penguin Random House UK were instrumental in setting up Book Chain Project, joining the original initiative back in 2006. Since then, they've been an active participant, helping us to engage and influence suppliers to the sector and build a more sustainable book supply chain.

Neil Everett, Director, **Carnstone Partners** 

**Penguin Random House UK** is an engaged member of the Publishers Association's Sustainability Taskforce and founding signatory of Publishing Declares. It is great to see how PRH makes concerted efforts to reduce its carbon emissions and be more sustainable across its supply chain.

Alice Wood, Sustainability Manager, The Publishers Association

















# Journey to Zero

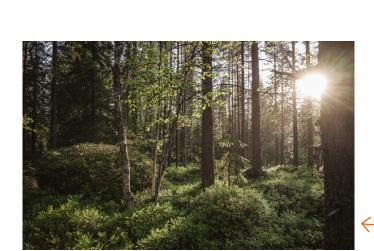
We are a founding signatory of Publishing Declares, committing to industry-wide collaboration on

climate action in the UK.



**Our Sustainability** Production Toolkit, a guide to inform and engage colleagues on how to design with sustainability in mind, won the **FutureBook Awards** Sustainability Initiative.





We visited our main paper mill in Sweden, our lowest carbon mono paper supplier, to see how they invest in sustainable initiatives and enhance biodiversity.

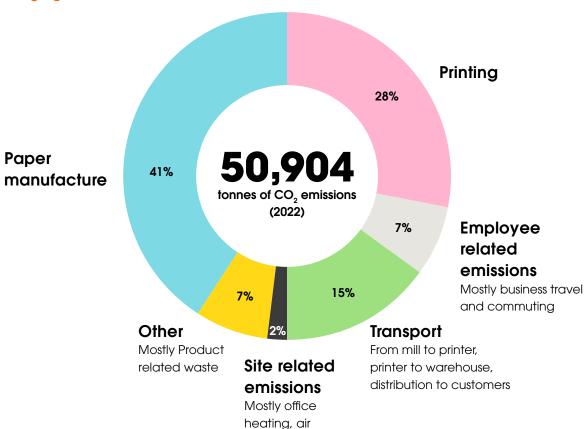
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It's absolutely vital for us to reduce our product emissions to enable us to meet our 2030 Climate Neutral SBTi target. Paper and printing comprise three quarters of our impact. With the engagement of our teams and the support of our global network of suppliers, we can produce increasingly lower-carbon books, meeting the challenge of the climate and biodiversity emergency."

Dan Edwards, Director of Publishing Operations



Reduce our emissions by 50% by 2030 in line with the Science Based Targets Initiative (SBTi).



conditioning, etc.

We are committed to becoming a climate-neutral business across our entire value chain by 2030. To do this we must reduce our carbon footprint as much as possible and then offset any remaining irreducible emissions.

As a publisher, working closely with our supply chain partners is fundamental. Most of our carbon footprint (91%) sits within the sourcing and manufacturing of our products. The remaining 9% comes directly from our direct operations and how our employees travel to and from work.

Our ambition to reduce our complete carbon emissions is supported by a set of targets that align with climate science to limit global warming to 1.5°C. In 2020, we signed up for the Science Based Targets initiative (SBTi) and set a baseline year of 2018 to report on our activities.

In 2022, our carbon footprint accounted for 50,904 tonnes of CO<sub>2</sub>e (as our complete carbon emissions). We have been climate neutral in our direct operations since 2020 (this includes scope 1 and 2 emissions) and therefore have used carbon offsets to replace a total of 1,416 tonnes of CO<sub>2</sub>e for 2022. This makes our final figure for carbon emissions, including offsets, stand at 49,488 tonnes of CO<sub>2</sub>e.

This was a decrease of 0.25% compared with 2021 and a 10% reduction compared to our baseline year of 2018.



#### SITE-RELATED EMISSIONS (SCOPES 1&2)

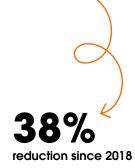
- Our offices and warehouse contribute the smallest proportion of our total emissions (2%).
- It is still important that we continue to reduce these direct emissions, and steps we have taken include:
- Switching to energy-efficient lighting.
- Installing solar panels in our warehouse.
- Implementing ISO14001 accreditation across all sites.
- Purchasing green energy certificates covering 100% of our energy usage since 2020.

reduction since 2018



#### **EMPLOYEE-RELATED EMISSIONS** (SCOPE 3)

- Most employee emissions come from colleagues commuting to and from work, plus traveling for the company (around 7% of our total emissions).
- To enhance colleagues' sustainable travel options, we installed EV chargers in our warehouse car park, where employees often travel by car, and worked with colleagues to offset business travel emissions or find solutions for more sustainable travel methods.





#### PRODUCT-RELATED EMISSIONS (SCOPE 3)

- Our products make up the majority of our carbon impact, with 91% of emissions coming from the manufacturing, transporting, and distribution of our products.
- Nearly 70% of these emissions come from paper and suppliers, so we have been focusing our reduction efforts on these two areas.
- In 2022, we collectively reduced these by 11% compared to 2021 through projects such as our Sustainability Production Toolkit and putting a cap on high-carbon papers.

increase since 2018

For a detailed overview of our complete site, employee, and product emissions breakdown, click here.

Aim	2022 Activity	Actions in 2023	Progress
25% reduction in carbon footprint coming from our production suppliers	<ul> <li>More robust supplier carbon data.</li> <li>Launch of Sustainability Production Toolkit and Book carbon calculator.</li> <li>First phase of cap on high carbon papers.</li> <li>Pilot rail shipment of books in Italy to our UK warehouse.</li> </ul>	<ul> <li>Create STAP (Sustainability Tailored Action Plan) for key suppliers to set specific KPIs and objectives.</li> <li>Accelerate cap on high carbon papers by grade and territory.</li> <li>Incorporate rail shipment for Italy to the UK warehouse as part of the 'norm'.</li> <li>Boost internal engagement with the sustainability production toolkit.</li> <li>Establish a more effective internal governance structure.</li> </ul>	5% increase compared to 2018 but a 4% reduction compared to 2021.
20% reduction in office energy by 2025	<ul> <li>✓ Installed 135 light fittings with LED lights.</li> <li>✓ Embedded ISO 14001 system across all sites.</li> <li>✓ Installed over 1,000 solar panels in our warehouse.</li> </ul>	<ul> <li>Introduction of sustainability and ethical metrics in partner tender processes.</li> <li>Continue to work on ISO 14001 EMS requirements.</li> <li>Make a business case to install more solar panels.</li> </ul>	Total energy usage has reduced by 46% compared to 2018.
50% reduction in carbon emissions from business travel by 2025	<ul> <li>Ongoing hybrid working to allow for travel flexibility.</li> <li>Installed electrical charging points in our warehouse.</li> </ul>	<ul> <li>Launch of Sustainable Travel Policy.</li> <li>Travel provider to showcase carbon emissions alongside travel options.</li> <li>Install more electrical charging points.</li> </ul>	Business travel has decreased by 59% since 2018.

### Feature: Working with suppliers to decarbonise

#### The challenge:

It is vital that we work with suppliers who share the same core values and ambitions as us when it comes to sustainability. We have a global supply chain with over 70 direct suppliers (printers) who make up nearly a third of our total carbon emissions.

Depending on location, size, and machinery, printers' carbon emissions can vary significantly, so it's important that we work collectively to help our suppliers adopt more sustainable practices to decarbonise.

#### What we've done:

- Worked closely with our largest UK-based printer, Clays, to support them in reducing their impact and setting carbon reduction measurements.
- Set up training at the Clays printing factory so our production colleagues could learn to adopt more sustainable options hands-on with the Clays team.
- Put in place a tailored sustainability plan for Clays, which addresses climate, biodiversity, and social impact.



#### Impact so far:

• Clays have continuously shown commitment in this space, with actions including switching to renewable energy, reviewing, and signing up for climate reduction goals in line with the Science Based Targets Initiative (SBTi).

Over the course of the past year, Penguin Random House has been on a continuous drive to increase the sustainability of book production, working closely with us to develop our commitments, measurements, and strategy as part of the shared goal to reduce our impact on climate change".

Tom Scatchard, Sustainability Advisor, Clays Ltd.

### Feature: Accelerating our carbon reduction strategy

#### The challenge:

The type of paper we use to make our books has a significant impact on our carbon footprint. Some papers can have a much higher carbon impact than others, because of factors like where the paper mill is operating, if the paper mill is using renewable energy sources, or if additional processes are required - for example to create uncoated papers.

Decisions on which paper to use for a specific book can be influenced by a range of factors including cost, availability, aesthetic, and genre.

Many colleagues in decision-making roles, including designers, editors, and production controllers, were not aware of which papers had a higher or lower carbon impact. This meant that sustainability was not being factored into our everyday decision-making.



#### What we've done:

- Launched a Sustainable Production Toolkit to provide information on the impact of production choices. Trained colleagues in decision-making roles on how to use the toolkit to help them make more informed choices. This included key carbon impact information for paper types as well as information on nonrecyclable finishes (such as glitter).
- Introduced a cap on high-carbon papers, which represent 40% of our overall carbon footprint. This work included influencing external suppliers to make changes to their own operations.

#### Impact so far:

- Overall printer and paper emissions have decreased by 11% as a result of these initiatives.
- Teams actively using the toolkit to remove unsustainable materials and choose low-carbon production and design methods.
- Cap on high carbon papers should reduce our total emissions by 15% by 2024.

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We're pleased to have introduced this cap on high carbon paper, which will tackle the largest single source of our company emissions. It's a key step towards our goal of becoming climate neutral by 2030, in line with the Science Based Targets Initiative."

Courtney Ward-Hunting, Senior Sustainability Production Manager



# Sustainable sourcing

We have created a **Green Materials Library** for colleagues which houses various samples of sustainable alternatives to decorative finishes. inks, packaging, as well as examples of published titles that embody sustainable production.





We have revamped the material guide in the Sustainable Production Toolkit to include more detailed information on the sustainable properties of materials we use in our books.



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BBC Studios is a Carbon Neutral Company and along with the BBC Group has committed to the new SBTi Net Zero standard, including joining both the Science Based Targets for Nature working group and aligning to the Taskforce on Nature Related Financial Disclosures (TCND). As a key partner BBC Studios recognises that Penguin Random House has an important part to play in helping our organisation realise this commitment. Penguin Random House share BBC Studios commitment to responsible business and driving positive change in the space of sustainability, showing proactivity, transparency and ownership. Another example of where our values align is that Penguin Random House are focused on continuous improvement in this space and are committed to use their scale for good".

Anita Majhu, Head of Licensing & Brands and Licensing Sustainability Lead



We hosted a virtual training in partnership with BBC Studios on ethical and environmental standards for colleagues working across BBC titles.



#### All core materials will be 100% responsibly sourced by 2030

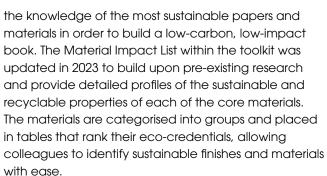
It is important that all of our core materials are consciously sourced; this encompasses our suppliers, materials used to create books (i.e., paper, inks, glues), and how we package and distribute our products to our warehouse and customers.

To achieve this goal, we have made a number of changes to ensure our materials are responsibly and sustainably procured, and that our global supply chain is held to a high ethical standard.

#### Sustainable sourcing

In addition to continually sourcing 100% FSC®-certified paper, we have introduced various initiatives for colleagues to educate themselves on best practices when it comes to responsible material sourcing.

Our Sustainable Production Toolkit provides a compendium of resources to equip colleagues with



Complimenting this is the Green Materials Library, a shelf in our London office that houses physical samples of sustainable alternatives to traditional print finishes and inks provided by our print suppliers. Colleagues utilise the library to compare samples and receive inspiration for future projects. The availability of samples printed with vegetable-based ink was vital for the facilitation of our move to using vegetable-based inks on our colour books, by demonstrating that they can produce the same vivacity as traditional inks.





100% of suppliers considered best practice in ethical trade

#### **Ethical sourcing**

Protecting the human rights of workers in our supply chain is a fundamental part of our sustainability strategy. We believe that you cannot address sustainable issues without addressing social issues too.

We therefore consistently monitor our supply chain to ensure that suppliers operate to a high ethical standard, requiring annual audits to verify ethical business practices as part of our wider ethical trade programme. We work closely with the platforms ICTI Ethical Toy Program (IETP) and the Book Chain Project to collate and evaluate incoming audits. For relevant priority suppliers, in high-risk locations, we ask them to engage IETP, which hosts a range of tools and resources that help us to manage any ethical risks at the factory level.

#### **Beyond auditing**

We recognise that auditing is an important part of human rights due diligence but, in isolation, is ineffective at reducing risks to workers or motivating suppliers to improve. We actively support a number of 'beyond audit' activities, that help build capacity, promote accountability, and support better conditions.

In November 2022 we began supporting the IETPs programme, in conjunction with UNICEF, to support factories to be recognised as Family-Friendly. This program was developed to advance the benefits of the Childcare Spaces program (FFS).

You can find out more **here** in our modern slavery report.

We also rolled out our Supplier Ethical Code of Conduct which reflects our values and conveyed principles from the Ethical Trading Initiative (ETI) base code and International Labour Organisation (ILO) conventions. We required all suppliers to sign the policy, committing to upholding it.

In 2023, we signed up for 'Everyone's Business', a human rights toolkit to help train staff on human rights abuses and allow them to raise any issues of concern with internal experts back home. We are currently piloting this with our production colleagues and hope to expand to other parts of our business.

This year, we also expanded our supply chain, and with this, we have been supporting suppliers to embed ethical practices, whilst also turning away those who do not meet our standards.







PRH supports the IETP Family-Friendly Factory Program which increases access to quality childcare for working parents

Aim	2022 Activity	Actions in 2023	Progress
100% of paper is FSC® certified	✓ Maintain the practice of using FSC®-certified paper across books.	<ul> <li>Sourcing local FSC®-certified paper for new onboarded suppliers.</li> <li>Expand FSC® use across all boards and packaging used in our direct operations.</li> </ul>	Ongoing
100% of sustainable materials embedded by 2025	<ul> <li>✓ Roll out the toolkit to empower colleagues to make informed decisions when producing books.</li> <li>✓ Phase out glitter varnish across all titles.</li> <li>✓ Research into alternatives to plastic lamination.</li> </ul>	<ul> <li>Increase sustainable packaging used by suppliers to transport books to our warehouse and global customers.</li> <li>Adopt sustainable finishes across core brands and series.</li> </ul>	Ongoing
100% of suppliers considered best practice in ethical trade	✓ Introduced a rating system to highlight the high standard of ethical trade among suppliers.	<ul> <li>Provide further support to suppliers to action non-compliance within a short timeframe to encourage a continual performance of high ethical standards.</li> <li>Utilise STAPs (tailored action plans) to implement specific targets to hone ethical trade standards to key suppliers.</li> <li>Development of risk matrix to highlight the key risks viable in each geographic region we operate in.</li> <li>Collaborate with the Ventures team to establish ethical trade standards and best practices for non-book suppliers.</li> </ul>	Ongoing

Aim	2022 Activity	Actions in 2023	Progress
Create physical green materials library	✓ New area	Continue to add to the bank of physical sustainable material samples outside of paper e.g., finishes, inks, packaging, and novelty components.	The library contains physical samples from our core suppliers.
100% of colour books will use vegetable-based inks by the end of 2023	✓ New area	Start work with colour book supply chain.	Ongoing

### Feature: Protecting forests and biodiversity

We directly and indirectly procure paper globally, working with 58 Paper Mills across 20 different countries: Austria, Belgium, China, Czech Republic, Dubai, Finland, France, India, Italy, Japan, Norway, Poland, Portugal, Slovakia, Sweden, South Africa. South Korea, Spain, Tasmania and Thailand

#### The challenge:

As a publisher, we are intrinsically dependent on the supply of paper to produce our books. It is therefore crucial that we source our paper from well-managed, FSC®-certified forests and other controlled sources,

as well as forest-based materials that are recycled, to protect forests, biodiversity, and local communities from irreversible destruction.

Moreover, developing legislation, namely the EU Deforestation Regulation (EUDR), will necessitate amplified due diligence across the paper industry to eliminate paper originating from deforested land. This incoming legislation will assist us in developing more robust responsible procurement practices.



#### What we've done:

We have made the decision to only use FSC®-certified paper for our books. FSC® is the world's most trusted sustainable forest management solution. FSC®certified forests are managed to strict environmental, social, and economic standards that help preserve biological diversity and protect local communities, with particular emphasis on upholding Indigenous Peoples' legal and customary rights of ownership, use, and management of the land. The FSC® chainof-custody facilitates a transparent and credible supply chain that enables the identification of tree species and country of origin to ensure illegal wood is not present in paper products.

### Feature: Protecting forests and biodiversity

#### Impact so far:

Since 2020 we have used 100% FSC®-certified paper for our books, and plan to expand this to all paperbased products in our direct operations by 2025.

One of our core suppliers of paper, Holmen AB, has been managing forests since the 17th century. For many years, Holmen has been working actively with nature conservation, which aims to contribute positively to biodiversity. Holmen invests in caring for their forests and constantly works to improve everything from seedlings to nature conservation through research, development, and education. You can read more about their sustainability work here.

"

Penguin Random House have worked closely with us over many years on product development and always with a keen eye on our sustainability progress. We see them at the forefront of this work within Book Publishers, really pushing the sustainability agenda within the industry. Their early publication of a sustainability policy and the "sustainability production toolkit" are prime examples of that ambitious effort. Penguin Random House are continuously reducing their carbon footprint and we are proud to be a reliable supplier to them of sustainable low carbon paper. We value their ongoing dialogue and together we keep striving to push the boundaries of sustainability further."

Linda Magnusson, Sustainability Manager, Holmen AB





our biggest supplier



### Feature: Creating sustainable children's books

#### The challenge:

We want to publish books that educate and inspire our young readers on the climate emergency. Often, children's books are created with lots of different finishes and touch-and-feel elements to make them more appealing, these materials are often plasticbased and can potentially render our books unrecyclable.

Therefore, it is important for us to create books as sustainably as possible, whilst also designing for a circular economy, so we don't negatively impact the planet during the manufacturing process.

#### What we've done:

To achieve the above ambition, we work in collaboration with BBC Studios, who also have their own sustainability commitments, to review how we source new innovative materials whilst eliminating unsustainable equivalents. In 2023, as part of our work with BBC Studios children's titles, we are now:

• Replacing the plastic lamination protection on our BBC Earth titles, instead opting for a sealer finish on paperback or using a textured uncoated paper for hardcovers.

- Removing PVC material from novelty touch and feel books as PVC contains harsh chemicals that may contaminate waste-streams when disposed of.
- Increasing the use of recycled materials for plush and novelty products.
- Creating consumer-facing recycling information on selected books and packaging.

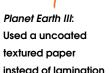
#### Impact so far:

Our children's books are now produced more sustainably, using materials and finishes that have less of an impact on the environment without compromising on quality. The adoption of plastic-free alternatives increases the recyclability of the book once it reaches its end-of-life, which ensures that our books will not have a detrimental impact on the planet.



Hey Duggee: Used laminated paper over foam to replace

a PVC plastic tactile







Bluev: Switched from matt lamination to a plastic-free varnish



### Content

We used our platform,
Penguin Voices, to
educate our colleagues
on climate change
solutions in collaboration
with Dr Hannah Ritchie (a
Senior Researcher in the
Programme for Global
Development at the
University of Oxford)



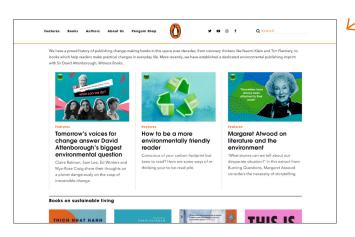
We helped the employer brand team source sustainable and ethical merchandise for new joiners.



"

I really appreciated that there were designated colleagues to support me in making sustainable decisions around our onboarding and outreach merch. I learned a lot about sustainable materials, and was able to make choices aligned to our company sustainability goals".

Izy Cowling, Employer Brand Manager



The Sustainability hub points customers to climate and nature-based books and features articles from our editors and authors.



#### Accelerate climate literate content and champion sustainable developments

#### Climate and environmental literacy

We have a proud history of publishing change-making books in this space over decades, from visionary thinkers like Naomi Klein and Tim Flannery, to books which help readers make practical changes in everyday life. More recently, we have established a dedicated environmental publishing imprint with Sir David Attenborough, Witness Books.

We recognise the importance of accelerating climate literacy for our readers and have put in place measures to support them in discovering environmental books on our website. In 2022, we launched our Sustainability Hub, a platform for customers to be able to source books focused on green topics, this platform also featured articles and highlighted voices across Penguin on key themes such as 'Margaret Atwood on literature and the environment' and 'How to be a more environmentally friendly reader'.

#### Engaging colleagues in sustainability developments

Embedding behavioural change is vital in driving sustainable development. In 2022 we rolled out tailored training to over 500 colleagues across design, editorial, and production on how to design and manufacture a book more sustainably. Since this training took place, we can see transformational change across these teams. They are no longer working in silos and are now putting sustainable thought decisions at the forefront of their meetings and working collectively to reduce environmental impact.

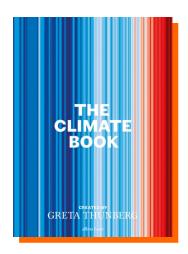
Our next ambition is to engage and educate colleagues, working across departments to truly adopt and embed sustainable developments across our company.

In 2022 we launched a sustainability hub on penguin.co.uk to enable readers to discover our climate and nature content more easily.

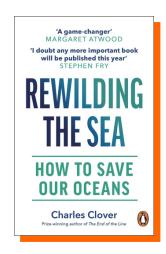


Aim	2022 Activity	Actions in 2023	Progress
Ensure consumers have access to climate- literate content	<ul> <li>✓ Launch of Sustainability Hub on the Penguin Website.</li> <li>✓ Acquisition of books and authors focused on nature and climate emergency by our independent editorial teams.</li> <li>✓ Collaborated on a podcast with London College of Communications students on sustainability in publishing.</li> </ul>	Find new ways to bring sustainability hub to life for readers.	Sustainability Hub launched.
Educate and inform colleagues on sustainability	✓ Trained over 500 colleagues on our Sustainability Production Toolkit.	<ul> <li>Update the toolkit and roll out more training for colleagues.</li> <li>Host Penguin Talks event, which connects our authors with young people on climate change-related topics.</li> </ul>	500 colleagues took part in toolkit training.
Collaborate across the industry to drive sustainable developments with publishing	✓ Co-founder of Publishing Declares.	Continue to work with industry-wide organisations and working groups to collectively drive sustainable developments.	Ongoing
Work collectively with customers to champion sustainable initiatives and solutions.	✓ Worked with several customers to support sustainable initiatives (BBC, The Works).	Host BBC Studios Workshop with internal colleagues to emphasise the importance of ethical trade and sustainability.	Ongoing
Standardise our reporting methods	✓ New area	<ul> <li>Review reporting measures to align with ESG standards and measure our methodology.</li> </ul>	Ongoing

### Feature: Amplifying the climate and nature emergency through our publishing



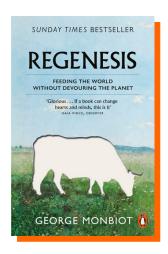
In this essential handbook, Greta Thunberg has gathered the wisdom of over one hundred experts geophysicists, oceanographers and meteorologists; engineers, economists and mathematicians; historians, philosophers and indiaenous leaders - to equip us all with the knowledge we need to combat climate disaster. Alongside them, she shares her own stories of demonstrating and uncovering greenwashing around the world.



Rewilding the Sea celebrates what happens when we step aside and let nature repair the damage: whether it is the overfishing of bluefin tuna across the Atlantic, the destruction of coral gardens by dredgers in Lyme Bay or the restoration of ovsters on the East Coast of America.



In this collaboration with BBC Earth, this illustrated non-fiction book captures the wonder, beauty, and emotion of the iconic TV series. It helps young readers discover all there is to love about our Blue Planet, the stories of its inhabitants, and realise how to help protect this wilderness beneath the waves.



Farming is the world's greatest cause of environmental destruction and the one we are least prepared to talk about.

Drawing on astonishing advances in soil ecology, Monbiot reveals how our changing understanding of the world beneath our feet could allow us to grow more food with less farming, and how we can feed the world without devouring the planet.

# Data appendix and governance



### Governance

#### Sustainable strategy governance

Our CEO and Leadership Team are accountable for implementing the sustainability strategy. There are also key experts across the company who are responsible for developing and delivering sustainable priorities across their areas, bringing any new developments or issues to the CEO and Leadership team to review and appropriately act on.

These experts are based in our publishing operations, facilities, distribution, and social impact teams. In 2022, we re-formed and advanced our sustainability working group ambitions, which have been in place since 2016, allowing the group more scope to govern our methodology and address/escalate environmental issues and solutions appropriately.

We also have a Green Team encompassing over 80 colleagues, who meet regularly to discuss and action smaller scale sustainability developments, from engaging colleagues on biodiversity, advocating for clear recycling labelling, to creating a green library for colleagues to educate themselves on green titles such as investing sustainably to tackling climate change. This network also feeds into our wider sustainability governance group as part of our overall strategy.

#### Carbon accounting governance

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

Annually, we collect data across the three different carbon scopes and enter it into an online platform to assess our emissions, these are then verified by Bertelsmann and their auditors. We also disclose our data to platforms such as CDP (Carbon Disclosure Project) or similar when asked by customers. We strive for continuous improvement, and therefore each year aim to strengthen our carbon accounting data, to ensure we account for everything. In future years, we expect to see some fluctuation to previous carbon impact figures as new information and carbon accounting areas become available. Importantly, this will not stop us from implementing our carbon reduction plans.



### Carbon data

The below table gives an overview of our carbon emissions from 2018-2022 as split out by site, employee, and product-related emissions.

We split out our three scopes of carbon accounting by site, employee, and products to give us a more rounded approach so we can understand key themes of impact and focus on sustainable initiatives in that area.

Overall CO emissions	2010	2019	2020	2021	2022	+/-	+/-
Overall CO <sub>2</sub> emissions	2018					2022 to 2021	2022 to 2018
Site related emissions (scope 1&2)	5,473	1,530	1,383	1,598	1,416	↓-11%	↓ -74%
Employee related emissions (scope 3)	5,496	4,247	1,645	1,791	3,391	↑ 89%	↓ -38%
Product related emissions (scope 3)	43,773	35,826	42,199	47,822	46,097	↓ -4%	<b>↑ 5%</b>
Total emissions	54,742	41,603	45,228	51,211	50,904	↓ -1%	↓ -7%
Total emissions with offset	54,742	41,603	43,844	49,613	49,488	0%	↓ -10%

As shown above, our overall carbon footprint has decreased by 10% (including carbon offsets) compared to our baseline year of 2018. To make sure our investment in 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 forests located southeast of Campo Grande in Brazil. So far, we have compensated for nearly 3,500 tonnes of carbon from our direct emissions (sites) to land afforestation. Find out more here.

### Carbon data for sites (scope 1 & 2)

This table shows the tonnes of carbon we've released since 2018 at our sites (head offices and warehouse) as well as our employee emissions. We have greyed out 2020 - 2022, as we've been offsetting all our site emissions since 2020.

Site related emissions in 2022 (Scope 1&2):

Site related emissions	2018	2019	2020	2021	2022	+/-	+/-
						2022 to 2021	2022 to 2018
Scope 1 Mobile Fuels	64	63	32	33	60	↑ 82%	↓ -6%
Scope 1 Stationary Fuels	82	53	21	32	784	↑ 2350%	↑ 856%
Scope 2 Electricity	3,341	0	0	0	0	0%	↓ -100%
Scope 2 Heat	1,630	1,144	982	1,178	111	↓-91%	↓ -93%
Scope 1 Refrigerant Losses	3	0	141	36	97	↑ 169%	↑ 3010%
Scope 3 Waste	136	124	83	168	199	↑ 18%	† 46%
Scope 3 Energy related emissions	217	146	125	151	165	↑9%	↓ -24%

Stationary fuels have increased as we've amended the scope, it was original placed in scope 2 heat. Refrigerant fuels have increased significantly compared to 2018, since our data reporting has become more robust from 2020 onwards.

### Carbon data for employees (scope 3)

Employee related emissions in 2022 (Scope 3):

Employee related emissions	2018	2019	2020	2021	2022	+/-	+/-
						2022 to 2021	2021 to 2018
Scope 3 Business Travel	2,561	1,323	55	82	1,041	↑1170%	↓ -59%
Hotel Stays	223	219	30	30	100	↑ 233%	↓ -55%
Scope 3 Office Paper	175	160	43	37	45	↑ 22%	↓ -74%
Scope 3 IT Devices	150	158	499	229	315	↑ 38%	↑110%
Scope 3 Employee Commuting	2,387	2,387	1,018	1,413	1,890	↑ 34%	↓-21%

You can see most of these have increased in 2022 as we return to the office and begin travelling for work post pandemic. This is much lower in compared to our baseline year of 2018.

### Carbon data for products (scope 3)

This table shows the tonnes of carbon we've released since 2018 from our value chain (products).

This year, we have seen a mix of reductions and increases to our product carbon emissions. Importantly we reduced our paper and printer emissions by 11% compared to last year as part of our in-house initiatives to reduce our production emissions. These two areas make up nearly 70% of our carbon emissions alone.

Value Chain related emissions in 2022 (Scope 3):

Product related emissions		2019	2020	2021	2022	+/-	+/-
	2018					2022 to 2021	2021 to 2018
Scope 3 Paper Mills	16,098	13,874	18,424	20,908	20,511	↓ -2%	<b>† 27%</b>
Scope 3 Printers / Printing Materials	15,767	12,803	14,254	15,343	13,982	↓ -9%	↓-11%
Scope 3 Warehouses services	3,011	954	505	460	464	↑1%	↓ -85%
Paper Mill to Printer	2,647	2,544	2,883	3,740	3,312	↓-11%	<b>† 25%</b>
CD	24	24	24	64	165	↑ 158%	↑ 588%
Printer to Warehouse	3,242	2,386	3,071	4,070	4,199	↑ 3%	↑ 30%
Distribution (Delivery & Returns)	992	1,177	1,353	1,563	1,603	↑ 3%	† 62%
Scope 3 Packaging	785	785	785	785	939	↑ 20%	1 20%
Scope 3 End of Life (product waste)	1,207	1,279	900	889	922	↑ 4%	↓ -24%

In 2022, we continued to work with our suppliers and production teams to reduce our emissions. The launch of our sustainability Production Toolkit has helped reduce our product related emissions, and fostered collective change across our teams.

### Carbon terminology



#### **Terminology**

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 toward climate targets are measured. Our baseline year for carbon reporting is 2018, in line with our parent company Bertelsmann, as well as the rest of the other PRH Group Companies.

#### Site related emissions

#### What type of emissions are these?

Mobile fuels: All vehicles owned or leased by an organisation that burns fuels producing greenhouse gases.

Stationary fuels: Stationary fuel combustion sources are devices that combust solid, liquid, or gaseous fuel, generally for the purposes of producing electricity, generating steam, or providing heat or energy.

**Electricity:** Electricity purchased and used by the organisation.

Heat: Emissions associated with fuel combustion in boilers, heat pumps, etc.

Refrigerant losses: Gases released from air conditioners, refrigerators, fire suppression systems, and certain industrial processes.

Waste: The treatment of waste generated in operations. No waste goes to landfill, it is collected by a third party to be recycled.

**Energy Emissions:** The emissions from energy are associated with the generation of electricity and transportation of people/goods.

#### **Employee related emissions**

#### What type of emissions are these?

Business travel: This includes any flights, rail, or car transport an employee has used as part of travelling for work with Penguin Random House UK.

Hotel stays: The number of emissions associated with staying in a hotel as part of travelling for work.

Office paper: Emissions associated with the office paper we buy and use in our head offices and sites.

IT Devices: The number of monitors, laptops, and mobile devices upgraded for employees each year.

**Employee Commuting:** How our employees travel to work, whether this is through public transport, cycling, walking or by car.

#### **Product related emissions**

#### What type of emissions are these?

Paper Mills: The extraction of trees and the energy, water, and heat used to process them into paper reels.

Printers: The manufacturing of paper reels and other materials, turning them into finished books.

Warehouse services: Emissions associated with the energy and heat used in our warehouses.

Transport, mill to printer: The transport emissions with distributing our paper reels to our printers.

Transport, printer to customer: The emissions with distributing our books from our printers to our warehouse or directly to customers.

Delivery & returns: How many pallets and parcels do we send to customers and how many are returned.

CDs: The emissions associated with manufacturing our CD's. \*(new area)

Packaging: Emissions associated with packaging good and materials. \*(new area)

Product end of life: Estimated emissions of how our books are used by our customer.



☑ Visit <a href="https://www.penguin.co.uk/company/social-impact/sustainability">https://www.penguin.co.uk/company/social-impact/sustainability</a> to find out more.

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