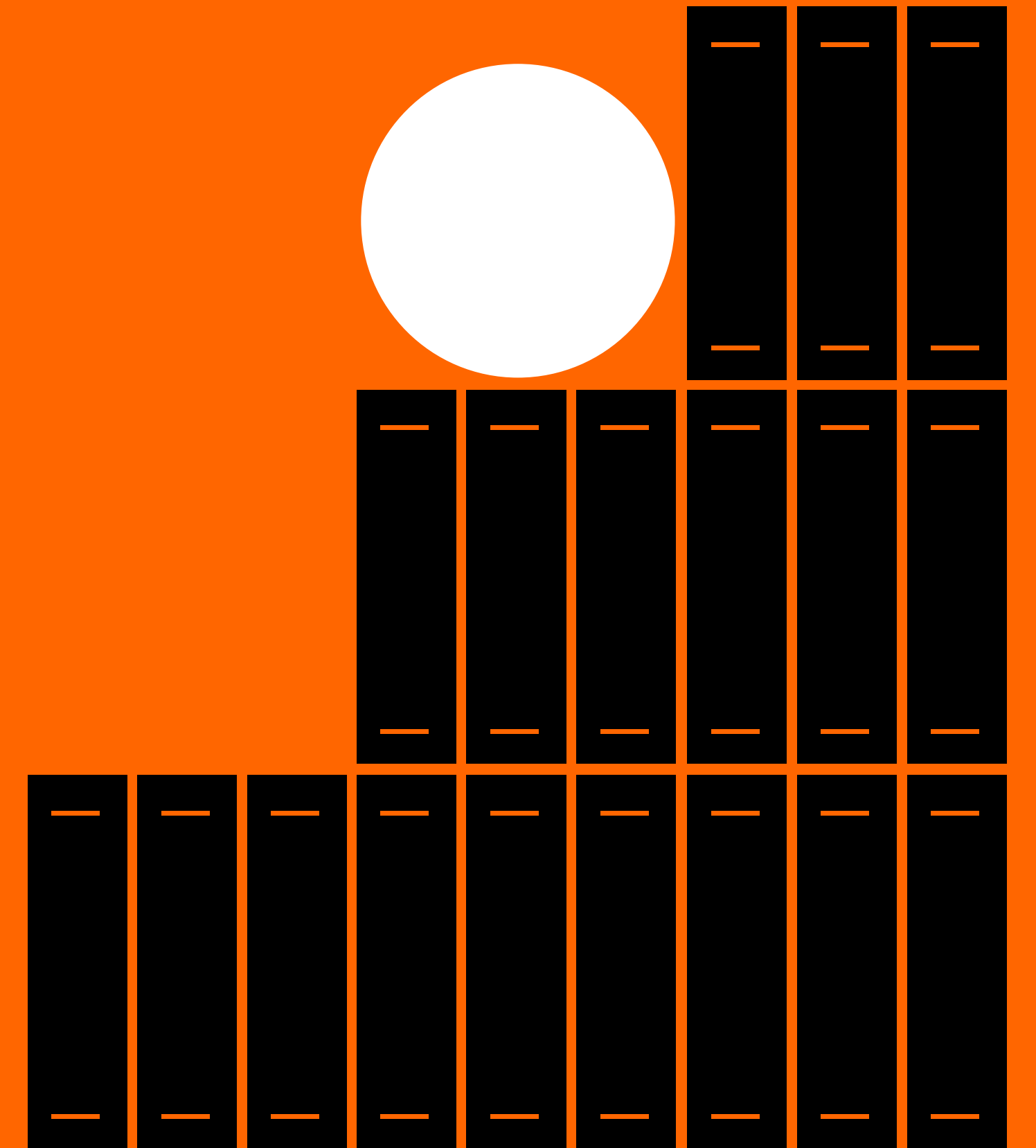




Environmental, social and governance data report 2023



Contents



About Penguin Random House UK

~2,000
colleagues

~40M
print books sold
in UK annually

24
Booker Prize
winners published

~1,500
titles published
annually

>100m
books sold globally
across all formats
annually

>120
countries in which
we sell and license
books

Our responsible business strategy







We give everyone equal access to books

We create readers of the future

We make books for everyone

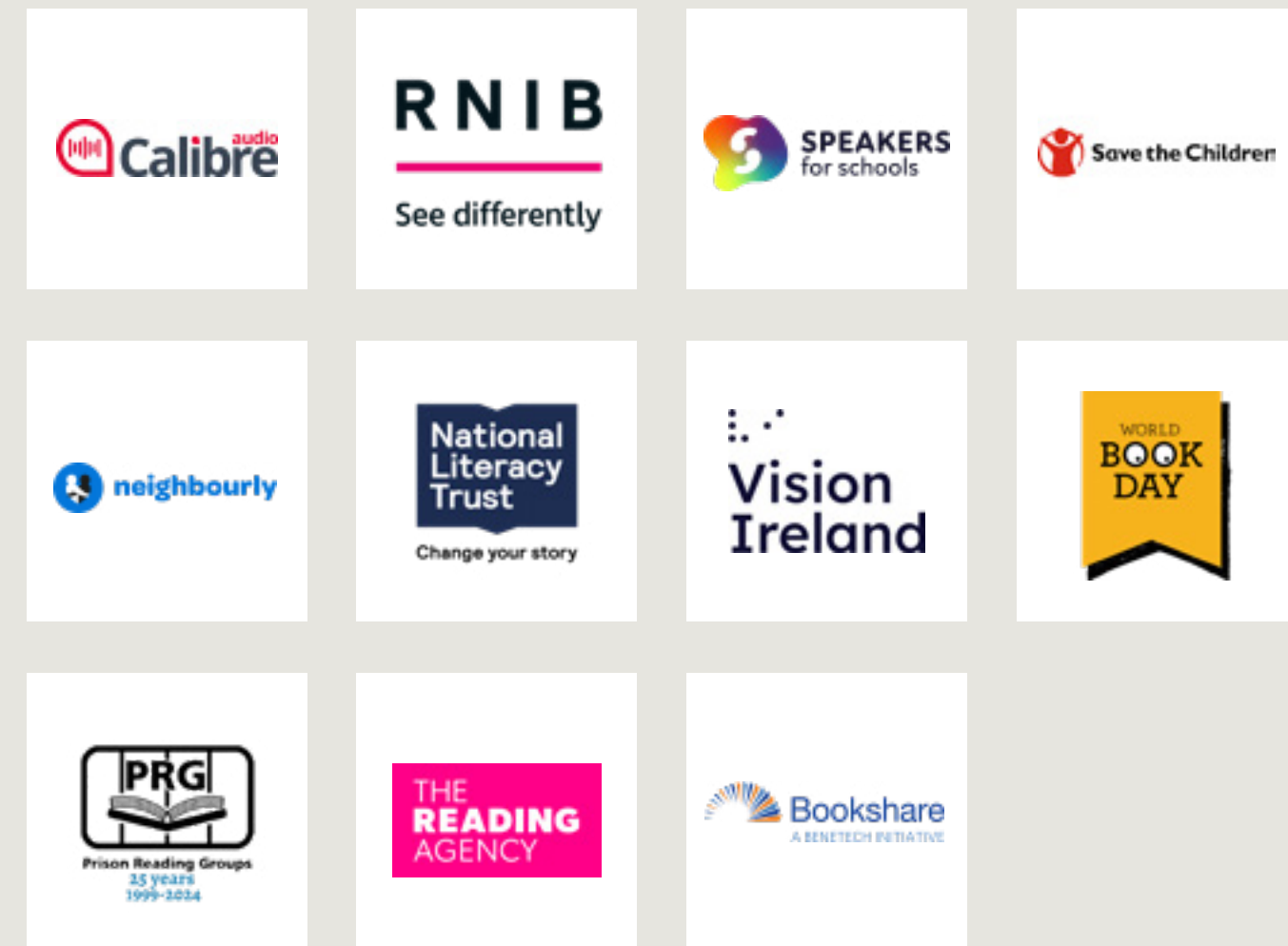
We think and act for the planet

| | | | | |
|--|---|---|--|---|
| <p>Priority</p> | <p>We give everyone equal access to books</p> | <p>We create readers of the future</p> | <p>We make books for everyone</p> | <p>We think and act for the planet</p> |
| <p>The aim</p> | <p>We make books for everyone, but the reality is that not everyone has the means or opportunity to read. We're working to put books into the hands of people and communities who may not otherwise be able to afford or access them.</p> | <p>We know that books can change minds and transform futures. By connecting young people to the power of our books and authors, we help them to see the world from many different viewpoints.</p> | <p>We believe every reader should find books and authors that speak to them and reflect their life experiences. From our authors and illustrators to our publishing teams, we want to ensure the creators of our books represent the society we live in.</p> | <p>The most important role we can play as a publisher to combat the climate and nature emergency is to create books that change minds and behaviour. It's also vital that we innovate to reduce the environmental impact of our own operations.</p> |
| <p>Focus areas</p> | <ul style="list-style-type: none"> • Book donations • Accessible formats of books • Removing barriers to reading | <ul style="list-style-type: none"> • Promoting reading for pleasure • Primary school library provision • Supporting students to study writers of colour | <ul style="list-style-type: none"> • Representation in all teams, at all levels • A culture of belonging • Diverse and inclusive publishing | <ul style="list-style-type: none"> • Journey to net zero • Design for the future • Sustainable content |
| <p>Supporting the United Nations' Sustainable Development Goals</p> |  |  |  |  |

Partners and accreditations

We work with a range of external partners who, by sharing their expertise and through collaboration, help us become a more responsible and sustainable employer and publisher.

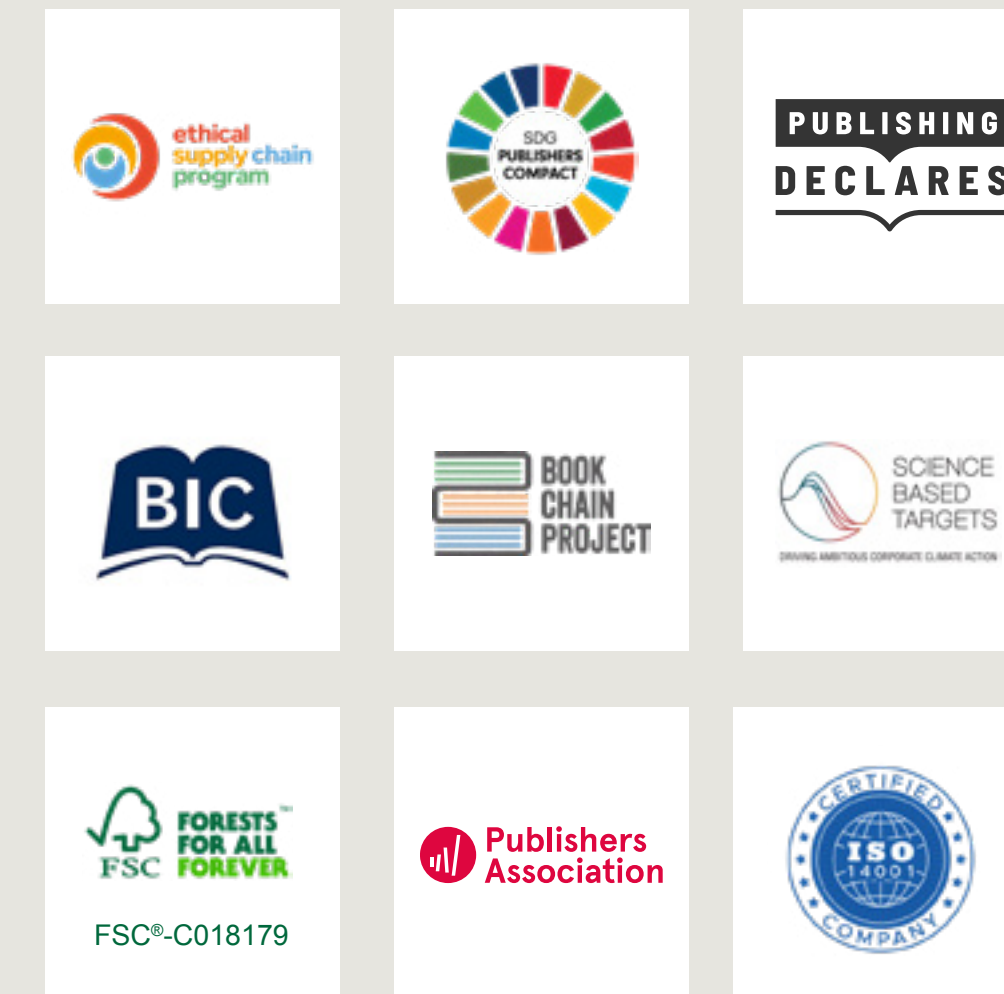
Literacy and book donation partners



Diversity and inclusion partners



Sustainability and ethical supply chain partners



Priority 1: We give everyone equal access to books

Goal

Use book donations to help tackle financial and access barriers to reading



Reading is much more than a way to escape and be entertained. It's also a powerful vehicle to support wellbeing, social mobility, and empathy. However, the reality is that not everyone has the means or opportunity to read. We work with a network of charities, prisons, foodbanks, and grassroots community groups to get books into the hands of children and adults across the UK who would otherwise go without.

“
You giving me and my daughter books gave us something we can share together. We read chapters to each other and it is amazing, it really brings us closer together. It makes our bond stronger.”

Parent in prison

2023 actions and impact

82,000 print books donated to good causes across England, Northern Ireland, Scotland, and Wales

3 specially published books for The Reading Agency's Quick Reads programme to support adults to become readers

185,000 books downloaded for free by print disabled readers through our RNIB and Calibre Audio partnerships

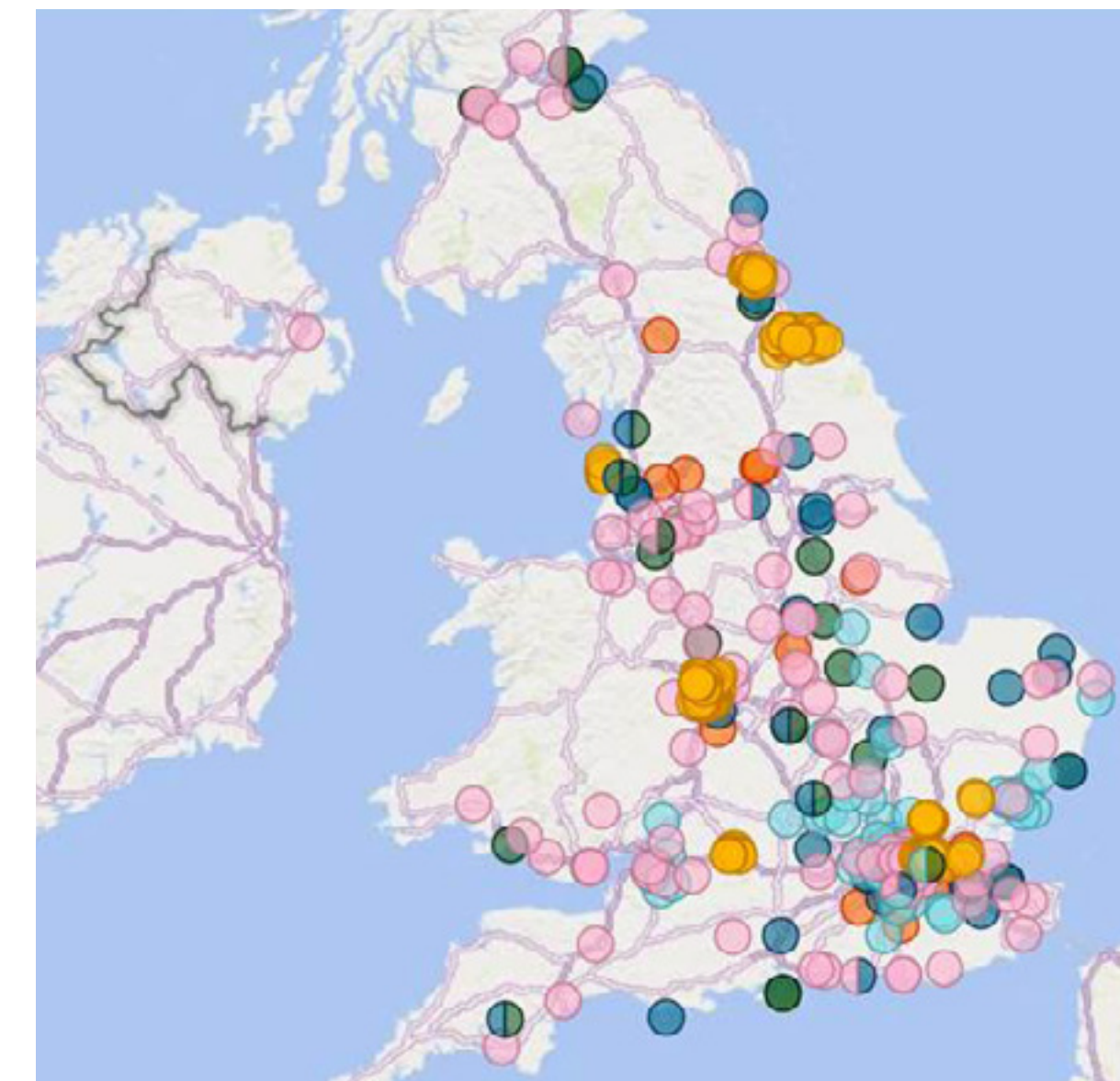
375 colleagues volunteered in their local community which supported 43,000 people and equated to almost £12,000 of financial impact

Supported 84 prison reading groups. Prisoners report that reading helps them feel calmer, less isolated, and grows their reading confidence

Future actions

Grow network of grassroots causes we donate books to

Improve geographic reach of our donations



2023 book donations

- Penguin Talks
- Prison Reading Groups
- World Book Day
- World Book Night
- World of Stories

Priority 2: We create readers of the future

Goal

Every primary school in the UK has a library by 2028

Goal

Increase the number of students at GCSE and A Level studying a book by a writer of colour



We believe that reading has the power to change lives. Young people who enjoy reading experience greater educational and social mobility than those who don't, yet reading for pleasure is at its lowest level in 20 years. And with 1 in 7 primary schools in England lacking a library, many young people are missing out on developing a love of reading. It's also crucial that young readers can find books that reflect the rich diversity of society and help them understand the world around them yet currently, fewer than 1% of students at GCSE level study a book by a writer of colour.



2023 actions and impact

Donated 123,800 books to primary schools in areas of higher social deprivation

1000th library transformed by the Libraries for Primaries campaign, which we are co-founders of with the National Literacy Trust

Conducted voter research which found that 86% of parents support making it a legal requirement for all primary schools to have a library

Hosted a Labour Party Conference event on the importance of primary school libraries

30,000 Penguin books by writers of colour donated to secondary schools across the UK

275 schools have now pledged to change their GCSE or A Level text to one by a writer of colour

Future actions

Continue making the case for additional investment in primary school libraries to government

Work with other publishers, businesses, and public sector bodies like Arts Council England to transform more libraries

Publish the fourth Lit in Colour Incomplete List to help teachers, parents, and students discover titles by writers of colour

Publish new research on the number of students studying books by writers of colour as a result of Lit in Colour's actions

Read our:

Priority 3: We make books for everyone - diversity, equity and inclusion



Focus area: Representation in all teams, at all levels

Goal

New hires reflect UK society, with a particular focus on achieving socio-economic representation by the end of 2030

Goal

Senior leaders reflect UK society by the end of 2026

A diverse and representative workforce will enable us to publish boldly and creatively. To improve representation within our workforce, we are working to:

- Remove entry barriers to the publishing industry
- Support colleague career development
- Ensure our recruitment processes are inclusive
- Analyse data for insight and action

2023 actions and impact

Identified barriers to retention and progression experienced by under-represented colleagues and agreed a comprehensive action plan with the Inclusion Action Group and Leadership Team

Internships now open only to applicants who identify as coming from a lower socio-economic background

420+ Creative Access mentoring matches now made

Delivered inclusive hiring training to managers who hire most frequently

Future actions

Introduce tailored support for colleagues on our Editorial Development Programme who identify as being from lower socio-economic backgrounds and/or as Black, Asian or minority ethnic

Ringfence places on our Creative Leadership Development Programme for colleagues from under-represented backgrounds

Research barriers to socio-economic representation and inclusion, and implement a targeted action plan to address challenges

Further develop our employer brand, outreach, and inclusive recruitment work to proactively reach communities currently under-represented in publishing

Offer one-off mentoring sessions for colleagues to support career development conversations

Train and build an internal pool of career coaches, with a priority focus on supporting under-represented colleagues

Focus area: A culture where everyone can belong

Goal

All colleagues feel an equal sense of belonging, regardless of background

To us, an inclusive culture means that colleagues can be themselves at work, feel safe to share their ideas and views, and that everyone is willing to listen and learn. To achieve this goal, we are taking steps to:

- Develop a psychologically safe culture
- Introduce progressive policies
- Support ongoing learning
- Develop shared accountability
- Empower colleague led networks

2023 actions and impact

Inclusive manager training attended by 520 people managers (90% of all managers)

Supported our 10 colleague-led inclusion networks to continue growing and championing positive change

Delivered soft skills and inclusion training for Network Chairs and Inclusion Action Group reps

Launched new guides and resources on inclusion topics such as accessible communication and events, pronouns, and allyship

Updated onboarding processes and created a resource hub to improve the experience of new joiners

3 all company learning events led by external experts on the topics of gender identity, disability, and social class to deepen colleagues' understanding of inclusion topics

Future actions

Co-design bespoke learning and development offerings for colleague-led inclusion networks focused on confidence building, networking, and mentoring

Explore Leadership Team inclusion-related learning requests and deliver plan to address individual and shared needs

Offer colleagues leaving Penguin two feedback routes - anonymous survey and leader-led interviews - to improve depth and actionability of feedback

Complete roll out of People Manager Programme, designed to upskill all managers in core qualities, including being an inclusive manager

Deliver further inclusion learning events on topics suggested by colleagues

Focus area: Diverse and inclusive publishing

Goal

Newly acquired authors, illustrators, and contributors reflect UK society

Everyone should be able to see themselves and their communities authentically reflected in the books they read. In order for our publishing to reflect and reach all areas of society we must:

- Open up the publishing process and offer targeted support to under-represented writers
- Responsibly publish and publicise our books
- Develop our audiences including those traditionally under-served



2023 actions and impact

WriteNow, our programme to launch the careers of under-represented writers, published its 20th debut author and welcomed nine new writers

1,000 writers signed up to our free webinar on how to get published

Attended Black British Book Festival to share information about getting published with writers

Training for publicity colleagues on designing accessible events

Improved demographic tracking of our in-house reader panel, Bookmarks, ahead of a recruitment drive aimed at improving representation

Completed research on the fast-evolving sci-fi and fantasy genre, in part to understand how the genre is resonating with LGBTQIA+ audiences

Future actions

Deliver a sci-fi and fantasy focused WriteNow programme

Further free webinars and guidance for unpublished writers on getting published

Run a debut author event to support networking and community building

Launch new onboarding materials to welcome authors and illustrators to Penguin

Research the impact of the cost-of-living crisis on book buying behaviours within various consumer groups

Progress against goals: Representation of new hires, colleagues, and senior leaders

New hires

Our goal was for **new hires** to represent UK society by the end of **2023**. We met or exceeded the UK benchmark in the following areas:

| | |
|---------------------------|-------------------|
| Ethnicity | Disability |
| Sexual orientation | Gender |

Senior leaders

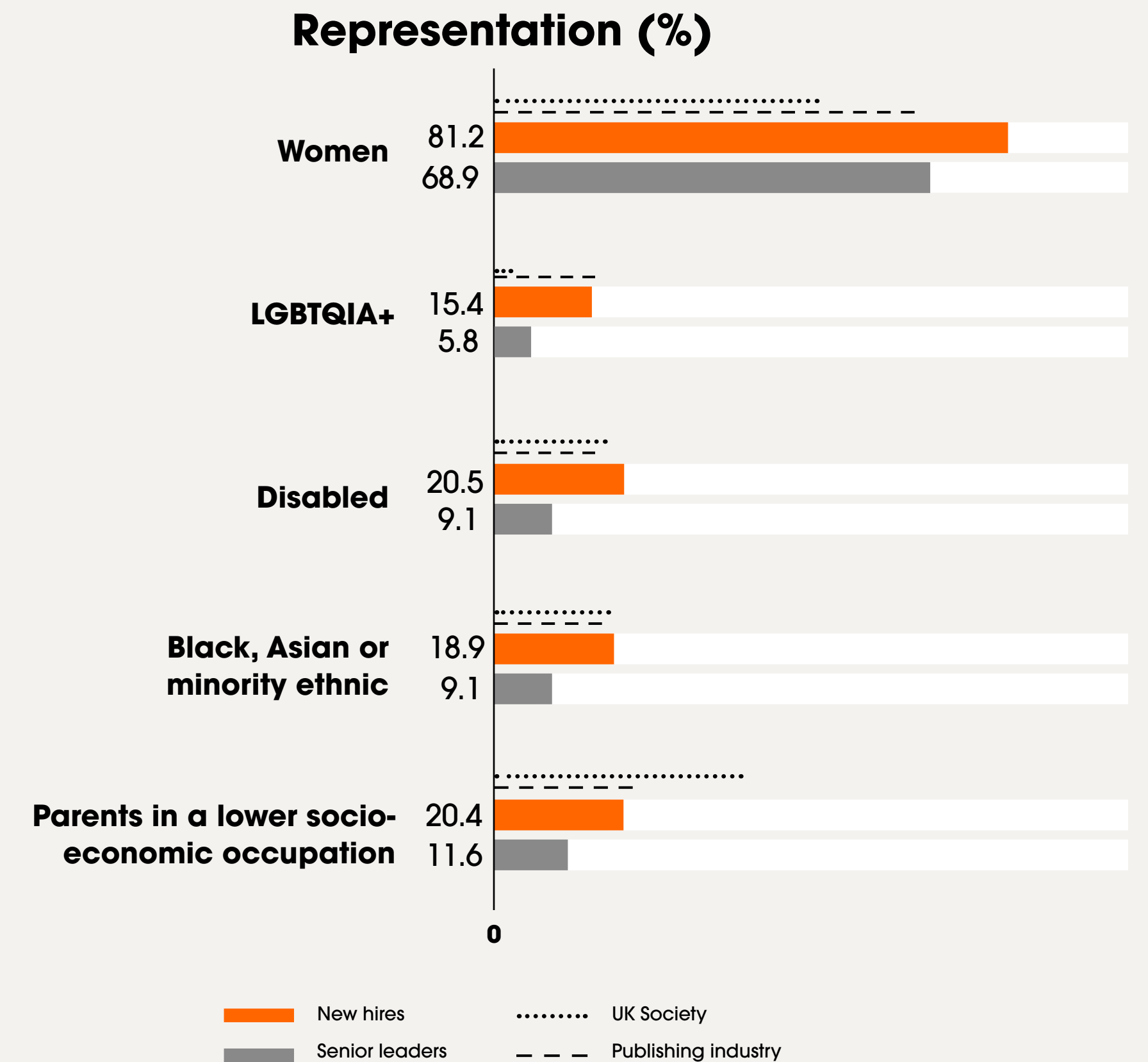
Our goal is for **senior leaders** to represent UK society by the end of **2026**. We are still working towards achieving this, although already meet or exceed the UK society benchmark in the following areas:

| | |
|---------------------------|---------------|
| Sexual orientation | Gender |
|---------------------------|---------------|

Socio-economic diversity of new hires, colleagues, and senior leaders is our most significant area for improvement. Parental occupation data shows that 20.4% of new hires, 22.8% of colleagues, and 11.6% of senior leaders come from a lower socio-economic background, compared to 39% of UK society.

Our **gender** data shows that the proportion of female colleagues is significantly greater than the benchmark of 51% across new hires (81.2%), colleagues (71.6%) and senior leaders (68.9%).

Looking forward, we will double-down our efforts to increase socio-economic diversity in our new hires, and continue our efforts to increase the diversity of our senior leadership population for ethnicity, socio-economic background, and disability.



Progress against goals: Representation of authors, illustrators, and contributors

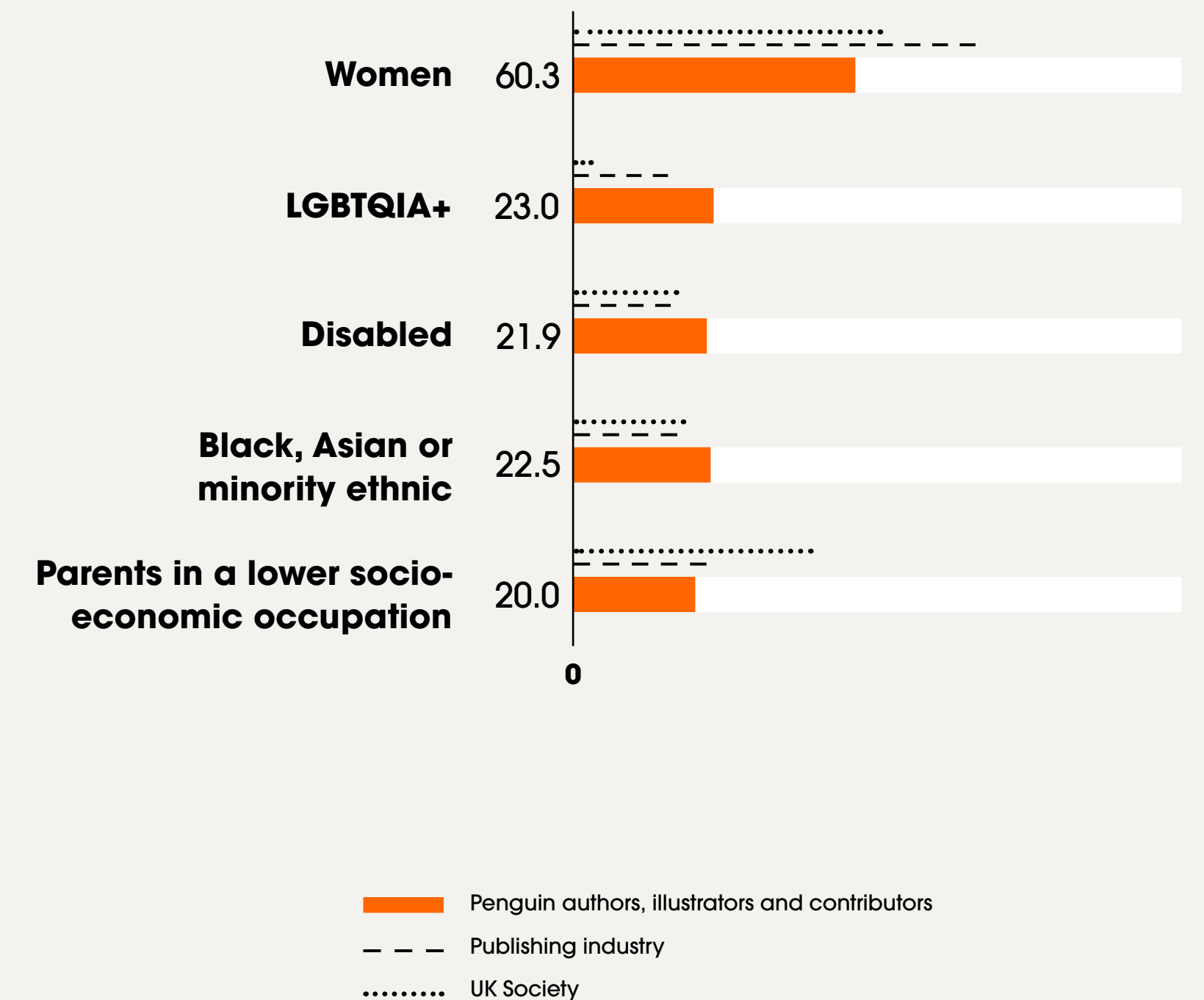
Our goal was for newly acquired **authors, illustrators, and contributors** to represent UK society by the end of **2023**. We met or exceeded the UK benchmark in the following areas:

| | |
|---------------------------|-------------------|
| Ethnicity | Disability |
| Sexual orientation | Gender |

Representation of individuals from **lower socio-economic backgrounds** remains our most significant area for improvement. Based on parental occupation data, 20% of our acquired authors, illustrators, and contributors were from lower socio-economic backgrounds, compared to 39% of UK society.

Whilst we have tracked ahead of the overall UK benchmark for ethnicity since 2020, **Black and Asian authors, illustrators, and contributors** are under-represented by 1.4% and 0.8%, respectively. Moving forward, we will continue to take action that supports specific communities of writers of colour, as well as working towards the overall ethnicity goal.

Representation (%)



Data sources

Colleagues

Colleague and senior leader data is gathered through an annual inclusion survey, which ran most recently in April 2024 and had a 67% response rate. Senior leaders are a group of approximately 160 colleagues, equivalent to the top 10% of the organisation. These roles have influence and responsibility for strategy, decision making authority, and control of budget and resources. New hire data was gathered as part of our 2023 New Colleague Survey which had a 66% response rate.

Authors, illustrators and contributors

This non-attributable survey is sent to authors, illustrators, and contributors that signed a UK publishing contract with us over the previous 12 months. 28% of authors, illustrators, and contributors responded to the most recent survey.

UK society and publishing benchmarks

The representation goals for our new hires, senior leaders, and authors, illustrators, and contributors are based on 2021 UK census data. Where census data is not available for some socio-economic measures, we use independent data from the Social Mobility Commission and the Department for Education. Publishing industry benchmarks are taken from the Publishers Association's 2022 report on diversity, inclusion, and belonging.

Gender

There has been a slight increase in representation of female colleagues in new hires, senior leadership, and across the organisation, compared to 2022. This means the proportion of women in our workforce remains significantly greater than the UK benchmark. This over-representation of women is reflected in the wider publishing industry (as shown by the Publishers Association’s data) and we are thoughtful about how best to address this imbalance, particularly at early career levels.

There is a similar trend in the gender balance of authors, illustrators, and contributors, which skews towards women at 60.3%.

| | UK society | Publishing industry | Colleagues | | New Hires | | Senior leadership | | Authors, illustrators and contributors | |
|-----------------------------------|------------|---------------------|------------|--------------------|----------------|--------------------|-------------------|--------------------|--|--------------------|
| | | | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 |
| Women | 51% | 66% | 71.6% | ↑ 3.4% | 81.2% | ↑ 7.2% | 68.9% | ↑ 1.2% | 60.3% | ↑ 5.9% |
| Men | 49% | 33% | 26.5% | ↓ 3.3% | 18.8% | ↓ 2.1% | 31.1% | ↓ 1.2% | 34.9% | ↓ 9.8% |
| Use own term | no data | <1% | 1.3% | → 0% | <5 respondents | - | 0% | - | 3.3% | - |
| Non-binary or gender queer | | no data | | | | | | | | |
| Questioning | | no data | | | | | | | | |
| Prefer not to say | | 0.6% | | | | | | | | |

<5 respondents: to protect anonymity, where a group is fewer than 5 people the data has been removed - where the <5 respondents value was used in 2022 or 2023, the % point difference cannot be calculated

Trans identity

An increase in the number of colleagues disclosing they are trans means that we are now able to report on this data externally. This was previously not possible due to our protocols around ensuring data is non-attributable. In total 0.5% of colleagues are trans and this figure is in line with the UK society benchmark.

| | UK society | Publishing industry | 2023 Colleagues |
|--------------------------|------------|---------------------|-----------------|
| Yes | 0.5% | 1% | 0.5% |
| Questioning | no data | no data | 0.3% |
| No | | | 98.6% |
| Prefer not to say | | | 0.6% |

Sexual orientation

There was an increase in the overall proportion of colleagues who identify as LGBTQIA+, which is significantly higher than the UK benchmark. 15.4% of colleagues and 20% of new joiners identify as LGBTQIA+, compared to the national benchmark of 3%. The proportion of LGBTQIA+ senior leaders remained marginally ahead of the UK society benchmark at 3.9%.

We also saw an increase in the proportion of authors, illustrators, and contributors identifying as LGBTQIA+. This figure increased to 28% overall.

| | | | Colleagues | | New Hires | | Senior leadership | | Authors, illustrators and contributors | |
|--------------------------------|------------|---------------------|------------|--------------------|----------------|--------------------|-------------------|--------------------|--|--------------------|
| | UK society | Publishing industry | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 |
| Bi | 1.3% | 8% | 8.7% | ↑ 1.7% | 15.4% | ↑ 2.9% | <5 respondents | - | 10.7% | ↑ 2.6% |
| Gay / lesbian | 1.5% | 5% | 4.6% | ↑ 0.2% | 4.6% | ↓ 0.6% | 3.9% | → 0% | 10.7% | ↑ 4.5% |
| Use own term | 0.3% | 3% | 1.4% | ↓ 0.5% | <5 respondents | - | 0% | → 0% | 4.8% | ↑ 3.3% |
| Questioning | no data | no data | 0.7% | ↓ 0.4% | 0% | | <5 respondents | - | 1.8% | |
| Heterosexual / straight | 89.4% | | 80.7% | ↓ 1.2% | 73.8% | ↑ 0.4% | 93.7% | ↑ 3.9% | 67.2% | ↓ 7.4% |
| Prefer not to say | 7.5%* | | 3.9% | ↑ 0.2% | 6.2% | ↑ 1.5% | 2.4% | → 0% | 4.8% | ↓ 2.9% |

<5 respondents: to protect anonymity, where a group is fewer than 5 people the data has been removed - where the <5 respondents value was used in 2022 or 2023, the % point difference cannot be calculated

* includes people who declined to answer the question

Ethnicity

Overall, there was a slight increase in the total proportion of colleagues who identify as Black, Asian and minority ethnic (16% compared to 15.7% in 2022). However, we are behind the UK benchmark in the proportion of colleagues who identify as Asian / British Asian by 2.6%, and Black / Black British by 0.6%.

Representation of new hires who identify as Black, Asian and minority ethnic has decreased slightly compared to 2022, however at 18.9% remains above the UK benchmark.

Representation of senior leaders who identify as Black, Asian and minority ethnic remains under the benchmark, although has seen some progress compared to 2022 with an increase to 9.1%. Progress is slower here due to much lower turnover at senior levels of the organisation. We will continue to work towards our goal for senior leaders to reflect UK society by the end of 2026 through our work on retention and progression, as well as inclusive hiring practices.

22.5% of authors, illustrators, and contributors are Black, Asian or minority ethnic. This is down from 35% in 2022 but remains ahead of the UK benchmark of 18.3%. The under-representation of Asian authors, illustrators, and contributors positively decreased from 3.6% to 0.8% this year but remains behind the UK benchmark.

| | | | Colleagues | | New Hires | | Senior leadership | | Authors, illustrators and contributors | |
|---|------------|---------------------|------------|--------------------|-----------|--------------------|-------------------|--------------------|--|--------------------|
| | UK society | Publishing industry | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 |
| Asian or British Asian | 9.3% | 9% | 6.7% | ↓ 0.4% | 8.3% | ↓ 2.5% | 3% | - | 8.5% | ↑ 2.8% |
| Black or Black British | 4% | 3% | 3.4% | ↓ 0.3% | 5.3% | ↓ 2.4% | 1.5% | - | 2.6% | ↓ 6.4% |
| Mixed or Multiple ethnic background | 2.9% | 4% | 5.6% | ↑ 0.5% | 5.3% | ↓ 2.9% | 4.6% | ↓ 0.3% | 7% | ↓ 4% |
| Respondents who identify as a different ethnicity to those detailed | 2.1% | 1% | 0.3% | ↓ 0.3% | 0% | - | 0% | → 0% | 4.4% | ↓ 4.6% |
| White | 81.7% | 82% | 82.4% | ↓ 1.2% | 78.1% | ↑ 4.8% | 90.9% | ↓ 4.2% | 75.7% | ↑ 11.9% |
| Prefer not to say | 0% | no data | 1.6% | ↑ 0.8% | 3% | ↑ 3% | 0% | → 0% | 1.8% | ↑ 0.4% |

- where the <5 respondents value was used in 2022 or 2023, the % point difference cannot be calculated

Disability and long-term conditions

Representation of new joiners who are disabled or have a long-term condition has remained consistent compared to 2022, and there has been a slight increase in both the wider colleague and senior leadership populations.

This is likely due to being a Disability Confident employer and colleagues feeling more open to disclose they are disabled or have a long-term condition, due to ongoing work to raise awareness and confidence in talking about disability at work. However, the number of senior leaders with a disability or long-term health condition remains behind the benchmark at 9.1%.

In 2022 we reported that the proportion of authors, illustrators, and contributors who are disabled or had a long-term condition had exceeded the UK benchmark for the first time. This progress was sustained in 2023 and we saw a further 2.3% percentage point increase in those disclosing a disability or long-term condition.

| | UK society | Publishing industry | Colleagues | | New Hires | | Senior leadership | | Authors, illustrators and contributors | |
|--------------------------|------------|---------------------|------------|--------------------|-----------|--------------------|-------------------|--------------------|--|--------------------|
| | | | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 |
| Yes | 17.8% | 16% | 21.5% | ↑ 1.2% | 20.5% | ↑ 0.1% | 9.1% | ↑ 0.5% | 21.9% | ↑ 2.3% |
| No | 82.2% | no data | 72.2% | ↓ 2.1% | 76.5% | ↑ 3.5% | 88.6% | ↓ 1.2% | 73% | ↓ 4% |
| Prefer not to say | no data | | 6.3% | ↑ 0.9% | 3% | ↓ 3.6% | 2.3% | ↑ 0.7% | 5.2% | ↑ 1.9% |

Socio-economic background

Reflecting our intention to double down our efforts on socio-economic inclusion, this year we refreshed our new joiner goal. Our goal is for new hires to reflect UK society, with a particular focus on achieving socio-economic representation by the end of 2030.

We aim to improve socio-economic representation within our workforce in the short term through inclusive hiring practices, and over the long term through our career outreach work in schools and with young people. Our ongoing work to promote career progression and retention at all levels of the organisation will also contribute towards improving socio-economic representation.

Steps we are taking to improve socio-economic representation of authors, illustrators, and contributors include our outreach work to demystify the publishing industry and opening up access routes via writing prizes and our development programme, WriteNow.

Parental occupation

The Social Mobility Commission recommends using three data points to measure socio-economic status, with the most accurate indicator being parental occupation. The other two indicators are eligibility for Free School Meals and type of secondary school attended.

Using this measure, 22.8% of colleagues, 20.4% of new hires and 11.6% of senior leaders are from lower socio-economic backgrounds, which is significantly below the UK benchmark of 39%. It is similar in the author, illustrator, and contributor population where 20% of individuals are from a lower socio-economic background.

| | UK society | Publishing industry | Colleagues | | New Hires | | Senior leadership | | Authors, illustrators and contributors | |
|----------------------------------|------------|---------------------|------------|--------------------|-----------|--------------------|-------------------|--------------------|--|--------------------|
| | | | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 |
| Professional occupations | 37% | 66% | 62.4% | ↑ 0.3% | 65.4% | ↑ 2.8% | 75.2% | ↑ 0.6% | 62% | ↓ 2.3% |
| Intermediate occupations | 24% | 12% | 14.8% | ↓ 0.1% | 14.2% | ↓ 4.2% | 13.2% | ↓ 0.3% | 18% | ↑ 4.4% |
| Lower socio-economic occupations | 39% | 22% | 22.8% | ↓ 0.1% | 20.4% | ↑ 1.4% | 11.6% | ↓ 0.3% | 20% | ↓ 2.1% |

Free school meals

Two tables are included in our reporting of Free School Meals (FSM). One includes the proportion of colleagues who selected Don't Know, Prefer Not to Say, or if the question was not applicable to them, and the other has these categories removed. This method of reporting is recommended by The Social Mobility Commission.

The proportion of colleagues eligible for FSM is in line with or above the UK benchmark of 15% for both colleagues (18.6%) and new hires (21%). The number of senior leaders who were eligible for FSM has increased to 5.3% but remains below the UK benchmark.

| | UK society | Publishing industry | Colleagues | | New Hires | | Senior leadership | |
|--------------------------|------------|------------------------|------------|--------------------|-----------|--------------------|-------------------|--------------------|
| | | | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 |
| No | 85% | no data | 63.3% | ↓ 1.4% | 59.9% | ↑ 1.2% | 81.8% | ↑ 3.7% |
| Yes | 15% | 14% | 14.4% | ↑ 1.7% | 15.9% | ↑ 0.1% | 4.5% | ↑ 0.6% |
| Don't know | no data | no data | 7.5% | ↓ 0.2% | 6.1% | ↓ 3.1% | 3.8% | ↓ 0.1% |
| Prefer not to say | | | 1.2% | ↓ 0.1% | 0.7% | ↓ 0.3% | 0.8% | → 0% |
| Not applicable | | excluded from the data | 13.6% | ↑ 0.1% | 17.4% | ↑ 2.1% | 9.1% | ↓ 4.2% |
| UK benchmark | | | | | | | | |
| No | 85% | no data | 81.4% | ↓ 2.1% | 79% | ↑ 0.2% | 94.7% | ↓ 0.5% |
| Yes | 15% | 14% | 18.6% | ↑ 2.1% | 21% | ↓ 0.2% | 5.3% | ↑ 0.5% |

School type

Two tables are included in our reporting of school type. One includes the proportion of colleagues who selected Don't Know, Prefer Not to Say, or a School Outside the UK, and the other has these categories removed. This method of reporting is recommended by The Social Mobility Commission.

The type of school colleagues and new hires attended is relatively unchanged compared to 2022. There has been a reduction in the number of senior leaders who attended independent and fee-paying schools, although this number remains comparatively high at 33.3%. The over-representation of individuals attending an independent or fee-paying school in all groups is reflected in the wider publishing industry where 17% of people attended independent and fee-paying schools compared to the UK benchmark of 7.5%.

In 2023 we saw an 8 percentage point decrease in the proportion of authors, illustrators, and contributors attending a non-selective state school. This corresponded with increases in those disclosing they attended selective state schools and independent or fee-paying schools.

| | | | Colleagues | | New Hires | | Senior leadership | | Authors, illustrators and contributors | |
|--|------------|---------------------|------------|--------------------|-----------|--------------------|-------------------|--------------------|--|--------------------|
| | UK society | Publishing industry | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 | 2023 | + / - 2023 to 2022 |
| School outside the UK | | | 15.4% | ↑ 1.5% | 18.2% | ↑ 1.4% | 9.1% | ↓ 0.3 | 16.6% | ↑ 3.3% |
| State run or state funded school - non-selective | no data | no data | 50.7% | ↓ 0.5% | 48.5% | ↓ 0.5% | 39.4% | ↑ 1.1 | 40.6% | ↓ 8.9% |
| State run or state funded school - selective | | | 17.2% | ↑ 0.3% | 19.7% | ↑ 0.3% | 21.2% | ↑ 2.4 | 16.6% | ↑ 3.7% |
| Independent or fee-paying school | | 14% | | | | | | | | |
| Independent or fee-paying school - where a bursary covered 90% of tuition or more | 7.5% | 3% | 15.2% | ↓ 0.6% | 12.1% | ↓ 0.7% | 30.3% | ↓ 3.3 | 24.7% | ↑ 0.9% |
| Don't know | | | 0.5% | ↓ 0.5% | 0.8% | ↓ 0.2% | 0% | → 0 | 0% | → 0 |
| Prefer not to say | no data | no data | 1% | ↓ 0.1% | 0.8% | ↓ 0.2% | 0% | → 0 | 1.5% | ↑ 1% |
| State run or state funded school - non-selective | | | 61% | → 0% | 60.4% | → 0% | 43.3% | ↑ 1.1% | 49.5% | ↓ 8% |
| State run or state funded school - selective | no data | no data | 20.7% | ↑ 0.5% | 24.5% | ↑ 0.6% | 23.3% | ↑ 2.6% | 20.3% | ↑ 5.4% |
| Independent or fee-paying school | | 14% | | | | | | | | |
| Independent or fee-paying school - where a bursary covered 90% of tuition or more | 7.5% | 3% | 18.3% | ↓ 0.5% | 15.1% | ↓ 0.6% | 33.3% | ↓ 3.8% | 30.2% | ↑ 2.6% |

2024 pay gap data

Pay gap reporting is an additional tool to measure our progress towards achieving representation in all teams at all levels, by providing further insight into the spread of colleagues from different backgrounds across our organisation. This is why we publish pay gaps across all five measures.

Ethnicity

Disability

LGBTQIA+

Gender

Socio-economic background

By tracking our pay gaps as well as measuring representation versus wider UK society we will better understand not just how diverse our organisation is but also how equitable the spread of roles across the organisation is for different groups. These two measures allow us to identify where we need to prioritise hiring and progressing talent from different backgrounds to achieve our goal of representation in all teams at all levels.

What is a pay gap?

Pay gaps are not the same as equal pay. We ensure all colleagues doing the same job at the same level are paid on fair and consistent terms. Companies can still have a pay gap without having any unequal pay issues.

Many companies' pay gaps are not driven by equal pay issues, but instead by uneven representation within their business. Specifically, the uneven representation of different groups at different levels within an organisation, or across different job roles where certain types of roles attract higher market premiums. These are the reasons pay gaps exist at Penguin Random House UK.



Closing the Pay Gaps

Achieving our diversity and inclusion goals; representation in all teams, at all levels and a culture where everyone can belong will close the pay gaps.

Specifically making progress towards achieving representation in all teams at all levels will reduce the pay gaps because they result primarily from a lack of even representation of different groups at different levels across our company.

Equally important is achieving our goal on belonging because when colleagues feel supported in this way they are more likely to stay with us and find opportunities to grow their career. This in turn will increase representation at the most senior levels of our company.

The most effective way to narrow our pay gaps is to continue to ensure inclusive hiring and promotion practices, and supporting the progression and retention of colleagues from under-represented backgrounds. You can read about the action we're taking to achieve this earlier in this report. In addition, specific actions to support closing the pay gap include an ongoing focus on:

1

Increased pay transparency

To support managers in making equitable pay decisions and help colleagues feel better informed about and more confident in discussing their pay.

2

Data, reporting and insight

Continually improving the way we use data to help us to better understand, track, and communicate our progress; identify and prioritise actions needed; and ensure pay equity.



Headlines from this year's reporting

The reasons for our pay gaps remain the same as in previous years; specifically, the shape of our organisation and the demographics of colleagues at each level within.

With the exception of gender which reflects our whole organisation, each pay gap calculation is based on c. 60% of our workforce who voluntarily disclosed their demographic data in our inclusion survey. While this is a meaningful proportion of our colleagues, we recognise the limitations of this on the accuracy of this report.

Due to changes in the way we are reporting LGBTQIA+ pay gaps we cannot share a comparison this year.

Our mean disability pay gap has increased slightly while the median pay gap has reduced.

Our mean gender pay gap has decreased, while the median pay gap has marginally increased, however, still remains close to 0%.

Our socio-economic and ethnicity pay gaps have both decreased.



Gender pay gap

The proportion of women has increased in all pay quartiles, with higher increases in the upper and upper middle pay quartiles; reducing the pay gap overall compared to last year.

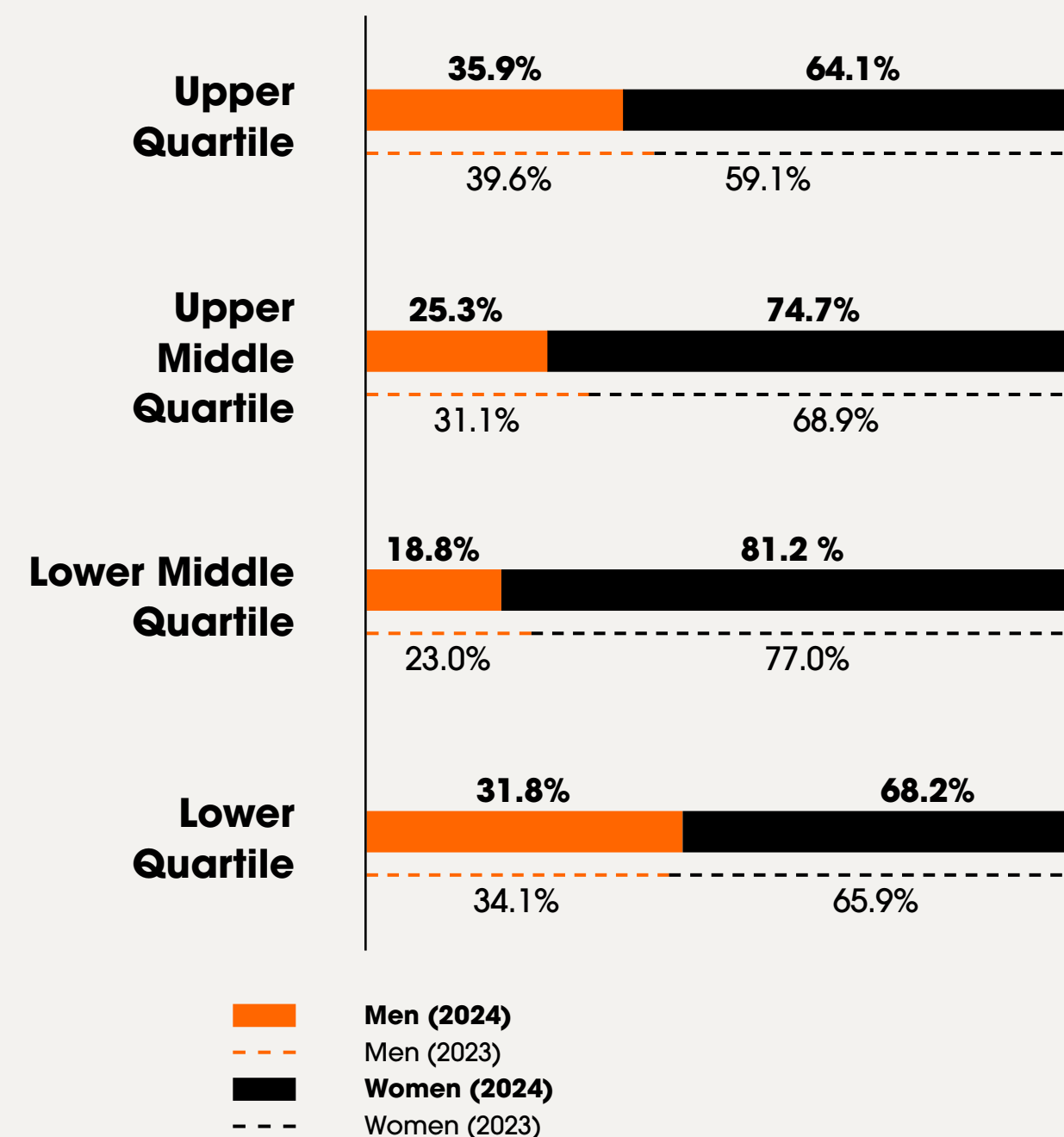
Whilst the gender balance in our leadership team and top 100 earners remains almost equal, there are fewer men than women in roles below this level which results in the pay gap.

A note on the data used

The regulatory requirements for gender pay gap reporting require us to include only colleagues who identify as men or women.

We recognise that gender is wider than this and are committed to supporting and respecting all colleagues' gender identity.

Proportion of men and women in each pay quartile



Hourly pay gap

Mean hourly pay gap

6.3%

(2023: 9.6%)

Median hourly pay gap

1.4%

(2023: -0.8%)

Hourly gender bonus gap

Mean bonus pay gap

35.4%

(2023: 37.6%)

Median bonus pay gap

4.5%

(2023: 1.4%)

Proportion of colleagues receiving a bonus payment

Male colleagues

94.4%

Female colleagues

94.3%

Disability pay gap

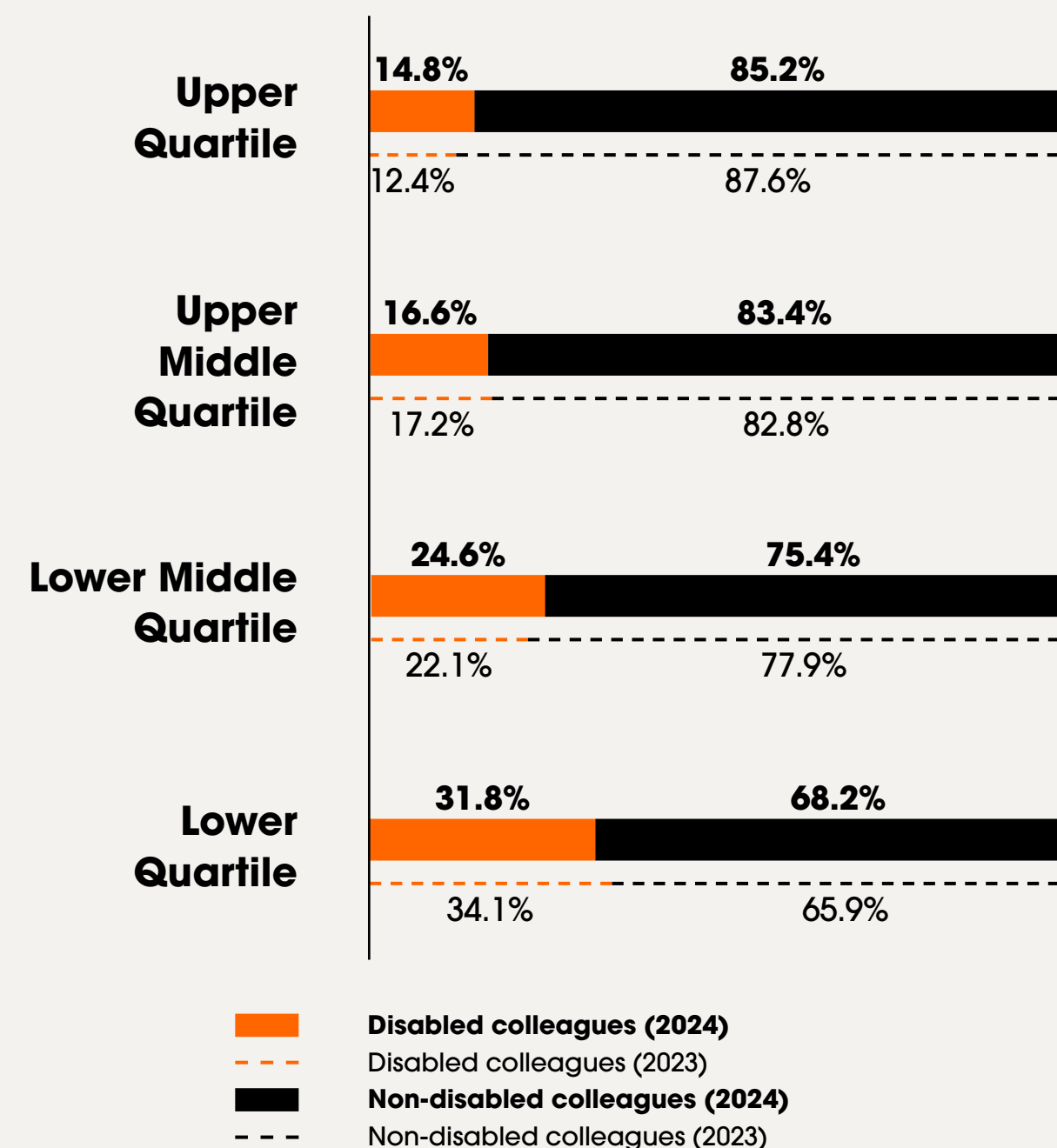
Our mean disability pay gap has increased slightly and the median pay gap has decreased as a result of small shifts in representation in each of the pay quartiles.

While disabled colleagues hold roles at all levels of the organisation there are significantly more disabled colleagues in lower paid roles than in our highest paid roles. This means that both the average pay and bonus of these colleagues are lower than for non-disabled colleagues, creating the pay and bonus gap.

A note on the data used

The data is based on 60% of our workforce who voluntarily disclosed whether they have a disability or long-term condition in our inclusion survey. Of this group, 20.8% are colleagues with a disability or long-term condition and 79.2% are non-disabled colleagues. The 40% of our workforce who have not disclosed this information have been excluded from our calculations.

Proportion of colleagues in each pay quartile



Hourly pay gap

Mean hourly pay gap

19%

(2023: 18.6%)

Median hourly pay gap

17.8%

(2023: 20.4%)

Hourly disability bonus gap

Mean bonus pay gap

41.9%

(2023: 12.9%)

Median bonus pay gap

26.4%

(2023: 20.2%)

Proportion of colleagues receiving a bonus payment

Disabled colleagues

95.7%

Non-disabled colleagues

95%

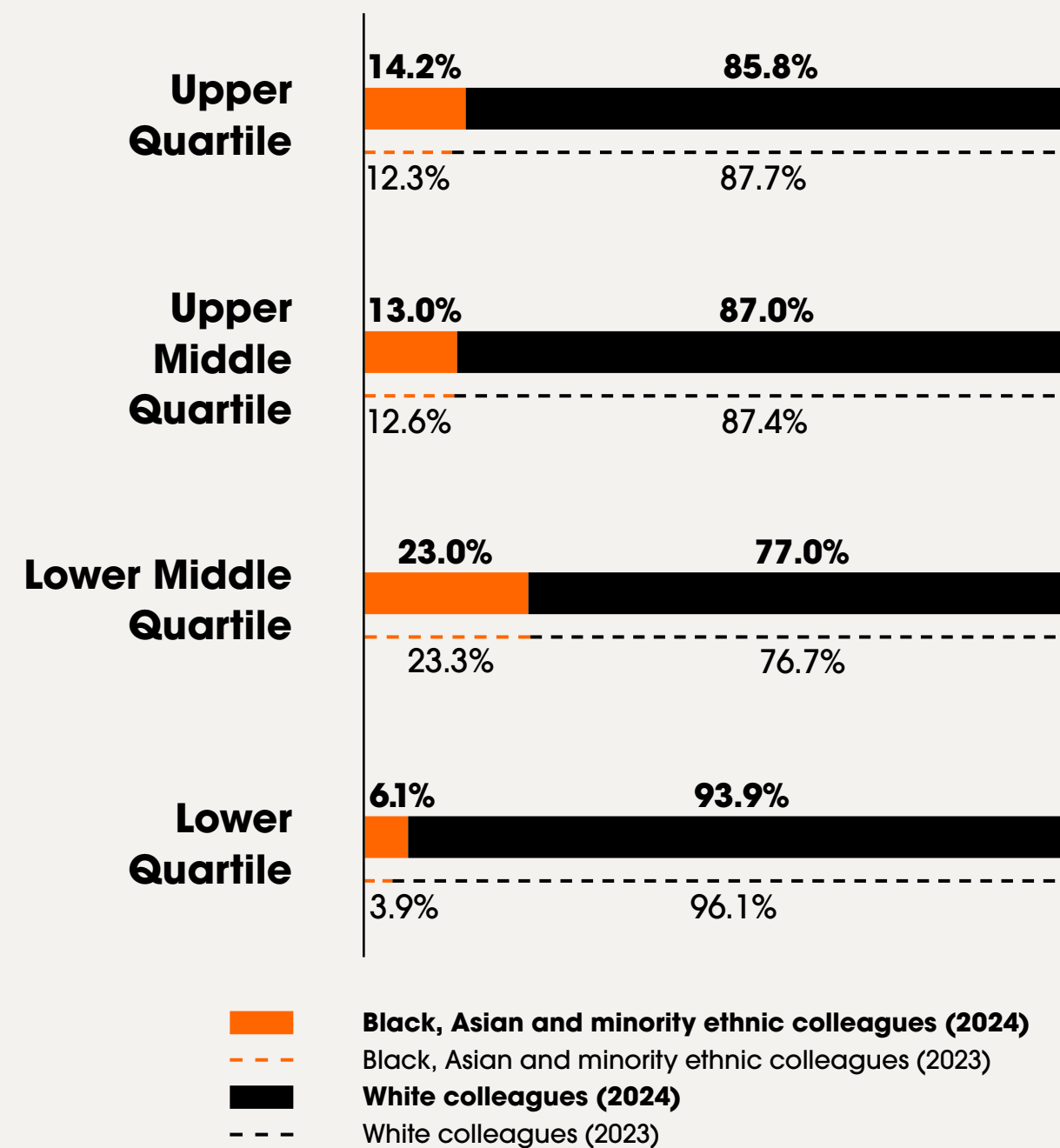
Ethnicity pay gap

We're pleased to see increased representation in our upper and upper middle pay quartiles has reduced the mean and median ethnicity pay and bonus gaps. Contributing to this change is the work undertaken to implement inclusive hiring and career development practices.

A note on the data used

The data is based on 63% of our workforce who voluntarily disclosed their ethnicity in our 2023 inclusion survey. Of the group who disclosed their ethnicity, 14.5% of colleagues are Black, Asian or minority ethnic and 85.5% of colleagues are white. The 37% of our workforce who did not disclose their ethnicity have been excluded from our calculations.

Proportion of colleagues in each pay quartile



Hourly pay gap

Mean hourly pay gap

8.1%

(2023: 13.8%)

Median hourly pay gap

3.9%

(2023: 8.1%)

Hourly ethnicity bonus gap

Mean bonus pay gap

35.9%

(2023: 53.9%)

Median bonus pay gap

-1.8%

(2023: 14.9%)

Proportion of colleagues receiving a bonus payment

Black, Asian and minority ethnic colleagues

93.5%

White colleagues

95.7%

Comparing the bonus and pay gap of different ethnicities

In order to calculate an overall ethnicity pay gap, we included colleagues who are Black, Asian and minority ethnic and compared their hourly pay and bonuses with colleagues who are white.

We know that grouping colleagues in this way poses a number of challenges: for example, it inaccurately suggests that colleagues have the same experiences, identity, or level of representation. Therefore, we have provided a further breakdown of the ethnicity pay and bonus gap for colleagues who identify as Asian or British Asian, Black or Black British, Mixed or multiple ethnic background, and for colleagues who identify as a different ethnicity to these.

| | Mean pay gap | Median pay gap | Mean bonus gap | Median bonus gap |
|---|------------------|------------------|------------------|-------------------|
| Asian or British Asian | 4.3% (4.5%) | -1.1% (-3.8%) | 66.7% (59.4%) | 28.6% (12.9%) |
| Black or Black British* | 20.9% (27.3%) | 10.7% (22.7%) | 61.1% (66.1%) | 39.1% (20.6%) |
| Mixed or multiple ethnic background | 4.7% (14.9%) | 1.0% (8.9%) | 31.6% (44.6%) | 17.1% (13.9%) |
| Colleagues who identify to a different ethnicity to those detailed | 0.1% (-23.4%) | 6.5% (13.1%) | 85.3% (61.5%) | 39.0% (-13.2%) |

* The pay gap for Black or Black British colleagues is largest because this group is most under-represented at a senior level.

Data in brackets denotes last year's pay gap figures.

Some of these groups contain a very small number of people which means small changes in personnel or their salary or bonus have a significant impact on the calculation.

We are unable to share the proportion of colleagues in each pay quartile for each of these groups. This is to preserve anonymity because of the small numbers of individuals in some pay quartiles.

LGBTQIA+ pay gap

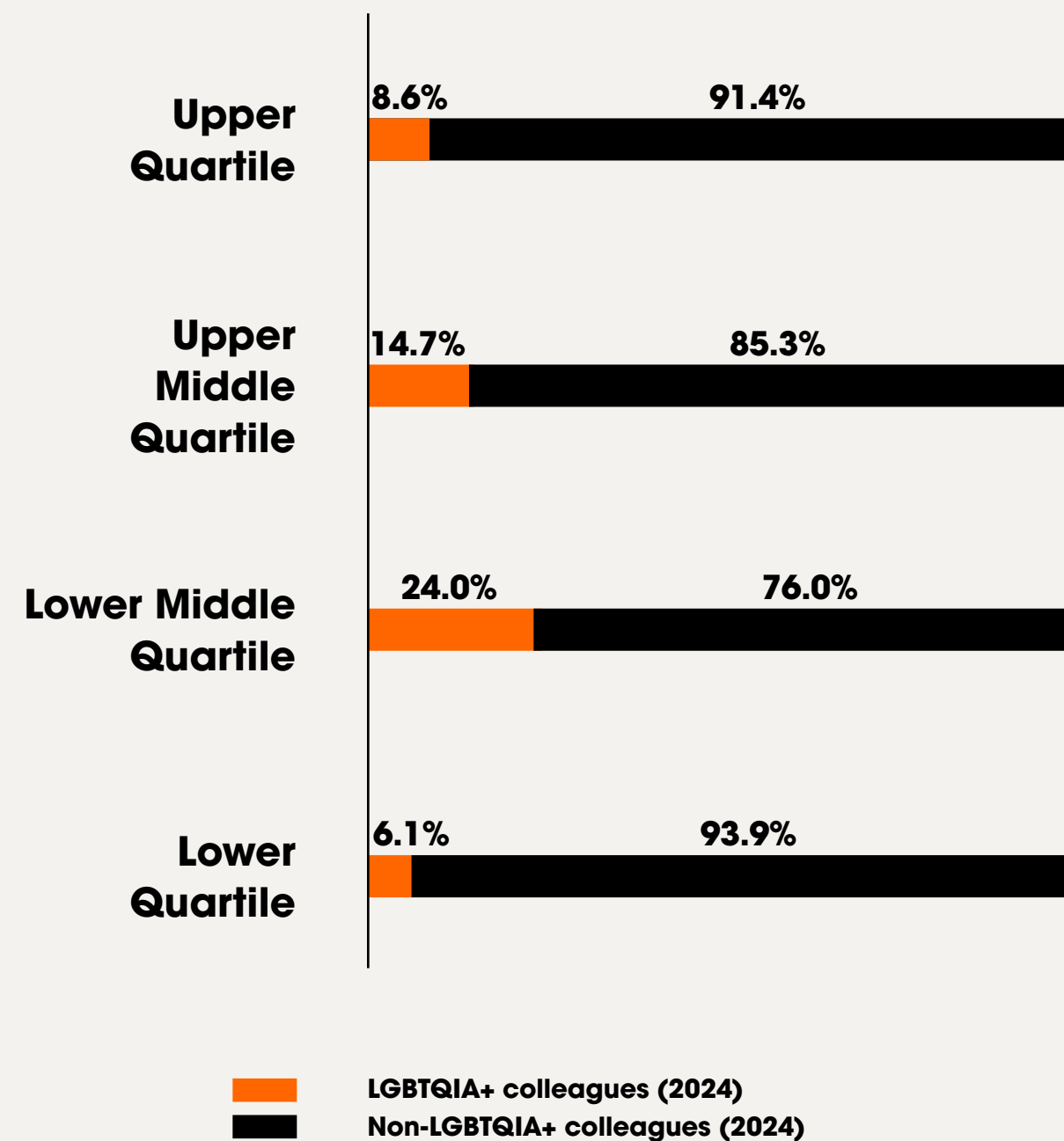
We've made a change to the way we report on this pay gap in 2024. In previous years we have reported our 'Sexual Orientation' pay gap, however, this year we've amended this pay gap to also include trans and non-binary colleagues.

Although sexual orientation and gender data are gathered in separate questions in our Inclusion survey and are different aspects of a person's identity, we've chosen to report the data in this way in response to feedback from our Pride Network.

Making these changes means we cannot directly compare this pay gap with prior years, however, we will be able to compare in future years.

LGBTQIA+ colleagues occupy roles at all levels of our organisation, including our most senior roles. However, there are fewer LGBTQIA+ colleagues in our senior and therefore higher paid roles than in our early career and mid-level roles (found in the upper middle and lower middle quartiles). This means that the overall mean and median salaries of non-LGBTQIA+ colleagues are higher than those of LGBTQIA+ colleagues, creating the pay gap.

Proportion of colleagues in each pay quartile



A note on the data used

The pay gap looks at the difference in average earnings between colleagues who identify as LGBTQIA+ and non-LGBTQIA+ colleagues. The data is based on 61.7% of our workforce who voluntarily disclosed their data. Of this group 13.5% of colleagues identify as LGBTQIA+ and 86.5% colleagues identify as non-LGBTQIA+. The 38.3% of our workforce who have not disclosed their data have been excluded from our calculations.

Hourly pay gap

Mean hourly pay gap

8.1%

Median hourly pay gap

10.2%

Hourly LGBTQIA+ bonus gap

Mean bonus pay gap

1.1%

Median bonus pay gap

7.0%

Proportion of colleagues receiving a bonus payment

LGBTQIA+ colleagues

91.3%

Non-LGBTQIA+ colleagues

94.7%

Socio-economic pay gap

An increase of colleagues from lower socio-economic backgrounds in our upper pay quartile combined with a reduction in our lower pay quartiles has reduced the pay gap.

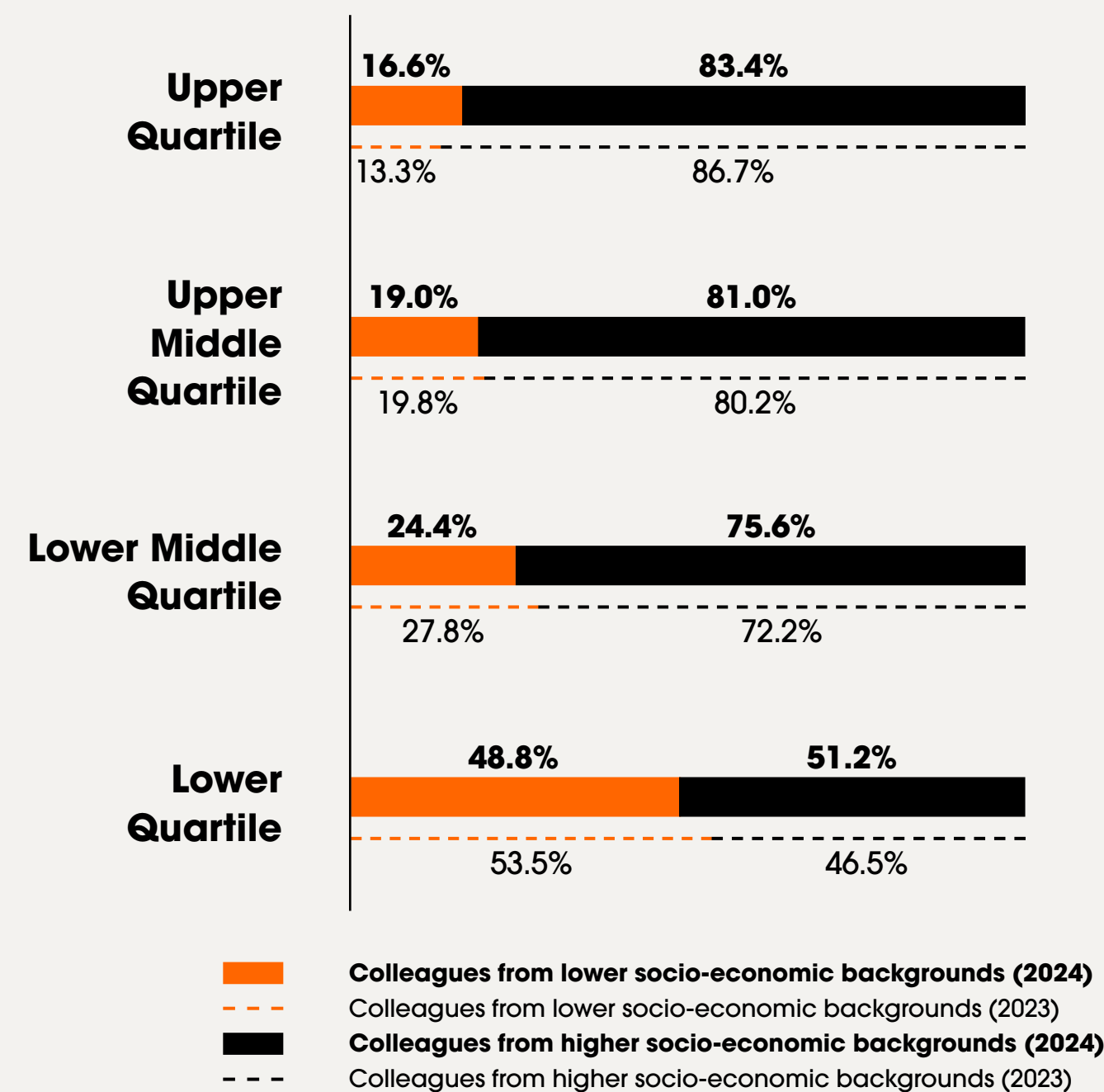
Despite these increases, there is still uneven representation of colleagues across our pay quartiles, with significantly more colleagues from lower socio-economic backgrounds in our lower and lower middle pay quartiles. This means that the overall mean and median pay and bonuses of colleagues is lower than those from higher socio-economic backgrounds, creating the pay gap.

A note on the data used

The socio-economic measure we have used is parental occupation, which is the best indicator of socio-economic background according to the Social Mobility Commission. Therefore our socio-economic pay gap assesses the gap in average earnings between employees from lower (lower socio-economic occupations) versus higher socio-economic backgrounds (professional and intermediate occupations).

The data is based on 60.8% of our workforce self-reporting their socio-economic background. Of this group, 24.9% colleagues are from lower socio-economic backgrounds and 75.1% colleagues are from higher socio-economic backgrounds. The 39.2% of our workforce who have not disclosed their socio-economic status have been excluded from our calculations.

Proportion of colleagues in each pay quartile



Hourly pay gap

Mean hourly pay gap
19.8%
(2023: 27.5%)

Median hourly pay gap
21.5%
(2023: 31.1%)

Hourly socio-economic bonus gap

Mean bonus pay gap
35.4%
(2023: 39.2%)

Median bonus pay gap
28.3%
(2023: 19.6%)

Proportion of colleagues receiving a bonus payment

Colleagues from lower socio-economic backgrounds
95.2%

Colleagues from higher socio-economic backgrounds
95.8%

Belonging data

We want to create a culture where everyone can belong and thrive. To measure this, we look at levels of agreement with a set of belonging statements, as well as tracking any variations in agreement level between different demographic groups. This helps us to assess progress against our goal that all colleagues feel an equal sense of belonging regardless of background.

Highest levels of agreement continue to be seen in response to the statement that colleagues feel they belong in their team (86.7%).

It is encouraging to see increases in agreement compared to 2022 in terms of colleagues feeling they are supported, valued and listened to by their manager (85.7%); feel confident speaking up and challenging disrespectful, inappropriate, and discriminatory behaviour (72%); and perspectives like theirs are included in decision-making (67.2%). Small decreases in positive sentiment were seen regarding a genuine commitment to attracting a diverse workforce (67.6%); senior managers being visibly committed to inclusion (70%); and feeling they belong at Penguin (78%).

| | 2023 | + / - 2023 to 2022 |
|---|-------|-----------------------|
| They belonged in their team | 86.7% | ↑ 1% |
| They belonged at Penguin | 78% | ↓ 0.9% |
| They could be themselves in their team | 83.5% | ↓ 0.4% |
| They could be themselves at Penguin | 75.4% | ↑ 0.1% |
| Comfortable voicing opinions, even when different from others | 71.6% | ↓ 0.8% |
| They had the same opportunities to develop and progress as others | 62.7% | ↑ 1.1% |
| There is a genuine commitment to attracting a diverse workforce | 67.6% | ↓ 2% |
| There is a genuine commitment to developing and retaining a diverse workforce | 52.2% | ↓ 0.6% |
| Perspectives like theirs are included in decision-making | 67.2% | ↑ 4.1% |
| Supported, valued and listened to by their manager | 85.7% | ↑ 2.7% |
| Confident speaking up and challenging disrespectful, inappropriate, and discriminatory behaviour | 72% | ↑ 1.1% |
| Senior managers are visibly committed to equality and inclusion | 70% | ↓ 1.1% |

Levels of belonging across demographic groups are compared using a belonging score calculated from the aggregate of responses to the belonging statements (with 1 indicating low belonging and 5 indicating high belonging).

We are pleased to see high levels of belonging across demographic groups, with minority and majority groups for each scoring between 3.9 – 4.2 out of 5. Compared to 2022 scores, most groups remained consistent or have improved. Increases can be seen in the sense of belonging for female colleagues and those who attended non-selective state schools, meaning belonging scores are now equal across these groups.

We will continue to focus on closing gaps in belonging scores across other demographic groups, with a particular focus on socio-economic background where there were small decreases in belonging, particularly for colleagues from lower socio-economic backgrounds.

*Although sexual orientation and gender data are gathered in separate questions in our survey and are different aspects of a person's identity, we've chosen to report the data collectively in this way in response to feedback from our colleagues. This means a direct comparison to data from previous years is not possible, but will be moving forward.

| | | Belonging Measure (Median) - 2024 | Change from 2022 |
|-------------------------------------|----------------------------------|-----------------------------------|------------------|
| Ethnicity | Black, Asian and minority ethnic | 4 | → 0 |
| | White | 4.2 | → 0 |
| Disability and long-term conditions | Yes | 4 | → 0 |
| | No | 4.2 | → 0 |
| Gender | Women | 4.2 | ↑ 0.2 |
| | Men | 4.2 | → 0 |
| LGBTQIA+* | Non LGBTQIA+ | 4.2 | - |
| | LGBTQIA+ | 4 | - |
| Type of School Attended | Non-selective state school | 4.2 | ↑ 0.2 |
| | Independent or fee paying | 4.2 | → 0 |
| Free School Meals | Yes | 4 | → 0 |
| | No | 4.2 | → 0 |
| Parental Occupation | Professional background | 4.1 | ↓ 0.1 |
| | Intermediate background | 3.9 | ↓ 0.1 |
| | Lower socio-economic background | 3.9 | ↓ 0.2 |

Priority 4 We think and act for the planet - sustainability



Image: Stuart Simpson / Penguin

Focus area: Journey to zero

Goal

Reduce emissions by 50% by 2030

To become a climate-neutral business across our entire value chain by 2030 and maintain climate neutrality in our direct operations, we aim to reduce our emissions by 50% (compared to a 2018 baseline year) and offset any remaining irreducible emissions. Since 2020 our reduction targets have been validated by the Science Based Targets Initiative (SBTi). We are also:

- Investing in low-carbon papers
- Building robust data and compliance
- Decarbonising our supply chain by supporting suppliers to adopt more sustainable practices
- Expanding our local printing strategy to reduce transport emissions associated with transporting stock to group territories

2023 actions and impact

Introduced a high carbon paper cap

Sent over 300,000 books by rail – our preferred method of moving books across Europe – saving 40 tonnes of CO₂e

1,600 more solar panels installed at our warehouse

Implemented Sustainability Tailored Action Plans with key suppliers to support them to set carbon reduction targets, manage biodiversity, and switch to more sustainable materials

Joined DIMPACT to start calculating our digital carbon footprint

Remained ISO 14001 certified across all sites

Future actions

Create an automated internal system to capture the real-time carbon emissions of suppliers and materials

Fully engage major suppliers in the Sustainability Tailored Action Plan process so they are working towards specific KPIs and objectives

Revise and hone the cap on high-carbon papers by grade and territory

Aim to deliver 1 million books by rail shipment to the UK warehouse annually

Launch a Sustainable Travel Policy to encourage colleagues to take lower carbon travel options

Focus area: Design for the future

Goal

All core materials will be 100% responsibly sourced by 2030

Our work to consciously source core materials encompasses how we select materials used to create our books, packaging, and how products are distributed to our warehouse and customers. We are working on:

- Researching more sustainable options for the materials used in our books such as paper, inks, and finishes
- Implementing progressive policies and practices
- Engaging colleagues with material developments so they are empowered to make sustainable choices when designing and producing our books
- Monitoring suppliers to ensure they operate to a high ethical standard

2023 actions and impact

Continued using 100% FSC-accredited paper in our books

Became members of Everyone's Business to help colleagues identify human rights risks when visiting suppliers and escalate these effectively

Increased use of vegetable-based inks and phased out harmful plastics such as glitter varnish

Evaluated supplier audits with the Ethical Supply Chain Program (ESCP) and Book Chain Project, and asked priority suppliers in high-risk locations to engage with ESCP to help manage relevant risks at the factory level

50% of our books printed using renewable energy and locally within the UK

Future actions

Continue to expand FSC use across all boards and packaging used in our direct operations

Ensure our supply chain can offer vegetable-based inks on printings to comply with French Mineral Oil regulation

Work with global supply chain to ensure forest-derived materials comply with incoming legislation such as EUDR

Improve the sustainability of packaging used to transport books to our warehouse and global customers

Source more sustainable materials for our complex children's novelty books

Continue to hone our ethical supply chain programme to make it increasingly robust and ensure all suppliers operate to a high ethical standard

Focus area: Content

2023 actions and impact

Dr Hannah Ritchie, author of *Not the End of the World* spoke to colleagues about using data to understand and track sustainability

Engaged readers on the climate and nature emergencies through new publishing:

Future actions

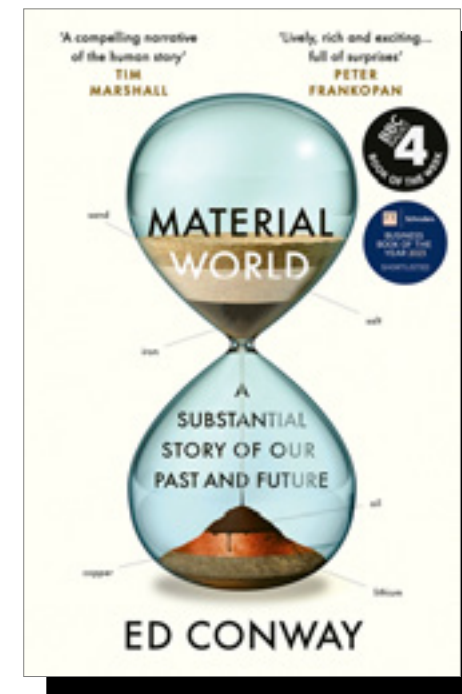
Continue to publish climate-literate content

Find new ways to connect new and backlist titles to readers through brand led campaigns

Goal

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

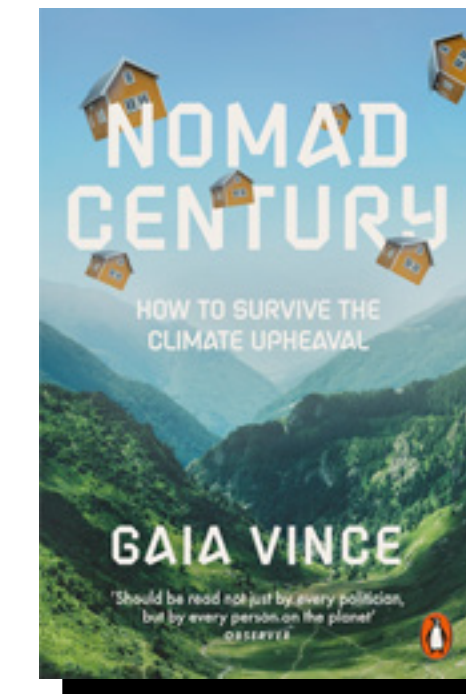
One of the most important ways we can help educate readers about the climate and nature emergencies and inspire positive behaviour change is through our publishing. We are continually working to amplify these important topics and ensure readers have access to climate-literate content.



Writer and broadcaster Ed Conway explores our complicated relationship with salt, iron, copper, and oil

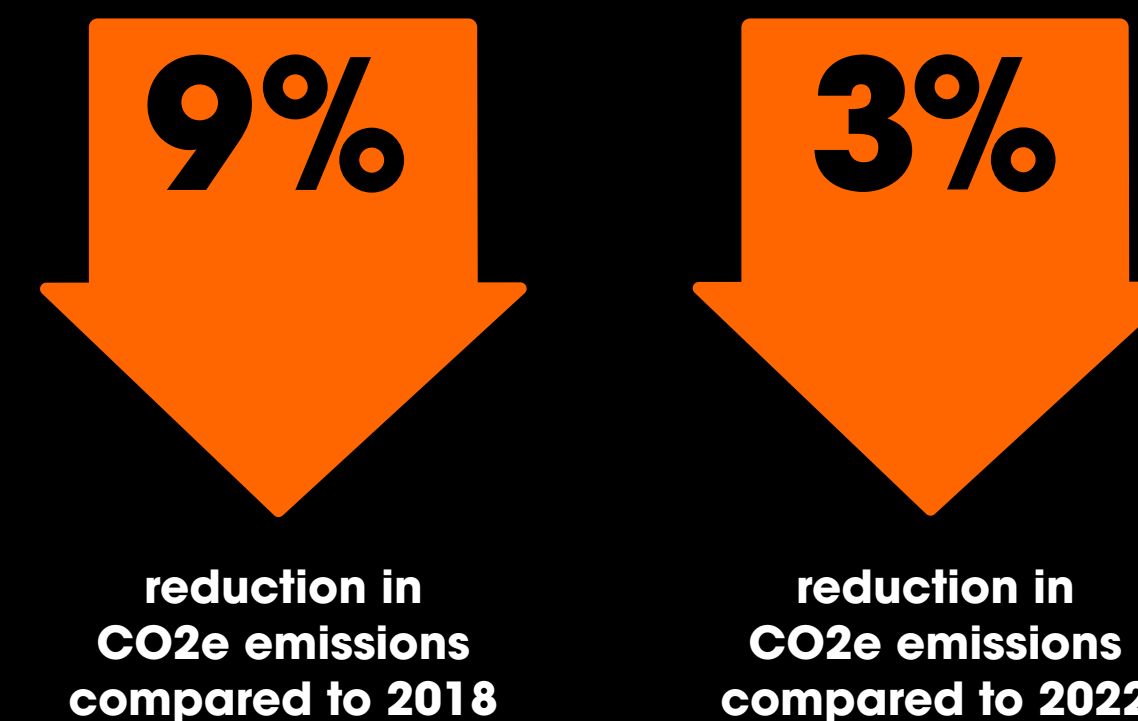
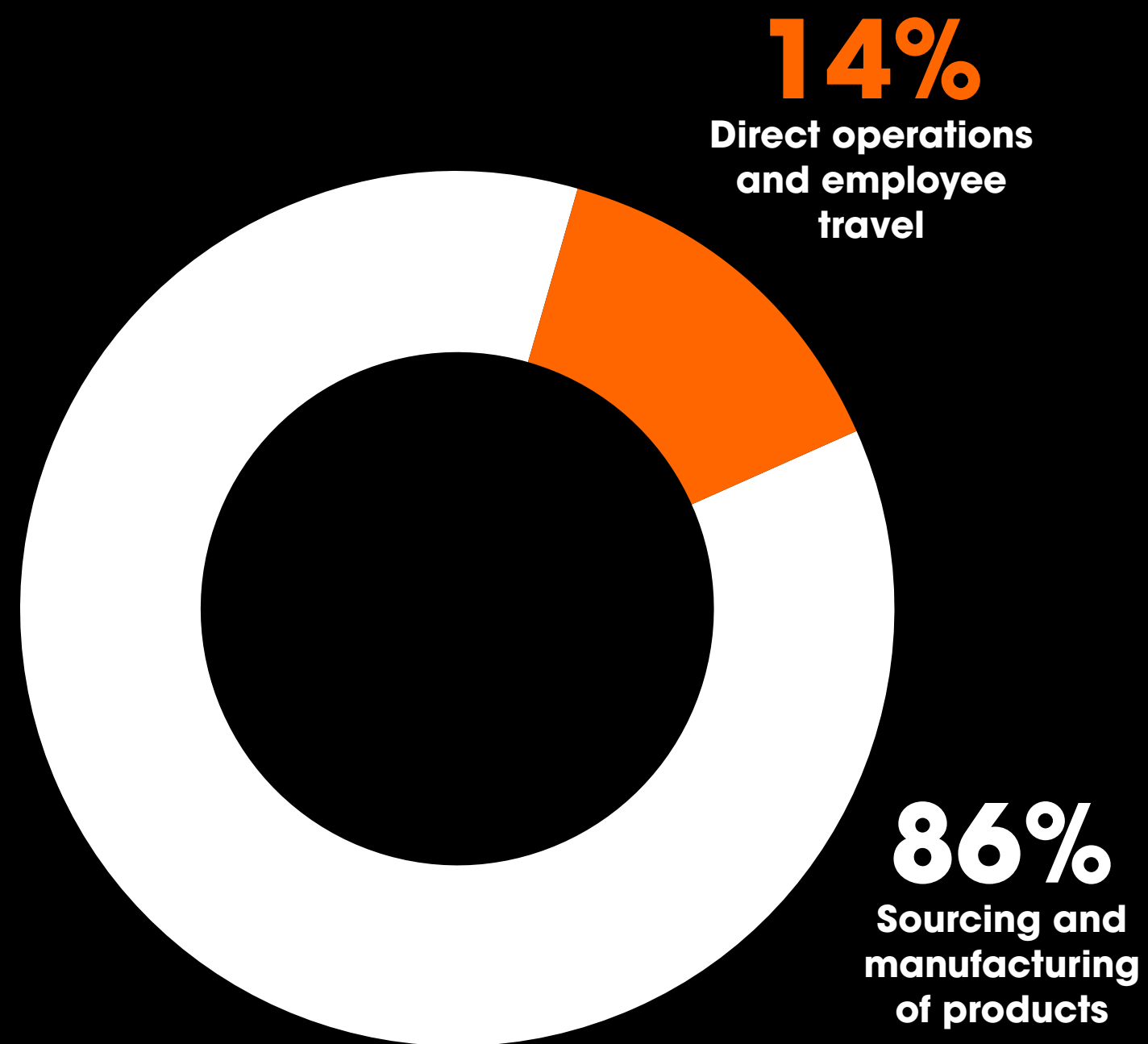
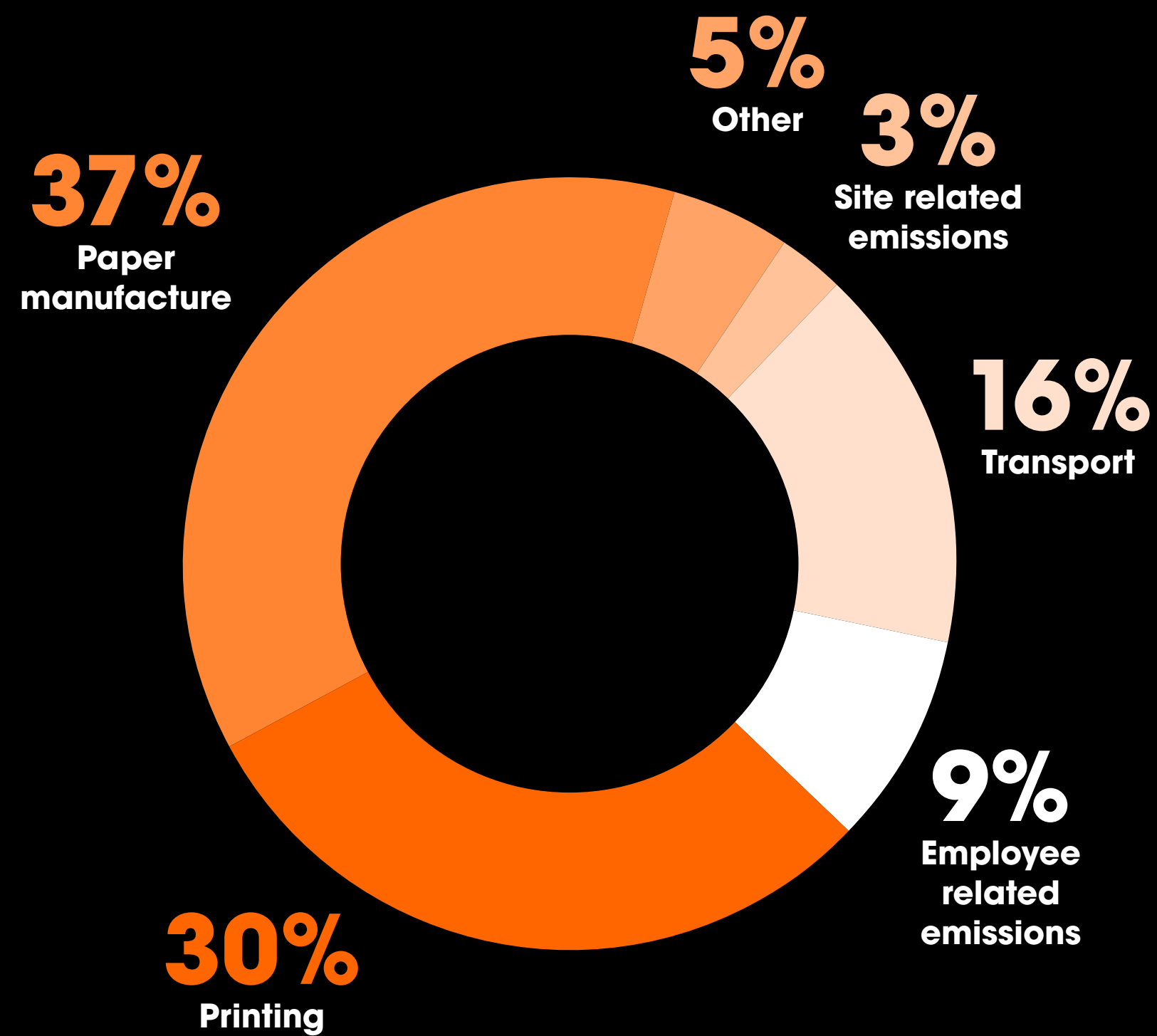


A poetry collection on the sea, ageing, love, and the climate crisis



A rousing call to arms on how we can plan for and manage unavoidable climate migration whilst restoring the planet to a fully habitable state

Carbon emissions data



Our complete 2023 carbon footprint: 49,555 tonnes of CO2e*

*Since 2020 we have offset emissions from our direct operations (scope 1 and 2) and are therefore climate neutral across our sites. In 2023 we offset 1,037 tonnes of CO2e, meaning our final carbon emissions were 48,518 tonnes of CO2e.

A note on carbon data accounting

There are limitations to capturing our complete carbon emissions and in some cases we have incomplete data and need to rely on proxy emissions for our travel and supply chain emissions.

Several changes were made in 2023 to our carbon accounting methodology. Paper wastage – which refers to the volume of paper discarded during a book’s production – was included when factoring in emissions for papers, printers, and travel between paper mills and printers. This resulted in the volume of paper used to produce books increasing from 40,000 tonnes to 43,000 tonnes. In turn, this means our carbon emissions increased. The inclusion of paper wastage means that the 25% reduction in paper emissions we expected to see as a result of our work to limit high-carbon papers used in our books shrunk to 10%. This also increased printer emissions by 5%, when we expected to see an 8% reduction compared to 2022.

We expect to see some fluctuation in previous carbon impact figures as we continue honing our carbon accounting methodology and new information becomes available. Despite this, we will continue implementing our science-based carbon reduction plans and reporting our data transparently.

Overall carbon emissions

| Overall CO2e emissions | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | +/- | +/- |
|--|---------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|
| | | | | | | | 2023 to 2022 | 2023 to 2018 |
| Site related emissions (scope 1 and 2) | 5,409 | 1,467 | 1,352 | 1,565 | 1,356 | 2,017 | ↑ 49% | ↓ -63% |
| Employee related emissions (scope 3) | 5,496 | 4,247 | 1,645 | 1,791 | 3,391 | 4,713 | ↑ 37% | ↓ -14% |
| Product related emissions (scope 3) | 43,277 | 35,331 | 42,232 | 46,859 | 46,113 | 42,825 | ↓ -7% | ↓ -1% |
| TOTAL EMISSIONS | 54,246 | 41,108 | 45,261 | 50,248 | 50,920 | 49,555 | ↓ -3% | ↓ -9% |
| Total emissions with offset* | 54,246 | 41,108 | 44,034 | 48,834 | 49,729 | 48,518 | ↓ -2% | ↓ -11% |

* 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 4,500 tonnes of carbon from our direct emissions (sites) to land afforestation.

Site related emissions (scope 1 and 2)

Our offices and warehouse sites contribute the smallest proportion of our total emissions at 2%. To reduce these emissions, we have switched to energy efficient lighting, installed a further 1,600 panels to our warehouse and added battery storage for excess energy, maintained ISO 14001 accreditation across all sites, purchased green energy certificates covering 100% of our energy usage since 2020, and offset all site related emissions since 2020.

Employee related emissions (scope 3)

Employee emissions from colleagues commuting to and from work, plus travelling for the company, account for 10% of our total emissions. These emissions increased in 2023 due to higher attendance at the office sites and increased business travel as we transitioned out of the Covid-19 pandemic. This is still much lower compared to our baseline year of 2018.

To enhance colleagues' sustainable travel options, we installed EV chargers in our warehouse car park, where colleagues often travel by car, and worked with colleagues to offset business travel emissions or find solutions for more sustainable travel methods.

| Site related emissions | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | +/- | +/- |
|----------------------------------|-------|-------|------|-------|------|------|--------------|--------------|
| | | | | | | | 2023 to 2022 | 2023 to 2018 |
| Scope 1 Stationary fuels* | 82 | 53 | 21 | 32 | 784 | 937 | ↑ 20% | ↑ 1,043% |
| Scope 2 Electricity | 3,341 | 0 | 0 | 0 | 0 | 0 | → 0% | ↓ 100% |
| Scope 2 Heat | 1,630 | 1,144 | 982 | 1,178 | 111 | 168 | ↑ 51% | ↓ 90% |
| Scope 1 Refrigerant losses | 3 | 0 | 141 | 36 | 97 | 63 | ↓ 35% | ↑ 1,920% |
| Scope 3 Waste | 136 | 124 | 83 | 168 | 199 | 106 | ↓ 47% | ↓ 22% |
| Scope 3 Energy related emissions | 217 | 146 | 125 | 151 | 165 | 743 | ↑ 350% | ↑ 242% |

* Stationary fuels have increased since 2022 as the emissions were originally placed under scope 2 heat

| Employee related emissions | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | +/- | +/- |
|----------------------------|-------|-------|-------|-------|-------|-------|--------------|--------------|
| | | | | | | | 2023 to 2022 | 2023 to 2018 |
| Scope 1 Mobile fuels | 64 | 63 | 32 | 33 | 60 | 38 | ↓ -37% | ↓ -41% |
| Scope 3 Business travel | 2,561 | 1,323 | 55 | 82 | 1,041 | 1,628 | ↑ 56% | ↓ -36% |
| Scope 3 Hotel stays | 223 | 219 | 30 | 30 | 100 | 121 | ↑ 21% | ↓ -46% |
| Scope 3 Office paper | 175 | 160 | 43 | 37 | 45 | 46 | ↑ 2% | ↓ -74% |
| Scope 3 IT devices | 150 | 158 | 499 | 229 | 315 | 375 | ↑ 19% | ↑ 150% |
| Scope 3 Employee commuting | 2,387 | 2,387 | 1,018 | 1,413 | 1,890 | 2,505 | ↑ 33% | ↑ 5% |

Product related emissions (scope 3)

86% of our emissions come from the manufacturing, transportation, and distribution of our products. Within this, nearly 70% of emissions come from paper and printing. Our reduction efforts have focused on supporting colleagues to make more sustainable book production choices, implementing Sustainability Tailored Action Plans, and moving away from using high carbon papers.

The largest reduction in warehouse service emissions is a result of expanding our warehouse, which has reduced our reliance on third party space to store our products. Changes to carbon accounting associated with producing audiobooks in CD format is responsible for the large increase compared to the 2018 baseline.

| Product related emissions | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | +/- | +/- |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------------|--------------|
| | | | | | | | 2023 to 2022 | 2023 to 2018 |
| Scope 3 Paper mills | 16,098 | 13,874 | 18,424 | 21,284 | 20,511 | 18,445 | ↓ -10% | ↑ 15% |
| Scope 3 Printers / printing materials | 15,767 | 12,803 | 14,254 | 14,059 | 13,982 | 14,713 | ↑ 5% | ↓ -7% |
| Scope 3 Warehouses services | 3,011 | 954 | 505 | 461 | 464 | 191 | ↓ -59% | ↓ -94% |
| Scope 3 Transport | 6,881 | 6,107 | 7,307 | 9,287 | 9,114 | 7,768 | ↓ -15% | ↑ 13% |
| Scope 3 CD | 24 | 24 | 24 | 64 | 165 | 120 | ↓ -27% | ↑ 400% |
| Scope 3 Packaging | 785 | 785 | 785 | 785 | 939 | 821 | ↓ -13% | ↑ 5% |
| Scope 3 End of life (product waste) | 711 | 784 | 933 | 920 | 938 | 767 | ↓ -18% | ↑ 8% |

* Stationary fuels have increased since 2022 as the emissions were originally placed under scope 2 heat

Governance

Our CEO and Leadership Team are accountable for implementing our responsible business strategy.



Diversity and inclusion

Leadership Team members are responsible for updating their bespoke action plans, tailored to the specific needs of their business areas, and supporting the plan's delivery. Representatives from each business area regularly meet to share best practice on diversity and inclusion, learn from other business areas, and convert this into action in their part of the business. Alongside the company strategy and business area plans, all colleagues have an inclusion goal which is monitored as part of their performance objectives.

The Inclusion Action Group is our companywide body for diversity and inclusion that shapes the strategy and ensures the perspectives of colleague-led inclusion networks are considered in decision making. It is chaired by CEO Tom Weldon and attended by members of the Leadership, HR and Social Impact teams. Representatives from four colleague-led inclusion networks – AccessAbility, Colour(Full), Common Ground, and Pride – are elected to represent their members' views. This is a paid, 18 month development opportunity.

Sustainability

Experts across the company are responsible for developing and delivering sustainable priorities within their areas and bringing new developments or issues to the CEO and Leadership team to review and appropriately act on. This includes members of the Publishing Operations, Facilities, Distribution, and Social Impact teams. In 2023, we continued to advance our Sustainability Working Group's ambitions, which has been in place since 2016, widening the group's scope to govern our methodology and address environmental issues and solutions appropriately. 80 colleagues are members of the Green Team network and take action on smaller scale sustainability initiatives such as educating colleagues on biodiversity and creating office libraries for colleagues to learn about topics such as sustainable investing and tackling climate change.

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