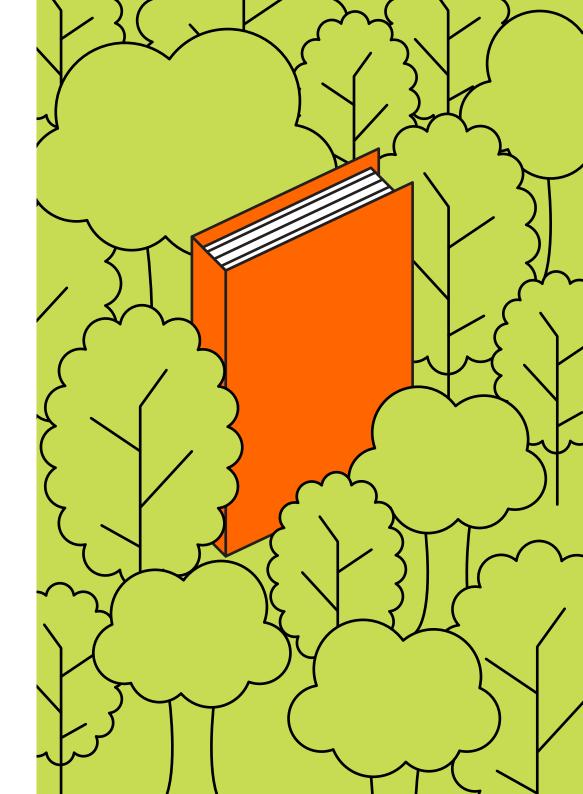


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### Foreword

The state of our planet has worsened in recent decades and climate change is one of the biggest threats to our survival. There is a responsibility on corporations to implement sustainable practices and reduce greenhouse gas emissions (GHG) to safeguard future generations.

At Penguin Random House we are committed to embedding sustainability into everything we do to ultimately achieve our target of becoming climate neutral by 2030. We recognise the importance of each individual action, and how one person can inspire change amongst many, and how we, as an industry leader, can play our part towards a better future.

We aim to be transparent on where we stand by constantly reporting on our progress. In line with our values, we believe it is important to discover new and innovative ways to achieve sustainability, respect our planet (limiting our impact on it), engage with our authors, customers and business partners who share our sustainability values, and disseminate our knowledge to ensure we all move towards sustainability.

2024 marks the fourth year of actively monitoring our carbon footprint, and we are pleased that our efforts have resulted in a 49% reduction on our base year of 2018. While we are already ahead of many of our targets we remain determined to push for even greater reductions and are committed to continuing our efforts in mitigating our environmental impact.

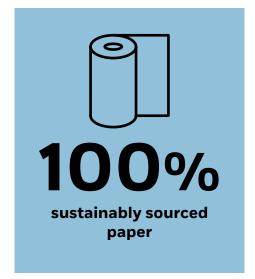
"Our world is constantly changing. To maintain our position as industry leaders we must meet the ongoing challenge of sustainability and continue to find ways to innovate and thrive."

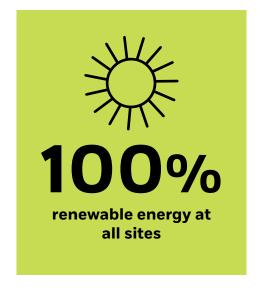


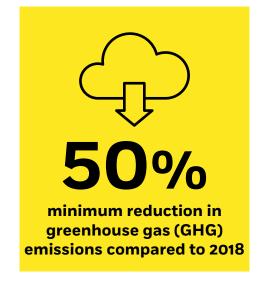
JULIE BURLAND, CEO PENGUIN RANDOM HOUSE AUSTRALIA & NEW ZEALAND

# Our Sustainability Pledge











# Methodology

We believe it is important to be transparent and accountable, which is why we once again engaged an independent consultancy firm to analyse our carbon footprint. The firm analysed and reported on our Scope 1, 2 and 3 emissions, and detailed our impact in accordance with the ISO 14064-1:2018 standard. This methodology lists six categories of emissions:

GHG PROTOCOL SCOPE	ISO 14064 CATEGORY	DESCRIPTION
1	1	Direct GHG emissions from stationary and mobile combustion sources
2	2	Indirect GHG emissions from imported energy
	3	Indirect GHG emissions from transportation
	4	Indirect GHG emissions from products used by the organisation
3	5	Indirect GHG emissions associated with the use of products from the organisation
	6	Indirect GHG emissions from other sources not covered in categories 1 to 5

As per ISO 14064-1:2018, we have consolidated our facility-level GHG emissions and removals by the control approach, accounting for all GHG emissions and/or removals from facilities over which we have financial or operational control. This approach considers all emissions that PRH exercises "control" over but not necessarily financial control.

The most significant application of this approach is the inclusion of emissions from third party transport providers, UBD Distribution Centre, and employee emissions across the PRH sites in Australia and New Zealand that support the service offering to customers. In these instances, PRH has or can exert control over the way that this service is delivered.

In addition to the emissions reported by the firm, paper mill, printer and printer materials emissions were calculated using industry data, in conjunction with our parent company. Data on each paper mill and printer was collated with final emissions calculated based on the total amount of paper purchased and the number of books printed.







Scope	Category	CO <sub>2</sub> e Aus (tonnes)	CO <sub>2</sub> e NZ (tonnes)	Total	Percentage of Total
1	Mobile fuels (cars, trucks etc.)	56	23	79	0.35%
1	Stationary fuels (boilers, generators etc.)	28	0	28	0.12%
2	Imported electricity consumption	933	2	935	4.11%
3	Paper mill/Printer/Printer materials	6,314	485	6,799	29.87%
3	Business travel and accommodation	161	16	177	0.78%
3	Staff commute	515	28	543	2.39%
3	Inbound transport and distribution	8,322	207	8,529	37.47%
3	Outbound transport and distribution	4,381	1,187	5,569	24.47%
3	Energy transmission and distribution losses for natural gas	93	0.4	93	0.41%
3	Working from home	1	0.4	1	0.00%
3	Water supply and wastewater treatment	22	0.1	22	0.10%
3	Waste disposal and recycling	94	18	113	0.50%
3	Upstream leased assets	84	0	84	0.37%
3	End-of-life book disposal	-18	0	-18	-0.08%
3	Emissions offsets	-190	0	-190	-0.80%
TOTAL		16,552	2,180.82	22,764	100%

# Calculating CO₂e

CO<sub>2</sub>e means
Carbon Dioxide
Equivalent, as
emissions have
been calculated
looking at carbon
dioxide, methane
and nitrous oxide.
Each gas has
different global
warming potentials
(GWP) so it is easier
for reporting to
express emissions
as one factor.

### Our 2024 Emissions: At A Glance



Our total carbon footprint was **22,764 tonnes** of CO<sub>2</sub>e.



### Our highest categories continue to be:

- Inbound and outbound freight at 62%
- Paper mill, printer and printer materials at 30%

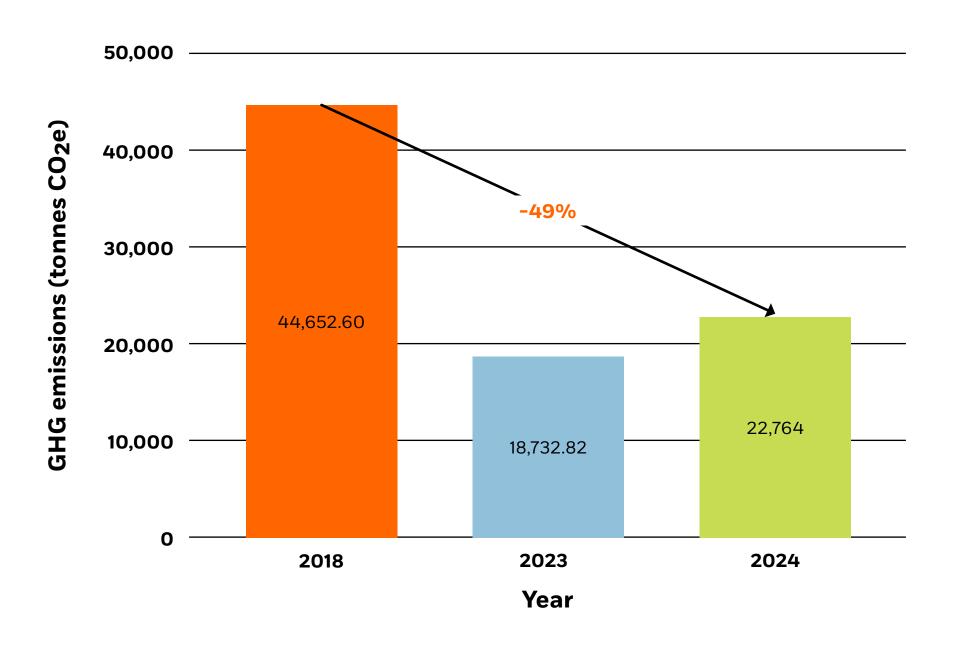


Our 2024 emissions mean we have reduced our emissions by 49% on 2018.

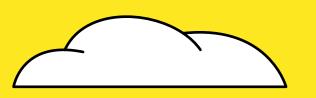
# Our Emissions Progress

Scope	Category	Total CO <sub>2</sub> e 2018 (tonnes)	Total CO <sub>2</sub> e 2023 (tonnes)	Total CO <sub>2</sub> e 2024 (tonnes)	Change of emissions since 2018 (%)
1	Mobile fuels (cars, trucks etc.)	170	99	79	<b>▼</b> 54%
1	Stationary fuels (boilers, generators etc.)	20	11	28	<b>▲</b> 40%
2	Imported electricity consumption	1,732	1,030	935	<b>v</b> 46%
3	Paper mill/Printer/Printer materials	5,268	4,938	6,799	<b>▲</b> 29%
3	Business travel and accommodation	557	229	177	▼68%
3	Staff commute	839	574	543	<b>V</b> 35%
3	Inbound transport and distribution	26,597	6,273	8,529	<b>v</b> 70%
3	Outbound transport and distribution	8,477	5,586	5,569	▼34%
3	Energy transmission and distribution losses for natural gas	164	84.20	93	<b>V</b> 43%
3	Working from home	2	1.50	1	<b>v</b> 50%
3	Water supply and wastewater treatment	1.10	1.12	22	<b>▲</b> 190%
3	Waste disposal and recycling	838	235	113	<b>V</b> 87%
	Upstream leased assets	-	-	84	N/A
3	End-of-life book disposal	-12	-39	-18	N/A
3	Emissions offsets	-	-290	-190	N/A
TOTAL		44,652.6	18,732.82	22,674	<b>V</b> 49%

# Our Emissions Progress: Summary



# Recent Achievements





#### **Clean Up Australia**

In May, our Southbank and Sydney offices participated in the annual Clean Up Australia Day events for 2024.

At **Southbank**, the team took part in cleaning up the banks of the Yarra River. They started at the boat sheds collecting rubbish from the waterfront including rowing gear, soft plastics, wine bottles and tins, before then backtracking into the adjacent Alexandra Gardens.

The team in **Sydney** made their way to Berry Island Reserve parklands and coastal area. Glass in the sand, food wrappers and fragments of plastic was collected. The team enjoyed afternoon tea whilst sorting and documented all the rubbish to send to Clean Up Australia.



### **Tree Planting Day**

In 2024, staff from the North Sydney office drove up to Balls Head Reserve to work with the North Sydney Council for our annual Tree Planting Day. The day began with a briefing before our first task, which was to mulch an area of plants to help them grow. We devised a system with volunteers alternating between filling the bags up, taking them to the desired location, and pouring them into the area. The North Sydney Council drilled holes around Balls Head Reserve and left seedlings (kangaroo paw and banksia) next to them. We were given a demonstration of how to mix in the fertiliser, take out the wet soil and plant our seedlings firmly to ensure they withstand the bush turkeys! We were all able to wander around the reserve as we planted trees in small groups.

### **Recent Achievements**





### **Penguin Foundation Volunteer Day**

The Penguin Foundation is working to future-proof the colony's safety by developing a natural firewall by planting thousands of native, fire-resistant plants, such as Bower Spinach, Seabury Saltbush, and Rounded Noon-Flower. This initiative has a dual benefit: creating a green firebreak to reduce the effects of fires, heat stress, and the speed and intensity of bushfires and expanding habitats for the Little Penguins, cooling their homes and providing shelter from the elements.

In 2024, volunteers from the Southbank office took part in the future-proofing project by checking in on the progress of the green firewall. The team were given a checklist and one by one assessed the health of each plant over the course of four hours to collect data that will be used to make changes to the program.

Publicity Manager, Hannah Ludbrook said, "It felt incredibly rewarding. Plus, we spotted a few babies in their burrows away from the tourists and crowds at the Penguin Parade which was a real privilege.

Commenting on the PRH team's volunteering efforts, Penguin Foundation Executive Officer Rebecca Passlow said, "I hope they enjoyed the day and got a little kick out of being in prime penguin habitat. By all accounts, our conservation team were really pleased with the work the team did, and will look forward to another activity next year."



## Progress Towards Our Goals



#### **Climate Neutral by 2030**

We are making great progress towards our overarching goal of climate neutrality by 2030, with a continuous trend of decreasing emissions year on year. Our main focus is to reduce emissions as much as we can and minimise the amount we need to offset come 2030. We are beginning to look into offsetting schemes, including the continuation of our New Starter Employee Offset Scheme through GreenFleet, which plants trees to offset 10 tonnes of  $CO_2e$  per new employee. In 2024 roughly 8,580 trees were planted to offset 290 tonnes. We can't wait to see how many more trees we plant in 2024.



#### 100% sustainably sourced paper

100% of our text papers are sustainably sourced, either through FSC, PEFC or SFI accreditation.

In addition to our pledge we are working towards seeking alternatives for cover board and other material to ensure they are also sustainably sourced, as well as confirming chain of custody certificates from all our printers.

Within our operations, all the paper used in offices for printing and administration is made of 100% recycled material and is carbon neutral. Similarly, our book cartons are made of a mix of recycled material and PEFC certified cardboard.

## Progress Towards Our Goals



#### 100% renewable energy across all sites

In 2023, all PRH ANZ sites converted to renewable energy. We are thrilled that we have reached this target as it helps us in achieving our overarching climate neutrality and helps to drive the uptake of renewable energy in Australia and New Zealand. We will continue to implement energy saving practices throughout our sites to reduce energy usage and costs.



## 50% minimum reduction in greenhouse gas (GHG) emissions compared to 2018

We are thrilled to have already reduced our emissions by 49% compared to 2018. Despite reaching this goal almost five years early, we are committed to continuing to decrease our emissions wherever possible and will strive to do so. A major contributor to our reduction is our localising the supply chain initiative. We are committed to not reverting to heavy use of sea and air freight and maintaining the benefits of reduced emissions in the supply chain.

# The Bigger Picture

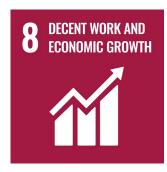
As global citizens, and as part of Bertelsmann, Penguin Random House Australia & New Zealand supports the UN Sustainable Development Goals.

Our work directly impacts the following goals:



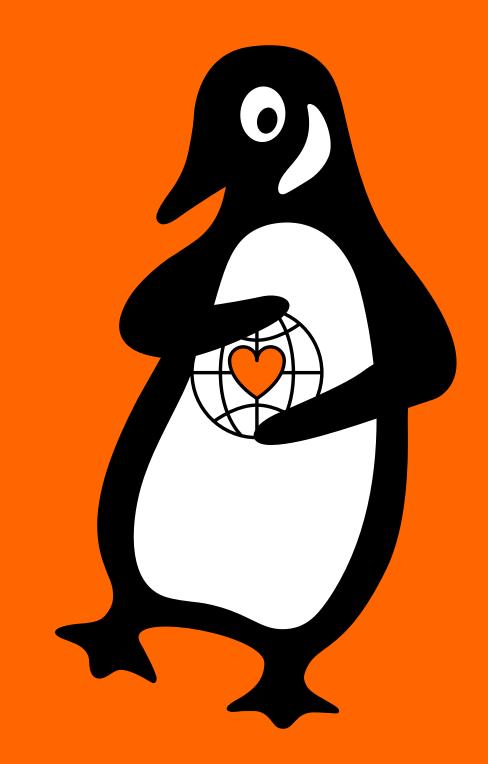












## Our Action Plan

### Penguin Random House Australia & New Zealand Sustainability Action Plan

Our Plan	Carbon neutral by <b>2030</b>	<b>50%</b> reduction in Scope 1 and 2 emissions by <b>2025</b>	25% reduction in product-related emissions by 2030	100% compensation of remaining emissions by 2030
Direct operations	Offices and distribution centres powered by 100% renewable energy in 2023	Limiting <b>business</b> <b>travel</b> through online communication	Using <b>100%</b> recycled office printer paper and sustainable stationery	Thorough <b>recycling</b> and waste initiatives in our offices and distribution centres
Supply Chain	Finalise <b>eliminating</b> single use <b>plastics</b> by using sustainable alternatives	100% recyclable packaging with a composition of at least 50% recycled materials	Reducing the amount of inbound international freight by localising the supply chain	Conducting <b>audits</b> of our paper mills and printers to monitor their environmental and social impacts
Our People & Books	<b>100%</b> sustainably sourced paper that's <b>FSC</b> certified (or equivalent)	Utilising a <b>sustainable design guide</b> for books and covers to ensure we reduce the environmental impact of each and every book	Our Green Team; volunteer staff across all our sites who promote and engage with green initiatives aimed at reducing our footprint	Partnering with charities such as the <b>Penguin Foundation</b> , and participating in Clean Up Australia Day and Planet Ark's National Tree Day

