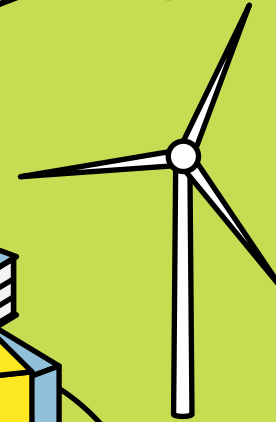


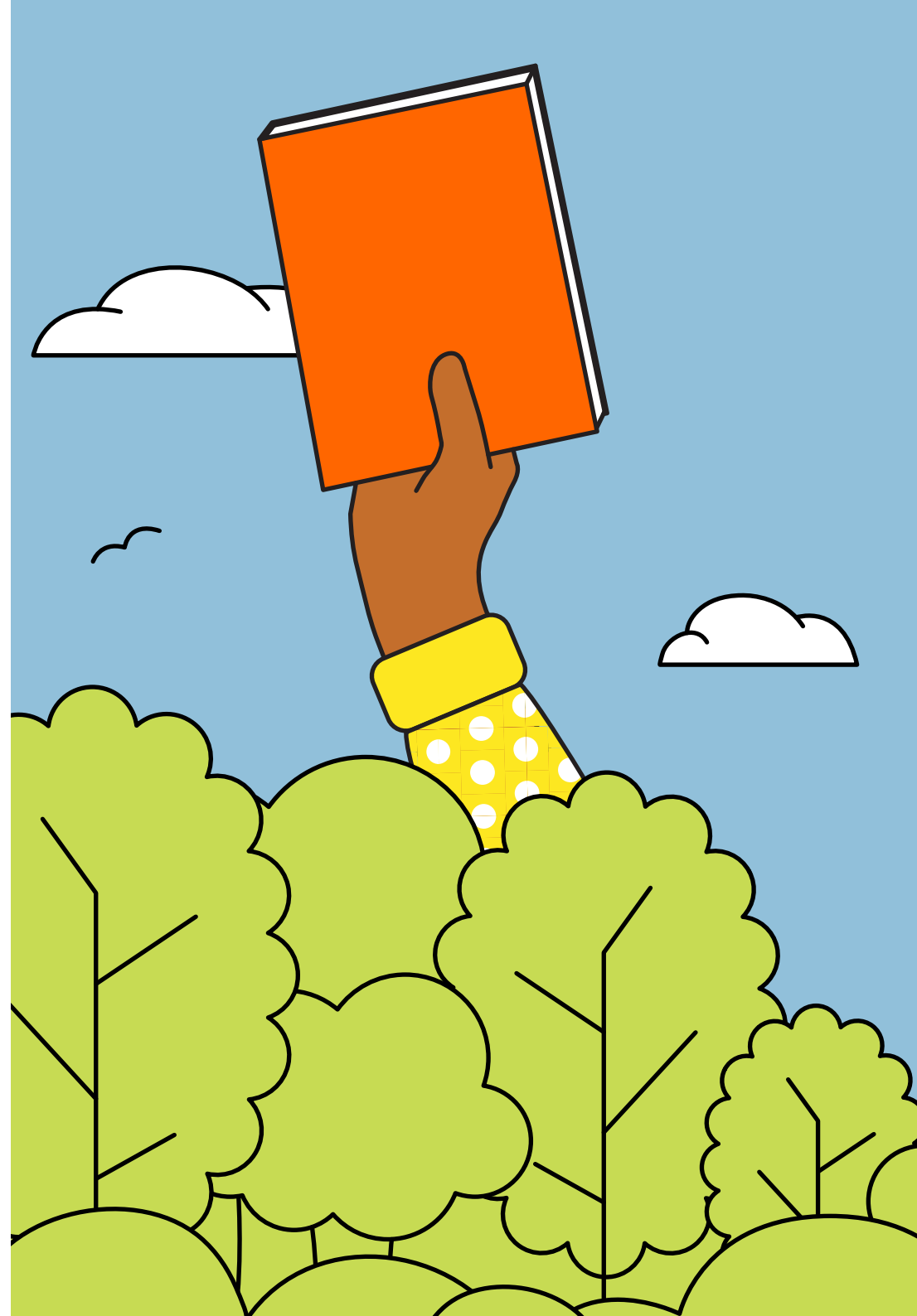
# Our Sustainability Story 2023



Penguin  
Random House  
Australia & New Zealand

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# Foreword

Our planet is at serious risk, and in recent decades it has been shown that a changing climate will not only influence our day-to-day weather, but also has severe social, economic, and environmental impacts. Now is the time to make changes that help safeguard our future and our children's future, and the biggest way to influence that is to reduce our greenhouse gas emissions (GHG) and become sustainable.

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.

It is important that we are transparent on where we stand and that we constantly report 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.

2023 marks the third year of actively monitoring our carbon footprint, and we are pleased to announce that we have achieved another reduction in our total emissions. We are already well ahead of many of our targets. However, 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.”**

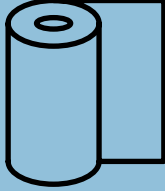


**JULIE BURLAND,  
CEO PENGUIN RANDOM HOUSE  
AUSTRALIA & NEW ZEALAND**


# Our Sustainability Pledge



Climate Neutral by  
**2030**



**100%**  
sustainably sourced  
paper



**100%**  
renewable energy at  
all sites by end of 2023\*



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



**100%**  
compensation of  
remaining emissions

\*Any sites that were not using renewable or green power from January 1st 2023, have been offset through the purchase of Energy Attribute Certificates, purchased through Bertelsmann.

# 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	3	Indirect GHG emissions from transportation
	4	Indirect GHG emissions from products used by the organisation
	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.



# Our 2023 Emissions

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.)	64	35	99	0.53%
1	Stationary fuels (boilers, generators etc.)	11	0	11	0.06%
2	Imported electricity consumption	1,027	3	1,030	5.50%
3	Paper mill/Printer/Printer materials	4,148	790	4,938	26.36%
3	Business travel and accommodation	212	17	229	1.22%
3	Staff commute	530	44	574	3.06%
3	Inbound transport and distribution	6,273	0	6,273	33.49%
3	Outbound transport and distribution	4,313	1,273	5,586	29.82%
3	Energy transmission and distribution losses for natural gas	84	0.2	84.2	0.45%
3	Working from home	1	0.5	1.5	0.01%
3	Water supply and wastewater treatment	1	0.12	1.12	0.01%
3	Waste disposal and recycling	217	18	235	1.25%
3	End-of-life book disposal	-39	0	-39	-0.21%
3	Emissions offsets	-290	0	-290	-1.55%
<b>TOTAL</b>		16,552	2,180.82	18,732.82	100%



## Calculating CO<sub>2</sub>e

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 2023 Emissions: At A Glance

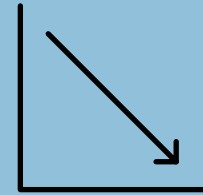


Our total carbon footprint was **18,733 tonnes** of CO<sub>2</sub>e, down 12% on 2022



Our highest categories continue to be:

- Inbound and outbound freight at 63%
- Paper mill, printer and printer materials at 26%



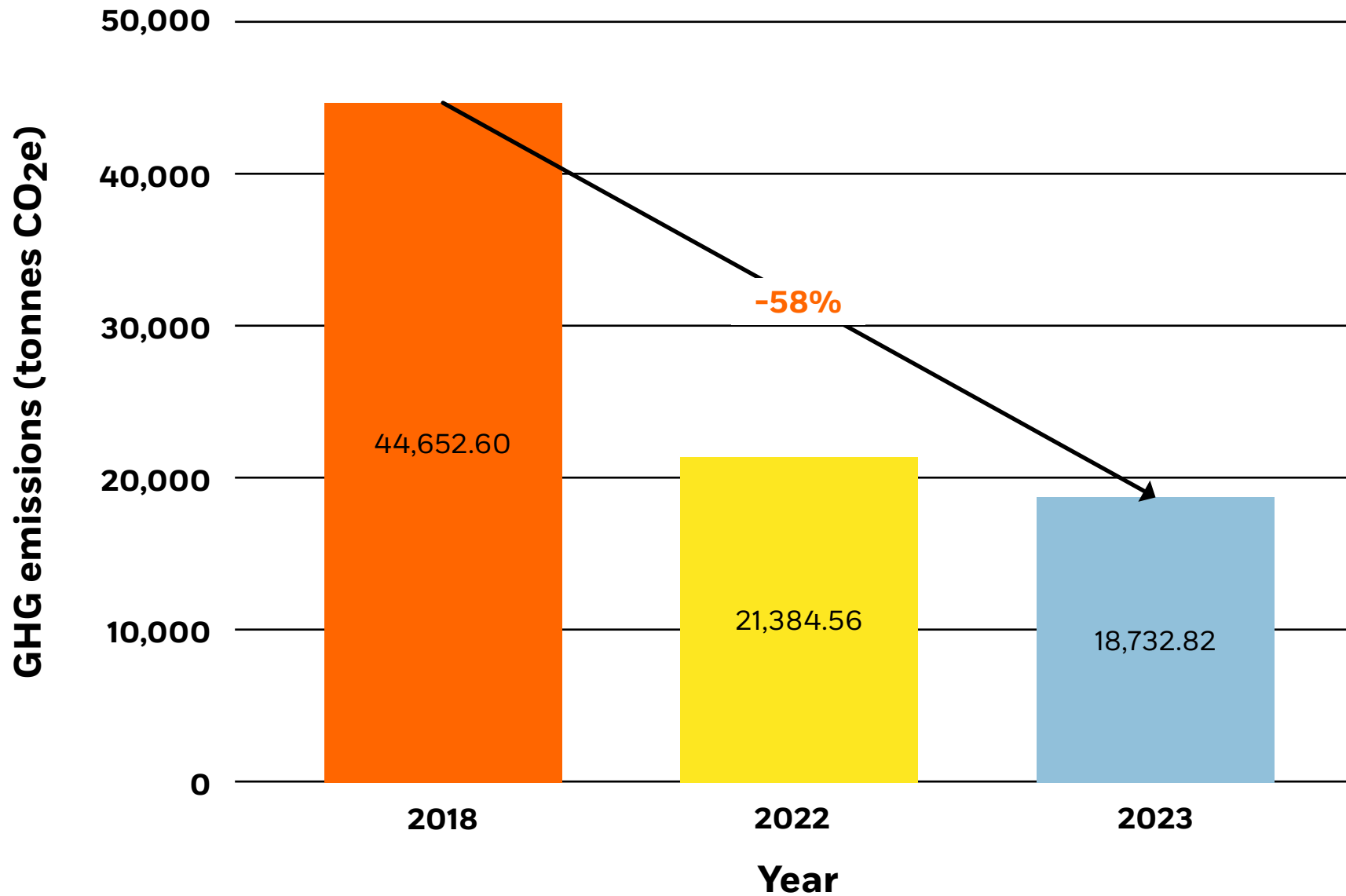
Our 2023 emissions results mean we have continued to reduce our emissions and have now achieved a 58% reduction on 2018

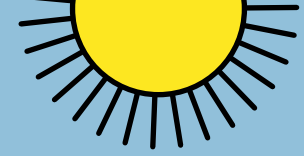
# Our Emissions Progress

Scope	Category	Total CO <sub>2</sub> e 2018 (tonnes)	Total CO <sub>2</sub> e 2022 (tonnes)	Total CO <sub>2</sub> e 2023 (tonnes)	Change of emissions since 2018 (%)
1	Mobile fuels (cars, trucks etc.)	170	107.05	99	▼41%
1	Stationary fuels (boilers, generators etc.)	20	7.46	11	▼45%
2	Imported electricity consumption	1,732	1,054.79	1,030	▼41%
3	Paper mill/Printer/Printer materials	5,268	5,775	4,938	▼6%
3	Business travel and accommodation	557	135.29	229	▼59%
3	Staff commute	839	599.49	574	▼32%
3	Inbound transport and distribution	26,597	9,837	6,273	▼76%
3	Outbound transport and distribution	8,477	3,660.85	5,586	▼34%
3	Energy transmission and distribution losses for natural gas	164	88.30	84.20	▼48%
3	Working from home	2	1.59	1.50	▼25%
3	Water supply and wastewater treatment	1.10	1.82	1.12	▲2%
3	Waste disposal and recycling	838	220.92	235	▼72%
3	End-of-life book disposal	-12	-25	-39	N/A
3	Emissions offsets	-	-80	-290	N/A
<b>TOTAL</b>		44,652.6	21,384.56	18,732.82	▼58%



# Our Emissions Progress: Summary





# Recent Achievements

TARGET	
100%	reusable, recyclable or compostable packaging.
70%	of plastic packaging being recycled or composted.
50%	average recycled content included in packaging <sup>^</sup> (revised from 30% in 2020)
The phase-out of problematic and unnecessary single-use plastic packaging.	



## Packaging

As members of the Australian Packaging Covenant Organisation (APCO), we are constantly striving for improvement in our packaging and distribution processes. In 2023, PRH and UBD conducted monthly meetings to work towards the 2025 APCO National Packaging Targets. We achieved our first goal of ensuring our packaging consists of 77.52% recycled content. This was made possible through changing our carton lids to 100% recycled cardboard, using recycled poster boxes, paper-based tape and 15% recycled pallet caps. We also reduced our 25-micron pallet wrap to 10-microns in a year, reducing our overall plastic content by 9656kg.



## New Social Impact Coordinator

In 2024, PRH ANZ welcomes Isha Desai in the role of Social Impact Coordinator. She graduated from university last November in Politics and International Relations and is very excited to be starting her career at Penguin Random House ANZ.

‘Throughout my degree, I became passionate about facilitating incremental policy change as a pathway to long-term growth and development. I whole-heartedly believe in taking intentional and quality-led steps for a sustainable future, just like what PRH is doing. Not only is PRH leading the way in the publishing industry but is also a leading publisher in having a positive social impact on the wider community.’

# 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. Compared to 2022, we have reduced our emissions by a further 12%. 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<sub>2</sub>e per new employee. In 2023 roughly 14,000 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 at all sites by end of 2023\*

At the end of 2023, all PRH ANZ sites are run by 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.

\*Any sites that were not using renewable or green power from January 1st 2023, have been offset through the purchase of Energy Attribute Certificates, purchased through Bertelsmann.



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

We are thrilled to have already reduced our emissions by 58% compared to 2018, having reduced them by a further 12% on 2022. Despite reaching this goal almost seven 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.

# Progress Towards Our Goals



+ / -  
**100%**  
compensation of  
remaining emissions

## **100% compensation of remaining emissions**

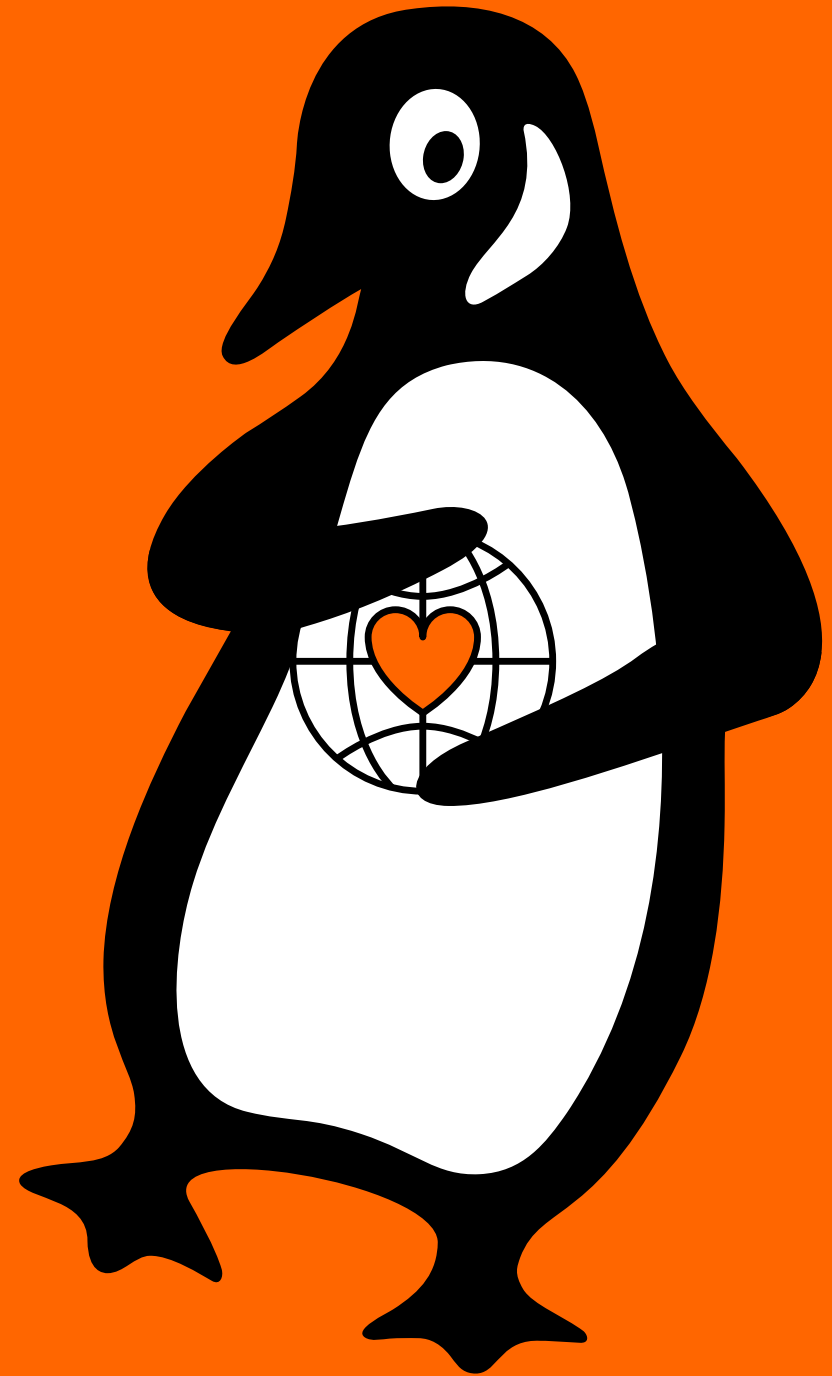
The final step of becoming climate neutral is to offset any remaining emissions that we can't reduce, so that our impact on the planet is balanced. For any emissions we are creating, we are also investing in projects that balance out the negative impacts of our emissions – for example, planting trees that are carbon sinks and can absorb the amount of CO<sub>2</sub> being emitted by our supply chain.

As mentioned, we are still focusing on reducing our emissions as much as possible and when the time comes, we will look to offset all remaining hard-to-reduce emissions.

# 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

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



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