Social Impact Report
2020
This report summarizes our 2020 global commitment to serving our communities beyond the books we publish. Through our three key pillars — Diversity, Equity & Inclusion, Environment & Sustainability, and Free Expression & Joy of Reading — we aim to help shape a better world. The report includes qualitative programming highlights and quantitative performance data from January 1, 2020 - December 31, 2020, reporting against our three social impact commitment pillars. Additionally, we outline forward-looking goals and key focus areas for each pillar in the year ahead.

We welcome your feedback on this report. For more information or to provide suggestions or comments, please contact us at: socialimpact@penguinrandomhouse.com
A Letter From Our CEO
PENGUIN RANDOM HOUSE

Book publishers inherently provide a service to society, but at Penguin Random House, we go beyond the books. We embrace our responsibility as an industry leader to drive lasting cultural and environmental changes that right now, around the world, feel more important than ever.

During the past year, the entire world has faced unprecedented challenges, from the COVID-19 pandemic, to the murder of George Floyd and worldwide calls for racial and social justice; to a polarized political landscape, to natural disasters spurred by our rapidly changing climate. To make it through this difficult time, we have continued to apply this adage to our social impact work at Penguin Random House: Think globally and act locally.

Throughout this report, you will see examples of Penguin Random House employees around the world responding to the pandemic, acting in support of and solidarity with the Black Lives Matter movement, and doing their part to help combat climate change. Leading with action empowers us to connect deeply with our communities, our readers, and ourselves.

In some areas, we have a long way to go. Change is overdue when it comes to building a publishing industry that’s truly diverse and equitable—from the authors we publish to the employees we hire. We cannot erase the past, but we can—and will—do everything within our power to help build a more equitable and just world through the power of books and reading, and our own internal practices. These action-oriented initiatives from across our territories provide transparency and accountability on our progress and the ways in which we are working together to enact change within our industry and beyond. Being part of a worldwide community that strives to create a positive impact on the world, locally and globally, is not only aspirational—it guides our decision-making across all aspects of our business.

As our stakeholders, our commitment to you above all else is transparency. In this report, we outline not just our accomplishments, but initiatives that are in progress, as well as our global priorities for the years ahead. We are accountable to all of you. Thank you for everything you do every day to help us embrace our collective responsibility to each other and to our world.

Yours,

CEO
Penguin Random House

Markus Dohle
CEO
Penguin Random House is the world’s largest trade book publisher committed to investing in the voices, stories, and ideas that shape our culture and society.

Our editorially and creatively independent imprints are proud homes to the world’s greatest storytellers and publishing talent, helping them perfect their work, realize their vision for it, and connect it with the widest audience of readers. Composed of a community of historic imprints across six continents, we represent the deepest library of works by the world’s most cherished writers in adult and children’s fiction and nonfiction.

We fiercely protect our authors’ intellectual property and champion freedom of expression, ensuring their voices carry beyond the page to communities and societies around the globe.
Our mission is to ignite a **universal passion for reading** by creating books for everyone. We believe that books, and the stories and ideas they hold, have the unique capacity to **connect us, change us, and carry us** toward a better future for generations to come.
I do believe that books can change people by igniting an awareness and empathy they may not have otherwise gained.

-Jacqueline Woodson, award-winning author
Through books and reading, we seek to create a world where independent thinking, free expression, and creativity flourish. At the onset of the COVID-19 pandemic, we adapted to meet the needs of our communities around the world, providing e-books and virtual storytime resources to schools and libraries, and supporting independent bookstores.

**Free Expression & Joy of Reading**  
**PROGRAMMING HIGHLIGHTS**

*Read Together, Be Together*

In partnership with Meredith Corporation’s Parents, we launched #ReadTogetherBeTogether to celebrate the importance of reading with young children. The program began in March 2020 with virtual storytimes featuring bestselling and award-winning authors and illustrators, as well as celebrity readers. As part of the program, we donated 750,000 books to First Book, which were sent to schools that were delivering books, food, and supplies to kids who were isolated and locked out of their learning environments.

*National Read Aloud Day*

In honor of National Read Aloud Day on November 20, 2020 in Germany, we gave more than 1,000 audiobooks and books to schools, kindergartens and children’s daycare centers featuring celebrities, authors and employees, available through the end of the year on the campaign webpage. Rather than in-person visits, children celebrated Read Aloud Day with special book packages personalized with greetings from employees.

*Help 2 Read*

In South Africa, we donated more than 1,300 Disney titles to primary schools located in the Western Cape, South Africa, in partnership with nonprofit organization Help 2 Read. With a mission of helping children from disadvantaged communities learn to read, Help 2 Read’s literacy intervention programs are run at public primary schools across South Africa, and provide children who struggle to read with one-on-one instruction, reading help and fun activities to help them not only learn to read, but fall in love with reading.
Last year in Spain, we donated more than 4,000 books to hospitals, hotels, and support centers housing healthcare workers fighting COVID-19. At the time, Spain was facing its highest peak of COVID-19 infections, and this donation aimed to help pass the time for those in isolation and to express our gratitude to the medical teams for their bravery and hard work.

After the Toronto Public Library’s branches were closed due to the COVID-19 pandemic, a number of locations were repurposed to serve as pop-up food banks. We joined forces with the Toronto Public Library Foundation to help add kids’ books to the food hampers being distributed there for young readers who are without Internet or library access while schools and branches remain closed, as well as donated books for distribution to families in shelters. In total, we donated 2,000 books for young readers as part of a matching campaign that saw us pledge 500 books for every 500 books the Foundation purchased using donations from members of the public.

At the beginning of the coronavirus lockdown, we launched a new partnership with charity Speakers for Schools to deliver a series of Virtual Penguin Talks, with authors streamed live to thousands of students at school and at home across the UK and Ireland. Featured authors included Elif Shafak, Marlon James, Malcolm Gladwell, Emma Dabiri, and many others, covering issues such as building confidence, challenging inequality, believing in yourself, being creative, and preparing for the world of work. The events were live-streamed on the Penguin Platform YouTube Channel, and all students watching received a free copy of the author’s audiobook.

In Mexico, we donated 50,000 books to the Juguetón Azteca foundation, which it distributed to children in the country’s poorest communities. The donation included books about Mexican fables and licensed editions of Toy Story, Frozen, Coco and Sesame Street, among others. Books were distributed to indigenous children in the Tarahumara mountains in the north of Mexico, and the “Centro Infantil Comunitario Caminito” kindergarten and Salvation Army’s children’s house in Mexico City.
“Race is a mirage but one that humanity has organized itself around in very real ways...To be antiracist is to also recognize the living, breathing reality of this racial mirage, which makes our skin colors more meaningful than our individuality.”

-Dr. Ibram X. Kendi, How to Be an Antiracist
Publishing the widest array of voices that reflect the society we live in is our mandate—and it all begins with building an equitable and inclusive publishing industry.

We hear, and support, the demands for change from our colleagues, authors, partners, and readers, and the wider community. These four pillars are guiding our global approach to diversity, equity and inclusion in our business around the world.

**LEADERSHIP INVESTMENT IN DIVERSITY, EQUITY & INCLUSION**

Effective leadership is at the core of systemic change and we are committed to investing in that change through unconscious bias, antiracism, and inclusivity training. We acknowledge that leaders need to take more proactive ownership of our efforts in order to relieve the burden on employees from marginalized groups and junior employees.

**DIVERSITY & REPRESENTATION**

While we have a globally diverse workforce, we are committed to making our employee population even more representative of our society. We will increase the number of books we publish—and promote, market, and sell—by people of color.

**CAREER GROWTH**

We believe that diversity, equity and inclusion are crucial to the development of all employees. We are actively making advancements to increase the clarity and consistency regarding opportunities for career and compensation development in order to ensure that employees are prepared, supported, and well situated in how to advocate for their career path.

**PSYCHOLOGICAL SAFETY & BELONGING**

We understand that it is important to assure that employees are able to authentically express all aspects of their identities in the workplace, and that managers play a key role in this process. We seek to create a more psychologically safe, inclusive environment that allows employees to bring their full selves to work and voice their ideas and opinions freely and without fear.

While these global pillars have advanced our progress in establishing more inclusive business practices, there is still much more important work to do. Together with our Diversity, Equity & Inclusion Councils, Employee Resource Groups, and other leadership teams, we will continue our ongoing and evolving plan for action to achieve our aspiration of creating a more equitable company and publishing community.
Diversity has a different meaning in every market. That’s why we let our local territories lead the way to develop strategic DE&I programs that most effectively support their communities and specific needs.

Through special engagements and multi-year projects, we aim to develop equitable and human-centered approaches to further our advancement in this area.

**Lit in Colour**

In the U.K., we partnered with think tank Runnymede Trust to launch Lit in Colour, a project that aims to diversify school reading lists by developing a culturally diverse curriculum that more accurately represents today’s students and inspires them to read outside of their classes. As a first step, the team commissioned research to review the current state of English Literature education. Based on findings and recommendation, the PRH U.K. team and Runnymede will develop extensive programming for teachers and students, including teacher training, book donations, digital materials and author events.

**Antiracism Training**

In Canada, we retained Future Ancestors, a Black and Indigenous-owned professional services social enterprise that draws on Indigenous teachings on ancestry and anti-racism, to provide all of their employees with anti-racism training and to act as a consultant to us on diversity, equity, and inclusion more broadly. The Future Ancestors team has developed a training program tailored to Penguin Random House that will begin with encouraging brave spaces as well as providing a detailed assessment of how our culture must evolve to make anti-racist practices an everyday part of cooperation at work. As part of that evolution, anti-racism training will be an ongoing feature of our work.

**Black Creatives Fund**

In the U.S., we partnered with longtime partner We Need Diverse Books (WNDB) to launch the Black Creatives Fund, an initiative with a mission of supporting emerging and established Black writers and illustrators. The Fund will launch with the six-month Revisions Workshop that will support unpublished Black writers with completed manuscripts and feature esteemed faculty including PRH authors Nic Stone and Jewell Parker Rhodes. Writers selected for the workshop will have the opportunity to receive guidance throughout the revision process and submit their manuscript to our editors for possible publication.
As part of our long-term Diversity, Equity & Inclusion Strategic Action plan, we introduced our first-ever company-wide read, *How to Be an Antiracist* by Ibram X. Kendi, and facilitated discussions across the company on this important topic. Employees were encouraged to share their ideas and perspectives openly with one another, fostering learning, understanding, and belonging.

In Brazil, we launched an editorial initiative focused on antiracist education in schools in partnership with eleven publishers dedicated to combating racism. Through literature, education, support materials and virtual events, the project aims to contribute to the reconstruction of imagery and policies that will enable an antiracist society in Brazil.

To highlight the pertinent issues faced by women around the globe, which were heightened due to the ongoing global COVID-19 pandemic and lockdowns, we organized a series of conversations with renowned Penguin Random House authors in India, hosted by journalist Pragya Tiwari. In conversation with Tiwari over five distinct episodes, authors addressed wide-ranging concerns, including domestic violence and sexual abuse, women’s safety, and financial independence.

First launched by Penguin Random House Australia in 2018 to find writing and authors more representative of the society in which we live, Write It is an annual program that aspires to discover, nurture and develop unpublished voices across all genres, focusing on writers from socio-economically marginalized backgrounds, LGBTQ+, Indigenous or CALD (culturally and linguistically diverse) writers, or writers with a disability. Successful applicants are mentored by our editors in Australia with the hope of publication. As part of the fellowship, the winners participate in a PRHA Open House Day where they have the opportunity to learn about the various facets of publishing.
We recognize that publishing the widest array of books and authors is best done when our publishing teams reflect the demographics of our society and the diverse communities of readers we serve. In the U.S., we are committed to sharing our workforce demographics annually and to tracking and measuring our progress toward our goal of reflecting the racial and ethnic makeup of American society. Change is overdue and we, as an industry leader, have a responsibility to make that change happen.

Here is a snapshot of Penguin Random House’s current workforce makeup as of September 2020:

*Non-Warehouse includes corporate headquarters in New York, NY and all other remote staff. Warehouse includes all employees at Penguin Random House distribution center locations in Crawfordsville, Indiana; Westminster, Maryland; and Reno, Nevada.
Diversity, Equity & Inclusion
SPOTLIGHT: PRH U.S. EMPLOYEE DEMOGRAPHICS

This next chart shows the breakout of the company’s employees by race, along with industry and U.S. population benchmarks.

As you can see, our employee base, although mostly comparable to the overall book publishing industry, is not nearly reflective of the U.S. population, and our Black and Hispanic representation is particularly low.
This chart shows the racial makeup of the company’s new hires over the past five years. As the data shows, we have made some modest strides over the past five years, and new hires at Penguin Random House have been increasingly more diverse than our overall workforce. We are now working to ensure our hiring practices are equitable and consistent across the company and putting more robust strategies in place for hiring and promoting BIPOC employees into roles at all levels.

We do not underestimate the work before us and recognize that reaching the ultimate goal of a workforce that truly represents our society will take time.

For a more detailed view of our company demographics, please visit our People Page.
“Everything needs to change. And it has to start today.”

—Greta Thunberg, *No One Is Too Small to Make a Difference*
Environment & Sustainability

As responsible book publishers, we strive to take care of our planet and its people. Our global Penguin Random House community cares deeply about the earth and the almost 8 billion lives depending on its resources. If we act swiftly and effectively, we believe we can impact real change.

- **REBA**
  First book publisher to sign onto the REBA coalition of customers, suppliers, and policymakers focused on clean and renewable energy solutions.

- **2030**
  Penguin Random House will be climate neutral by 2030.

- **65%**
  Reduction in energy consumption worldwide since 2014.

- **100%**
  Our Crawfordsville facility is powered by solar parks (on sunny days).

- **97%**
  Of paper sourced worldwide for books is now sustainable.

- **2022**
  Penguin Random House is aiming to have fully transitioned to green energy by 2022.

- **80%**
  In 2020, almost 80% of Penguin Random House electricity worldwide was sourced by green electricity.

- **50%**
  Reduction of location & employee-related emissions by 2025.

- **25%**
  Reduction of product-related emissions by 2030.

- **All In**
  We signed the “All In” climate statement calling for America’s national mobilization on climate action.

- **65%**
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Our global policy on sustainable sourcing and production reflects our values of conservation, and our local actions at our offices around the world allow us to address the varied environmental challenges faced by different regions.

In late 2019 and early 2020, Australia was ravaged by the worst bushfires ever experienced in the country. Across four states, lives and livelihoods were lost, homes were destroyed, and wildlife and their natural habitats were critically impacted. PRH Australia, with the support of PRH Canada and PRH U.S., raised $75,000 through fundraising events across all sites, and that money was subsequently distributed to Australia Red Cross and wildlife rescue organizations in the most severely impacted states of New South Wales, Victoria, and South Australia.

As part of our ongoing efforts to help protect the planet and its future, we are proud to support the All We Can Save Project. Created by the editors of One World’s All We Can Save: Truth, Courage and Solutions for the Climate Crisis, Dr. Ayana Johnson and Dr. Katharine Wilkinson, the new initiative will accelerate the success of the climate movement by providing support and community for women climate leaders across generations, geographies, and race through virtual and in-person programs; education and engagement; and direct financial support.

Our employees across the territories are leading teams, such as the Sustainability Subcommittee in the United States and the Environment Team in Australia/New Zealand, to make grassroots efforts to combat climate change. In the United States, the Sustainability Subcommittee is an employee-led group of engaged colleagues who are dedicated to positively affecting the environment. In tandem with our corporate efforts, through awareness campaigns and events, the Subcommittee aims to have a positive impact in our communities and the environment where we work and live.
Environment & Sustainability
PROGRAMMING HIGHLIGHTS

Signing the Healthy Printing Charter

In December 2020, we took a major step forward in sustainable book production in Germany by signing the Healthy Printing Charter. In addition to the consistent avoidance and compensation of CO2 emissions, our teams in Germany commit to the Healthy Printing principle: To ensure that all materials are returned to the cycle and can continue to be used. That means, for example, that paper can be recycled, and the inks or glues used can be removed without leaving any residue, making all materials as compatible as possible for humans and nature.

Locally-Produced Books

Penguin Random House Grupo Editorial obtained FSC environmental certification in 2014. Because books are printed in Spain, the ink and the paper used complies with the Spanish legislation that prohibits the use of toxic substances. In 2020, we worked with digital printing companies to encourage them to apply for FSC registration, increasing our number of FSC certified books. In Spain, we are aiming to transition to using all plant-based ink by 2022, along with biodegradable and compostable plastics for book shrink-wrapping. Our team is always researching new ways for books to be more environmentally sustainable.

Trees for Careers

To support reforestation around the world, DK will plant a tree for every new colleague who joins the company and for every colleague who reaches a career milestone. For each colleague who reaches a special career milestone of 5, 10, 15, 20, 25, 30 and 35 years of service, a corresponding number of trees will be planted in partnership with environmental organization One Tree Planted.

DK’s Green Pledge

DK’s Green Pledge was launched in early 2020 and pulls together all the important work their group does to maintain an ethical supply chain, as well as future goals. Work is split into four key areas—materials, environment, safety, and sustainable supply chains—which will continue to be the focus of their efforts. The Green Pledge acts as an essential framework for their processes, identifying what the team has achieved so far in their sustainability goals next steps for maintaining an ethical supply chain.
Penguin Random House is the premier provider of distribution centers in the publishing industry. Within the U.S. alone, our combined distribution facilities comprise over 1.85 million square feet of warehouse space and receive, store, pick, pack, and ship out on average more than 1.2 million books daily to customers around the world. Our distribution centers around the world are implementing green initiatives that conserve energy and resources.

PLASTIC REDUCTION

In the U.K., the DK & Penguin Random House distribution centers have replaced all plastic void fill content in carton packaging with recycled shredded cardboard, which is shredded on-site from inbound deliveries. We have reduced our usage of plastic pallet shrink wrap by 47%, after investing in 1,000 multi-use pallet lids. Now, pallets can be transported between printers, the main distribution site and key outbound accounts without the use of any plastic shrink wrap.

EFFICIENT PACKAGING

In the U.S., we’ve programmed our returns systems to provide green benefits by creating custom sized cartons for returned books we put back to inventory, allowing us to create the most efficient carton size for our books. As a result, we use less corrugate and eliminate plastic bubble packing material to fill in empty spaces, while greatly reducing our packaging waste.

SOLAR ENERGY

On sunny days, our Crawfordsville, Indiana facility are 100% powered by solar parks. This renewable energy will be both produced and consumed locally.

RENEWABLE ENERGY CREDITS

Both of our warehouses in the U.S. purchase Wind Renewable Energy Credits (RECs) to offset electrical usage by 100% -- more than 21 million kWh. Our offices in the U.K. also completed their transition to renewable energy in October 2018.

RECYCLABLE PACKAGING MATERIALS

At our Crawfordsville, Indiana facility, we began to recycle plastic pallet wrap and banding, the packaging books come in when they reach our distribution centers. As a result, more than 37 tons of packaging have avoided the landfill to date. In Reno, Nevada, we use a machine that turns brown paper into recyclable packaging dunnage certified by the Forest Stewardship Council and used to secure shipments as an alternative to plastic bubble wrapping, which we hope to phase out at our other facilities in the near future.
By 2030, our parent company, Bertelsmann, will reduce its greenhouse gas emissions by 50% compared to 2018, and offset all remaining emissions.

At Penguin Random House, we are working hand-in-hand with Bertelsmann on a global scale to achieve this goal.

Penguin Random House’s climate protection targets consist of three action areas, encompassing three scopes: Employees, Sites, and Products.

Penguin Random House is working across each of these scopes to reduce emissions. We’ve made considerable progress in some areas, and are addressing challenges in others.

Since 2018, overall emissions at Penguin Random House have decreased by 6%. Here’s how that breaks down:

**Site related emissions (scope 1, 2, and 3) have decreased by 58% (28,166 t CO2e to 11,827 t CO2e)**

What’s included in this calculation:
- Scope 1 Mobile Fuels
- Scope 1 Stationary Fuels
- Scope 2 Electricity
- Scope 2 Heat
- Scope 1 Refrigerant Losses
- Scope 3 Waste

**Employee related emissions (scope 3) have decreased by 59% (28,436 t CO2e to 11,667 t CO2e)**

What’s included in this calculation:
- Scope 3 Business Travel
- Scope 3 Hotel
- Scope 3 Employee Commuting
- Scope 3 Office Paper
- Scope 3 IT Devices

**Product-related emissions (scope 3) have increased by 1% (465,818 t CO2e to 469,506 t CO2e)**

What’s included in this calculation:
- Scope 3 Paper Mills
- Scope 3 Printers / Printing Materials
- Scope 3 Press / Press Materials
- Scope 3 Warehouses
- Scope 3 Transport
- Scope 3 End of Life (product waste)

*Covid-19 was a factor in the increase of the Product emissions as strong book sales drove the need for higher paper use in 2020*
“People who let themselves learn new things are the best kind of people.”

- David Yoon, *Frankly in Love*
In the year ahead, we will continue to use our global platform and resources as a force for good to help shape a more equitable, diverse, and sustainable world for us all through strategic focus areas that span each of our three key pillars: Free Expression & Joy of Reading; Diversity, Equity & Inclusion; and Environment & Sustainability.

**PROMOTING REPRESENTATION**

We will continue to lift up underrepresented voices and ensure diverse perspectives are heard, offering all of us a better understanding of our humanity and each other. Through our book donations around the world, we will provide books the kids we serve can relate to—books by authors who look like them and have shared life experience. Inside our walls, we will publish more creators of color and build new pipelines for the industry through programs like the Black Creatives Fund.

**INVESTING IN COMMUNITY PARTNERSHIPS**

We will invest even more in grassroots partnerships, particularly with organizations led by and serving BIPOC and other marginalized communities. Going beyond standalone campaigns and donations, we will continue to foster long-term partnerships with on-the-ground organizations with the goal of supporting the vital work they do in a complimentary and sustainable way.

**ELEVATING ACCESS TO BOOKS**

We strive to provide as many children with access to as many books and stories as possible—whether through physical books, e-books or both. This year, we will use campaigns, partnerships, and internal initiatives to reach more global communities than ever before, with a particular focus on working with our youngest readers to help establish a love for books and reading from an early age.

**APPLYING AN EQUITY LENS**

In 2021, we are ensuring our DE&I work is sustainable by expanding our lens to center on Equity. Defined as the targeted treatment required to meet the needs of those most marginalized, Equity addresses systemic racism through initiatives that drive sustained change. We will operationalize Equity by supporting leaders in assessing their decision-making processes and training managers to have inclusive conversations. Additionally, Penguin Random House will roll out antiracism training for all employees globally.

**DEVELOPING DE&I ACCOUNTABILITY METRICS**

We will develop accountability metrics for increasing diversity across our employee demographics at all levels by removing barriers to entry and evolving our global brand to reach more highly qualified and diverse candidates. On the content front, we are finalizing and sharing our author audit, which was conducted to establish a baseline for our mandate to publish more books by creators of color, and establishing an action plan anchored by concrete, data-informed goals to diversify our content moving forward.

**LEADING THE CHARGE ON CLIMATE NEUTRALITY**

In partnership with Bertelsmann, we will continue to work towards our collective goal of achieving climate neutrality by 2030 through focusing on three action areas: Employees, Sites, and Products. From implementing sustainability efforts at our warehouses around the world to using responsible sourced paper and other essential materials, our energy-saving initiatives are a top global priority.

Please visit our social impact site for real-time global updates on our areas of progress throughout the year.
“We create the future of books and reading in our society for generations to come.”

– Markus Dohle, CEO of Penguin Random House