

Hachette Book Group (HBG) is dedicated to protecting the environment and to the responsible use of natural resources. We are committed to publishing this annual report on our progress toward the goals laid out in our environmental policy.

Reducing Climate Impacts

In 2012, HBG pledged to reduce total greenhouse gas emissions linked to publishing operations including paper by an average of 5% annually through 2015, for a cumulative 50% reduction in the six years since we established our policy. In 2014 (the latest full year results that are available), HBG's overall carbon footprint rose slightly, by 9%. However, we have reached our goal reduction of 50%. The increase in 2014 can be attributed in part to a 20% increase in ground product transportation; this is due to growth in HBG's print business and the company's shipping more physical books than the prior year.

Increasing Certified and Recycled Fiber

Our goal was to have 90% of the company's paper be FSC (Forest Stewardship Certified) by the end of 2015. Over the past year, our FSC usage was stable at 90.5%. As part of our effort to continue to increase the certified fiber in our books, we are now also tracking our SFI (Sustainable Forestry Initiative) usage, which was up 1.2% to 9.2% in 2015. Combining FSC and SFI, 99.7% of HBG's overall paper usage in 2015 came from certified fiber, a 2% increase from 2014. We are well beyond our goal in this area.

We have set an aggressive target for recycled fiber, with a goal of increasing recycled fiber to 20% of our overall paper use by 2016, from a 3% benchmark in 2008. Over the past year, HBG's recycled fiber rose to 10.5% of overall paper usage, a 1.5% increase over 2014. This improvement is encouraging given the serious challenges we face sourcing recycled fiber, including scarcity, low quality, and high price.

Protecting Endangered Forests

Our goal in this area is to phase out the use of any controversial sources of paper fiber and require our paper to be free of unacceptable sources as defined by FSC's controlled wood standard. We continually discuss paper sourcing with our suppliers and remind them of their strict adherence to HBG's paper and environmental standards.

Monitoring and Reporting

HBG's environmental initiatives span many different areas, including paper sourcing, office recycling, energy usage, product transportation, and packaging. We are guided by our industry-leading environmental policy, and our commitment to communicating consistently about our progress on our green goals.

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