

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

HBG pledged to reduce total greenhouse gas emissions linked to publishing operations by an average of 5% annually through 2015, for a cumulative 50% reduction in the six years since we established our policy. We achieved this 50% goal last year, and will continue to optimize wherever possible to reduce our carbon footprint, with an annual reduction goal of 2.5% for the 2017–2020 period. We will share 2016 carbon footprint results when those figures are available in March 2017.

Increasing Certified and Recycled Fiber

We achieved our goal to have 90% of the company's paper be FSC (Forest Stewardship Certified) by the end of 2015. Through October 2016, our FSC usage was 88.8% (a 3% improvement over prior year). HBG's SFI (Sustainable Forestry Initiative) usage was 11% (down 3% from prior year). Combining FSC and SFI, 99.9% of HBG's overall paper usage in 2016 came from certified fiber, on par with last year.

We have 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. To date, HBG's recycled fiber was 8.9% of our overall paper usage, a slight decrease over the prior year. Despite serious challenges with sourcing of recycled fiber, including scarcity, low quality, and high cost, we continue to push for improvements in recycled usage.

Fiber Testing

HBG began fiber testing in the second half of 2016. We will continue to test semi-annually, monitor results, and manage our supply chain to align with our strict environmental policy.

Protecting Endangered Forests

Our goal in this area is to continue HBG's diligent oversight of our supply chain to ensure that we avoid using 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 regularly 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.

Hachette Book Group CEO Michael Pietsch said, "We made encouraging progress against our environmental targets in 2016, and we also began fiber testing this year to ensure that our supply chain is adhering to HBG's green policy. Our new goals for 2017-2020 will keep us focused on continued improvement, with particular emphasis on production, paper sourcing, and energy efficiency in our facilities. HBG's green efforts have dovetailed nicely with those of our parent company Hachette Livre, which holds social and environmental responsibility as one of its core values."