

Hachette Book Group Environmental Policy: 2017–2020

Hachette Book Group (HBG) is committed to protecting the environment and to the responsible use of natural resources. We are concerned about the future of the world's remaining endangered forests and our impact on the environment. We are committed to implementing policies that will support the preservation of endangered forests, minimize waste, and reduce our impact on climate change. Accordingly, HBG is committing to the goals outlined in this environmental policy, which will guide our environmental efforts from 2017–2020.

Reducing Climate Impacts

HBG completed a detailed measurement of our carbon footprint in 2008 to serve as a baseline for future improvement efforts, and in 2015 we achieved our goal of reducing total greenhouse gas emissions by 50%. Going forward, the company will continue to optimize wherever possible to reduce our carbon footprint, with an annual reduction goal of 2.5% for the 2017–2020 period.

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. In 2016, we began tracking SFI (Sustainable Forestry Initiative) certified fiber usage along with FSC. For 2017–2020, HBG will increase its certified fiber goal—combined FSC and SFI—to 95% of overall paper usage.

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 and will maintain our 20% target for the 2017–2020 period.

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

HBG will not knowingly use paper sourced from any ancient or endangered forests or do business with companies that source paper or fiber from illegal sources or endangered forests, from within regions such as the Canadian Boreal Forest, the Cumberland Plateau in the Southeastern United States, designated roadless areas within U.S. National Forests, and global temperate and tropical rainforests in North America, Indonesia, Latin America, and Russia. We regularly discuss paper sourcing with our suppliers and remind them of their strict

adherence to HBG's paper and environmental standards.

Maximizing Efficient Use of Resources

In an effort to minimize total paper consumption, HBG will evaluate the basis weight of all projects, and, where appropriate, we will seek to use lower weight papers.

HBG will work to minimize waste wherever possible. To this end, HBG will seek suppliers that have demonstrated a commitment to environmental protection, and those who will help HBG achieve the goals outlined in this policy. We will endeavor to source only from vendors who demonstrate environmentally responsible manufacturing processes. Hachette's preference is for all paper sourced to be manufactured Elemental Chlorine Free (ECF) and to use inks with low contents of volatile organic compounds (VOCs).

HBG will undertake initiatives aimed at reducing the number of books that end up in landfills. These initiatives may involve improving projections of consumer demand, increasing the use of on-demand printing, and working with retailers to minimize returns.

Additionally, HBG will look to minimize waste by enhancing in-office recycling programs and continuing to reduce energy use through modifications to lighting, office equipment, and heating and cooling systems.

Environmental Leadership

By engaging suppliers and customers, we believe that the goals in this policy can have implications beyond the scope of this company, and that they will promote broader progress within the book industry. HBG will continue to act as a leader in promoting environmental progress in the book industry through participation in the Book Industry Environmental Council.

Communicating Environmental Goals

HBG will communicate these long-term policy goals with current and future supply-chain partners by circulating this policy and including relevant language in bid solicitations and contract negotiations. If suppliers are unwilling to engage in the necessary process to meet our product and pricing needs, then we will consider doing business with alternate vendors.

Monitoring and Reporting

HBG has established an Environmental Task Force that consists of employees from Production, Facilities, and Communications. This Task Force will oversee progress toward the above-stated goals, and seek out opportunities for future advances. The Task Force will also develop annual progress reports that will detail accomplishments and provide an overview of current environmental initiatives. This report will be publicly available on the HBG website:

<http://www.hachettebookgroup.com/about/corporate-social-responsibility/>