2022-2023 Environmental Progress Report Hachette Book Group

December 2023

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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.

Hachette Livre's Global Carbon Reduction Strategy

In December 2022, HBG's parent company Hachette Livre established a new global program to achieve 30% carbon reduction by 2030. Hachette Book Group and all Hachette businesses will contribute to this 30 by 30 Strategy. All Hachette businesses will use the same methodology and software tool to measure progress, and the reporting protocol will be clear and consistent. Full year 2023 metrics will be finalized in early 2024 and compared to Hachette's 2019 prepandemic benchmark.

The 30 by 30 program will encompass Scopes 1, 2, and 3 in alignment with the <u>Greenhouse Gas Protocol</u>. Scopes 1 and 2 cover direct emissions – vehicles and buildings, fossil fuel consumption, electricity – and account for 3% of Hachette Livre's total emissions. Scope 3 accounts for 97% of the company's total emissions and includes paper manufacturing, printing and binding, upstream and downstream transportation, and end of life of products sold. Hachette Livre has identified initiatives and drivers at every stage of the life of a book with the following key targets:

- **Overproduction**: an overall 30% reduction in the number of books shredded in 2030 vs 2019
- Paper: a 26% reduction in the carbon intensity of paper production in 2030 vs 2019
- **Manufacturing**: an 18% reduction in carbon intensity of printing and binding from 2019 to 2030 (with most initiatives beginning in 2025)
- Freight: annual reduction of 1 and 1.5% for upstream and downstream freight respectively

Hachette Livre began their first carbon footprint report including Scope 3 in 2009, a first for the publishing industry. Over the past 12 years the company has significantly reduced its carbon footprint, decreasing emissions by 20%. The 30 by 30 strategy is a major expansion of Hachette Livre's policy and initiatives and follows a SBTI (Science Based Targets Initiative) approach as required by the Paris Agreement and the recommendations of the IPCC (Intergovernmental Panel on Climate Change).

Increasing Certified and Recycled Fiber

In 2022 and 2023, 99% of HBG's overall paper usage came from FSC (Forest Stewardship Certified) fiber. In that period, 100% of HBG's overall paper usage came from FSC combined with SFI (Sustainable Forestry Initiative) fiber. Recycled fiber represented 8.6% of our overall paper usage in 2022 and 5.2% in 2023. The primary cause for the decrease is the significant

decline of recycled paper availability in 2023. We remain committed to purchasing recycled papers when they are available as needed and to pushing our suppliers to integrate recycled fiber into more paper products.

Protecting Endangered Forests

Our goal is to diligently oversee our supply chain to ensure that we avoid using paper originating from unacceptable sources of paper fiber, such as endangered forests, 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.

Fiber Testing

In addition to working with our suppliers, since 2016 HBG has done fiber testing on our books in order to verify that the fiber used in our paper does not come from at-risk areas or tropical hardwood forests. Thus far, we have not found any fiber of these kinds in our title sampling. In 2022 and 2023, we continued aggressive fiber testing and enforced strict rules on new papers outside of the PREPS (Publisher's Database for Responsible Environmental Paper Sourcing) rated papers. HBG will continue random fiber testing – to include current papers, new papers and substitutes – and will monitor results and manage our supply chain to align with our strict environmental policy.

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 strong policy and our commitment to communicating consistently about our progress on our environmental goals.