

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**

We are continuing to optimize wherever possible to reduce our carbon footprint, with an annual reduction goal of 2.5% for the 2017–2020 period. In 2018, HBG’s carbon footprint grew by 5%, due primarily to carbon heavy paper stock needed for several of our 2018 titles. This was offset by carbon improvements in the following areas: significant decreases in business travel and in mailing out of our New York and Boston offices, and improvements in electricity usage in our Boulder location.

### **Increasing Certified and Recycled Fiber**

In 2018, our FSC (Forest Stewardship Certified) fiber usage exceeded 97.6%, stable compared to 2017. Combining FSC and SFI (Sustainable Forestry Initiative), 100% of HBG’s overall paper usage in 2018 came from certified fiber, exceeding our combined FSC/SFI goal of 95%.

We have an aggressive target for recycled fiber and aim to increase recycled fiber to 20% of our overall paper use, from a 3% benchmark in 2008. In 2018, recycled fiber was 8.1% of our overall paper usage, a slight decrease (-1.5%) over the prior year. This decrease reflects a decline in HBG’s mass market paperback volume, a format that uses recycled fiber. We continue to push for improvements in recycled usage, despite serious challenges – scarcity, low quality, high cost – with sourcing of recycled fiber.

### **Fiber Testing**

HBG began fiber testing in the second half of 2016. Thus far, we have not found any fiber sourced from at risk areas or tropical hardwood forests in our title sampling. We will continue to test on a quarterly basis and monitor results, and we will 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 were able to make significant improvements in business travel, mailing, and electricity that helped offset the carbon impact of our paper usage in 2018. Hachette Book Group will continue to work toward improvements in paper, production, and energy use – three main areas of focus in our green program. I’m proud to see HBG’s ongoing contributions to the global environmental efforts of our parent company, Hachette Livre.”