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Hachette UK Sustainability Report 2024

What is Hachette UK's Sustainability Report?

Hachette UK's Sustainability Report sets out and explains our targets for reducing carbon emissions as part of our action to address climate change. It also gives an overview of our past and future work towards sustainability.

We believe that transparency is crucial for us to hold ourselves accountable and aim to produce the report annually to track and share our progress.

Our commitment to sustainability

Climate change is the defining sustainability challenge of our times. The UK government has committed to a <u>legally binding target</u> to bring greenhouse gas (GHG) emissions to net zero by 2050, and all businesses need to play their part. At Hachette UK, we take seriously our responsibility to conduct our business in an environmentally sustainable way, and our duty to reduce our environmental impact.

In September 2021, for example, we were founding signatories of the Publishing Association's 'Publishing Declares' statement, declaring a climate emergency and pledging to take action.

In 2024, our ambitious near-term climate targets were approved by the Science Based Targets initiative (SBTi), which enables companies worldwide to play their part in combating the climate crisis. We will track our progress towards these targets year-on-year.

The targets are aligned with Hachette Livre's 30/30 Strategy for reducing carbon emissions by 30% by 2030, and with the Lagardère Group's decarbonisation strategy, which is also based on the SBTi approach.

The targets for our operational footprint are in line with the Paris Agreement on climate change, the international treaty adopted in 2015 to limit global warming to 1.5°C above pre-industrial levels.

Hachette UK's mission is to make it easy for everyone to discover new worlds of ideas, learning, entertainment and opportunity. To fulfil this mission, it is vital that we do all we can to combat climate change and reduce our environmental impact.

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What are our sustainability targets?

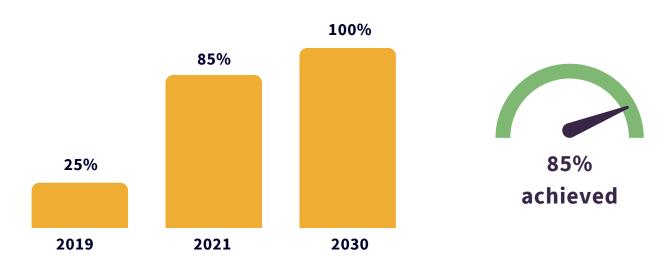
After a year-long assessment of its greenhouse gas emissions inventory alongside sustainability consultancy, Carnstone, Hachette UK — including our distribution businesses and Hachette Ireland, Australia, New Zealand, India, Singapore, Hachette UK Distribution (HUKD), Alliance Distribution Services as well as all the offices in the UK — committed to science-based targets in 2021. These approved targets give us a clear goal to aim for in reducing all three scopes of greenhouse gas emissions, helping to prevent the worst impacts of climate change. The three commitments the SBTi has validated are:

To reduce absolute scope 1 and 2 GHG emissions by 56.8% from 2019 levels by 2030





To source 100% of our electricity supply from renewable sources by 2030, up from 25% in 2019



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To reduce absolute scope 3 GHG emissions by 27.5% from their 2019 level by 2030





Hachette UK's greenhouse gas emissions: 2018 – 2030

(CO2e tonnes)	2018	2019	2020	2021	2022	2030 target
Scope 1	1,195	1,068	644	843	708	462
Scope 2 (location based)	2,668	2,244	1,861	1,692	1,643	
Scope 2 (market based)	3,117	1,228	622	548	648	530
Total (owned) operational carbon footprint (location based)	3,863	3,313	2,505	2,535	2,352	
Total (owned) operational carbon footprint (market based)	4,313	2,296	1,266	1,392	1,356	992
Scope 3		154,788	145,916	130,976	133,622	112,222
Scope 3 (% of overall; market based)		99%	99%	99%	99%	99%
Hachette UK carbon footprint (location based)		158,101	148,421	133,511	135,974	
Hachette UK carbon footprint (market based)		157,085	147,182	132,368	134,978	113,214

WHERE WE ARE NOW AND OUR PROGRESS SO FAR CARMELITE HOUSE



Electricity consumption

- Electricity is 100% renewable, sourced solely from solar, wind and hydro
- Effective running of the central plant systems, motion sensor lighting out of hours, half-hourly electricity monitoring
- 2024 LED Lighting Replacement Project

Waste management

- 76% recycling, no landfill general waste goes to create energy
- Clearly labelled waste bins to assist with accurate waste separation by preventing contamination





Water consumption

• Sensor tap timings in the toilet facilities have been reduced from eight seconds to three seconds

Housekeeping services

• Chemical-free cleaning products; toilet paper, hand towels and kitchen towels all made from recycled paper; plastic-free period products





Landscaping

• Our planting schemes are carefully selected to support early and late pollinators. The next phase of this project will include considering the installation of bug and solitary bee habitats

Stationery

- Reduced deliveries thanks to a predictive stock check and replenish system of resource hubs
- All cut paper used at Hachette UK is FSC (Forest Stewardship Council) Certified





Postroom

• Padded bags, book wraps and brown manilla envelopes are produced using recycled material, and bubble wrap is also 100% recyclable

Print Room services

- All paper used in the print room is FSC-compliant
- FollowMe printing reduces paper waste
- All toners are recycled
- PrintReleaf enables us to offset the environmental impact of local printing through certified reforestation and carbon offset projects for all of our UK sites



DISTRIBUTION



Reducing materials usage

- Hachette UK Distribution has reduced micron levels in pallet wrap to a minimum level consistent with maintaining quality
- Hachette UK Distribution uses recirculating totes for deliveries to a number of large customers
- The cardboard suppliers used by Hachette UK Distribution are accredited
- 75% of all broken pallets at Hachette UK Distribution sites are returned to the supply chain. The remaining 25% go through a partner-owned chipping machine, then are put into a biomass boiler that provides the fuel to heat the factory and kiln to heat-treat wooden products for export shipments

Recycling

- 98.3% of waste is recycled from Hachette UK Distribution sites, and 1.7% is sent for incineration
- Zero material goes to landfill from all Hachette UK Distribution sites
- All waste is sorted and categorised on site in Didcot





Reducing energy usage

- Electricity in both of Didcot locations is also 100% renewable, sourced solely from solar, wind and hydro
- Hachette UK Distribution's main warehouse has an 'A' energy rating
- All warehouse equipment at Hachette UK Distribution charges during off-peak hours
- Hachette UK Distribution's conveyors and spirals go into sleep mode when not in use
- The shuttle system and conveyors recover kinetic energy (up to 17%) on braking
- Hachette UK Distribution implemented a cut-down solution for cartons of books so that they do not ship partially filled boxes
- Hachette UK Distribution uses double-decker DPD trailers to reduce overall road miles.

Solar Project - Hely Hutchinson Centre (HHC)

• A feasibility study is underway with the landlord at HHC to install solar panels on the roof of the Distribution Centre.



TRAVEL



- Working on a new electric van option for the daily trip from HHC to Carmelite House
- Investigating options to move to electric vehicles for all company cars
- Travel Policy to be updated for all Hachette UK staff

OUR BOOKS AND PRODUCTS

Hachette UK continues to work with and supports the certification process. Where possible, all printed paper stocks are FSC certified and, during 2023, 99% of paper material used in our products was FSC certified. This a continual improvement year on year.

The FSC confirms that the forests from which the raw material used to make our paper stocks comes from are being managed to strict environmental, social and economic standards.

Also, FSC chain of custody certification ensures that FSC-certified material has been identified and separated from non-certified and uncontrolled material as it moves through the supply chain. More information can be found <u>here</u>. Where FSC-certified material is not available, stock with alternative certification is used.







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Our next steps to achieve our SBTi targets:

We are incredibly proud to say that we have already achieved 50% of our targets. However, there is still more work to be done to reach our goals.

Hachette UK's SBTi targets give us a clear goal to aim for in reducing all three scopes of greenhouse gas emissions, ensuring Hachette UK is helping to prevent the worst impacts of climate change.

By meeting our objective to source 100% of our electricity from renewable sources by 2030, we will have ensured we are on track to be carbon neutral by 2030 in our own operations.

We are also working collaboratively with key printers, distributors, manufacturers, and other suppliers throughout the supply chain to reduce our scope 3 emissions by 27.5%.

Actions we have and are taking to fully achieve our targets are:



We have engaged with our suppliers and work with them to find opportunities to reduce emissions



We have improved data collection and understanding of emission factors from freight and transport operators and are encouraging full optimisation of container and lorry fill



We have defined standards for carbon reporting by paper suppliers and printers - data gathered is key to measuring our performance and progress



We are setting selection criteria based on environmental performance and commitment and, from 2025, a maximum emission intensity cap for products and materials use



We will aim for more local printing where appropriate

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We will improve demand planning across our businesses to minimise over production and waste



We will set targets to reduce returns over the next 5 years working with our customers and sales teams



We are focusing on waste reduction



We will implement a Hachette UK scheme to target overproduction and returns . Our lean stock programme is focusing on obsolescence and, as with returns, we will set targets over the next 5 years



We will update and revise our Corporate Travel Policy in alignment with our sustainability goals



We will introduce a Group-wide plan to minimise proof wastage



We will develop Climate Literacy training and deliver it to Hachette UK employees



We will establish Sustainable IT Guidelines for colleagues across the business

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Hachette Livre initiatives

As an industry pioneer in environmental protection with a record of significant results in the field, Hachette Livre has also committed to an ambitious trajectory to reduce its carbon footprint.

Its "30/30 Strategy" is a trailblazing commitment in the publishing industry thanks to its international scope, its inclusion of all three scopes and its goal of reducing overall emissions tied to its business by 30 percent by 2030 – a 2.5% annual reduction.

The Hachette Livre Group has set bold, quantifiable targets for 2030:

- a 30% reduction in the proportion of books that are shredded
- a 26% reduction in the carbon intensity of paper manufacturing
- an 18% reduction in the carbon intensity of book printing and binding
- 1% and 1.5% annual reductions in upstream and downstream freight respectively

Cross-industry initiatives













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Conclusion

- We have made an excellent start, but there is much more we can and will do to reach net zero as soon as possible but no later than 2050
- The science is complex and evolving, but we can make significant reductions in our emissions by tackling waste in all its forms
 Engagement is key in this first phase. Talk to your peers and your suppliers. Once the conversations start, the measureable change follows quickly
- Let's not forget our mission; our industry is uniquely placed to educate, inspire and drive positive climate action through its content.