

RESPONSIBLE PAPER AND PAPERBOARD SOURCING POLICY

May 2025

DK is committed to ensuring all our products are responsibly and ethically sourced and manufactured. Paper is an integral resource for our business, and this policy highlights some of the ways in which we embed our commitment to the responsible, efficient and considerate use of this resource into our procurement practices. This policy has been updated to ensure alignment with the EU Regulation 2023/1115

EXECUTIVE SUMMARY

Our responsible paper and board sourcing policy is designed to ensure that only materials that are from known, verifiable and legal sources are used in our products in accordance with relevant laws and regulations.

DK purchases paper indirectly through our print manufacturing suppliers and our sister company Penguin Random House UK. We clearly stipulate compliance expectations and requirements in our commercial agreements. All of our manufacturing and paper providers are required to adhere to this policy.

- DK holds Forest Stewardship Council® chain of custody certification (FSC® C018179) and works only with manufacturing suppliers that also hold FSC chain of custody. Since 1st January 2021, 100% of the paper used in our products is FSC certified and 100% of our paperboard is FSC certified, or 100% post-consumer waste recycled.
- We use a range of tools to support supply chain transparency and risk assessment including the Book Chain Project Forest country risk tool and Mill Assessment Framework.
- We undertake annual spot fibre testing to verify pulp content of paper and board.
- This policy is in alignment with the stipulations for the EU Regulation on Deforestation Free Products (2023/1115, EUDR).
- Paper manufacturing represents a significant share of our Scope 3 emissions. We proactively collate data on the environmental impacts of paper and paperboard and use this to support procurement decisions.

INTRODUCTION

DK recognizes the vital importance of forests and the services they provide, such as clean water and air, raw materials, biodiversity, a home and income for indigenous communities. Deforestation and forest degradation contribute significantly to climate change and biodiversity loss. This policy outlines our commitment to responsible paper and paperboard sourcing, ensuring our products are deforestation-free and legally produced, in alignment with the EU Deforestation Regulation (EUDR) and all other applicable laws and regulations.

SCOPE

This policy applies to the global DK business operations and activities and supports our [Environmental Policy](#). This policy applies to all paper and paperboard products used in DK publications, including but not limited to:

- Books
- Catalogues and marketing materials
- Toys and games made of paper

OUR COMMITMENT

DK is committed to:

- Sourcing and using only paper and paperboard materials from forests and / or plantations that are deforestation-free, legally produced and from well managed sources; or created from 100% post-consumer waste.
- Maintaining our FSC chain of custody certification and using only FSC certified materials in our products. DK is FSC® certified (FSC-C018179) in the categories of 'Books' and 'Toys and games made of paper'. We have held this chain of custody since 2006.
- Working with suppliers who share our commitment to responsible sourcing; we aim to build strong, respectful, long-term relationships with our suppliers, resulting in a robust and resilient supply chain. All

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RESPONSIBLE PAPER AND PAPERBOARD SOURCING POLICY

of our print manufacturing suppliers are required to hold valid FSC Chain of Custody certification and ISO 14001, or equivalent, environment management system certification.

- Complying fully with all applicable laws, conventions and regulations including but not limited to EUDR.
- Maintaining a transparent and traceable supply chain and continually improving our due diligence processes.
- Using paper whose pulp content is bleached either entirely without chlorine (TCF – totally chlorine free) or elementally without chlorine (ECF – elementally chlorine free).
- Supporting cross industry collaboration to improve transparency and diligence across the entire paper supply chain.

IMPLEMENTATION

Due Diligence We conduct thorough due diligence on all paper and paperboard products. We prefer to use only materials that have been graded using the Book Chain Project forest sourcing tool. Only FSC certified materials may be used. All papers and paperboards must be reviewed and pre-approved by our senior procurement team before they can be used in our publications. Additional steps include:

- Obtaining clear identification of paper and paperboard materials brand names and the paper mill where they are produced from suppliers and included on our purchase orders.
- Collecting origin and species data for paper fibre pulp used in paper and paperboard materials.
- Assessing the risk of deforestation and illegality using Book Chain Project forest sourcing tools.
- Collating greenhouse gas emissions data (directly and indirectly from a variety of sources) and use this to support procurement decisions.
- During 2025 we will implement additional due diligence steps to ensure compliance with the requirements of EUDR. This will include the collection of geolocation and harvesting data and a programme of risk mitigation measures in response to any identified risks.

Supplier Engagement We aim to build strong, respectful, long-term relationships with our suppliers, resulting in a robust and resilient supply chain. We:

- clearly communicate our responsible sourcing requirements to all suppliers through our supplier compliance policy.
- clarify and confirm paper and paperboard brand names at point of purchase order.
- require all suppliers to hold valid certification including:
 - ISO 14001 or equivalent environmental management system certification.
 - FSC chain of custody certification.
- work with suppliers to ensure they understand and comply with the EUDR.
- ask suppliers to maximise the efficiency of materials to avoid unnecessary consumption of resources
- have developed our procurement processes to support transparency, cooperation and forward planning, and the holding of buffer stocks.
- Require all of our manufacturing suppliers, their subcontractors and outsourcers to adhere to this policy. This policy, and any supplementary policies and frameworks associated with it, outlines minimum standards that should be exceeded where possible and always in compliance with applicable national, state or local laws and regulations.

Data Collection, Verification & Traceability:

- Internal controls are in place to ensure that only materials which meet our responsible paper and paperboard sourcing policy can be selected for manufacture.
- Regular paper usage reports are run by our Purchasing Manager to measure and monitor the usage of papers and paperboards

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RESPONSIBLE PAPER AND PAPERBOARD SOURCING POLICY

- We conduct annual, independent, third-party fibre analysis testing to confirm that papers specified on our purchase order have been used in the finished product. We address any discrepancies with our suppliers. Please refer to our [Fibre Testing Policy](#) for further details.
- We collect and maintain detailed records of all paper and paperboard products and pulp sources, including their origin, species, and volume.
- We retain data for a minimum of five years.

Risk Assessment We will:

- Conduct country-level risk assessments to identify areas where there is a high risk of deforestation or illegality.
- Adjust our due diligence procedures based on the level of risk.

Training and Awareness: We:

- Provide training to DK colleagues on this policy including annual training on FSC materials and trademark usage, our paper selection and due diligence processes and our procurement practices..
- Raise awareness among our customers and stakeholders about our commitment to responsible sourcing.

PARTNERSHIPS

We are committed to working across the sector in collaboration with our peers, supply chain partners and business partners to promote supply chain transparency and responsible practices.

DK is a founder participant in The [Book Chain Project](#) (BCP), which is a collaboration of leading publishers, led by SLR Consulting, that drives social and environmental responsibility in members' product supply chains. They provide a number of tools for the collection, analysis and risk assessment of the forest sources of paper brands and paper mills. We use these tools and data to support our procurement choices.

MATERIAL WASTE REDUCTION

Whilst paper is a renewable resource with high recycling rates, it can also be an energy intensive material to manufacture and transport. At DK we closely monitor the volume and types of materials that we use, working closely with our manufacturing suppliers to optimize our book formats for printing efficiency and to minimise waste. We also require suppliers to monitor paper wastage, set wastage reduction targets and actively take steps to achieve such targets.

PAPER EMISSIONS

DK has set an SBTi aligned target to become Climate Neutral across our extended value chain by 2030. Paper has the largest impact on our global carbon footprint. We monitor paper mill greenhouse gas emissions data using a variety of industry tools including the Book Chain Project environmental question, CEPI Ten Toes and [FisherSolve](#). We set and review carbon emission thresholds on an annual basis and adapt our choice and use of paper and paper boards accordingly.

RESPONSIBILITIES AND REVIEW

Overall responsibility for this policy resides with DK's Chief Operating Officer. We are committed to reviewing this policy regularly to ensure that it remains effective, and is aligned with evolving legal obligations as well as our high sustainability standards.

The latest version of this policy will always be found on our website at:
<https://www.dk.com/uk/information/sustainability/>

CONTACT INFORMATION

For any questions or concerns regarding this policy, please contact sustainability@uk.dk.com.

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RELATED DOCUMENTS AND RESOURCES

- [DK Supplier Compliance Policy](#)
- [DK Environment Policy](#)
- [DK Fibre Testing Policy](#)
- [Bertelsmann Supplier Code of Conduct](#)
- [Book Chain Project Environmental Questionnaire \(Mills\)](#)
- [Book Chain Project Forest Country Risk Tool](#)
- [Book Chain Project Mill Assessment Framework](#)
- [CEPI Ten Toes Framework for Carbon Footprints for Paper and Board Products](#)
- [EU Regulation on Deforestation-free Products](#)
- [Add link to public EUDR statement](#)
- [EU observatory on deforestation and forest degradation](#)
- [FisherSolve Paper Mill Emissions Tool](#)

DEFINITIONS

- **Deforestation:** The conversion of forests to agricultural use, whether human-induced or not.
- **Due Diligence:** The process of collecting information and assessing and mitigating risks to ensure that products are deforestation-free and legally produced.
- **EUDR:** The European Union Regulation on Deforestation Free Products (Regulation (EU) 2023/1115).
- **Forest Degradation:** The reduction in the capacity of a forest to provide goods and services.
- **Placing on the market:** The points that a product is first made available on the EU market.
- **Produced:** Forest materials are considered to be produced under EUDR when they are 'grown, harvested, or obtained from relevant plots of land'.
- **Recycled paper or paperboard:** DK classifies paper as 'recycled' only where it contains a minimum of 90% pre or post-consumer waste. FSC certified recycled paper contains 100% pre or post-consumer waste. The requirements of the EUDR do not apply to goods that are produced entirely from recycled materials (i.e. contain only 100% post-consumer waste recycled content). If a product includes materials that are both recycled and non-recycled, or a material that contains less than 100% post-consumer waste recycled materials, then it will be subject to the requirements of EUDR.
- **Wood Fibre:** Forest based raw materials including roundwood, chips, pulp and paper.