



Paper Sourcing and Use Policy

Macmillan USA

v.3, June 2024

At Macmillan USA, we understand and value our role as a global citizen. To us, that means conducting our business in a responsible and sustainable manner. Creating a sustainable future is necessary for the benefit of both our business and, more importantly, our world. Because of this, we are committed to addressing sustainability in an imaginative, determined, and significant way, evolving our strategies over time for continued impact.

A primary focus of our sustainability program includes responsible paper sourcing. This Paper Sourcing and Use Policy sets forth our principles governing the sourcing of our paper and will guide us in guaranteeing that Macmillan's products live up to and exceed our expectations as stewards of valuable resources held in trust for future generations.

Corporate Sustainability at Macmillan USA

Macmillan USA's commitment to environmental sustainability focuses on the reduction of greenhouse gas (GHGs) emissions in order to reduce our impacts on global anthropogenic climate change. We also value healthy forests and renewable forestry and biodiversity, clean water and air, conservation and stewardship of natural resources and protection of human rights and dignity.

In 2009, corporate sustainability became part of the mission of Macmillan USA and an essential component of our company. As part of this effort, We decreased our global emissions 54% from 2010 to 2022, with US emissions decreasing 62% during that same period.

Since 2010 we have focused on procuring our paper from lower emission mills. We learned that the biggest area of environmental impact for a book publisher is paper consumption. Paper, combined with transportation, printing and distribution of books, accounts for over 80% of Macmillan's carbon footprint. Because of this, our primary effort has been dedicated to reducing the carbon emissions resulting from our paper usage, including committing to setting [Science Based Targets](#) for emission reductions.

Paper Principles

Macmillan USA is committed to purchasing paper that is environmentally preferable while meeting the requests of our authors, customers, and readers.

Macmillan USA primarily relies on chain-of-custody (CoC) certification and sustainable forest management certifications including the [Forest Stewardship Council \(FSC\)](#), [Sustainable Forestry Initiative \(SFI\)](#), [Programme for the Endorsement of Forest Certification \(PEFC\)](#), and the [Canadian Standards Association \(CSA\)](#), to ensure that we are purchasing sustainably grown timber. 100% of the paper we purchase directly holds sustainability certifications.

Macmillan USA purchases paper in multiple fashions: directly purchased, merchant purchased, or provided by the printer. Macmillan USA specifies the exact paper to use when it is purchased by the merchants and the printers.

Responsible Paper Sourcing:

- About 80% of our directly sourced paper for Macmillan USA is derived from sawmill residuals, mostly chipped leftovers from the lumber industry.
- We source paper from fiber and residuals that are managed sustainably, as determined by reasonable third-party certifications, such as FSC, SFI, and/or PEFC. Our papers sourced from Asia and South America are exclusively FSC as this standard is the most stringent in these parts of the world.
- We also do not knowingly source virgin fibers from Indonesia or the Amazon rainforest due to the high environmental, political and social risks.
- We do not use paper derived from deforestation in connection with the conversion of natural forests to non-forested land uses except in circumstances where it has earned FSC, SFI, and/or PEFC certification.
- We source from areas that may include limited areas of High Conservation Value Forests or Forests with Exceptional Conservation Value, but only if these fibers have earned FSC, SFI and/or PEFC certification.
- We do not support the use of paper from companies with demonstrated violations of [human rights](#), including the right to [Free, Prior and Informed Consent](#)
- We do not support the use of paper from companies with demonstrated violation of labor regulations, international treaties or agreements relating to forest and paper manufacturing workers.
- We prohibit the use of paper produced with virgin fiber processed with elemental chlorine.
- We support the use of legally forested, logged, and traded forest products, which are in compliance with applicable state, provincial, national, and/or federal laws. We, of course, as mandated by law, abide by the [U.S. Lacey Act \[16 U.S.C. §§ 3371–3378\]](#), which prohibits the import and export of products containing and/or use of certain endangered flora or illegally logged trees.

- Further, we receive written annual assurance from our vendors annually that they are complying with this policy.

We are committed to using paper responsibly and will continue to increase its efforts to:

- Maximize efficiency in paper use for book publications and office use
- Design products and packaging to reduce paper use and facilitate end-of-life recycling
- Maximize paper recovery and recycling of returned books and packaging

Macmillan USA focuses on these attributes when purchasing paper in order to minimize our carbon footprint:

1. Sourcing paper from manufacturers with the lowest carbon profiles and least impactful transportation practices from paper mill to book printer and binder.
2. A preference for the ground wood/mechanical pulp paper that has a higher fiber yield and when produced from energy sources with a lower carbon profile, has lower carbon emissions compared to lower fiber yield of kraft (chemically pulped paper).
 - a. Typically for Macmillan USA, 80%-90% of our direct purchased paper (by weight) is from [ground wood paper](#).
3. Paper that has earned at least one credible independent third-party forest certification system (e.g. SFI, FSC, PEFC, CSA).

We will further reduce our paper consumption and minimize our carbon footprint through:

1. Reducing the basis weight of paper, where appropriate, to extend fiber yield.
2. Design books to maximize paper efficiency while respecting reasonable aesthetic standards and customer expectations.
3. Continued emphasis on setting efficient print quantities to minimize over-printing along with increasing the amount of digital and Print-on-Demand options.
4. Partnering with our suppliers to realize greater efficiencies both up and down the supply chain via logistics and transportation choices.
5. Planning our paper inventories with as much lead time as possible in order to maximize the environmental profile of cargo ships or rail freight rather than less efficient truck transportation.

To further reduce greenhouse gas emissions, we seek paper suppliers that produce large amounts of their energy from renewable sources. Today, over 80% of the paper we purchase comes from mills that run primarily on renewable hydroelectric power, significantly reducing the emissions associated with the manufacturing of the paper.

Directly Purchased and Merchant Supplied Paper

Macmillan USA sources about 80% of its paper needs directly from paper manufacturers and brokers. The other 20% is provided by printers and other vendors. In 2022, about 80% of our directly sourced paper was sourced from the residues of sawmills that cut lumber, as we prefer to utilize resources that would otherwise be burned as a fuel source or landfilled.

Printer Supplied Paper

Macmillan USA remains committed to knowing the sources of our paper and requiring that our printers use paper that is consistent with our goals and values. Since our books with color printing are often printed in China, where there are fewer forestry regulations, we have mandated that our printers there use FSC-certified paper in our books for which we are willing to pay a reasonable premium.

Moreover, since 2010 Macmillan USA has prohibited each of its Asian printers from sourcing paper or fiber from Indonesia or other sources that are deficient in environmental criteria established by Macmillan USA to be used in our products. We perform paper testing twice a year on randomly selected books that are sourced in Asia to ensure that we are not sourcing virgin tropical hardwood fibers from problematic sources. If we find substantial noncompliance on the part of our suppliers, we will work to remediate the situation and may choose to stop doing business with these selected partners.

Recycled Paper

Macmillan USA, is a proponent of the use of recycled fiber. However, due to the current state of the global paper recycling system, paper may be recycled in regions of the world where environmental criteria are not well established and electricity grids may still be dependent on coal. Our focus is on reducing the emission intensity of our books over increasing the usage of recycled paper.

Working Collaboratively

Macmillan USA is actively working with its suppliers, consultants, non-governmental organizations and other stakeholders to better understand and develop solutions for climate change and sustainability improvements across our business. We are sharing appropriate information with and inviting business partners and others to adopt emissions reductions programs, sustainability goals, policies, and best practices. One such area of interest is supporting credible methods and assessments for measuring the extent of biogenic or embedded carbon associated with different papers and prioritizing use of papers with the lowest carbon profiles.

In 2012, Macmillan USA was invited by the Sustainable Forestry Initiative (SFI) to join together with National Geographic, Pearson, and Time Inc. as founding members of their [Forest Partners® Program](#), which ran through 2021 and successfully grew SFI certification in US

forests by 15 million acres and 200 manufacturing facilities. We are committed to working in partnerships and continuing our advocacy efforts. We submit comments to certification standards and attend multi-stakeholder meetings. We recognize that being transparent and working with others will be crucial for addressing climate change and improving sustainability.

Macmillan is an active participant in the Association of American Publishers Environmental Stewardship committee, which advances sustainability goals throughout the publishing ecosystem.

Looking Ahead

Macmillan USA's sustainability efforts now cover every aspect of our working day, processes, and many of the steps required to publish, print, and sell books. We engage our employees, vendors, authors, retailers, and readers. We are committed to evolving our targets and the implementation plans related to them and to monitoring and reporting on our progress as well as on the lessons we learn. Sustainability has become part of our everyday discussion and a key factor in our business decisions and is as important as our company's growth and success. Find more information on our sustainability programs [here](#).