



Lakeside Book Company is actively collaborating with our vendors to ensure full compliance with the European Union Deforestation Regulation (EUDR) when it takes effect. We remain committed to staying up to date on all aspects of the regulation and will continue to keep our customers informed of our progress. As your trusted partner, our goal is to help ensure you have the appropriate information for any actions required to prepare for EUDR.

1. Supply Chain Traceability and Engagement

1A. Is Lakeside Book Company able to collect the necessary EUDR information (geolocation, date of harvest, details of species, etc.) from our suppliers for all wood-based materials (other than 100% recycled) in production?

- **Text Paper:** We are confident that many of our text paper suppliers from North American mills will provide the necessary EUDR information.
- **End Sheet:** We have two suppliers—one is actively working on a compliance solution, while the other has not yet outlined a process to achieve compliance.
- **Board Material:** Currently produced from 100% recycled material, this falls outside the scope of EUDR regulations.
- **Cover and Jackets:** Our primary supplier for soft cover is developing a compliance process. For jackets, we are collaborating with suppliers to ensure compliance. Additionally, we are working to secure incremental volume from a supplier that has a clear plan for EUDR compliance.

1B. Please provide details on Lakeside Book’s progress with suppliers in obtaining this data and any challenges/issues identified.

- We are actively investigating software solutions for managing EUDR compliance data.
- A challenge for U.S. paper mills is the private ownership of woodlands and their reliance on residual chips from third-party sawmill operations. This makes geolocation data difficult to obtain.
- Canadian mills, however, are in a better position due to provincial land ownership and an established supply chain for residual chips—these are the only sources for paper manufacturing.

1C. Have we implemented or updated contractual requirements to ensure our suppliers adhere to EUDR?

- No, we have not yet implemented contractual requirements. However, many of our mill partners have begun compliance efforts, and we are actively seeking alternative suppliers for those that are not on a clear path to compliance.

2. EUDR Data Management

2A. Is Lakeside Book able to match supplier information to specific impressions?

- Currently, we can match a paper order to a specific job number.

2B. Will Lakeside Book be able to transmit aggregated EUDR information in an automated form via API in a timely manner?

- We are evaluating software solutions to manage EUDR compliance data and anticipate being able to transmit this data electronically to our customers.

2C. Is Lakeside Book planning to make changes to our internal systems to enable the above capabilities?

- We are still investigating our internal processes to identify compliance gaps.

3. EU Traces Access

3A. Does Lakeside Book have access to the EU Traces portal, and are we able to submit Due-Diligence Statements and obtain DDS and verification references?

- No, Lakeside Book has not yet accessed the EU Traces portal.

3B. What measures is Lakeside Book taking or planning to take to obtain access?

- Operators and Traders are permitted access to the EU Traces system. Lakeside Book does not qualify as an “Operator” under EUDR regulations, as the importer responsible for placing goods on the European market.

4. Due Diligence & Risk Assessment Measures

4A. Has Lakeside Book made any internal changes or are we planning to make changes to support due diligence risk assessment and mitigation?

- Lakeside Book aims to build an internal solution that enables us to purchase and track compliant materials while facilitating the required reporting on a title-by-title basis. Should the EUDR require linking paper sources to each product, we will work to establish an automated solution that ensures compliance.

4B. Has Lakeside Book identified any potential sources of non-compliance?

- Yes, we have identified suppliers who have stated they will not pursue EUDR compliance.

4C. What measures is Lakeside Book taking to address the risks of non-compliance?

- We are actively securing alternative suppliers in cases where existing suppliers have indicated an unwillingness or inability to achieve compliance.

5. Ongoing EUDR Compliance Measures

5A. What actions does Lakeside Book have planned in the next month to address EUDR compliance?

- Lakeside Book is evaluating software solutions for managing EUDR compliance data, reviewing internal processes, and collaborating with suppliers on compliance matters.
- Regarding the Book Chain Project, we are aware of the Book Chain and at this time do not plan to join. However, we remain interested in industry developments and solutions addressing EUDR compliance.

5B. Does Lakeside Book require any additional information or support for our EUDR compliance efforts?

- The choice to be compliant is made by the publisher exporting the books to the EU. Our hope is that we can work together as an industry to adopt EUDR compliant materials, which may require a more flexible approach to paper and materials choices in the future.
- We will also be asking for feedback from our publishing customers regarding their intentions surrounding EUDR compliance. For example:
 - Will you be working to make all titles compliant, or would this be a title-by-title decision?
 - If there is added cost (as we expect there to be) to maintain EUDR compliance, would this impact your decision as to the number of titles you take down this path?
- Our goal is to be transparent regarding all the challenges surrounding this new requirement, and to work as an industry to develop viable solutions.