



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. Is Lakeside Book Company able to collect the necessary EUDR information (e.g., geolocation, date of harvest, details of species, etc.) from its 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:** The primary end sheet suppliers are actively working on a process to communicate EUDR data along the supply chain.
- **Board Material:** Currently produced from 100% recycled material. This falls outside the scope of EUDR regulations.
- **Cover and Jackets:** The softcover supplier is on track to transmit EUDR data prior to year's end. The coated jacket paper supplier is also in the final testing of their process to communicate EUDR data.

2. Please provide details on Lakeside Book's progress with suppliers in obtaining this data and its ability to transmit this data.

- Lakeside Book Company is in the final stages of selecting our strategic EUDR solution provider and expects to make a decision within the next 30 days. Final reviews are underway with two vendors shortlisted during our initial discovery phase.

- As we implement our EUDR system solution, we will be able to transmit the required aggregated data electronically in a standardized format that will be used across our entire customer base to ensure consistency and efficiency.
- 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 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.

3. Has Lakeside Book 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.

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

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

5. Is Lakeside Book planning to make changes to its internal systems to enable the above capabilities?

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

6. Does Lakeside Book have access to the EU TRACES portal?

Is Lakeside Book able to submit Due-Diligence Statements (DDS) and obtain DDS with verification references?

- Access to TRACES is limited to entities classified as “Operators” or “Traders” under EUDR regulations. As the importer responsible for placing goods on the European market, Lakeside Book does not meet the definition of an “Operator” and is therefore not eligible for direct access.
- Since Lakeside Book Company will not have access to TRACES, we will be sharing the required data with our publishing customers in a single/standardized format that we believe will be compatible with the software or tools they may employ to manage the reporting required by the EU. Our goal is avoid supporting and maintaining multiple software platforms across our customer base.

7. Has Lakeside Book made, or is it planning to make any internal 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.

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

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

9. 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.

10. Does Lakeside Book require any additional information or support for publishers' efforts to comply with EUDR?

- The choice to be compliant ultimately rests with the publisher exporting books to the EU.
Our hope is that, as an industry, we can collaborate to adopt EUDR-compliant materials, which may require a more flexible approach to paper and material choices moving forward.
- We will also be seeking feedback from our publishing customers regarding their intentions around EUDR compliance. For example, we will ask our customers these types of questions over the coming weeks:
 - Will you be working to make all titles compliant, or will this be a title-by-title decision?
 - Our paper suppliers have informed us that there will be a cost associated with gathering and sharing EUDR compliance data. Will this added cost influence your decision regarding how many titles you pursue under EUDR compliance?
- Our goal is to be transparent regarding all the challenges surrounding this new requirement and to work as an industry to develop viable solutions.

