



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 current 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 provide you with the information you need to prepare for EUDR.

1. Has Lakeside Book Company selected an EUDR software vendor?

- Yes. Lakeside Book has selected 11Foundry as our EUDR partner.

2. Now that Lakeside Book Company has selected a software vendor, what happens next?

- Lakeside Book will receive training from 11Foundry to fully understand their process and system requirements.
- Our IT team and manufacturing sites will collaborate to connect supplier data with production and finished goods.
- We will pilot the generation of Due Diligence Statements (DDS).
- Finally, we will test sending compliance data to our customers.

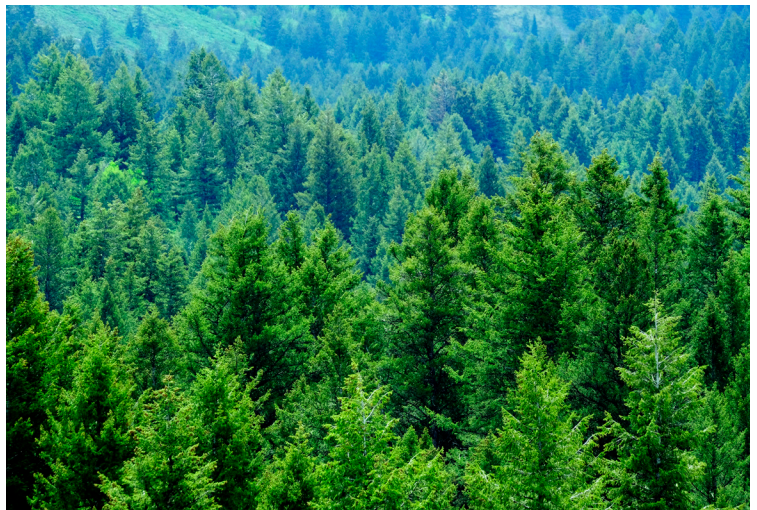
3. What additional EUDR-related initiatives is Lakeside Book pursuing?

- A dedicated team is focused on converting our materials inventory from non-compliant to EUDR-compliant material.

4. 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.
- Under the EUDR, an Operator is defined as the EU-based entity that first places a regulated product on the EU market or exports it from the EU. Publishers, or their designated EU distributors or importers, are considered Operators and hold ultimate responsibility for ensuring product compliance. This includes transmitting all required supply chain data into the EU’s tracking system (TRACES-NT).
- Lakeside Book does not meet the definition of an Operator and is therefore not eligible for direct access to TRACES.
- Instead, Lakeside Book will provide our publishing customers with the required data in a single/standardized format. This approach will align with the reporting tools or systems our customers may use for EU compliance, while avoiding the need to support and maintain multiple software platforms across our customer base.



5. Has Lakeside Book identified any potential sources of non-compliance? What measures is Lakeside Book taking to address the risks of non-compliance?

- Yes, we have identified suppliers who have stated they will not pursue EUDR compliance.
- The availability of EUDR-compliant paper will depend on when mills are able to provide the required geographic origin data. As many mills are not yet equipped to do so, additional time will be needed to support a smooth transition once compliant stock becomes available.
- In response, we are actively securing alternative suppliers where existing partners are unwilling or unable to comply.

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

- Compliance 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.
- Over the coming weeks, we will be scheduling meetings with our customers to gather feedback and develop action plans. These plans will cover both the paper in our existing inventory and any future stock purchases, ensuring alignment ahead of the implementation of EUDR compliance requirements at the mill level.
- We will also be seeking feedback from our publishing customers on their compliance plans. Please continue to work with your sales representatives to answer the following questions:
 - Will you be pursuing compliance for all titles, 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. Consider if the added cost will influence how many titles you pursue under EUDR compliance.