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Annual Sustainability Report 2023

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Introduction

CJK Group
Annual Sustainability Report 2023

At the heart of CJK Group is an entrepreneurial spirit, a devotion to the craft of printing, and a desire to provide the publishing communities we serve with solutions and services that go well beyond ink on paper.

We are committed to growth through acquiring the best-in-class content production facilities in the world to ensure that today's publishers, educators, catalogers, and information providers have a choice to partner with exceptional companies, all dedicated to the highest level of quality and service.

Being environmentally friendly is not the same as being absolutely committed to operating facilities at a high level of constant and ongoing improvement in every area that affects sustainability. CJK Group, as parent company to industry-leading print and publishing services facilities as well as multiple OEM service provider facilities around the world, believes this and lives this.

Our sustainability commitment isn’t new. In fact, year after year, we continue to put more measures in place to:

- Demonstrably decrease our carbon footprint.
- Reuse or recycle all possible materials and energy resources.
- Eliminate over-consumption and minimize waste.
- Inspire our employees to live sustainably in their own lives.
- Take the lead within our industries in this critical effort.

In addition to these key initiatives, we operate within compliance of all local, state, and federal environmental regulations and laws, including obtaining materials from responsible and certified sources that provide fair and acceptable working conditions for their own employees. Our printing papers are sourced from responsible mills and distributors that are certified with at least one certification from an independent third-party verification.
Message from Our Leadership

CJK Group
ASR 2023

Dear Valued Customers and Colleagues,

At CJK Group, we’ve always believed in the power of the written word. Stories have the ability to transport us, educate us, and inspire us. But the stories we craft also rely on a very real world – one with finite resources. That’s why we are continuing to develop a firm commitment to sustainability, ensuring the stories we print today can continue to be shared for generations to come. Here at CJK Group, we pledge to:

- **Minimize our environmental impact:** We’re actively seeking ways to reduce our carbon footprint throughout our operations. This includes investing in renewable energy sources, optimizing paper usage, and implementing responsible waste management practices.
- **Embrace sustainable materials:** We prioritize the sourcing of paper from responsibly managed forests with Forest Stewardship Council (FSC) certification, and remain vigilant proponents of important global sustainability initiatives such as EUDR. We continue to explore innovative materials with lower environmental impact.
- **Lead by example:** We collaborate with suppliers, publishers, and distributors to promote environmentally conscious practices across the printing industry.

**Setting Clear Goals, Achieving Net Zero**

Sustainability isn’t a destination; it’s a continuous journey. We’re setting ambitious yet achievable targets, including a significant reduction in our carbon footprint by 2035. Our ultimate goal? To achieve net-zero emissions by 2050.

Meeting this goal won’t be easy. It will require constant innovation, collaboration, and a commitment from all of us. But we believe it’s essential to ensure the stories we print leave a positive mark on the world.

~Grant Miller
CTO, CIO - CJK Group

"We continue to develop a firm commitment to sustainability, ensuring the stories we print today can continue to be shared for generations to come."

~Grant Miller, CTO, CIO
CJK Group has many internal progress goals and KPIs that we collect and report on internally each quarter. These progress reports let us analyze how each of our locations are trending towards net-zero and where our focus needs to be.

<table>
<thead>
<tr>
<th>Key Indicator (KPI)</th>
<th>Activity / Project</th>
<th>Data / Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downward Trending Energy Usage</td>
<td>Activities should be centralized around energy use reduction</td>
<td>• Meet or exceed internal energy reduction target</td>
</tr>
<tr>
<td>Upward Trending Overall Production</td>
<td>Projects should focus on increase in production without increase in energy use</td>
<td>• Increase in overall production without increased energy use</td>
</tr>
<tr>
<td>Company-Wide Involvement</td>
<td>Initiatives should involve all levels of the corporation</td>
<td>• 100% participation in reporting</td>
</tr>
</tbody>
</table>
# Carbon Emissions Data

## Summary and Trends

Data on relevant environmental categories with yearly changes & trends (%)

<table>
<thead>
<tr>
<th></th>
<th>CURRENT REPORTING YEAR (FY 2023)</th>
<th>COMPARISON REPORTING YEAR (FY 2022)</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total gross Scope 1 &amp; 2 emissions (tCO2e)</td>
<td>56,200*</td>
<td>60,300</td>
<td>-6.8%</td>
</tr>
<tr>
<td>Energy consumption used to calculate emissions (kWh)*</td>
<td>180,872,815</td>
<td>208,691,628</td>
<td>-13.3%</td>
</tr>
<tr>
<td>Production (tonnage of paper used)*</td>
<td>166,183</td>
<td>190,405</td>
<td>-2.31%</td>
</tr>
<tr>
<td>Intensity ratio (gross Scope 1 &amp; 2) / tonnage of paper*</td>
<td>0.338</td>
<td>0.317</td>
<td>6.21%</td>
</tr>
</tbody>
</table>

*Updated to include environmental data metrics from Sheridan Worzalla and Sheridan Saline (two new facilities acquired during 2023 FY).
Our total Scope 1 & 2 emissions (tCO2e) had a reduction of about 6.8% year-over-year from FY 2022 to FY 2023. Absolute energy consumption (kWh) was down 13.3%. This was accompanied by a decrease in overall paper tonnage usage of 2.31%, with a 6.21% increased intensity ratio. CJK Group is consistently assessing environmental data and looking for innovative ways to reduce our overall environmental impact (such as investing in new, more efficient binding equipment at multiple facilities). Note: emission factors and calculations for CO2e provided by M2030 based on uploaded Scope 1 and Scope 2 environmental data. Emission factors derived from EPA factors average for North America, year of factor(s) utilized may vary.

**Emissions Breakdown by Facility**

Detailed tCO2e per Sheridan & Tweddle production facility for 2021 to 2023

- Sheridan SI
- Sheridan MN
- Tweddle
- Sheridan GR
- Sheridan NH
- Sheridan PA
- Sheridan MI
- Sheridan WI
- Sheridan RL
- Sheridan WZ
- Sheridan OH
- Sheridan KY

05
We recognize that stewardship of the delicate balance of responsible forestation is a global issue. With the advent of Europe’s recent establishment of the European Union Deforestation Regulation act (EUDR), the world is invited to achieve the highest levels of compliance set forth with these regulations - all intended to combat deforestation and ensure 100% transparency and traceability of harvest, from timber to paper.

Introduced mid-2023, the EUDR not only intends to combat unethical deforestation, but also promote sustainable sourcing. When this regulation goes into effect at the end of 2024, stringent requirements will be placed on companies involved in the trade of timber and timber products within the EU market. But, in fact, this is a global initiative, because it also applies to all timber products being shipped into Europe.

Specifically means that the product (in this case, paper) must have been made from commodities produced on land that has not been converted from forest to agricultural use after December 31, 2020. Further, the trees harvested must be from a forest that didn’t induce forest degradation after December 31, 2020. Bottom line, EUDR targets deforestation that is legal under the laws of the country of production – complicit with all local social and environmental laws such as land use rights, environmental protection, forest-related rules, forest management and biodiversity conservation.

Sheridan as well as our customers and publishing partners worldwide are keenly interested in initiatives such as these that support environmentally responsible and eco-sustainable practices. At the crux of the EUDR is a commitment to sustainable sourcing – companies must demonstrate the legality and sustainability of their timber and timber products. That means that Sheridan, as a responsible print partner, must ensure not only transparency but traceability within our supply chain. Sheridan’s paper suppliers have long adhered to chain-of-custody practices by obtaining certification through organizations such as FSC (Forest Stewardship Council), SFI (Sustainable Forestry Initiative), and PEFC (Programme of the Endorsement of Forest Certification).

These national and international certification bodies are working with their paper sources to meet EUDR requirements, and Sheridan remains apprised of the developments. As always, we embrace every opportunity to champion a more sustainable approach to printing.
New Global D&P Offering
CJK Group
ASR 2023

Print Globally... Where it Makes Sense for Your Audience, the Environment, and You.
Why print all your US, UK, EU, and ROW issues stateside, and incur the time (and in many cases, great expense) to ship your non-US copies to their intended delivery destination? There is an easier and much more environmentally sound way. Sheridan's industry-leading POD offering, powered by our Sheridan Select™ automated content management system, has achieved a new level of flexibility and efficiency to help you deliver your content around the globe - smartly, sustainably, and cost-efficiently.

Speed.
Eliminate the frustration your content recipients experience while waiting weeks for cargo ships to deliver the anticipated publications, not to mention the delays incurred as the delivery navigates customs.

Sustainability.
Print closer to your intended audiences where it makes sense, and dramatically reduce the carbon footprint of your content.

Cost.
Distribution costs can overwhelm your ROI when you're dealing with international shipments – cargo ships, planes, trains, customs... it all adds up and negatively impacts your bottom line.

Fully Automated. Globally Targeted.
Sheridan not only has the solution but, likely, you're already familiar with and/or utilizing it, via our ground-breaking automated content management system, Sheridan Select™. Print-on-demand takes on a new meaning with our Global Distribute & Print offering. Utilize the power of Select™ to direct print orders as close as possible to their destination – down to a single copy, or up to hundreds. What could be easier? Select™ is your entrée to a single content repository, single order integration, a single invoice, and a single point of contact.

Global Partners. Exacting Standards.
Sheridan has partnered with CPI, the leading print resource in Europe and the United Kingdom, known for exacting digital print standards when producing books and publications for the world. Select’s rules of automation determine the best path for the job – CPI UK* ably produces work destined for the UK. CPI Germany* handles work with European distribution. Work intended for North American and ROW (rest-of-world) distribution will be produced in Sheridan's premier digital print facility in Pennsylvania. And Sheridan continues to seek out other global partners who meet our superior standards.

As always, Sheridan’s overarching goal is our clients' success; it's how we remain relevant. Our Global Distribute and Print offering is another example of working to develop and deliver smart solutions for you and your stakeholders.
Where do we go from here? This sustainability report is not just about looking back, but also looking forward. Our Annual Sustainability Report is a continuous work in progress - a way for our organization to track our impact and improvements over time. Below are a few of our future centralized goals moving into 2024:

01  Publish Near-Term Reduction Targets

We have committed to and published our Net-Zero by 2050 goal, but we still need to release our Near and Short-Term reduction targets to the public (in-line with SBTi). Once fully developed, these will become available.

02  Data Collection Accuracy and Scope 3

Although we have captured some of our Scope 3 emissions from our employee's commutes, that is only a very small piece of the puzzle. We are committed to analyzing and understanding our Scope 3 emissions across our value chain, while being able to share this data with our inquiring partners. We would also like to get our environmental data verified for accuracy and completeness.

03  Sust. Partnerships and ESG Reporting

We want to continue to develop our sustainable partnerships with groups such as M2030 and Edison Energy, while enhancing our ESG presence and reporting by disclosing to organizations such as EcoVadis and the Book Chain Project (BCP).
CJK Group is committed to achieving net Zero by 2050. We are currently working on near-term targets to be published soon. Some key points from this year’s ASR:

**Global Sustainability Initiatives**
*Developing global sustainability initiatives and regulations are shaping the industrial landscape. We must learn how to best navigate these new challenges.*

**Achieved Overall CO2e Reduction**
*Total reduction was nearly 5%, despite the addition of new two new facilities.*

**Investments in New Equipment**
*Investments in new printing and bindery equipment across the company will help with energy efficiency over 2024.*
Contact Us

CJK Group
ASR 2023

CJK Group Corporate Sustainability Team:

Grant Miller | CIO; CTO - CJK Group
Paul Bozuwa | President - Sheridan
Paul Loy | Senior VP of Operations - Sheridan
Ben Goers | Director of Quality, Environmental, Health and Safety
Nick Stratta | Sustainability and Compliance Coordinator

OUR PARTNERS:

We thank you for your continued support of our sustainability efforts. We are excited for you to grow with us and to work with you on this journey.

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