

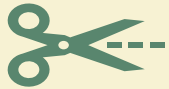
# **SUSTAINABILITY: OUR JOURNEY SO FAR...**

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# Steps to change...

## The 5 Rs



### REMOVE

We act quickly where we can



### REDUCE

We only produce what we need



### REUSE

We extend the life-cycle of every issue



### RECYCLE

We make it easy for our consumers to do the right thing

### RETHINK

We want to lead the change in our industry

# Remove

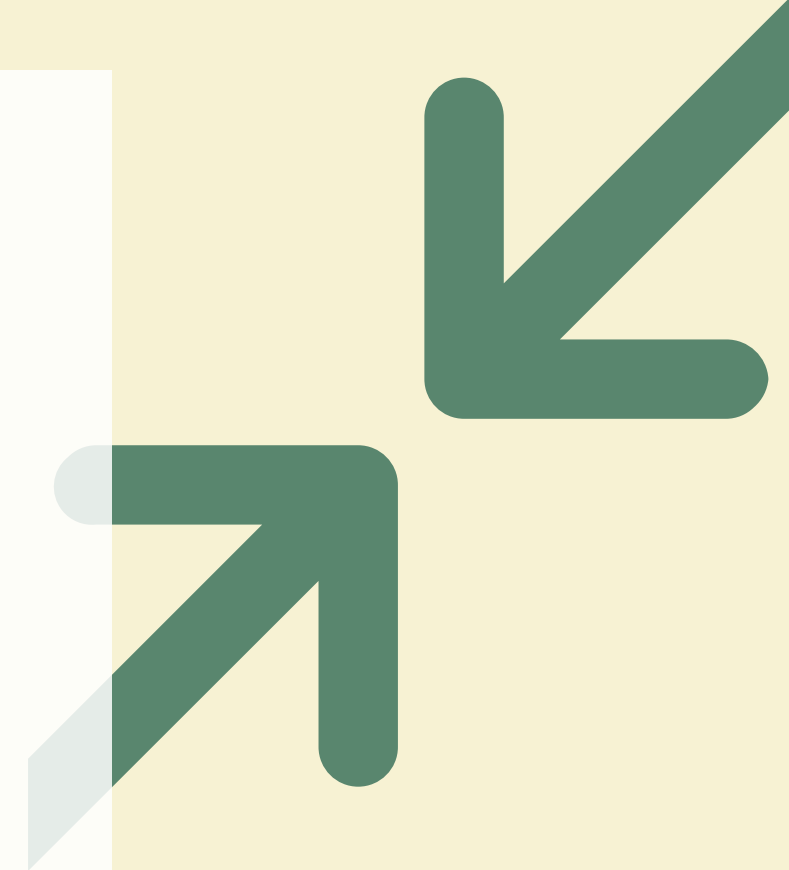
We aim to move to sustainable solutions quickly where we can

- We switched to FSC accredited paper on all our magazines in 2020
- We only use recycled paper on our covermount backing cards
- We stopped using PVC in all our blister packaging in 2020
- We have removed loose glitter from all of our products
- We stopped using foil blind bags on any covermounts we produce in 2019
- We switched from PP to LPDE material on all polybags in the UK in 2019
- We've stopped producing electronic items in Sweden and Norway
- We no longer produce cosmetics for GSA and we do not covermount slime in any of our markets
- We removed all plastic on Donald Duck Junior in Norway in 2019

# Reduce

We aim to only produce what we need

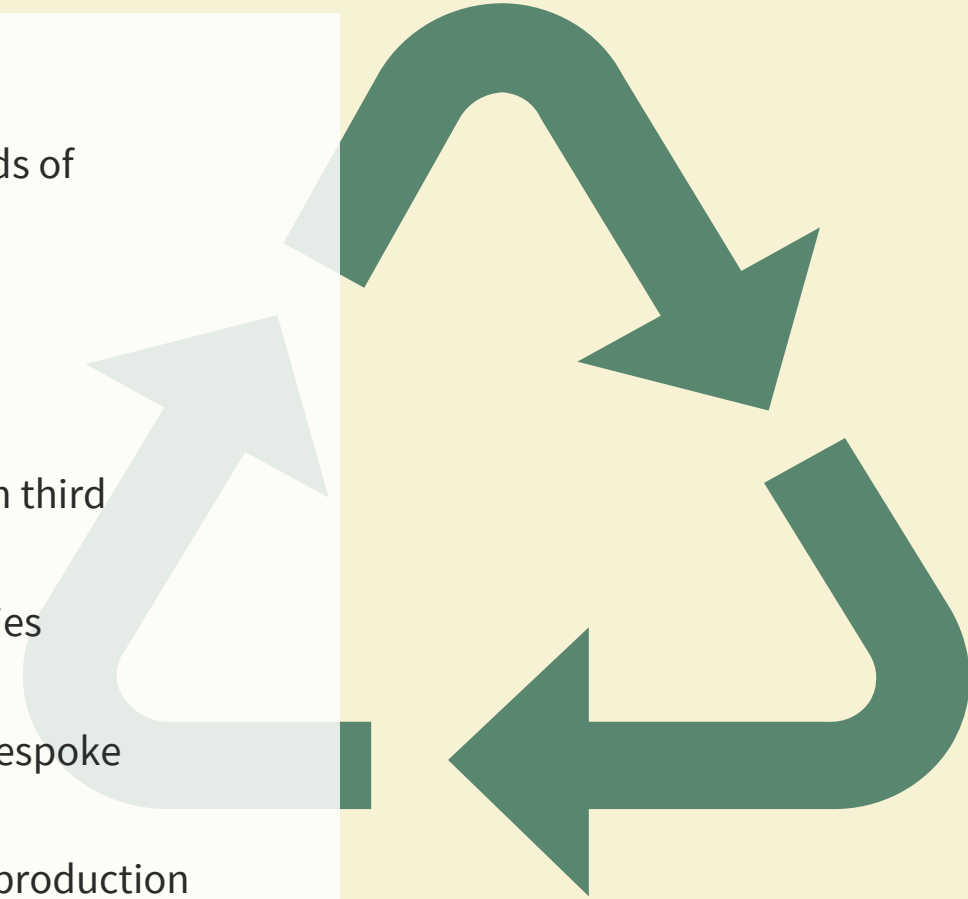
- **We have had a strategic focus on reducing waste since 2015:**
  - Our total waste volume has decreased significantly as we've improved print-order processes
  - Polish market now operates on 25% waste following multiple distribution rounds
  - UK has delivered a 10-point reduction in waste since 2015 (55% to 45%)
  - Norway has seen a reduction in waste of 27% over same period
  - Sweden has achieved a 3-point reduction in waste versus 2020 (51% to 48%)
- **We have set a goal across Story House Egmont to reduce plastic foils by at least 50% by the end of 2021 vs 2019**
  - This equates to a reduction of 20m plastic foils
- **In 2021 18% of covermounts and 3% of packaging will be non-plastic in the Swedish market**
  - We are reviewing our order process for covermounts to minimise any excess stock



# Reuse

We aim to extend the life-cycle of every issue

- We have moved from a linear to circular approach in all markets
- Poland have established the model and set the standard for multiple rounds of distribution and operate on 25% returns:
  - Redistribution is in growth, representing 16% of total sales in 2020 and growing to 20% in 2021
- Multiple-wave distribution is live in all markets:
  - Sweden operating up to three rounds of distribution (>40k copies sold in third round in 2020)
  - UK distributing second wave copy to ROI and Export markets (1.4m copies redistributed)
  - In GSA Pocket Books and comics are on second wave distribution and bespoke 'superpacks' created exclusively for Lidl
- Covermount returns repackaged for sale in all markets therefore reducing production of 'fresh' plastic in Far East



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# Recycle

We aim to make it easy for our consumers to do the right thing

- Each market has different recycling infrastructure and approach
- Single use packaging can be recycled in all markets
- In EU markets, products are recycled where possible and if not they are converted to energy
- We are members of the Recycle to Read programme in the UK which aims to build a new recycling infrastructure for hard to recycle plastic toys
- We are member of FTI in Sweden who provide nationwide access to a recycling system for packaging and newspapers
- We have been members of OPRL in UK since 2019, featuring labelling across our products
- We are developing clear consumer signposting and recycling messaging in our magazines



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# Rethink

We aim to lead the change in our respective markets

- We are committed to collaborating with our competitors to deliver industry-level change
- In the UK, we established the Children's Publisher Forum and aim to set up similar networks in other markets
- We share our best practice approach to sustainability
- Where to next? Covermounts 2.0



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# Reinforcing the Benefits

## NOW

- We create content based on key stages of development and that adds replay value to the covermounts. For example, Thomas & Friends playmats
- We include messaging and navigation that promote the benefits of content and covermount-play, including problem solving, creativity and social development
- We have introduced specific campaigns tailored towards education benefits – both on and off the page, for example: Chat, Play, Read



Activities which inspire creativity and improve physical development.

Puzzles and games about weather, time, seasons and the world around us.

Activities to develop letter recognition, handwriting and reading.

Things to do with numbers, counting, shapes, matching and measuring.

## NEXT

- We will introduce a bold new Story House Egmont campaign with a focus on the developmental benefits of magazines. This will include education (by stealth), promoting play, and social and physical development.
- We will work with an external consultant, and research the approach with our consumers
- We will increase the amount of content linked to covermounts to reinforce the replay value



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