Sustainability at die Keure



At die Keure, we are strongly committed to sustainability, which is why our company has been making structural investments in environmental sustainability since 2014 as part of its business objectives. We are committed to working as sustainably and environmentally friendly as possible across the entire production chain, contributing to achieving a circular economy by 2050, as outlined in the EU's 7th Environmental Action Programme (Decision No. 1386/2013/EU of the European Parliament and of the Council: https://publications.europa.eu/en/publication-de-tail/-/publication/b8e613ef-76de-11e3-b889-01aa75ed71a1)

On 12 April 2022, the 8th Environmental Action Programme (EAP) was published (https://environment.ec.europa. eu/strategy/environment-action-programme-2030_nl). This new ten-year programme reiterates the EU's longterm vision to 2050, speeding up the green transition to a climate-neutral, resource-efficient, clean and circular economy, in a just and inclusive way, fully endorsing the environmental and climate objectives of the European Green Deal.

The 8th EAP has six thematic priority objectives in areas of:

- 1 climate neutrality
- 2 adaptation and resilience to climate change and other environmental risks
- circular economy and regenerative growth decoupling economy from resource use and environmental degradation
- zero pollution ambition for a toxic-free environment
- s protecting and restoring biodiversity, and enhancing natural capital
- e environmental sustainability and reduction of the environmental pressures from production and consumption

The 8th EAP should also provide a basis for the achievement of the environmental objectives of the UN Agenda 2030 and its 17 SDGs. At die Keure most actions in terms of sustainability are organised around SDG 7- Clean energy and SDG 13- Climate Action. In addition to this, the company is also trying to achieve the underlying ambitions of SDG 4 – Quality Education – through its business units (K-12 Educational - and Professional Publishing). Through a structural sponsorship policy, it seeks to unlock the social benefits of quality education for children and young adults in poverty and/or problematic home situations (SDG 1- No poverty).



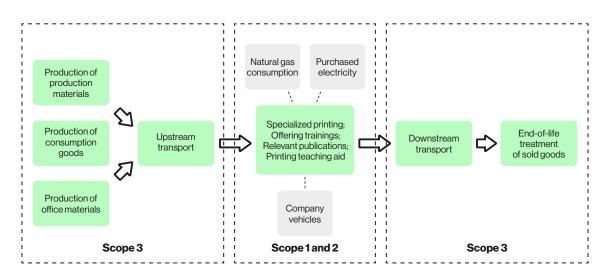
In 2022, the company decided to implement an externally audited and fact-based approach to sustainability, in particular for the carbon emitted through its activities, applying the GHG reporting standards, which express Scope 1, 2, and 3 emissions in CO2e (carbon dioxide equivalents).

- · Scope 1: CO2e footprint from sources that are directly controlled by the company
- Scope 2: CO2e footprint from energy consumption
- Scope 3: CO2e footprint resulting from sources over which the company has no direct control

Die Keure has been making structural investments in sustainability since 2014. Initially, the company's efforts were focused on sustainable energy (Scope 2). Later investment plans aimed to reduce emissions from assets and actions that are controlled by the company (Scope 1). Since 2023, the upstream and downstream activities (Scope 3 – emissions that result from the company's activities where the company has no control over the assets) are included in this scope.

At the end of 2022, the company decided to commission an external audit to map the company's entire CO2e impact. The goal was to achieve a CO2e accounting with as main KPI "CO2e per € of revenue", making the company's efforts and results thereof measurable according to an external, objective metric; enabling the company to make better assessments and decisions. This in turn should allow the company to have a factual underpinning of the claims it makes to sustainability.

The audit was carried out by Encon (Encon) using 2021 as a base year, with the purpose of establishing annual carbon accounting and a Greenhouse Gas balance sheet, with external certification based on an analysis of Scope 1-2-3 emissions.



The process flow and applied analytics are visualised below:

By implementing a carbon accounting policy, the company will be better able to define action plans and measure their results. Action plans are submitted for validation to Science Based Targets¹ (https://sciencebasedtargets.org/ how-it-works). The SBTi then applies a science-based analysis to check the goals and results against the Paris Agreement.



To date, die Keure's main efforts and investments focused on Scope 1– assets over which the company has direct control – and Scope 2 – the energy that the company uses for its operations. By mapping Scope 3, i.e., all downstream and upstream activities over which the company has no direct control, die Keure will also be able to take more well-founded decisions about e.g. raw materials and transportation, among others. In the long term, this will lead to a reduction of die Keure's CO2e footprint outside the company perimeter.

For reference year 2021, the following CO2e totals (in ton CO2e and in gram CO2e per € of revenue) were measured:

•	Scope 1:	285.25	8.73 g/€
•	Scope 2:	6.24	0.19 g/€

• Scope 3: 6,338.01 193.94g/€

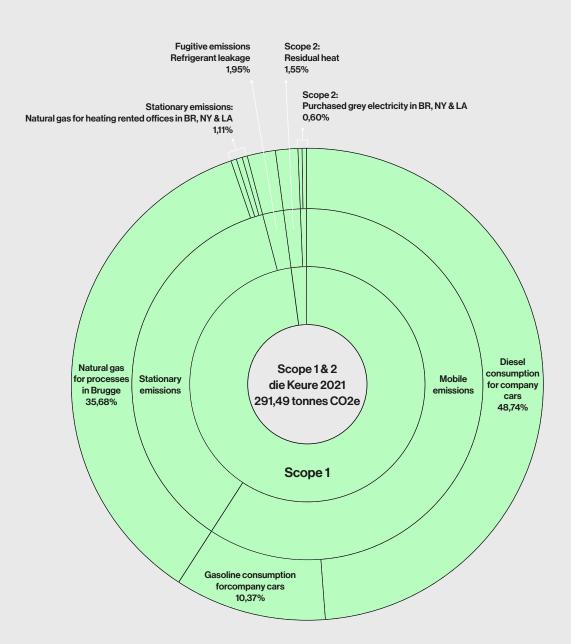
A first preliminary conclusion is that the effects of a thorough integrated investment policy are already very visible. Emissions in CO2e from assets over which the company has control and from energy consumption are less than 9 g per €. In terms of energy consumption, the company has almost achieved carbon neutrality. For Scope 3, the goal is to refine the results and "get the hang of it", enabling die Keure to develop a policy to ensure a future CO2e reduction is achieved both in upstream and downstream activities.

¹ The Science Based Targets initiative (SBTi) is a collaboration between CDP, the World Resources Institute (WRI), the World Wide Fund for Nature (WWF), and the United Nations Global Compact.

The figure below (Table 4) visualises Scope 1 and 2 emissions in CO2e.

Table 4: CO2e footprint die Keure 2021

The overall overview, including all subcategories, is shown in the figure below:



The main emissions fall under Scope 1, i.e., stationary emissions (the share of heating that is not powered by waste heat) which account for 38% of Scope 1 emissions, on the one hand, and mobile emissions (fossil fuel consumption of company cars), on the other hand, accounting for 60% of Scope 1 emissions. The fugitive emissions can be attributed to refrigerant leakage in the climate control system, which meant that 3.5 kg of freon had to be added. **Table 5** gives an overview of all Scope 1 emissions.

	Tonnes CO2e	% scope 1 emissions	% scope 1 + 2
Stationary emissions	107,26	37,60%	36,80%
Mobile emissions	172,31	60,40%	59,11%
Fugitive emissions	5,68	1,99%	1,95%
Direct process emissions	0,00	0,00%	<0,01%
Total	285,25	100,00%	97,86%

Table 5: Emission sources Scope 1 in 2021

Die Keure's ambition is to reduce all Scope 1 and 2 emissions to zero by end 2030, making minimal use of offset mechanisms.

The main plans for Scope 1 stationary emissions consist of connecting the company premises to the new district heating network that the IVBO is building, which would reduce stationary emissions to zero. The heating grid is scheduled for roll-out in 2024 and die Keure expects to be connected from January 2025. **If this is achieved, die Keure's dependence on fossil fuels will cease completely.**

In terms of mobile emissions, the goal will be achieved by the complete electrification of the company car fleet. To this end, the first charging stations were installed in June 2022 (11 charging stations/22 charging points). To date, just 10% of die Keure's fleet is hybrid or electric, but the company hopes to have a 100% hybrid or full electric fleet in three years' time and a 100% full electric fleet in five years at most.

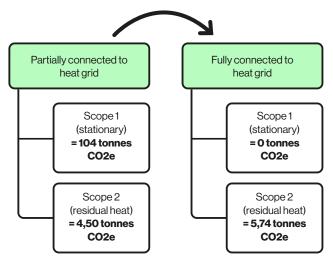
Table 9 provides an overview of the Scope 2 emissions:

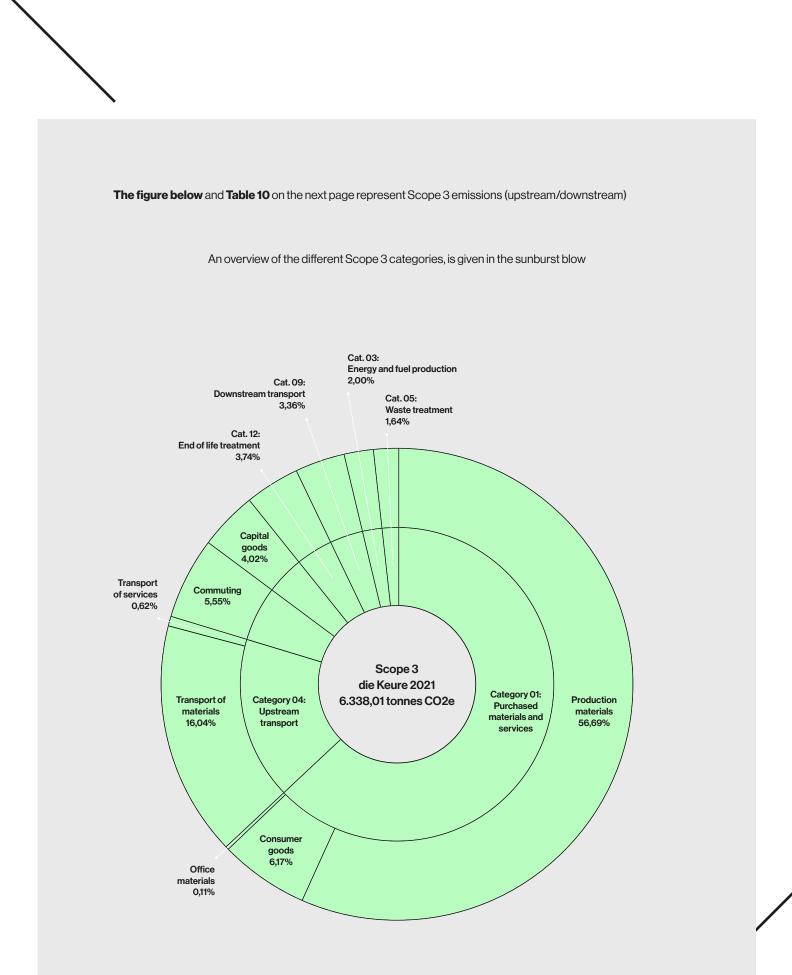
	Consumption (kWh)	Emission factor (kg CO2e/kWh)	Tonnes CO2e	% scope 1 + 2	
Purchased green electricity in Brugge	1.642.249,00	0,00	0,00	<0,01%	
On-site produced PV in Brugge	415.627,96	0,00	0,00	<0,01%	
Purchased grey electricity in Brussels	1.812,00	0,16	0,28	0,10%	
Purchased grey electricity in New York	1.812,00	0,40	0,72	0,25%	
Purchased grey electricity in LA	1.812,00	0,40	0,72	0,25%	
Purchased steam: residual heat	1.876.770,00	0,00	4,50	1,55%	
Total	3.940.082,96	0,16	6,24	2,14%	

Table 9: Scope 2 emissions in 2021

For Scope 2, die Keure has almost achieved carbon neutrality. Total energy consumption has a footprint of 6.24 tonnes CO2e per annum. This is the combined result of 100% purchases or on-site production of green energy and of having all the company buildings at 3, Kleine Pathoekeweg connected to the IVBO district heating network, which relies on residual/waste heat with a very low CO2e footprint (0.0024 kg CO2e/kWh). By connecting 5, Kleine Pathoekeweg to this grid in 2024-205, die Keure can achieve a substantial reduction in Scope 1 emissions, compared with a minimum increase in Scope 2 emissions.

See diagram:





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Scope 3	Tonnes CO2e	%
Category 01: Purchased materials and services	3.991,03	62,97%
Category 02: Capital goods	254,52	4,02%
Category 03: Fuel and energy related activities, not included in scope 1 or 2	127,00	2,00%
Category 04: Upstream transport and distribution	1.055,72	16,66%
Category 05: Waste generated in operations	103,98	1,64%
Category 06: Business travel	3,89	0,06%
Category 07: Employee commuting	352,01	5,55%
Category 09: Downstream transport and distribution	213,03	3,36%
Category 12: End of Life of sold products	236,83	3,74%
Total	6.338,01	100%

Table 10: Distribution of Scope 3 emissions under different categories %

The most impactful category² is "purchased materials and services" – which accounts for 63% of all Scope 3 emissions and includes the CO2e emissions of all raw materials and consumer goods that the company consumes. By mapping these emissions by type of raw material, die Keure will be able to implement a procurement policy that is geared towards reducing its CO2e footprint. In 2023, the company wants to further refine, standardise, and validate the data to implement a procurement policy of which the results must be visible and measurable from 2024 onwards.

The <u>"Capital goods</u>" category comprises any emissions from investments in capital goods (e.g., machinery, IT hardware, data storage, infrastructure works and so on).

"Fuel and energy related activities, not included in scope 1 or 2" are any emissions that are related to capital goods which generate the green energy that the company purchases externally or generates on-site.

"Upstream transport and distribution": this category comprises all third-party transport and distribution to die Keure's production plant and accounts for 17% of all Scope 3 emissions. Currently the calculation of the CO2e footprint for raw materials is based on 100% truck transport (EcoInvent 3.6 database with emission factor truck 7.5-16 tonnes). For services, the calculation starts from a passenger vehicle (fuel/diesel mix). The intention is to make this calculation based on third-party input in 2022-2023, to take CO2e effects in transportation into account in the company's procurement policy.

"Waste generated in operations": die Keure is adamant about recycling, striving for maximum recycling and reuse where possible. On the other hand, the company also tries to reduce external waste streams as much as possible. For 2021, the CO2e footprint was 104 tonnes CO2, with hazardous waste accounting for 2.86 tons of this total.

² The company does not have emissions in category 8,10,11, 13, 14 and 15. This is either because the company does not have these up-or downstream activities (e.g. cat. 8 and 13: up- or downstream leased assets, cat. 14: Franchises) or the company has those activities, but the emissions = 0. E.g. Cat. 11 emissions from use of sold products: the company mainly sells products that do not require energy (such as e.g. a cellphone) or generate emissions by use of the product (e.g. fuel).

"Business Travel": 3.9 tonnes CO2e. The company prefers rail for business travel but is forced to use air travel because part of its business is conducted in the USA. Where possible, meetings and events are pooled, limiting the amount of travel.

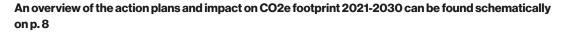
"Employee commuting": since 2018, die Keure has been making structural investments in green mobility for its workforce, in addition to the ongoing electrification of the company car fleet. In 2019, a bicycle lease plan was launched, which incentivises employees to commute to work by bicycle. Since the introduction, 1 in 5 employees has signed up for this plan (19%). Compared with the baseline measurement (2017), bicycles now account for 27% of all home-work commuting, with car use falling to 67%. The remaining employees use public transport or a combination of mobility options (e.g., car to station + public transport). The company makes its charging points available at a company rate to employees who commute to work with their private electric or hybrid vehicle.

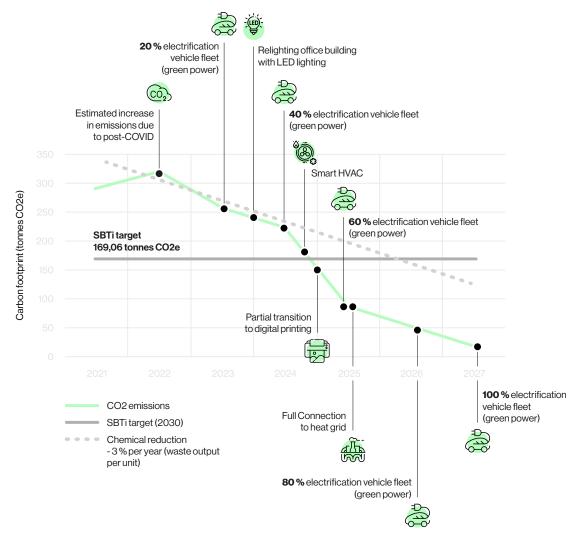
"Downstream transport and distribution": this includes all transport from the plant to our customers. Air transport accounts for the largest part of this total (187 tonnes, mainly to the US). Where possible, the company uses "slow air" solutions (using existing but unused air freight capacity) and shipping (low CO2e per km). Die Keure is also considering alternative distribution options by using its own distribution capacity on behalf of its' clients, thus reducing the number of international transport miles.

"End-of-life sold products": this category consists of the estimated emissions from the waste processing of endof-life goods that die Keure has produced. In 2021, total estimated emissions stood at 237 tonnes, with catalogues and art books accounting for 29 tonnes. The largest share (185 tonnes) consists of stickers and printed non-paper materials.

The above provides an overview of emissions in base year 2021. Die Keure's main priority for the future is to achieve zero emissions for Scope 1 and Scope 2 by 2030, in addition to a significant reduction of Scope 3 emissions. This requires completing accounting and auditing the emissions for 2022 and the following years and the certification of our plans and targets by Science Based Targets. In summary:

- 2022-2023
 - Closing of CO2e reporting for 2022 in May 2023. For 2022, we expect/forecast an increase in Scope 1 (mainly due to the end of the pandemic = more mileage of company cars) and Scope 3 (increased revenue = more materials and transport miles as well as more stockbuilding due to supply chain issues HY12022)
 - Validation by the SBTI by October 2023
 - For 2023 (closing of CO2e reporting in May 2024 or earlier), we expect to see the first impact of the electrification of our fleet (Scope 1). With regard to Scope 3, the priority target is to develop a CO2e procurement policy that can also be implemented.
- 2024
 - Scope 1: if the company buildings can be connected to the new district heating grid, a large share of "stationary emissions" (35% of Scope 1) will be eliminated from 2025 onwards.
 - In addition: further impact of fleet electrification (59% of Scope 1 emissions)
 - Results of procurement policy in Scope 3 (target to be determined).
- 2024-2030
 - Provisional endgame: Scope 1 & 2 emissions CO2e = 0 before 2030
 - Scope 3: to be determined





Social responsibility

Die Keure's mission statement is as follows: "Die Keure wants to enrich its customers by creating and facilitating relevant, qualitative content for them, in a sustainable and socially responsible way."

The sections and the goals that are formulated above (p. 1-7) mainly pertain to sustainability. The "social responsibility" aspect starts with our employees, and what they do and how this contributes to society.

At die Keure, all that counts is that our employees have the right attitude and mindset, regardless of their age, gender, origin... We all contribute to producing a socially relevant product.

To guarantee the **well-being of its employees**, die Keure is investing in optimising its working environment, with a focus on ergonomics and infrastructure (modern, nice places to eat and unwind, both inside and outside, investments in green mobility). The company also continually invests in the training and education of its workforce, both in-house and external, through specific training programmes, seminars, conferences, and so on.. Die Keure also invests in flexibility. In March 2022, the new collective bargaining agreement came into force, with non-production/non-shift workers (editorial teams, costing, order management, facility services) being able to work remotely 2 days a week. The company is also investing in health, by promoting green mobility and bicycle leasing, in addition to e.g. organising yoga sessions during the summer months and participating in other sports activities.

As a company, we also collaborate with social employment centres such as Footstep and Ryhove. Every year, pupils with hearing and speech disabilities of the Spermalie School in Bruges do internships in our company. We also collaborate with De Varens, a school for special secondary education.











We also provide long-term structural support for several initiatives that are consistent with our company's mission coupled with SDG 1 and 4. These include:

De Sleutel (Home - De Sleutel) is a healthcare provider, targeting substance abusers and risk groups with a range of services that include prevention, shortterm crisis accommodation, ambulatory and residential care, and employment in Flanders. Young drug addicts must also attend school. In some cases, the parents are addicted, and the child must be enrolled in education outside its trusted home context. De Sleutel has a solid reputation in successfully combining clinical and emancipatory models in an educational context.

Robin (Home - Stichting Robin) gathers all the stakeholders in our society to develop a sustainable system and provide a structural solution to the issue of unpaid school bills for children living in poverty.

Fonds Dieter (Home — Fonds Dieter - Steunfonds voor kansandere studenten (fonds-dieter.be)) provides support to young adults in (youth or foster) care, helping them to achieve their dream of higher education. The fund does this in two ways: through supplementary financial support for their education and coaching.

Pelicano (Stichting Pelicano - Samen kinderarmoede bestrijden in België) focuses on a structural reduction of child poverty (sufficient food, healthy living conditions, good education, and meaningful leisure activities).

We modulate our financial support to our existing partners based on their effective impact. Every year, we assess the effectiveness of the resources invested against the goals that were set. We adapt our commitments accordingly and use effectiveness as a metric to select future initiatives to support.

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die Keure

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