

## PAPER PROCUREMENT POLICY

### Scholastic Canada Ltd.

Scholastic Canada Ltd. is dedicated to responsible stewardship of the environment in all of its paper procurement practices. We endeavor to produce quality products in a responsible manner from design to material specification to finished goods.

Our procurement policy extends purchasing preference to products and suppliers that exhibit superior environmental performance and are aligned with the following goals:

- Sustainable forestry practices
- Wise use of resources
- Use of recycled paper/materials
- Minimization of basis weight
- Design for the environment
- Clean manufacturing practices
- Economic viability
- Credible reporting and verification

### Forest Management Practices

Scholastic Canada Ltd. requires compliance with all local, provincial and federal regulations in each community where our paper suppliers have operations. We will not knowingly do business with companies that collude with or purchase wood products from illegal logging operations.

By year-end 2008, we will expect all paper manufactured for Scholastic product to be free of unacceptable sources of fiber as described by the [Forest Stewardship Council \(FSC\)](#) controlled wood standard.

By 2012, Scholastic's goal for publications paper purchases will be for 30% to be FSC-certified.

Our suppliers will be required to possess independent third party certification of sustainable forestry practices for all forests they own or manage. A third party audit of the paper company's forestry practices should be performed at regular intervals according to the guidelines set forth by the certification system adopted by the company. Suppliers who source wood from third-party suppliers will provide proof that third-party sources of wood are harvested in an environmentally sound manner in accordance with the conditions outlined earlier in this policy. The detailed audit report should be provided to Scholastic's Director of Paper Procurement upon completion of certification audits.

### Wise Use of Resources

Scholastic is committed to using recovered fiber in its packaging, office and publications paper. In addition, every effort is made to reduce basis weights on titles where appropriate in order to reduce total paper use and raw materials consumed in the production of that paper. To that end, we commit to the following:

#### Use of Recycled Paper and Materials

- By 2012, we will increase our use of recovered fiber to a total of 25% with 75% of that being post-consumer waste fiber.
- We will continue to re-use and refurbish pallets, and re-use incoming packaging in our shipping operations.

#### Basis Weight

We evaluate every project to determine the best paper quality for that particular job.

- Annual targets for reduction of basis weight in paper used will be developed.
- Goals will be determined by prioritization of product group.

#### Design for the Environment

We will continue to ensure that our product design maximizes resources and minimizes waste. We are committed to continuously evaluating the recyclability of our products, and improving where feasible, thereby increasing the potential supply of recycled fiber. Ongoing strategies include:

- Increased use of recyclable packaging and materials
- Minimization of packaging
- Efficient use of trim size and press cut offs

## **Clean Manufacturing Process**

We will select supply partners who demonstrate a commitment to continuous improvement in source reduction and pollution prevention that meets or exceeds legal requirements to minimize the environmental footprint of paper production on water, air and climate.

We encourage our suppliers to pursue energy conservation, increase the utilization of renewable energy sources such as wind power and biogas, engage in co-generation of electricity and increase energy efficiency in the papermaking process.

For products that require bleaching and brightening, we will show preference to suppliers who utilize processes that are environmentally responsible. All paper sourced for Scholastic products globally must be Elemental Chlorine Free (ECF). Preference will be given to mills that are Enhanced Elemental Chlorine Free (EECF), Totally Chlorine Free (TCF), or Processed Chlorine Free (PCF).

## **Economic Viability**

The desired outcome of our policy is continuous improvement in the environmental performance of paper supported by concurrent economic incentives. There must be sufficient value and availability of products throughout the supply chain, as determined by Scholastic, in order to ensure that environmentally responsible papers, including those containing recovered fiber, can be procured successfully and consistently. We commit to supporting suppliers that meet our standards and are credible partners in our efforts to ensure sustainable products are available to us and other market partners.

## **Credible Reporting and Verification**

Suppliers must publish, or make available to Scholastic, a report that highlights their progress towards waste minimization, sustainable forestry practices, use of recovered fiber, clean manufacturing practices, and continued economic viability.

In addition, Scholastic Inc. will provide annual reporting summarizing the progress the company has made in meeting the goals stated in this policy.

## **Ongoing Efforts and Environmental Education**

Scholastic recognizes that responsible environmental stewardship is a continuous process. We have engaged our paper suppliers in an ongoing dialog to monitor and remain informed about opportunities to design, produce and procure an increasing amount of environmentally responsible paper. Scholastic challenges our partners to develop new grades that offer economically feasible high quality paper suitable for use in our products. Scholastic will give purchasing preference to companies who practice and encourage sustainable forest management, and sustainable manufacturing based on concepts of continuous improvements.

In addition, as a company committed to educating and caring for children and ensuring a safe environment in which they can learn and grow, Scholastic will continue to create and publish books and other materials that help educate children about the importance of responsible environmental practices and the role they can play in helping preserve the environment.

This policy was adapted from our parent company, Scholastic Inc, who developed it with input from a wide range of stakeholders and numerous supply chain partners. We thank them for their input and guidance.

## **Stakeholders and Partners**

### **Mills**

[Appleton Coated Papers](#)

[Abitibi Bowater](#)

### **Printer**

[Command Web](#)

### **Merchant**

[Lindenmeyr Book Publishing](#)

### **Investor Relations**

[As You Sow](#)

### **Environmental Groups**

[RainForest Alliance](#)

[Green Press Initiative](#)

[National Wildlife Federation](#)