Simon & Schuster

Climate-Related Financial Disclosures

Which reporting framework is being applied?

Simon & Schuster, LLC (the "Company") prepared these climate-related financial risk disclosures in accordance with The Final Report of Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) (June 2017).

Which recommendations and disclosures have been compiled and which have not?

Using the TCFD framework, Company has compiled disclosures on Governance, Strategy (including a qualitative scenario analysis), Risk Management, and Metrics & Targets. Certain disclosures have not yet been included: Company did not disclose climate-related targets. As a first step, Company has been focused on enhancing the completeness and accuracy of its greenhouse gas (GHG) emissions reporting and establishing its enterprise climate risk management process.

Company plans to expand disclosures in subsequent reporting cycles as baselines are finalized, internal processes are strengthened, and methodologies mature. As part of this expansion, Company will provide additional metrics, risk-reduction measures, and performance information as data availability and quality improve.

1. Describe the Board of Directors' oversight of climate-related risks and opportunities.

Oversight of climate-related risks and opportunities currently falls within the broader risk management responsibilities of the Board of Directors' Audit Committee (the "Committee"). The Committee will take on a more active role as climate governance evolves.

2. Describe management's role in assessing and managing climate-related risks and opportunities.

Climate-related risk management is coordinated through a cross-functional working group led by Operations. The group assesses operational and supply chain exposures and oversees efficiency initiatives. It is evolving toward a more formalized committee structure.

3. Describe the climate-related risks and opportunities Company has identified over the short, medium, and long term.

In 2025, Company conducted a climate risk assessment to evaluate the physical and transition risks and opportunities facing the business. It assessed risks and opportunities over three time horizons. For physical risks, it reviewed time horizons aligned with longer term changes in the physical climate: short term (1 year), medium term (10 years), and long term (30 years). For transition risks and opportunities, time horizons reflect Company's business planning: short term (0 - 1 years), medium term (2 - 5 years), and long term (6+ years).

****Physical Risks****
Company used an enterprise climate risk management (ECRM) software tool and subject-matter expert review to assess physical and transition risks across defined time horizons, likelihood, and impact scales.

****Transition Risks and Opportunities****
Transition risks are risks relating to the transition to a low-carbon economy, which may include new or changes in existing policy, legal, technology, market, and/or reputation risks. Transition opportunities include resource efficiency, energy source, markets, resilience, and products and services. Company used an ECRM software tool and subject-matter expert review to identify and prioritize transition risks and opportunities based on likelihood, impact, and time horizon.

Risks were assessed based on defined time horizons and standardized likelihood and impact scales. The below table includes the most relevant physical and transition risks and climate opportunities that Company has identified. These risks represent the issues assessed as most material to Company based on likelihood, impact, and relevance to its operations and value chain.

Risk or Opportunity	Type	Title	Description	Time Horizon	Impact	Likelihood
Transition Risk	Market	Changing enterprise customer sustainability requirements	Large enterprise and institutional customers are increasingly incorporating climate and sustainability requirements into their procurement and vendor evaluation processes. This shift may affect Company’s access to business opportunities and contract renewals, as these customers expect disclosures and climate-aligned products, influencing supply chain management practices.	Short Term	Medium	High
Transition Risk	Policy And Legal	Enhanced emissions-reporting obligations	Enhanced emissions-reporting obligations present a significant transition risk for Company, compelling Company to adopt more rigorous GHG emissions tracking and disclosure practices. This regulatory landscape shift may require increased investment in data management systems and improved supply chain transparency to meet evolving sustainability expectations.	Short Term	Low	High
Physical Risk	Acute	Challenges to product delivery and distribution	Company faces physical risks related to product delivery and distribution due to climate impacts such as flooding and infrastructure damage. These disruptions may hinder logistics operations, resulting in delays and increased operational challenges, ultimately affecting the timely delivery of goods to customers across the U.S. Company continues to monitor potential policy-driven cost increases affecting transport and logistics.	Medium Term	Medium	Medium
Physical Risk	Acute	Disruption to supply chain or input availability	Company faces the risk of supply chain disruptions due to climate hazards affecting the availability of critical inputs like paper and ink. Such disruptions can delay production timelines, hinder title release schedules and affect operational planning. Company also monitors transition-related factors that may influence supply chain costs and continuity.	Medium Term	Medium	Medium
Opportunity	Resilience	Strengthening supply chain resilience	Company recognizes the opportunity to strengthen supply chain resilience by diversifying supplier networks and enhancing logistics. By expanding strategic sourcing options and enhancing supplier risk analytics, Company can mitigate disruptions caused by climate-related events, ensuring consistent delivery and maintaining operations in the face of potential supply shocks.	Medium Term	Low	Medium

4. Describe the impact of climate-related risks and opportunities on Company’s businesses, strategy, and financial planning.

Company recognizes the critical importance of addressing climate-related risks and opportunities as related to its business resilience, strategic direction, and financial planning. Company is beginning to incorporate climate considerations into business planning to mitigate risks and respond to evolving expectations. This approach ensures that Company remains adaptive and responsible in a changing climate landscape.

****Products and Services****
Climate change influences Company’s product development and innovation by encouraging the adoption of sustainable materials and environmentally responsible publishing practices. Company’s product decisions are also guided by existing sustainable sourcing practices, including the use of Forest Stewardship Council (FSC)-

certified paper and vendor purchasing procedures that prioritize responsible material sourcing. This includes evaluating lower-impact materials and expanding digital formats.

Operations
Company addresses climate-related operational impacts by working with facility managers to improve energy efficiency where feasible and preparing for location-specific climate risks such as extreme weather events. Company also utilizes on-site solar panels at certain warehouses that help reduce grid electricity consumption and support its broader efforts to improve energy efficiency across operations. Company prioritizes disaster preparedness and resilience planning to safeguard its workforce and infrastructure.

Supply Chain
Company actively manages supplier-related climate risks by incorporating environmental criteria into vendor selection and ongoing assessments. This includes sustainable sourcing practices such as the use of FSC-certified paper across a significant portion of its book manufacturing, as well as working with printing partners that maintain responsible forest management certifications. Company pursues diversification of its supply chain to reduce vulnerability to climate disruptions and encourages suppliers to address GHG emissions through compliance with applicable environmental and contractual requirements. These efforts support Company's broader understanding and management of Scope 3 emissions and climate-related impacts beyond direct operations.

Strategy and Planning
Company employs climate scenario analysis and transition planning, and measures its carbon emissions on an annual basis, with continued refinement of Scope 3 data. For example, its scenario analysis highlighted that certain third-party distribution hubs face elevated flood risk under medium- and high-emission scenarios. As a result, Company is evaluating contingency planning measures with its logistics partners to maintain continuity of book distribution during extreme weather events. As Company better understands these outputs and best practices, it will continue to leverage this information to guide its strategic decisions and investment priorities. In addition, climate considerations are in the process of being integrated into vendor selection and long-term supply chain planning.

Financial Impact
Climate-related factors influence Company's financial planning through potential effects on revenue streams, cost structures, and asset valuations. For example, climate-related disruptions affecting paper production or transportation routes may increase material or logistics costs, which could influence budgeting, pricing decisions, and contract negotiations. Investments in sustainable operations and resilient infrastructure may incur upfront costs but are expected to yield long-term savings and enhanced market competitiveness.

5. Describe the resilience of Company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Company's initial exercise incorporated the results of a physical risk scenario analysis conducted in an ECRM software tool, with support from external subject-matter experts. The assessment reviewed wildfire, flood, heat, cyclone, and drought risks across 1-, 10-, and 30-year horizons under three Intergovernmental Panel on Climate Change (IPCC) climate pathways: SSP1-2.6 (low emissions), SSP3-7.0 (medium-high emissions), and SSP5-8.5 (very high emissions). Company leveraged the insights to begin to evaluate what different mitigation measures may be appropriate in response to the hazards evaluated.

Company also reviewed the climate-related exposure of key third-party assets, such as contracted warehouses, logistics partners, and supplier facilities, to understand how disruptions could affect distribution and production. These insights support ongoing resilience planning and will be expanded to incorporate transition risks in future cycles.

6. Describe Company's processes for identifying and assessing climate-related risks.

Company uses a structured and data-driven approach to identify and assess climate-related risks, ensuring alignment with its strategic goals and regulatory expectations. In 2025, Company conducted a comprehensive climate risk assessment focusing on both transition and physical risks to its offices, employees, and data centers in the U.S.

To evaluate physical risks, Company leveraged physical risk modeling tools of an ECRM software tool to assess the impact of hazards such as wildfire, flood, heat, cyclone, and drought. Physical risks were evaluated under low-, medium-, and high-emissions IPCC scenarios. Transition risks were evaluated using an ECRM software tool and internal subject-matter review. This proactive approach ensures Company remains resilient and prepared for a range of potential climate futures.

7. Describe Company's processes for managing climate-related risks.

Climate-related risks identified through Company's assessment processes are currently managed via an ECRM software tool while it works to embed them into its enterprise risk management (ERM) framework. In addition to this integration process, Company actively manages against common climate-related natural disasters that have commonly afflicted areas in which it operates. Key risk-management actions include:

- Assigning risk owners and implementing defined response protocols.
- Strengthening facility preparedness and asset resilience.
- Evaluating insurance coverage and risk-transfer options with carriers.
- Coordinating with local authorities on hazard conditions.
- Updating facility response procedures seasonally.

Company also engages directly with building management and suppliers to confirm readiness and coordinate response efforts when extreme weather events are anticipated.

Company is focused on strengthening its governance, data collection, and analytical capabilities, and expects to progressively accelerate the integration of climate-related considerations into its overall risk management and decision-making framework over the next reporting cycles.

8. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into Company's overall risk management.

Climate-related risks identified through the climate risk assessments are translated into a standard risk taxonomy and scoring (likelihood, impact, and time horizon), documented in an ECRM software tool. The ECRM software tool helps Company track key climate risk indicators (e.g., exposure of assets) and Company plans to use this information to periodically update relevant risk managers. Risks that exceed defined thresholds are escalated to senior leadership and, as appropriate, to the Board of Directors where the Committee provides direction and oversight. This structure ensures that once climate-related risks are more formally adopted into the ERM, Company will have similar cadence, documentation standards, and escalation pathways as other enterprise risks, with clear accountability and routine reporting.

9. Disclose the metrics used by Company to assess climate-related risks and opportunities in line with its strategy and risk management process.

Company uses a series of quantitative and qualitative metrics to evaluate climate-related risks and opportunities in alignment with its overall business strategy and ERM processes. These metrics enable leadership to identify material issues, inform potential emissions-reduction opportunities, and monitor progress over time. This includes Scope 1, Scope 2, and multiple categories of Scope 3 emissions. Company also tracks its energy use across facilities and the percentage of energy use coming from renewable energy.

To assess its physical risk, Company tracks the percentage of employees, data centers, printers, and offices located in high risk areas from hazards such as wildfires, floods, drought, cyclones, and heat waves using an ECRM software tool.

10. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.

Company's carbon emissions for 2024 are:

- Scope 1: 632.0 tCO2e
- Scope 2: 4,488.9 tCO2e
- Scope 3: 177,575 tCO2e

11. Describe the targets used by Company to manage climate-related risks and opportunities and performance against targets.

Company continues to evaluate potential future climate-related targets.