

## Clays Carbon Footprint 2023 – Calculation Methods

The greenhouse gas inventory has been prepared following the Greenhouse Gas Protocol (GHGP) Corporate Standard<sup>1</sup> and Value Chain Accounting and Reporting Standard<sup>2</sup>. The operational control approach has been used to define our organisational boundary between scopes 1&2 and scope 3 aligned with our financial accounting approach. All seven greenhouse gases listed in the Kyoto Protocol have been accounted for measured as carbon dioxide equivalent (CO<sub>2</sub>e), certain calculations without a complete CO<sub>2</sub>e figure available have been highlighted below. Our scope 3 inventory uses hybrid approach applying the supplier-specific method when available and otherwise uses the average data or spend-based methods. The GHGP defines 15 scope 3 categories companies are required to account for, 5 categories have been deemed as not applicable to Clays and a further 2 categories have been excluded from the inventory due to limited relevance. The calculation methods used for each category, the data sources used for activity data, the applied conversion factors with the justifications for category exclusions are detailed below. Any changes in the categories included or to the calculation methods will be tracked according to the overall impact on emissions to enable us to qualify a significant change, requiring a recalculation and potential Science Based Targets initiative (SBTi) target resubmission according to the best available methods.

Scope	Activity/category	Description of method	Activity data	Conversion factors
1	1. Heating oils	Includes emissions from stationary onsite combustion of medium fuel oil, kerosene, propane and white diesel used for heating, calculated by multiplying our litre consumption from fuel bills by the corresponding conversion factors from DEFRA 2023.  Further upstream indirect emissions from the extraction, production and transportation of fuel oils before onsite combustion are included within scope 3 category 3 (Fuel- and energy- related activities) under upstream purchased fuels.	Primary financial data	DEFRA 2023 <sup>3</sup>
	2. Company vehicles	Includes mobile combustion emissions from the use of vehicles leased or owned by Clays calculated using the fuel-based method with primary data on litre consumption multiplied by the corresponding conversion factors from DEFRA 2023.  Further upstream indirect emissions from the extraction, production and transportation of fuels before combustion are included within scope 3 category 3 (Fuel- and energy- related activities) under upstream purchased fuels.	Primary financial data	DEFRA 2023 <sup>3</sup>
	3. Refrigerants	Includes fugitive emissions released from refrigeration equipment onsite, calculated with primary usages of refrigerants multiplied by global warming potential values (GWP) values from DEFRA 2023 (including non-Kyoto products).	Primary procurement data	DEFRA 2023 <sup>3</sup>
2	Location-based	Location-based emissions are calculated considering the physical flow of electricity based on the production sources operating in a defined geographical boundary over a set period. This includes annual electricity consumption at our site in Bungay converted to emissions using the UK grid average production mix factor from DEFRA 2023.	Primary financial data	DEFRA 2023 <sup>3</sup>

	Market-based	<p>Market-based emissions for purchased electricity are measured based on procurement choice, calculated using annual electricity consumption multiplied by a supplier or product-specific emissions factor.</p> <p>For 2023, Clays purchased a renewable energy tariff 100% backed by renewable energy certificates (RECs) including UK Renewable Energy Guarantees of Origin (REGOs) as well as EU Guarantees of Origin (GoOs). Given that the purchase of renewable energy certificates without the underlying renewable energy does not convey a direct link to renewable generation, the UK grid average production mix factor has been applied to our consumption matched by these unbundled certificates<sup>4/5/6/7</sup>. All certificates purchased to match our consumption during 2023 were unbundled, therefore total electricity consumption was multiplied by the UK grid average production mix factor equal to location-based emissions for 2023.</p>	<p>Primary financial data</p> <p>Ofgem Recognised Guarantees of Origin<sup>8</sup></p> <p>Renewables and CHP Register<sup>9</sup></p> <p>Primary data from supplier</p>	DEFRA 2023 <sup>3</sup>
3	1: Purchased goods and services	<p>Emissions in this category cover all upstream emissions from the manufacture of products and provision of services purchased by Clays during the reporting period. Purchased goods includes all cradle-to-gate emissions from purchased materials and chemicals covering paper, inks, glue, pallets, finishing materials and packaging. The cradle-to-gate emissions from text paper purchased by publishers is not accounted for within the scope 3 inventory. Following the GHGP, upstream emissions from recycling processes for purchased goods with recycled content have been accounted for in category 1. Purchased services include outworking (printing), engineering, postal, professional and further uncategorised residual services.</p> <p>Greenhouse gas emissions from paper production (1a – including i. Reels and ii. Sheets) were calculated following the methods in the hierarchy below based on availability:</p> <ol style="list-style-type: none"> <li>1. CEPI Ten Toes carbon footprint statements<sup>10</sup> (fossil CO<sub>2</sub>)</li> <li>2. Paper Profiles<sup>11</sup> (including fossil CO<sub>2</sub> emissions and purchased electricity under the location-based method) and estimates for scope 3 categories using CEPI statements as a baseline.</li> <li>3. DEFRA 2023 paper and board conversion factors (CO<sub>2</sub>e)</li> </ol> <p>In addition to the categories included within these statements, CO<sub>2</sub>e estimates have also been included for the below categories:</p> <ul style="list-style-type: none"> <li>• Upstream indirect/well-to-tank purchased electricity</li> <li>• Electricity transmission and distribution (T&amp;D) losses (upstream and generation)</li> <li>• Solid waste landfilled</li> </ul> <p>The breakdown of the remaining materials, chemicals and services is illustrated below. When available, primary conversion factors from our suppliers have been used and otherwise sector averages for volume. The remaining procurement spend from our smaller suppliers of materials and services has been calculated using a hybrid spend-based approach.</p>	<p>Primary procurement data based on weight or spend</p>	<p>Primary supplier data when available</p> <p>AIB production mix factors<sup>12</sup></p> <p>Hybrid estimates</p> <p>Secondary averages</p> <p>DEFRA 2023<sup>3</sup></p> <p>EuPIA Ecomatters 2020<sup>13</sup></p> <p>IEA Life Cycle Emissions Factors<sup>14</sup></p> <p>Hybrid spend-based factors</p>

Ref	Material/service	Description	Conversion factor
1bi.	Inks and toner	Pigments mixed with oils for printing text, covers and jackets.	EuPIA Ecomatters 2020/hybrid
1bii.	Varnish	Lacquer applied to covers/jackets for protection and appearance	EuPIA Ecomatters 2020
1biii.	Glue	Adhesives used to bind book blocks and covers together	DEFRA 2023/hybrid
1biv.	Foil	Aluminium foil applied to covers/jackets for appearance	Supplier-specific/DEFRA 2023
1bv.	Pallets	For transportation and distribution	DEFRA 2023
1bvi.	Plates	Aluminium sheets used for lithographic printing	DEFRA 2023
1bvii.	Laminate	Plastic film applied to covers for protection and appearance	DEFRA 2023
1bviii.	Blocks	Metal dies used for cover/jacket finishes	DEFRA 2023
1bix.	Slip cases	Cardboard covers for sets	DEFRA 2023/hybrid
1c.	Packaging	Materials used to package products including carton board and plastic film	DEFRA 2023/hybrid
1di.	Printing services	Outworking including finishing and pre-retail	Hybrid spend-based factors
1dii.	Engineering services	Servicing and maintenance of onsite machinery	Hybrid spend-based factors
1diii.	Postal services	Courier services	Hybrid spend-based factors
1div.	Professional services	Other professional services	Hybrid spend-based factors
1ei.	Residual services	All other uncategorised services	Hybrid spend-based factors
1eii.	Residual materials	All other uncategorised materials	Hybrid spend-based factors

  

2: Capital goods	Includes all upstream emissions from purchases of machinery completed in the reporting year. Following the GHGP, upstream emissions from recycling processes for capital goods with recycled content have been accounted for in category 2. When available, the approximate weight of the machinery/parts was multiplied by DEFRA 2023 conversion factors and otherwise a spend-based method was applied using conversion factors from HEPA.	Primary procurement data on weights (if available) or spend	DEFRA 2023 <sup>3</sup> HEPA 2020 <sup>15</sup> DEFRA 2011 <sup>16</sup>
------------------	--	---	--

<p>3: Fuel- and energy-related activities</p>	<p>Emissions in this category include emissions related to the production of fuels and energy purchased by Clays in the reporting year, covering three activities:</p> <ul style="list-style-type: none"> <li>a. Upstream purchased fuels: Emissions from the production of fuels for heating and company vehicles included within scope 1, calculated with DEFRA 2023 conversion factors.</li> <li>b. Upstream purchased electricity: Indirect/well-to-tank emissions from the production of fuels used for the generation of electricity with the split described under scope 2 market-based emissions. Electricity purchased through unbundled certificates has been considered as grid average calculated with DEFRA factors. Electricity purchased through bundled certificates has been calculated using an adjusted supplier-specific emissions factor.</li> <li>c. Transmission and distribution (T&amp;D) losses: Includes upstream/indirect and direct emissions from additional electricity consumed in the T&amp;D network calculated using DEFRA grid average production mix factors.</li> </ul>	<p>Primary financial data</p>	<p>DEFRA 2023<sup>3</sup></p> <p>Primary supplier data</p>
<p>4: Upstream transport</p>	<p>Emissions in this category cover the transportation and distribution of purchased goods included within category 1, in addition to third-party transportation and distribution services purchased by Clays for customer deliveries during the reporting period. All sub-categories have been calculated using the distance-based method including well-to-wheel emissions:</p> <ul style="list-style-type: none"> <li>a. Transportation of paper (ai. reels and aii. sheets): Emissions from the upstream freight of reels and sheets included within category 1, estimated from the location of the original manufacturing site and via points. The weight of each material was multiplied by the one-way distance travelled and multiplied by DEFRA 2023 well-to-wheel conversion factors by the mode of transport.</li> <li>b. Transportation of materials: Emissions from the upstream freight of all other production materials included within category 1, estimated from the location of the original manufacturing site and via points. The weight of each material was multiplied by the one-way distance travelled and multiplied by DEFRA 2023 well-to-wheel conversion factors by the mode of transport.</li> <li>c. Downstream deliveries: Following the Greenhouse Gas Protocol, this category also includes emissions from our outbound transport in the delivery of our finished products to our customers as a purchased service. This has been calculated with the distance-based method applying sector average DEFRA 2023 well-to-wheel conversion factors.</li> </ul>	<p>Primary procurement data</p> <p>Primary internal data</p>	<p>DEFRA 2023<sup>3</sup></p> <p>Primary supplier data</p>

5: Waste	<p>This category covers the emissions from two activities:</p> <ul style="list-style-type: none"> <li>a. Disposal of waste generated in operations: For the portion of waste generated in operations sent for recycling, emissions have been calculated following the recycled content method whereby emissions in the recycling process are allocated to the life cycle that uses the recycled material. Weights of individual materials were obtained from our waste management contractor multiplied by the corresponding conversion factor from DEFRA 2023, including optional emissions from the transportation of waste material sent for recycling.</li> <li>b. Water supply and treatment: Consumption and sewerage volumes were obtained from internal financial data and multiplied by DEFRA 2023 supply and treatment conversion factors.</li> </ul>	<p>Primary data</p> <p>Water invoices</p>	DEFRA 2023 <sup>3</sup>
6: Business travel	Emissions in this category cover the transportation of all full-time employees for business-related activities in vehicles not controlled by Clays during the reporting period. This includes all well-to-wheel emissions from automobile, air, rail and bus travel calculated using expense claims reported in financial data and DEFRA 2023 conversion factors.	Primary financial data	DEFRA 2023 <sup>3</sup>
7: Employee commuting	This category includes emissions from the transportation of all full-time employees between homes and worksites in vehicles not controlled by Clays. This has been calculated using the number of employees and UK average commuting distances across modes of transportation multiplied by DEFRA 2023 well-to-wheel conversion factors.	<p>Primary number of full-time employees</p> <p>Secondary UK average survey data<sup>17</sup> (adjusted)</p>	DEFRA 2023 <sup>3</sup>
8: Upstream leased assets	Emissions in this category cover the scopes 1 and 2 emissions from a leased storage and pre-retail services site during the reporting period. As Clays do not have control over the operating policies of the site, emissions have been allocated to scope 3 following the operational control consolidation approach. This includes emissions from the onsite combustion of fuels and the generation of purchased electricity calculated with DEFRA 2023 conversion factors.	Primary procurement data	DEFRA 2023 <sup>3</sup>
9: Downstream transport	<p>This category includes emissions from the transportation and distribution of sold products to the end-consumer not paid for the reporting company. Outbound logistics (customer deliveries) have been allocated to upstream transportation and distribution (category 4) following the Greenhouse Gas Protocol. As Clays provide printing and distribution services to publishers, emissions in this category represent the percentage of paper purchased by Clays in printed books.</p> <p>Emissions were screened using production quantities and the activity-based method from publisher distribution data covering well-to-wheel emissions. Based on these methods, emissions were estimated at less than 2% of total scope 3 emissions. As emissions in this category are insignificant,</p>	-	-

	and Clays has limited visibility or capacity to influence reductions in this area, category 9 has been excluded from the scope 3 inventory consistent with SBTi criteria.		
10: Processing of sold products	This category includes emissions from the processing of sold intermediate products by third parties subsequent to sale by the reporting company. Intermediate products are products that require further processing, transforming or inclusion in another product before use by the end consumer. As the sold products do not involve any further processing before use by the end-consumer, there are no emissions to calculate under this category.	N/A	N/A
11: Use of sold products	This category includes emissions from the use of goods and services sold by the reporting company. This includes two types; Direct use-phase emissions refer to products that directly consume energy during use, fuels and feedstocks, or emissions released during use. Indirect use-phase emissions are optional to include and refer to products that indirectly consume energy during use. There are no direct use phase emissions for the sold products and indirect-use phase emissions are optional and have been excluded due to the limited relevance for Clays.	N/A	N/A
12: End-of-life treatment of sold products	<p>This category includes emissions from the disposal and treatment of sold products in the reporting year. As Clays provide printing and distribution services to publishers, emissions in this category include the percentage of paper purchased by Clays in printed books.</p> <p>Emissions were screened using production quantities, regional waste management scenarios and emissions factors from secondary life cycle databases. For products sent for recycling, the emissions calculation followed the recycled content method. Based on these methods, emissions were estimated at 2% of total scope 3 emissions. Clays has a limited ability to measure, track progress against or influence reductions to these categories. This is likely to be determined by the final end-user of the product, therefore are unable to reasonably measure or set credible targets in this area. As emissions in this category are insignificant with limited relevance to Clays, category 12 has been excluded from the scope 3 inventory consistent with SBTi criteria.</p>	-	-
13: Downstream leased assets	This category includes emissions from the operation of assets that are owned by the reporting company and leased to other entities. As Clays do not own any leased assets, there are no emissions to calculate under this category.	N/A	N/A
14: Franchises	This category includes emissions from the operation of franchises not included in scopes 1 and 2. As Clays do not operate any franchises, there are no emissions to calculate under this category.	N/A	N/A
15: Investments	This category includes scope 3 emissions from investments in the reporting period applicable to investors and companies that provide financial services. As Clays neither invest in this way nor provide financial services, there are no emissions to calculate in this category.	N/A	N/A

### **GHG Intensity Ratio**

Our greenhouse gas inventory details our total or 'absolute' emissions associated with our business for the reporting year. This reflects our overall contribution to global greenhouse gas emissions, however potentially hides changes to our production levels which may be expected to increase or decrease our total emissions even if our performance has remained similar. Therefore to contextualise the changes in our absolute emissions across years, we have reported an intensity ratio expressing our greenhouse gas emissions between each scope per 1,000 tonnes of paper throughput as a consistent benchmark for our performance across years.

Our total paper throughput is calculated using purchasing data combined with internal usage reports including paper purchased by Clays as well as by our publishers. As our scope 3 emissions inventory covers approximately 30% of our total paper throughput, we have also estimated our GHG intensity ratio including producing and transporting paper purchased by publishers for perspective against other categories.

### **Sources**

1. [Corporate Standard | Greenhouse Gas Protocol \(ghgprotocol.org\)](https://ghgprotocol.org/)
2. [Corporate Value Chain \(Scope 3\) Standard | GHG Protocol](#)
3. [Government conversion factors for company reporting of greenhouse gas emissions - GOV.UK \(www.gov.uk\)](https://www.gov.uk)
4. [GHG Protocol to assess the need for additional guidance building on existing corporate standards | Greenhouse Gas Protocol](#)
5. [The evolution of scope 2 accounting, target setting and monitoring - Science Based Targets](#)
6. [GHG Protocol Releases Summary of Scope 2 Guidance Survey Feedback | GHG Protocol](#)
7. [Most companies buying renewable energy certificates aren't actually reducing emissions \(theconversation.com\)](https://theconversation.com)
8. [Guarantees of Origin \(GoOs\) | Ofgem](#)
9. [Renewables & CHP \(ofgem.gov.uk\)](https://ofgem.gov.uk)
10. [Framework for Carbon Footprints for paper and board products | www.cepi.org](https://www.cepi.org)
11. [Paper Profile](#)
12. [European Residual Mix | AIB \(aib-net.org\)](https://aib-net.org)
13. [20012020-Eco-Footprint-and-Screening-of-Virtual-reference-Leaflet-RM.pdf \(cepe.org\)](#)
14. [Life Cycle Upstream Emission Factors \(Pilot Edition\) - Data product - IEA](#)
15. [HEPA : Higher Education Procurement Association](#)
16. [Table 13 Indirect emissions from supply chain 2007-2011.xls \(live.com\)](#)
17. [Commuting trends in England 1988 - 2015 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)