



Sustainability Newsletter

May 2024

By its nature, printing has an impact on the environment, the economy and society. The development of our sustainability strategy aims to continually improve our impact in these areas through innovating our business with industry and supply chain solutions.

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Introduction

Welcome to the fourth edition of our sustainability newsletter. Earlier this year, we were pleased to announce the approval of our greenhouse gas emissions targets from the SBTi. In this edition we briefly outline our targets before we break down some of our key objectives later in the year.

Adding onto our scopes 1 and 2 emissions in the last edition, we detail our scope 3 emissions from the supply chain. Measuring scope 3 is significantly more uncertain, therefore alongside our figures we first explain our calculation approach and methods.

Since the last newsletter, we've held two further audits for our ISO14001 certification. In this edition we share how we are integrating sustainability within our management system to support all areas of the business in achieving our targets.

And finally, we update on industry projects and the outcomes of our recent materials trials.

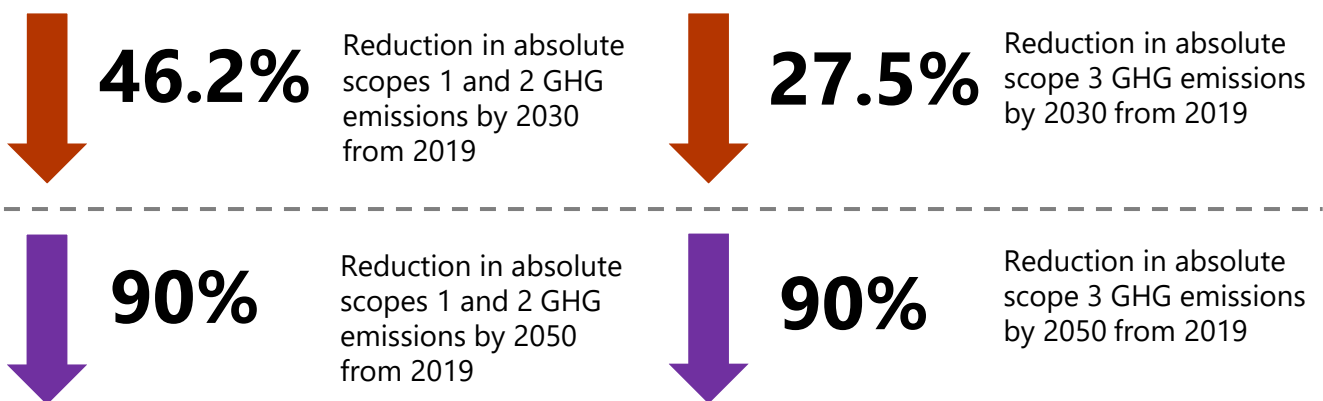
Tom Scatchard

Sustainability Advisor

Science-Based Targets

In January, we were proud to receive approval for our greenhouse gas emissions targets from the Science Based Targets initiative (SBTi). Following our submission in April last year, we began the validation process in December in which our emissions measurements and targets were evaluated for alignment with the goals of the Paris Agreement.

We specifically achieved validation following the *Net-Zero Standard*, the most ambitious route available in the SBTi, to guide our pathway with interim milestones towards 2050. Below are our approved targets:



Reach **net-zero** greenhouse gas emissions across the value chain **by 2050**

The SBTi publishes all its standards and assessment criteria on their website, where you can also access our target information: [Target dashboard - Science Based Targets](#).

Science-Based Targets

The validation of our targets is a significant step in our sustainability journey. As one of the first printers to achieve SBTi validation, aligning to the gold standard in target-setting reflects the importance of sustainability to our wider business strategy and provides a clear signal to our value chain on its weight in our decision-making.

We are now in a prime position to take meaningful steps with everyone at Clays, our suppliers, and our customers to deliver on these objectives over the coming years. However we recognise that our targets are only a pledge at this stage.

As part of maintaining our SBTi validation, we will shortly be publishing the full detail behind our targets and current plans for implementation, as well as reporting on our progress towards these targets annually.

We look forward to sharing these details with you all soon.

Scope 3 Emissions – Calculation Approaches

One of the key requirements in the SBTi's *Net-Zero Standard* is to take a complete measurement of our greenhouse gas (GHG) emissions including scope 3 emissions across the supply chain.

The starting point for measuring scope 3 is the fifteen categories defined in the *Greenhouse Gas Protocol* (GHGP), an international standard for greenhouse gas accounting. Each category describes a set of activities linked to a business which result in greenhouse gas emissions. For instance, category 1 covers the emissions released from producing purchased goods and services, and category 4 from transporting those goods to our site. The guidance is intended for every type of company, therefore we quickly identified that five categories are not applicable to Clays.

Even reaching an estimate of scope 3 emissions sources is challenging; our supply chain covers a wide range of sectors, materials and regions each with varying levels of data available and different methods for calculation. And in addition to the boundaries of the GHGP, the SBTi requires us to follow best practice guidance in certain sectors to promote alignment across the supply chain.

We have therefore adopted a *hybrid approach* towards calculating scope 3; using the best information available alongside proxy data to obtain a complete measurement.

Scope 3 Emissions – Calculation Approaches

There are three types of data used to calculate scope 3 emissions.

A small part of our measurement uses the **spend-based method**, applying the amount we spend on a product or service to a corresponding secondary *emissions factor* for the typical emissions associated with that value. This is the easiest to apply, yet the least accurate and actionable when considering reduction initiatives.

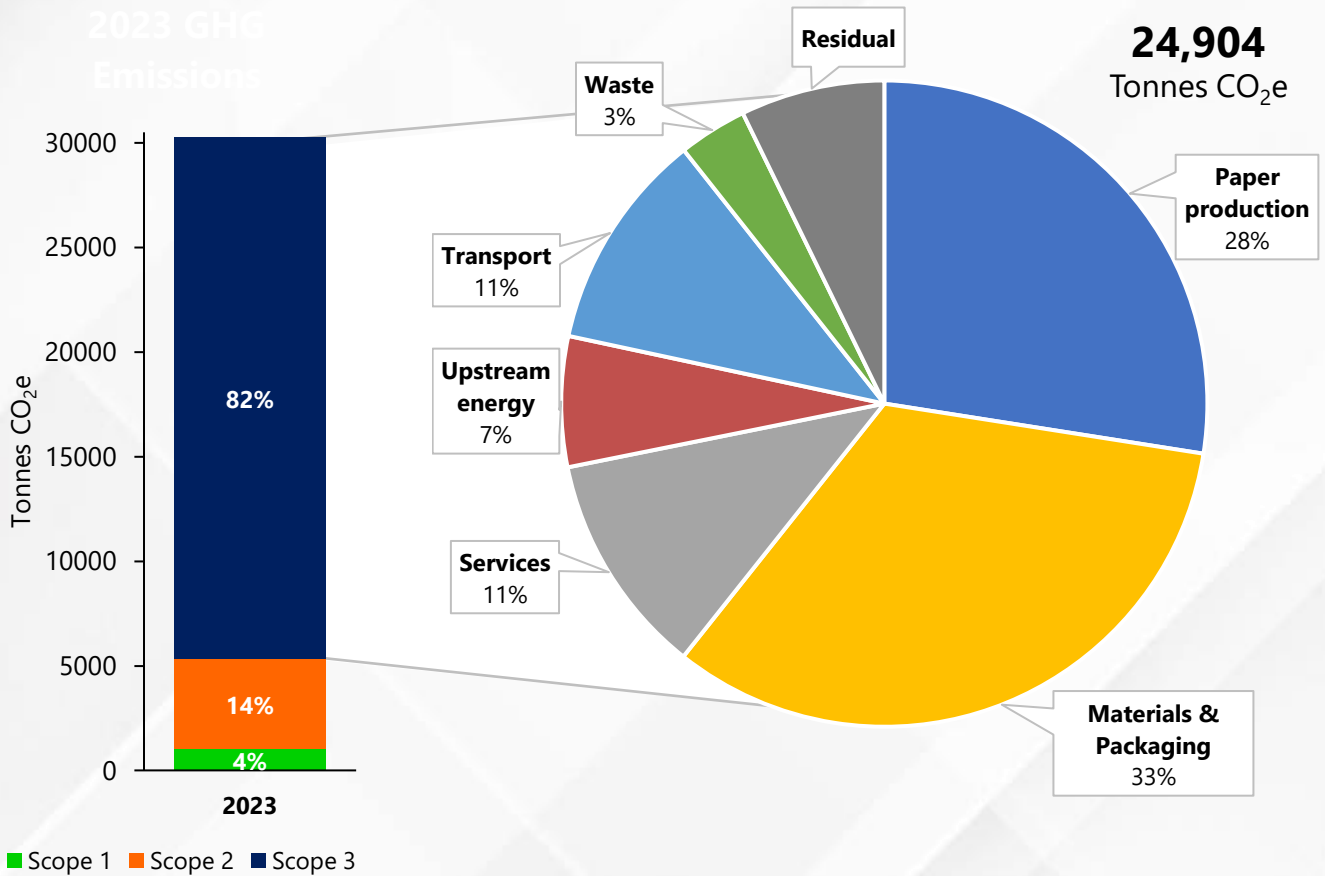
Therefore when possible, we use **average data** instead. In this method, we take a physical weight of a material or a relevant measure for an activity, and apply a secondary factor for the emissions released per unit averaged across regions and companies. This tracks our physical activity more precisely however does not enable us to look at the reduction levers available with and between suppliers.

The **supplier-specific** method uses data directly from our suppliers at a company, site or product level allocated to our purchases. This provides the most accurate representation of our scope 3 emissions, helping us to identify reduction initiatives with our supply chain and capture progress towards these objectives over time.

As we progress, we aim to develop the quality of our data both to gain a more accurate picture of our total emissions as well as to improve our ability to manage emissions through the supply chain. This will be prioritised on the highest impact areas identified by our initial screening, however in the near-term, we are planning to use the data already available to start grounded conversations with suppliers and customers on the next steps.

Scope 3 Emissions

Our scope 3 emissions accounted for **82%** of our emissions in 2023. In total, *upstream emissions* contribute over 90% to our scope 3 with our highest impact areas in producing the paper and materials we purchase, transport and sourcing fuels used to generate electricity.



Importantly, the upstream emissions from text paper purchased by publishers and delivered to our site does not form part of our scope 3 emissions or targets. Our scope 3 covers approximately 20% of the text paper running through the factory, whilst the energy and materials for processing and printing all paper is included in the respective scopes and categories.

Scope 3 Emissions

From our 2019 baseline year, our scope 3 emissions have decreased by **7%** in 2023 primarily due to decreases in the *emissions intensity* of the paper we purchase. We have also improved our calculation methods between these years, gradually moving from the spend-based method towards data directly from our suppliers, meaning the changes across years may not always reflect true differences in emissions.

On our [website](#), we have now shared a full breakdown of our greenhouse gas emissions across the three scopes from 2019 to 2023. We have separated the scopes and categories of emissions by individual materials and activities to give a clear picture of our key impact areas.

Alongside these figures, we have shared a complete outline of our calculation methods for each year detailing what every category includes and our data sources. Given the uncertainty in calculating scope 3 emissions, it is important to be transparent on the limitations of our current measurement when considering how the figures can be applied.

ISO14001 Update

In July 2023, we held a full recertification visit for our environmental management system following ISO14001:2015. We passed with zero non-conformances, two observations and one noteworthy effort. Our most recent audit in January found three observations and one minor non-conformance which we are working to amend before our next audit in July. Our new certificate can be found on our [website here](#), valid until August 2026.

The policies and practices as part of our ISO14001 have now been well established at Clays for over ten years, and over the past two years we have been supplementing this with our commitments to sustainability. To leverage ISO14001 in achieving these commitments, we have integrated climate change considerations into several key tools in our management system:

- Developed our environmental impact register with GHG emissions to identify and guide environmental objectives
- Reformed our [environmental policy](#) to reflect our SBTi objectives
- Promoted sustainability in the bi-annual management review agenda
- Added key stakeholders on climate change to our interested parties register
- Introduced a transparent method of managing and recording progress to environmental objectives

Going forward, these processes will help promote the sustainability agenda so that it becomes embedded throughout the company.

Industry Update

Clays has maintained an active involvement in cross publisher forums. In the past few months, we have been focussed in two areas:

Environmental and Sustainability Data Reporting



In 2023, BIC launched a new project to analyse the current sustainability data reported by the book industry from publisher to the bookseller. Part 1 is currently in progress, aiming to take an inventory of existing reports and analyse types of data towards informing part 2 on priority reporting areas for the book industry.

A full overview of BIC's Green Supply Chain agenda and projects can be found on their [website](#).



The Book Chain Project

We have recently submitted our annual environmental questionnaire to the [Book Chain Project](#), a centralised platform guiding publishers on responsible sourcing in the print and paper supply chain. Our environmental questionnaires detail a wide range of performance measures, including our greenhouse gas emissions, materials use and waste over the past year. The Book Chain Project checks all environmental questionnaires for accuracy before sharing with publishers on the platform.

Sustainable Materials

In this section we update on our progress towards adopting more sustainable materials.

Recycled content shrink wrap –

We have now completed successful trials for a new shrink wrap for our parcels containing 30% recycled content from post-consumer sources. The product is fully compliant with the UK's Plastic Packaging Tax enabling benefits in both sustainability and cost. We are currently in the process of transitioning stocks of the previous product to fully change over later this year.



Vegetable inks trial – Over the past year, we have been investigating a new vegetable-based ink product as an alternative to our current mineral oil ink used for conventional text printing. The cost of vegetable-based ink is likely to be significantly more than the standard mineral oil product and tracing the raw materials to their source to evaluate their impact on sustainability is challenging. We completed an initial trial in late 2023 and a reformulated product is now being developed for further trials later this year.

The Children's Book Project

We are delighted to announce that we will be working with the Children's Book Project, a charity dedicated to tackling the attainment gap from low book ownership by giving children living in the most challenging circumstances the chance to own their own books.

The Children's Book Project works with schools, women's groups, prisons and children's centres to give donated books to children, and create links with those communities that may benefit most from access to free books.



With relevant publishers' permission, we will donate books that publishers no longer require to charity. These books will then be gifted on to communities whose families may not have the means to own their own books, or, where they could have a particularly positive impact on children's emotional well-being, self-esteem or educational outcomes. This means that books that would have otherwise been pulped can now be given to those who would gain most from them.

[Read the full press release here](#)

Next time

In the next edition of our sustainability newsletter, you can expect updates on:

- Science based targets – scopes 1 and 2 implementation
- Supplier engagement
- Extended Producer Responsibilities (EPR)
- Industry projects
- Materials updates

Please see our sustainability page for the previous editions of the newsletter and a further glossary of key terms, now updated with the terms used in this edition.

[Sustainability - Clays](#)

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