

Sustainability Newsletter May 2025







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sales@clays.co.uk 01986 893211 Clays | Bungay | Facebook x.com/claysItd Clays | LinkedIn Clays Ltd (@claysItd)

<u>Sustainability – Clays</u>

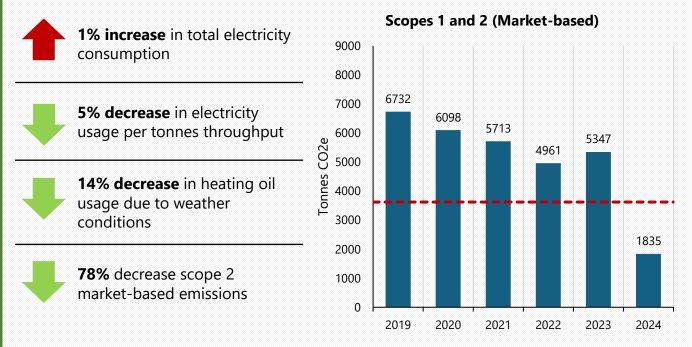
INTRODUCTION

Welcome to our sixth sustainability newsletter. In this issue we share our latest progress towards the SBTi with our 2024 annual emissions data, the first version of our sustainable materials guide, our energy efficiency objectives this year and updates on our compliance activities.

SBTI – PROGRESS UPDATE

2025 marks an important milestone with 5 years remaining to achieve our near-term targets for 2030. Since we first committed to the SBTi, we've made some important developments to our sustainability agenda reflected in our emissions results for 2024.

Our scopes 1 and 2 market-based emissions decreased by 66% from 2023.



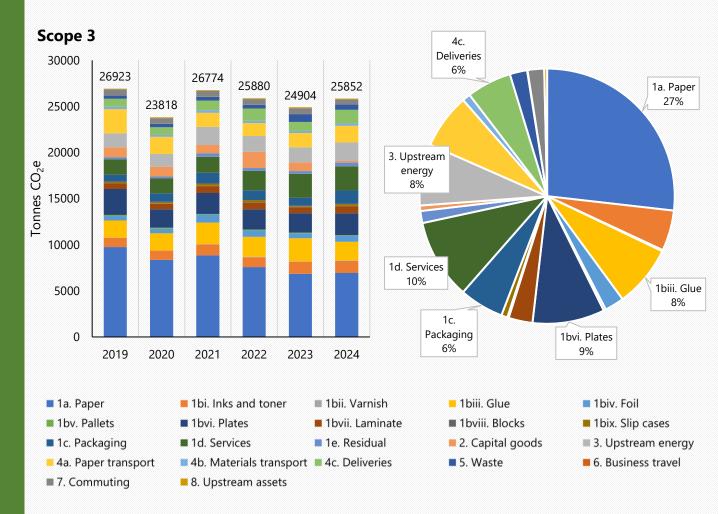
The overall **73% reduction** in our emissions from 2019 now exceeds our SBTi reduction pathway to a **46.2% reduction** in 2030. Remaining on track depends on accelerating our energy efficiency projects to 2030 as well as developing our energy procurement strategy to drive additionality to the UK electricity grid.



SBTI – PROGRESS UPDATE

Our *scope 3 emissions* for 2024 show a very different trend. As our engagement with our supply chain has evolved, so too has the method we're using to calculate our emissions. We're now using significantly more data directly from suppliers enabling us to calculate our emissions more accurately and better identify reduction opportunities.

Whilst this demonstrates how our supply chain is increasingly adapting to sustainability demands, year-on-year comparisons become distorted. Overall our total scope 3 emissions have **increased by 4%** from 2023.



Our updated carbon footprint report and methodology document is now available on our website page here <u>Sustainability – Clays</u>.

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SBTI – PROGRESS UPDATE

Paper production	+87 TCO ₂ e	Materials production	+117 TCO ₂ e
Emissions from our reels of text paper have decreased by 33% primarily due to our main suppliers reducing their emissions, as well as selecting lower emitting paper products.		The overall 2% increase is primarily due to higher usage volumes associated with our production levels during 2024 as well as numerous changes to our methods:	
This has been offset by a 15% increase in sheets, caused by moving to further supplier data and changes to pulp sourcing.		 Moved to supplier data for adhesives Improved categorisation for residual materials Changes to sector average calculation methods 	
Packaging production	+570 TCO ₂ e	Deliveries	+510 TCO ₂ e
The 65% increase in emissions from packaging production was primarily caused by higher overall purchase volumes from 2023 and changes in sector average emissions factors.		In 2024, we moved to data directly from our haulier causing a 53% increase in our emissions. This is an important step to monitor our existing projects more closely, and hold more grounded conversations on further reduction opportunities.	
Waste disposal	-286 TCO ₂ e	Other categories	-50 TCO ₂ e
Emissions from disposing of our waste have decreased by 34% in total, primarily due to changes in the sector average emissions factors for recycling and incineration as well as a decrease in our overall waste volume.		There have been numerous further changes in other categories, including our emissions from capital goods, purchased services and upstream energy.	

Overall, we've seen a mix of increases and decreases however the transition to more supplier data is an important step towards driving decarbonisation in our supply chain. This year, we aim to:

- Launch a supplier code of conduct
- Set more stringent objectives for our largest impact areas
- Develop our sustainable design and materials guidance in collaboration with industry forums
- Roll-out carbon intensity targets and monitoring metrics
- Improve the quality and traceability of our emissions data
- Investigate alternative waste disposal routes and improve segregation across site.

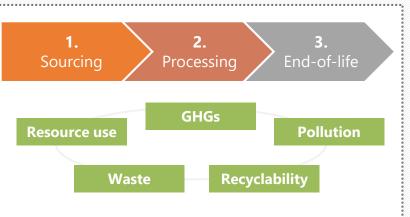




MATERIALS GUIDE

In late 2024, we launched a guide to our publishers as a first step towards providing more practical guidance on how to integrate sustainability considerations through design.

In this guide, we took our primary materials including finishes, processing materials such as inks and glues, and our packaging to then research their environmental impact according to **five criteria** in **three life-cycle** stages.



This framework is intended to capture the **key environmental impacts** of using each material, whilst also avoiding ranking or grading alternatives given the breadth of sustainability goals and the need to balance other factors in design and procurement processes. We are now intending to **develop** the guide to cover a wider range of materials, specific product types, practical recommendations and include more information as we continue to research sustainability internally and with our supply chain.

MATERIALS - DEVELOPMENTS

Pallet wrap

Following successful trials, we have now transitioned over to 30% recycled pallet wrap exempt from the UK's Plastic Packaging Tax.

Boxset wrap

We are trialling a 30% recycled plastic shrink wrap product used to wrap book sets. Depending on the outcomes, we will look to fully transition over later in 2025.

Paper tape

We are considering a paper option to replace our plastic tape for sealing transit cartons, improving recyclability and reducing our reliance on fossil-fuel derived resources.



ENERGY EFFICIENCY

In our <u>December 2024 newsletter</u>, we outlined four key strands to improving our energy efficiency and in early March, we submitted the first iteration of our action plan under the **Energy Savings and Opportunities Scheme** (ESOS) including two key projects:

Implement a phased replacement of all fluorescent fittings across the site with LED lighting over a 3-year period.	
Develop a programme to control out of hours energy use to ensure that all equipment is powered down when not required.	

We have estimated these to save approximately **920,000 KWh or 2%** of our consumption **over the next 3 years,** contributing to our scopes 2 and 3 reduction targets. We will be updating our action plan every year, detailing our savings and adding further projects as our agenda progresses.

CERTIFICATIONS

FSC® *Chain-of-custody:* In February, we successfully completed our five-year recertification audit renewing our certification until **March 2030.** Our new certificate is now available here <u>Sustainability – Clays</u>.

ISO14001: In January, we held our **bi-annual audit and passed** with no non-conformities, five observations and one opportunity for improvement which our internal teams are now acting on.

EUDR

In February, we issued an updated <u>EUDR statement</u> outlining our new plans following the delay formally adopted by the European Commission in December 2024.

In short, whilst we feel the delay is a much needed allowance, this in no way removes the urgency to integrate the supporting systems necessary for compliance as soon as possible.



INDUSTRY PROJECTS

Finally, we've been working on two industry working groups since the last edition.

Sustainability 101 Guides – In 2024, BIC launched a new project to create simple guides on sustainability terms, regulations, and reporting to support book industry members of all sizes on sustainability. The first two guides are now available through <u>BIC's website</u> and a series of further guides are in progress.

Sustainability Data Reporting Project Part 2 – Following part 1 which created an overview of the current level and types of reporting, part 2 will agree priority reporting areas and standardised metrics to target and monitor the environmental performance of the book industry. Find the project brief and progress updates <u>here</u>.

NEXT TIME

In the next edition, you can expect updates on:

- Supplier engagement
- Energy efficiency projects
- Sustainable materials guide
- EUDR implementation
- Industry working groups

Please find our sustainability glossary updated with the terms used in this edition on our <u>website page here</u>.