

Sustainability Newsletter

October 2022



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.

Contents

Introduction	4
A word from our CEO	5
Evolution of climate targets	6
The Science Based Targets initiative	7
ISO14001 Certification	9
Plastic Packaging Tax	10
Industry engagement	12
Next time	13
Glossary	14

Introduction

Welcome to the first edition of our sustainability newsletter, where we will be sharing progress on the development of our sustainability strategy. Over the course of the past year, Clays have been engaged in a number of actions to start us in this journey, and whilst the term 'sustainability' is most certainly a new one, recognising our environmental and social responsibilities as a business is undoubtedly not. Thereby as well as issuing updates on our progress, we will also be looking to highlight initiatives Clays have already successfully undertaken, sharing our challenges and learnings from over 150 years of experience in printing and supply chain management.

In the very first issue we will be covering some of Clays' key achievements to date; the completion of our environmental management system and the first steps we have been taking to measure our impact on the climate crisis.

Tom Scatchard
Sustainability Advisor

A word from our CEO

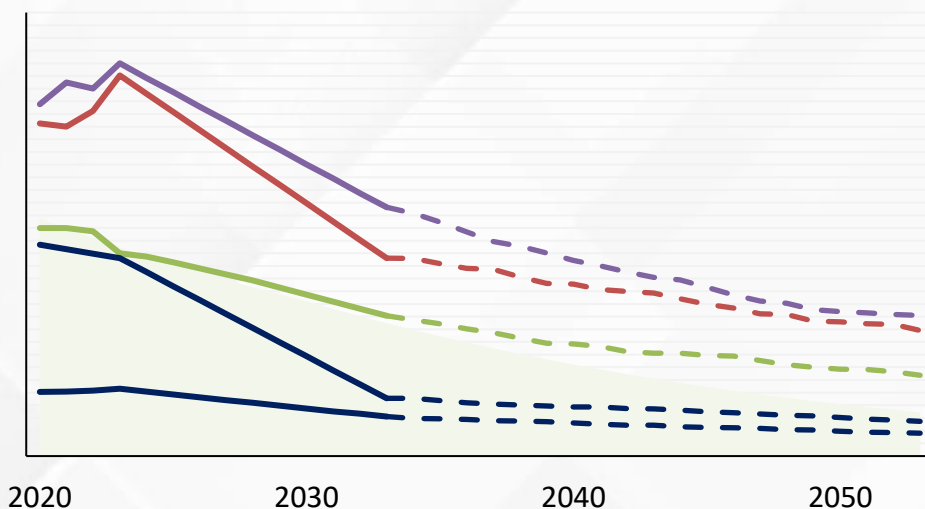
Elcograf and Clays have always considered possible green solutions in our factories, and we are very pleased that sustainability is now a key target and topic for businesses in general across the world.

Even though we have started to make good head way with some of the initiatives we are already working on, we acknowledge that we cannot do this alone. We want to give to our partners (customers, suppliers, and employees) an update on what we are doing and where we want to get to. We are sure that sustainability will increasingly play a larger part in our normal business life. However, we all need to work together, so it is important that you are kept informed, and we work towards the common goal to be a more sustainable business.

Edoardo Cuomo

Evolution of climate targets

The past decade has seen an explosion in the number of businesses setting targets to reduce their greenhouse gas emissions and manage their impacts on the environment. This growth can be seen as an important trend reflective of wider societal recognition of the role every actor has to play in mitigating the adverse impacts of climate change.



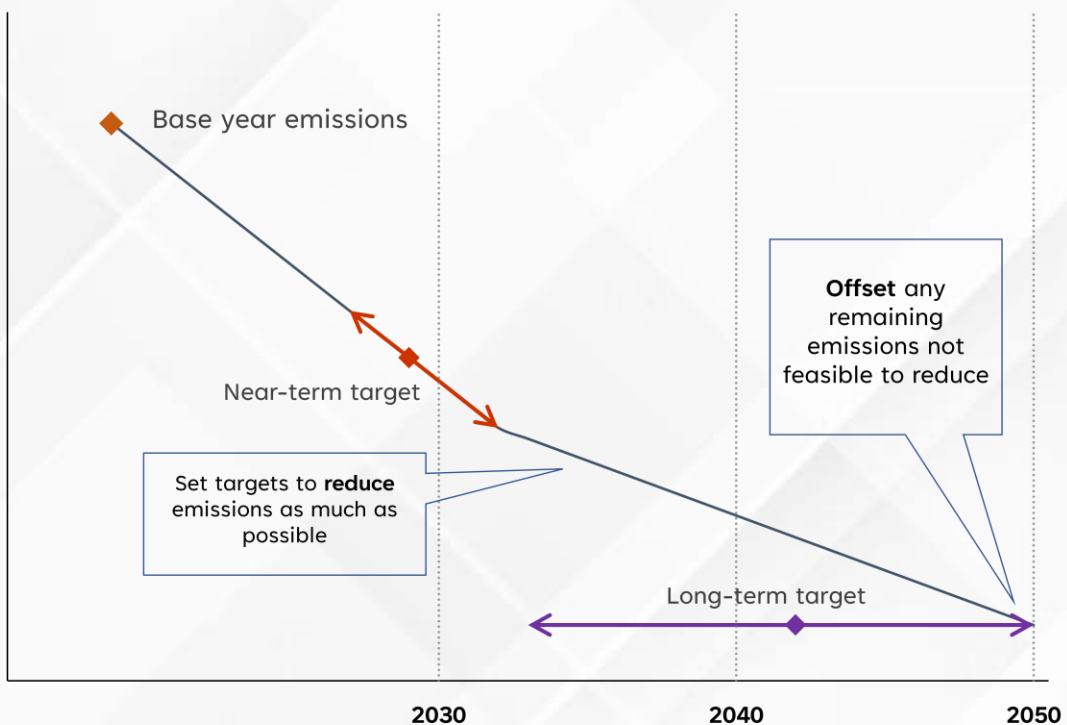
Climate targets are however approached inconsistently, with wide variations in the range of emissions sources included within the target, the level each business should aim for in reducing their emissions, and the robustness of implementation plans to achieve the target. With such a wide array of approaches, there is a need for a common standard to compare goals and assess the consistency of those targets with the levels required to meet global climate goals.

The Science Based Targets initiative

"A partnership between the Carbon Disclosure Project, the United Nations Global Compact, World Resources Institute and the Worldwide Fund for Nature to promote best practice in emissions target setting for businesses"

Source: About Us - Science Based Targets

In March 2022, Clays committed to the newly formed Net Zero Standard under the Science Based Targets initiative. This will see us developing targets consistent with the central aim of the Paris Agreement to limit global warming to well below 2 degrees above pre-industrial levels.



The Science Based Targets initiative

Setting credible targets first entails us developing a baseline measurement of our greenhouse gas emissions to track progress. As with most organisations, our largest impact is likely to be concentrated within the upstream supply chain, therefore our measurement needs to consider both the emissions associated with activities internally as well as to identify in the areas beyond our direct control where Clays can make a meaningful difference. Our organisational greenhouse gas emissions are split into three scopes to reflect this.

Scope 1	Emissions at sources directly controlled by Clays
Scope 2	Emissions associated with electricity purchases
Scope 3	Indirect emissions across the supply chain

The next stage is to develop both a near-term reduction target to be achieved within 5 to 10 years, as well as a long-term to reduce emissions by 90% relative to our baseline by no later than 2050. An important aspect to the initiative is to reduce emissions as much as possible before using carbon offsetting to balance the remaining emissions not feasible to reduce. For us this is the definition of net zero, and the standard all of us should be aligning our objectives to in addressing our responsibility in the climate emergency.

ISO14001 certification

Clays have held accreditation for our environmental management system following ISO14001:2015 since 2013, with biannual audits evaluating Clays on three key focus areas; ensuring compliance with regulatory changes, energy management and data measurement. Clays maintain an environmental policy with commitment from senior leadership, a structure of key responsibilities and update our key environmental aspects addressing risk areas and opportunities for improvement.

Our latest audit in March this year highlighted numerous positive indicators, primarily related to our continued improvements in operating efficiency through investments in new machinery and software to track performance in real time.



As we move forward, Clays recognise the necessity to benchmark our progress directly with environmental performance in addition to maintaining our management system. Our focus in our next ISO audits, as well as towards developing our targets, will be to understand the links between these operating parameters to our environmental impacts to situate ISO within our wider strategy.

Plastic Packaging Tax

In April 2022, the UK government introduced a tax levy on all plastic packaging containing less than thirty percent recycled content. This primarily applies to our shrink film used to wrap pallets, parcels and boxsets.



Source: Manupackaging

In anticipation and response to this, we have been reviewing the available products and scrutinising the validity of any claimed environmental benefit. The challenge we are finding in integrating recycled content to these items is twofold; firstly there are simply limited options currently on the market to pass our quality requirements. The purpose of the tax is of course designed to stimulate innovation in these areas, however this limitation to its effect highlights the need to create a widespread demand for these products to align with both commercial and environmental goals.

And secondarily that recycled plastic is often of a lower strength, and progressively weakens during the melting and reforming process for use in the next product. Mitigating this issue would require increasing the thickness of the material and potentially undermining any commercial or claimed environmental benefit.

Plastic Packaging Tax

Clays are also fully aware of the ambiguity surrounding the use of the label 'recycled content', given the materials currently counted as recycled includes waste generated from both certain types of pre-consumer and post-consumer sources. Pre-consumer waste refers waste generated during industrial processes, reprocessed and integrated for use in a new product. Whilst post-consumer waste refers to waste material after the product has been used for the intended purpose. The 'consumer' in this sense can be considered as a variety of actors, including at further points downstream in the supply chain as well as the product packaging received by the end-user. This waste can be recirculated in a closed-loop system, for use in the same product from which the waste was generated, or an open-loop system for a different product. And whilst either can be seen as less impactful than the use of virgin material, Clays are carefully considering the relevant environmental differences between each source when labelled as 'recycled'.

The use of plastic also needs to be placed against the priority to first reduce our consumption and waste generated internally. This requires detailing how plastics are used, understanding where their use is avoidable and developing a strategy to stimulate reductions of single-use plastics of any form in addition to switching to more environmentally friendly materials.

Industry engagement

In our sustainability strategy, Clays also realise the critical importance of engaging industry-wide to ensure the achievement of sustainability objectives. Clays maintain an active membership in multiple industry trade groups providing a platform for individual companies at different stages in the supply chain to discuss shared issues. In view of this, Clays are currently members to:



BIC Accreditation Badges

The accreditation badges project began in March this year, open to volunteers from all members. The aim of the project is to document and assess commonly used certifications within the book industry. This began with creating a map of the supply chain and marking the relevant accreditations at each point to evaluate. The group includes a wide range of actors situated at different points in the supply chain, with printers like ourselves, publishers and retailers holding joint discussions around the factors that ought to be considered in assessing a certification. Originally, the project intended to investigate badges targeting only environmental responsibility and has now expanded to review social impact. Social responsibility is undoubtedly less clearly measured or defined and therefore we view holding these collective discussions as especially important to reflect on the areas the industry should be addressing and considering the potential trade-offs with our other impacts.

Next time

In the next edition of our sustainability newsletter, you can expect updates on our progress towards developing science based targets and sharing the emissions data we have already collated. In this process, we have also learnt a considerable amount about the challenges the industry is facing to even measure our impact, and what is required to ensure that we can all focus our strategies in the right places.

- Progress in developing science-based targets
- Measuring scope 3 greenhouse gas emissions
- Membership to Sedex and our SMETA ethical audit
- Update on the Accreditation Badges project
- BIC Designed for Recycling project

Please see our sustainability page for further information

[Sustainability - Clays](#)

Glossary - 1

Greenhouse gas emissions	A single 'carbon dioxide equivalent' figure to quantify the global warming potential of seven greenhouse gases. This provides a single measurement to compare all greenhouse gases released in different processes, for example in the production of paper and the electricity used to manufacture a book.
Baseline year	A historic timeframe against which a company's emissions are compared with over time.
Carbon offsetting	Any activity considered to reduce overall greenhouse gas emissions by purchasing carbon credits.
Carbon neutral	Achieving a scale of emissions consistent with the level of abatement required to remain within global climate thresholds through neutralising the impact of emissions by permanently removing an equivalent volume of emissions.
Net zero	Achieving a scale of emissions reductions consistent with the level of abatement required to remain within global climate thresholds and neutralising the impact of residual emissions by permanently removing an equivalent volume of emissions.

Source: Glossary of sustainability - Sustainable Business Network

Glossary - 2

Organisational carbon footprint	A quantified total of an organisation's greenhouse emissions and sources across the entire business operations.
Scope 1 emissions	Emissions released from sources directly within the reporting company's control. For example, from the onsite combustion of fuels.
Scope 2 emissions	Emissions released from the production of purchased electricity consumed by the reporting company, with two methods:
Location-based method	Based on the physical flow of electricity. For example, the mix of generation sources in the UK electricity grid.
Market-based method	Based on the company's choice in the market such as renewable energy tariffs.
Scope 3 emissions	Emissions released from the upstream and downstream supply chain, as well as in business travel and commuting.

Source: Glossary of sustainability - Sustainable Business Network

Glossary - 3

Post-consumer waste	Waste material generated by the end-user of the product and reprocessed for use in a new product. Consumers can refer to individuals, households or commercial facilities.
Pre-consumer waste	Waste material recovered from waste generated in manufacturing and subsequently reprocessed for use in a new product.
Recyclable	A product that can be collected, reprocessed and manufactured into a new product.
Recycling	Processing materials that would have otherwise been thrown away for use in another product.

Source: Glossary of sustainability - Sustainable Business Network

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