

How do you place
a value on the
environment?

UK print industry – report
on environmental impact



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www.williamslea.com



Executive summary

A ground-breaking report from Williams Lea has used a robust research methodology to place a financial value on the environmental impact of the UK print industry.

The report reveals that the direct cost of environmental impacts equate to some £80million, whilst indirect or supply chain environmental costs are in excess of £500million.

The research paves the way for companies to extend their environmental agendas in respect of print – to improve their own operational practices, but also extend their focus to encompass the conduct of supply chain partners.

It is our belief that a better understanding of the environmental impact of our industry will lay a critical foundation for benchmarking and managing its reduction.

Background

Williams Lea is a business process outsourcing company specialising in Corporate Information Solutions. As one of the biggest buyers of print in the UK, we are committed to reducing our own environmental impact and the impact of the solutions we offer our clients.

As part of this commitment, we have commissioned a bespoke research programme in conjunction with Trucost – an accomplished environment research business, to assess the size, scale and cost of the UK print industry's environmental impacts.

It is our belief that a better understanding of the environmental impact of our industry will lay a critical foundation for benchmarking and managing its reduction. Moreover, this insight will drive better solutions accountability for our business, which in turn enables better environmental governance for our clients

Partner and methodology

Williams Lea chose Trucost to undertake the project, based on its credentials as an established environmental research business that has studied more than 4,000 major blue-chip companies worldwide over the past six years.

Trucost helps companies to understand the environmental impacts of their activities in financial terms. This is useful on two fronts: it provides a clear, universal metric for benchmarking and performance measurement; it also quantifies the inherent risk of current practices in a way that motivates decision-making and action

Key performance indicators were used to assess environmental impacts from direct operations as recommended by governmental reporting guidelines.

- Levels of greenhouse gas emissions (including carbon dioxide, methane and nitrous oxide)
- Quantities of waste (disposed to landfill, incinerated or reused and recycled)
- Release of volatile organic compounds (non-methane VOC)

The report not only addresses the practices of printers themselves, but one stage further, identifying the indirect damage costs from environmental impacts of the goods and services purchased by printers. In looking at the print industry

Headline findings

- Estimated direct costs of print industry key environmental impacts are nearly £80million. This represents 0.5% of an annual industry turnover of £15.1billion
- Indirect costs of environmental impacts are estimated at £503million. £227million being attributed to first tier suppliers and £275million from other suppliers
- The Carbon intensity of the print industry is comparable to that of other industries including the Health Care and Information Technology sectors, but is by no means the worst performer in this respect

supply chain; this research unearths a new depth of insight and understanding as to the current performance of the print industry from an environmental perspective.

Direct impacts summary

Greenhouse gas emissions are the most significant environmental impact under printers' direct responsibility. Printers emit in excess of 680,000 tonnes of greenhouse gases annually, mainly due to use of fossil fuels for heating. However, the print industry's carbon intensity – the amount emitted per £ million revenue – is lower than that of several sectors including materials and energy*. (*See Table 3)

Waste is identified as the next biggest impact, followed by emissions of volatile organic compounds. However, the relatively high level of waste production is based on available data, which do not reflect increasing recycling levels due to lack of disclosure by most printers.

Based on the scale of significant environmental impacts and the industry's turnover, Trucost has estimated the damage costs of the print industry as £80M. These indicate the external costs of environmental degradation – a cost that is currently being borne by society as opposed to by print companies themselves. Application of the 'polluter pays principle' by Government in the form of new legislation and green taxes will likely internalise these costs in the long run to the print sector.

Indirect impacts summary

The report also identifies indirect damage costs from environmental impacts of the goods and services purchased by printers, including electricity. Focusing on first tier suppliers, pulp and paper, electricity, water and chemicals suppliers, water abstraction and greenhouse gas emissions are estimated to account for the most significant supply chain damage costs. However, much of the water used is returned to source, reducing the actual impact of abstraction. Total damage costs from indirect sources amounts to some £503 million.

Carbon intensity compared to other sectors

Carbon intensity is based on the direct and first tier GHC emissions (expressed as their carbon equivalent) per £1million in revenue.

The print industry's carbon intensity is similar to the Health Care and Information Technology sectors. However the carbon intensity of the Water sector is over 30 times that of the print sector. The intensity of the Energy, Materials and Industrial sectors is between 3 and 10 times that of the print sector.

N.B. Lack of data on the total damage costs of other sectors makes it difficult to assess the overall ranking of the print industry in terms of its total environmental impacts

Insights

- Organisations looking to achieve strong environmental governance need to look beyond their own operations and activities, they must also demand high environmental standards and performance levels from their supply partners
- Greenhouse gas emissions are the most significant environmental impact of the print industry although the carbon intensity of the industry compares favourably with other sectors
- Continued application of the polluter pays principle by Government will drive greater internalisation of the print industry's environmental damage costs. For major players, this will prove no surprise, however in an industry characterised by a high number of smaller players, regulatory risks and the cost of compliance may pose a business critical threat, longer term.
- Monitoring and reporting environmental key performance indicators in line with government guidelines is a necessary step in improving transparency of existing impacts, but only provides part of the picture. A true understanding of the impact of the industry will come through quantitative measurement and benchmarking activities such as this

Williams Lea's response

Williams Lea has already made significant in-roads in setting best-practice standards for environmental governance in the print industry.

Looking at our own operations and behaviours, we have achieved:

- Average recycling levels of 95% across our sites
- Benchmarked our carbon footprint at 5600 tonnes/CO₂-e and implemented a carbon reduction programme
- ISO 14001

Working with our supply partners we have already implemented:

- A comprehensive classification system for all the paper we supply to our clients, so that they can make environmentally accountable choices with the confidence of the product's origins
- A successful waste minimisation programme with Envirowise and our print suppliers that identified over a £1.1 million of potential savings through improved resource efficiency

Looking ahead

The key findings of this research represent a strong call to action for our industry as a whole. An internal focus on processes and practices to minimise or actively reduce the carbon footprint simply isn't enough. Organisations must take a more holistic approach, extending their focus throughout the supply chain if they are to make true progress in pursuing the environmental agenda as part of their CSR programme.

As an outsourced Corporate Information Solutions provider, our responsibilities are compounded. In addition to our own environmental citizenship, we are committed to providing greener solutions to our clients.

Environmental accountability already plays a major part in the way we design and build solutions for clients. We have active carbon footprint reduction programmes in place for many of our clients, many more are now actively requesting assistance with issues of environmental governance.

Our process of consultation and environmental roadmapping can help clients to achieve ambitious reductions in their environmental impacts in the short, medium and long term. The carbon metrics evidenced in this report have an important role to play in the measurement and benchmarking of the success of these roadmaps.

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