


The logo for CPI, consisting of the letters 'CPI' in a bold, sans-serif font. The 'C' is the largest, followed by 'P' and 'I'.

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# LEAF

| Volume 4

A close-up photograph of a branch with several green leaves, similar to the one above, positioned in the bottom right corner of the page.

**Lisa Faratro**  
Director of Environment and Sustainability  
CPI Group UK Limited

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# WELCOME

Welcome to our fourth edition of Leaf – the CPI UK newsletter showing the steps we are taking in our journey to becoming an ever more sustainable print provider.

What a busy time we have had since publishing our last newsletter, below shows some of the highlights:

#### 26th October 2022

Ecovadis scorecard published – we are pleased to confirm for our first submission we achieved a silver medal status, we are busy working on our next submission and expanding this across all of our territories.

#### 15th December 2022

CDP assessment calculated with CPI group receiving our first rating of C which is 'awareness' – knowledge of impacts and of climate issues.

#### 17th April 2023

We announced that we have chosen ClimateCalc as a tool for measuring our Scope 3, there is more detail on what this has entailed on page 14

#### 18th – 20th April 2023 – London Book Fair

We are very proud to have been the headline sponsor of the Sustainability Hub at the London Book Fair in April. It was the first year for the Sustainability Hub and we are pleased that each of the talks were very well attended and covered a diverse range of topics.

#### 11th May 2023

Our first on site Sedex audit since Covid was completed at our site in Suffolk covering both labour standards and health & safety.

#### 19th July 2023

CPI hosted our first sustainability webinar, there were over 100 attendees on the day with more signing up to receiving a copy of the recorded webinar. We covered 4 main areas:

FSC® certification, EUDR – EU deforestation regulation, EPR – Extended producer responsibility and ClimateCalc. As these subjects are now so topical we are covering them in more detail from page 14.

In this past year we have certainly started to see more legislative changes coming through requiring ever more transparency in our supply chains, we welcome this change and are working hard with our suppliers on the upcoming requirements, such as EUDR, as well as the ethical nature of being part of a global supply chain. Our procurement team headed up by Scott MacGilp is working with our suppliers and on boarding them onto our new platform Sourcedogg, which has been rolled out over the past year, this covered in more detail on page 20.

This shows just some of the areas we have been working on in the past year, we hope you enjoy this issue.

**Lisa Faratro**

Director of Environment &  
Sustainability



# COMPLIANCE

Since Volume 3 of Leaf, we are pleased to see the return of on-site audits and customer visits.

Our HR, Health & Safety, Compliance and Procurement teams have been extremely busy integrating on site auditing back into the factories.

### Audits since Autumn 22:

**November 22**  
**FSC® Surveillance Audit**  
CPI Antony Rowe and CPI William Clowes  
0 non-conformances

**March 23**  
**ISO 9001 Quality Audit**  
1 non-conformance

**ISO 14001 Environmental Audit**  
1 non-conformance

**May 23**  
**Sedex 2 pillar audit:**  
Labour and health & safety  
5 non-conformances of which 4 are now closed and 1 we continue to work on.

**September 23**  
**FSC® Surveillance Audit**  
CPI Books  
0 non-conformances



A PASSION  
**FOR PRINTING**  
SINCE 1833

## CARBON EMISSIONS



For our FY23 reporting (financial year ending 31st March 23), we have made some changes to the boundaries of our carbon measurements, we are now including a Scope 3 emission within our statutory reporting (SECR). Our previous calculations did not consider the losses incurred during the transmission and distribution processes of electricity, these are now included.

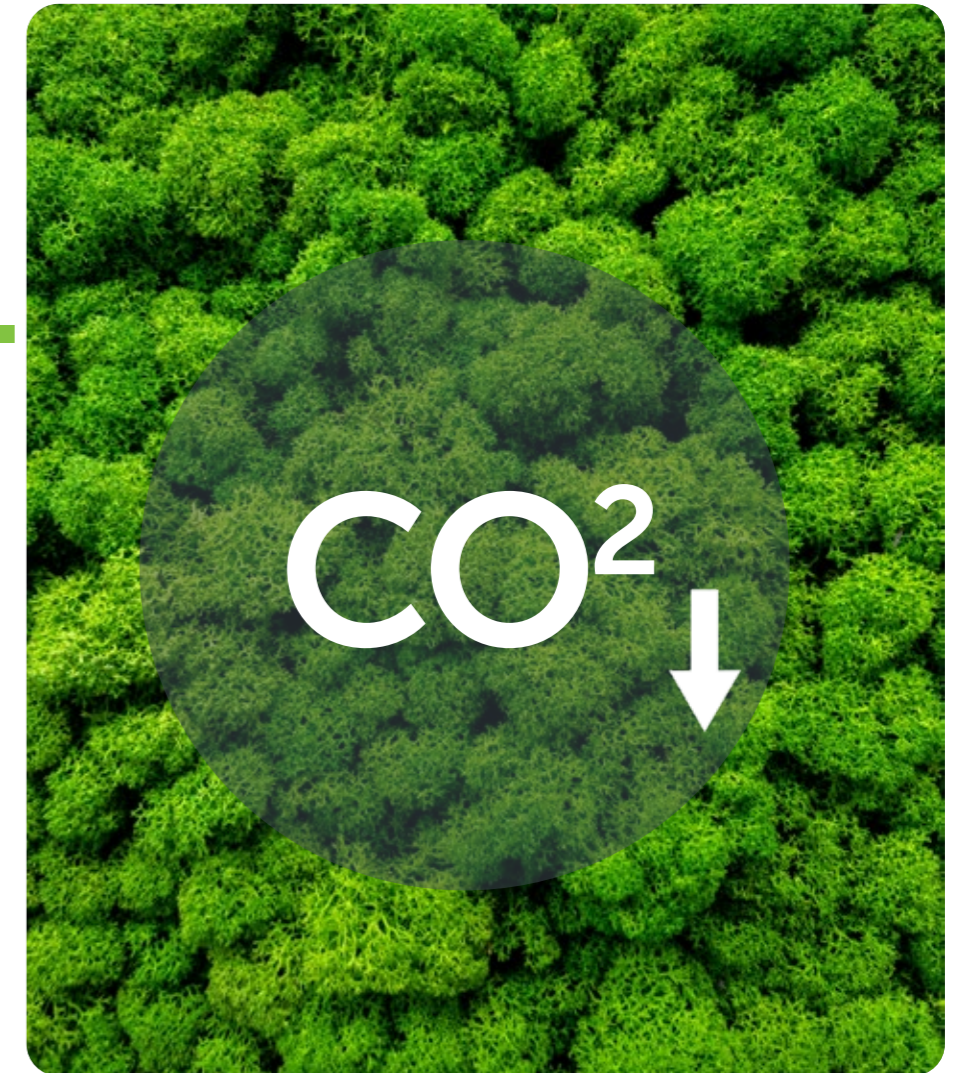
As in previous newsletters, we report our carbon emissions for Scopes 1 and 2 (and part of 3) using a few different indicators, this allows us to focus on our continuous reduction goal. Firstly, our absolute emissions. In FY23 we reduced our emissions (regardless of throughput) by 13%.

One of our chosen metrics is carbon emissions per tonne of paper through our presses. Our tonnage reduced slightly in FY23 which can make continuing to achieve reductions a challenge, however we certainly rose to the challenge and achieved an 11% reduction in emissions.

### Location based emissions (using UK government emission factors for 2022)

EMISSIONS SOURCE	2021/22	2022/23	(%) ANNUAL CHANGE
SCOPE 1 (NATURAL GAS, F GAS, PROPANE FOR FORK LIFTS AND COMPANY CAR FUEL)	769	748	-3%
SCOPE 2 (PURCHASED ELECTRICITY)	4,623	3,952	-15%
SCOPE 3 (LOSSES INCURRED DURING THE TRANSMISSION AND DISTRIBUTION OF ELECTRICITY)	409	362	-12%
<b>TOTAL EMISSIONS (TCO2E)</b>	5,801	5,062	<b>-13%</b>
PRODUCTION (TONNES)	61,518	59,993	-2%
<b>INTENSITY: (TCO2E PER TPP)</b>	0.094	0.084	<b>-11%</b>

## CARBON EMISSIONS



When we incorporate the purchasing of renewable electricity at all of CPI's UK sites we still managed to achieve a 6% reduction in our emissions and a corresponding 3% reduction in our emissions per tonne of paper through our presses.

### Market based emissions (incorporating our purchasing of 100% renewable electricity)

EMISSIONS SOURCE	2021/22	2022/23	(%) ANNUAL CHANGE
SCOPE 1 (NATURAL GAS, F GAS, PROPANE FOR FORK LIFTS AND COMPANY CAR FUEL)	769	748	-3%
SCOPE 2 (PURCHASED ELECTRICITY)	0	0	0%
SCOPE 3 (LOSSES INCURRED DURING THE TRANSMISSION AND DISTRIBUTION OF ELECTRICITY)	409	362	-12%
<b>TOTAL EMISSIONS (TCO2E)</b>	1,1781	1,110	<b>-6%</b>
PRODUCTION (TONNES)	61,518	59,993	-2%
<b>INTENSITY: (TCO2E PER TPP)</b>	0.0192	0.0185	<b>-3%</b>



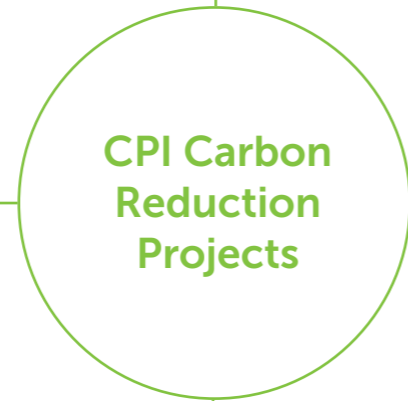
## CARBON REDUCTION

In the coming financial year we have a number of projects to further reduce our impact within the boundaries of Scope 1 and 2 emissions:

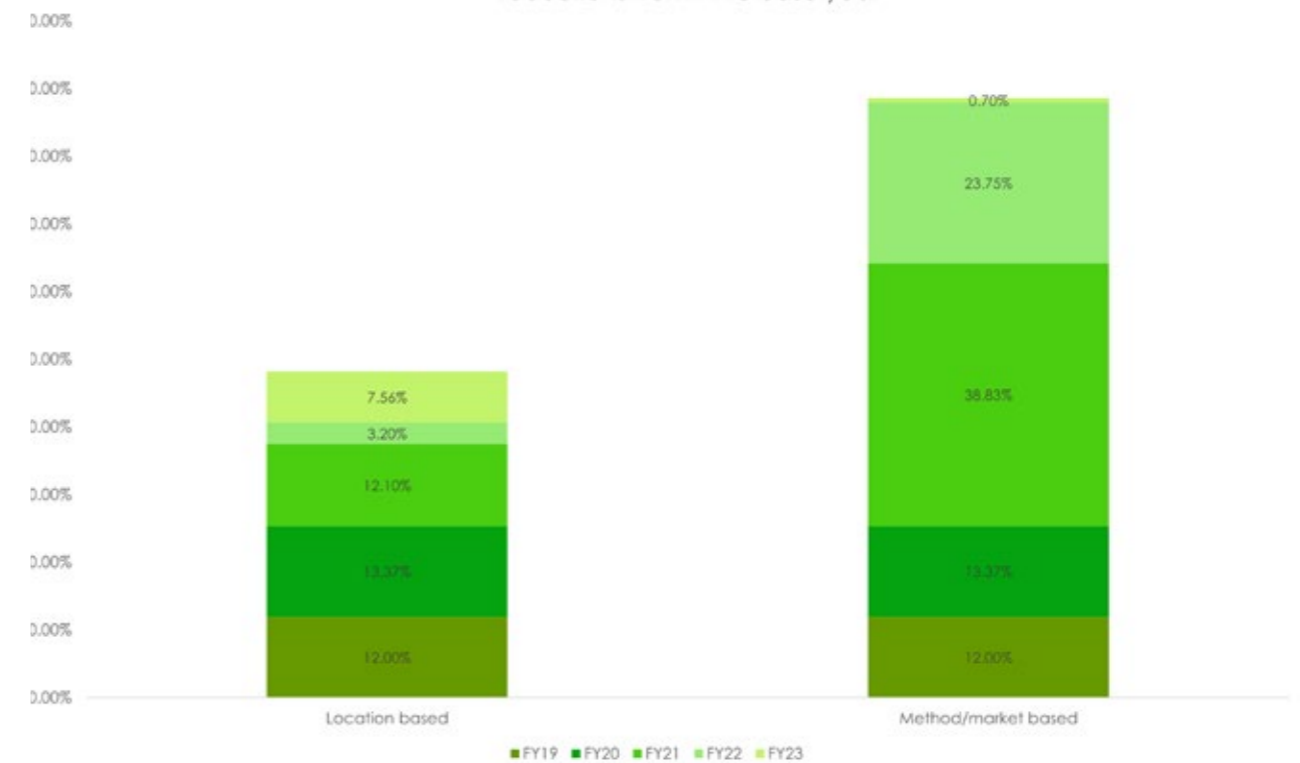
- 1) Purchasing green bio gas from April 23
- 2) Replacement program for forklift trucks from propane to electric
- 3) Continued focus on plant energy management

We look forward to updating you on the impact of these at our half year in edition 5 of Leaf.

In reviewing our overall emissions we have reduced them from FY18 to FY23 by 48.2% (location based) and when we incorporate CPI's switch in FY20 to purchasing 100% electricity the reduction is 88.64%



CPI Carbon Emission reductions from FY18 base year

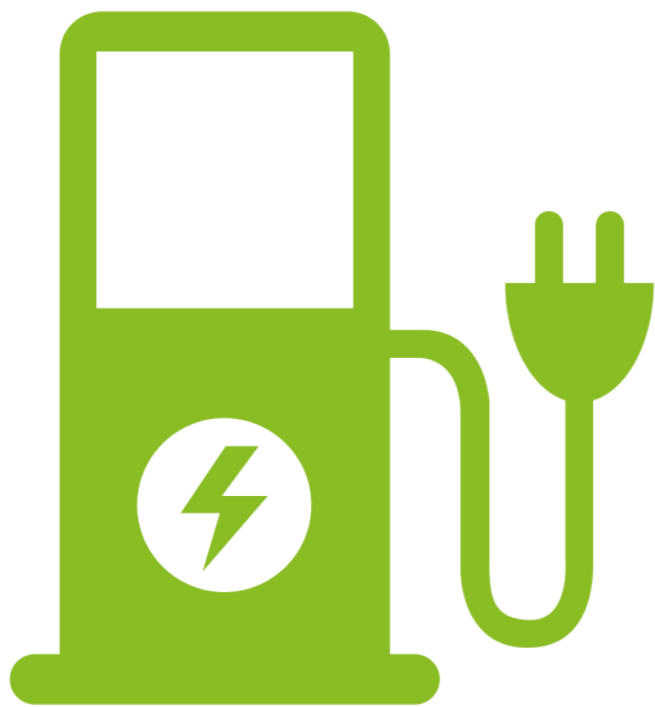




## CPI GOES ELECTRIC

Our suppliers are integral to the commitment we have made to decarbonize our products. One of our key transport partners, The Swain Group, has invested in an electric vehicle for delivering books into London publishers from our CPI Books Chatham and Croydon sites. We worked with our publishers on the route to ensure as much coverage as possible and we charge the vehicle at our plants using our sourced 100% renewable electricity. The electric vehicle travels on average 875 miles per month and means we have reduced our carbon emissions in Scope 3 by a minimum of 4.2 tonnes annually.

As transportation is a large part of the carbon footprint of our supply chain we expect to see lots of changes within the industry in the coming years and are working closely with a number of stakeholders on some exciting projects.





# Next steps on our journey



# ClimateCalc

## CLIMATE CALC

ClimateCalc is a tool specifically designed to calculate carbon emissions within the graphic industry.

ClimateCalc is a calculation tool based on the European graphic standard for carbon calculation defined by the European trade association Intergraf ([www.intergraf.eu](http://www.intergraf.eu)). ClimateCalc also complies with ISO 14064-1, ISO 16759 and the international Green House Gas Protocol (GHG Protocol).

We have set the boundaries of our life cycle assessment and the teams across our European sites have completed the immense task of gathering the data required:

**Scope 1 data** as per our SECR reporting (Gas consumption on site, F gas emissions, Fuel purchased in company owned vehicles including propane for forklift trucks).

**Scope 2 data** as per our SECR reporting (Electricity consumption on site)

**Scope 3 data:**  
Paper and board consumption – using mill data  
Paper delivery – transport type and distance to site from mill

**Other materials:** plates, ink, foil, laminate, glues, ribbons, head & tail bands, shrinkwrap, pallet wrap and cartons.

Chemicals used for printing, binding and plate making: fount solution, cleaning chemicals, dye making chemicals and alcohol.

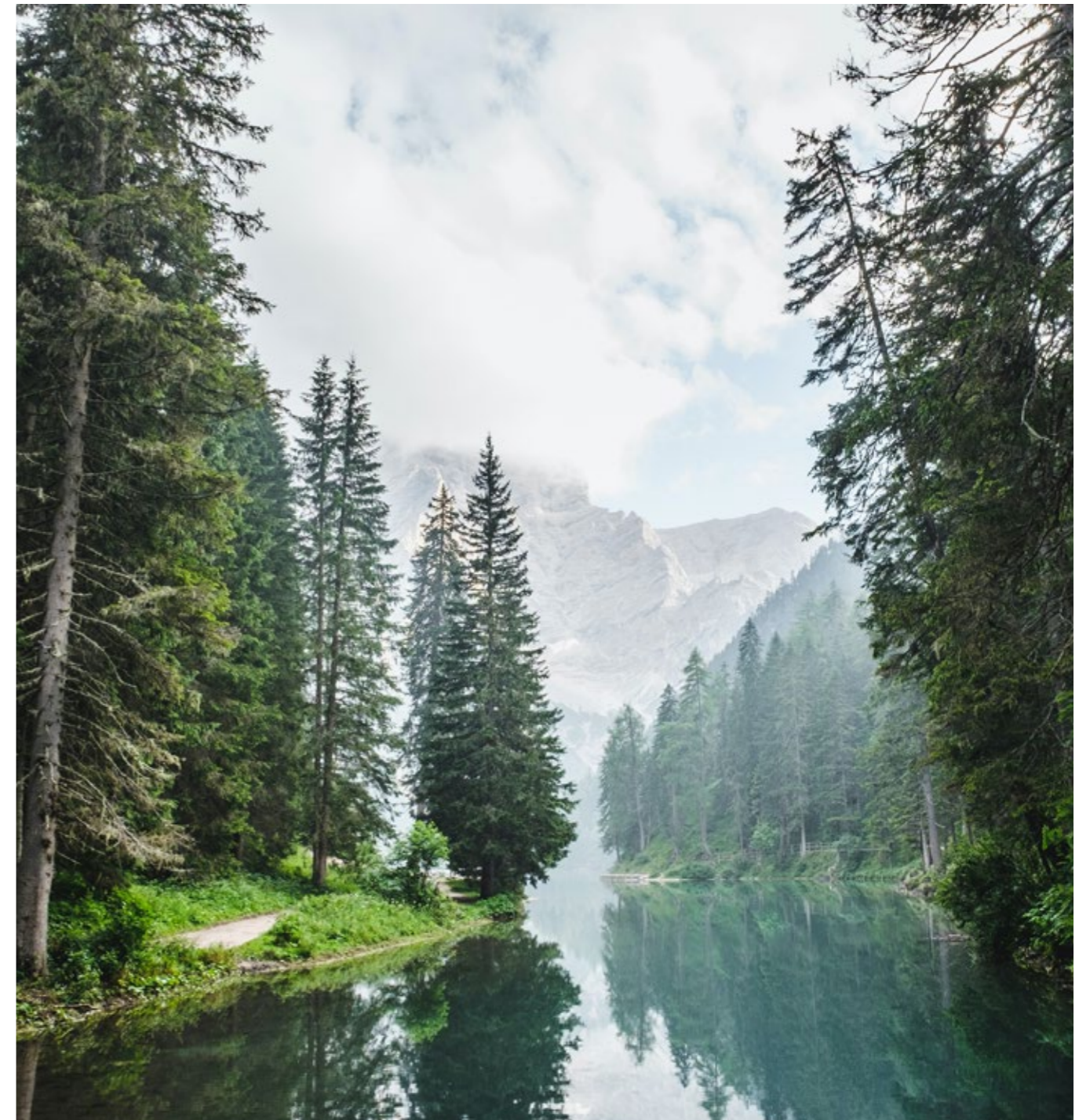
Transmission and distribution losses for electricity

Staff commuting

Delivery to first destination

We have supplied all data for 2021/22 and 2022/23 for all sites and our consultant is working on the input of the data into ClimateCalc and then on the verification. On completion of this process we will then have a carbon emission for each company and each country. Alongside this we are working on volume data to enable us to use our ClimateCalc emission factors in relation to the specification of each book.

CPI will be using this data as part of our commitment to provide our publishers with reporting at product / order level. Measuring the carbon emission impact of our products is the first step to target setting and reduction plans.



## CPI GROUP

**16**  
Sites across Europe

**2500+**  
Employees

**UK**  
Turnover £140m

**UK**  
60m Tonnes of paper

**Group**  
150m+ Tonnes of paper



# EUROPEAN UNION DEFORESTATION REGULATION

*\* Please note CPI is not an expert on this regulation and Publishers / suppliers should seek their own independent advice to ensure compliance.*

The EU Deforestation-Free regulation entered into force on 29th June 2023 meaning that medium and large companies are obligated to have a due diligence system in place and statements prepared by 30th December 2024. For SMEs the regulation will enter into obligation 24 months later, which means 30th June 2025.

## Commodities covered:

Cocoa, coffee, palm oil, rubber, soy, wood, cattle, charcoal and printed paper products, and their derivatives or embedded products.

## What is different about this law:

This law moves the burden of proof so that companies need to have essential data to prove that no deforestation has occurred after the 31st December 2020 (cut-off date) before deliveries are made for sale of products into the EU market. This legislation sets mandatory due diligence requirements

## Penalties:

Penalties for non-compliance could include fines up to 4% of company turnover within the EU as well as destruction of goods and potentially temporary exclusion from access to public funding or purchasing.

## Actions:

### Materiality assessment

- o Firstly we are checking with all of our suppliers on whether their products contain any of the

commodities covered, as this regulation includes embedded products and derivatives so for due diligence purposes we need to ensure we capture all of our supply chain.

### Commodity analysis:

From the materiality assessment for the relevant products we will be compiling information:

- Origin of commodity
- Geo-location of farm / forest
- Species information
- Deforestation free statement

### Country analysis

- o If countries are deemed low risk by the EU then no further risk analysis required

### Medium/high risk countries

- o Detailed questionnaire to be completed by suppliers with evidence proving products are deforestation free.

- o Assessment
- o Potential on-site audit
- o Risk management/mitigation process to be put in place

We are going to be expanding our SharePoint system, which has been set up for UK and EU Timber regulations, to monitor activity and ensure periodic reviews.

For our publishers this means if you are placing products into the EU for sale or crossing EU borders you will need to complete your own due diligence on your supply chain. There is a central information system that the EU is developing that is likely to receive and record Operators (companies selling product into the EU) due diligence statements which will need to accompany customs documentation.



## EXTENDED PRODUCER RESPONSIBILITY

\* Please note CPI is not an expert on this regulation and Publishers / suppliers should seek their own independent advice to ensure compliance.

Extended Producer Responsibility (EPR) has been designed to incentivise companies to use 'easy to recycle' materials and reduce packaging as the full cost of collection and recycling of the packaging they place in the UK market will be borne fully by them – including council household collections. This transfers the responsibility from the taxpayer to the brand owners and producers.

EPR will fund the collection, treatment and sorting costs of packaging waste through direct payments from producers, alongside this the producers and importers will still fund the actual recycling of the waste placed onto the market through Packaging Recovery Notes (PRNs).

Extended Producer Responsibility (EPR) is already in place from a reporting point of view although the costs associated with EPR have been changed from 2024 to 2025 therefore currently we are obligated to report for both waste packaging regulations and EPR for a period.

Under EPR CPI is a producer (as the packaging we use is not branded) and we will be reporting on the materials below:

- Plastic (*Shrinkwrap / pallet wrap*)
- Paper/Board (*Cartons, paper wrap*)
- Aluminium
- Glass
- Steel
- Wood (*pallets*)
- Fibre-based composites



From the publisher's perspective, if you are making products in branded packaging (ie printed cartons with publisher logos) then you are a brand owner, if you are importing packaged products then you would also be an importer.

The thresholds set for EPR for additional costs and data requirements:

- >50 tonnes of packaging into the UK market
- &
- >£2 million turnover annually

Data reporting obligation only:

- >25 tonnes of packaging into the UK market
- &
- >£1 million turnover annually

### Costs of EPR:

EPR also changes the way the costs are spread through the supply

chain. Under the current producer responsibility system costs are shared:

- 6% to manufacturers of packaging materials
- 9% to businesses that convert the raw materials into packaging
- 37% to businesses who pack fill the packaging (primary, secondary, and transit) – CPI currently
- to businesses who sell the filled packaging to end users (primary, secondary and tertiary packaging)

EPR replaces the above with a single point of compliance and moves 100% of the responsibility for the packaging to one business. Where packaging is unbranded reporting

## EXTENDED PRODUCER RESPONSIBILITY

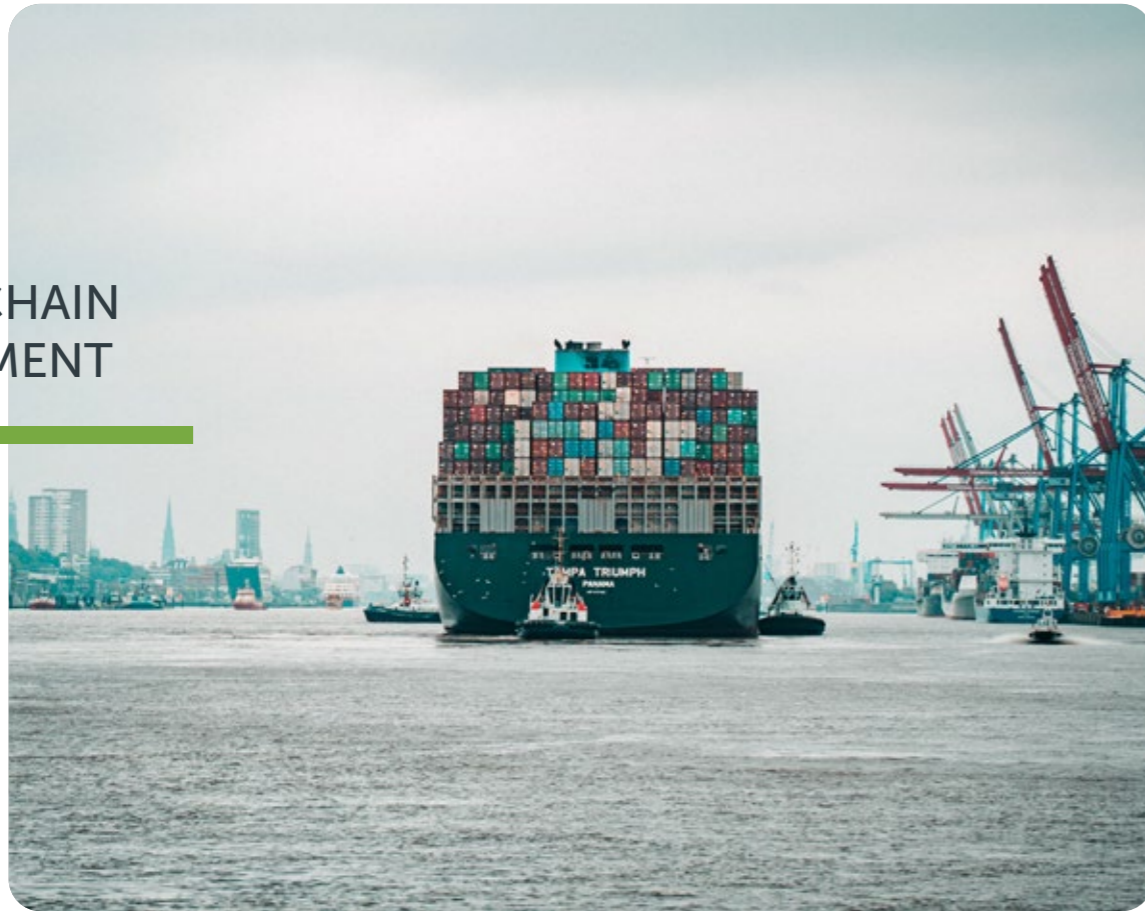
falls to the pack filler (CPI), for imports the reporting falls to the brand owner (publisher).

As a pack filler we also need to report on the destination of our products as packaging (primary) that is deemed to go into household waste we will also be liable for 100% of the household costs funding kerbside collections, treatment and sorting of packaging waste

We are working on the data from our systems with our packaging compliance supplier to ensure we are ready for EPR and the additional reporting requirements.



## SUPPLY-CHAIN MANAGEMENT



What is clear so far from upcoming regulations is the transparency that is required in the supply chain. We have recently launched a new supply chain management system – SourceDogg. This system allows us to evaluate, monitor and store information regarding our suppliers in one central place. We would like to thank all of the suppliers that have been on boarded and the time they have taken to complete the information required, it is certainly appreciated.

Our aim is to have 80% of our direct supplier spend onto SourceDogg by the end of 2023.

As part of the enrolment of our suppliers onto SourceDogg we ensure they are signed up to our Code of conduct (unless a contract is in place). Our code of conduct agreement and contracts incorporate:

- Labour standards
- Environmental risk
- Anti-corruption & bribery
- Quality management
- Business continuity
- Anti-tax Evasion
- Chain of custody (where applicable)

Our purchasing teams are also completing on-site audits with suppliers particularly focusing on Labour and Environmental risk as we try to remain ahead or in-line with additional legislative requirements with the Corporate Sustainability Reporting Directive (CSRD) coming into force in 2025 for the EU (with 2024 data) and the likelihood of the UK government introducing a similar directive or an expansion to the current Streamlined Energy Carbon Reporting (SECR) requirement.

Along similar lines there is a new requirement within the

FSC regulations expanding on core labour requirements. As FSC certified companies we are audited on our labour standards, with the auditors interviewing staff on site as part of the auditing process. There has been a recent expansion under FSC to include our outsourcers (those that don't have FSC certification). We are working with our outsourcers and will be on-site auditing for labour standards and environmental risk in the coming months as this directive needs to be completed as part of our process by December 2024.

We will continue to update you on legislation changes and how they affect us and our products in future editions of Leaf.

## MATERIAL TRIALS/NEW MATERIALS

### Alternative pulp material

o We have recently printed lithographically onto an alternative pulp material – Crown Native. It is a material made from sugar beet waste, it has a distinctive fleck in the material that is fairly random on the sheet. The small trial was successful for lithographic printing, we have some samples available of books bound should anyone require an alternative material.

### Polywrap box sets

o Following some recent trials we are pleased to confirm we have switched our box set and shrinkwrap sets to 30% recycled content plastic without reducing the clarity or increasing the weight of material.

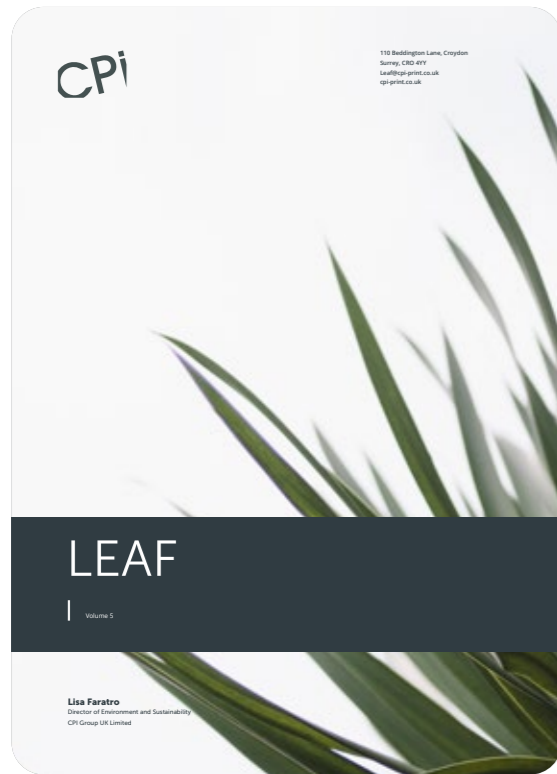
### Laminate

o Non fossil fuel based laminates – CPI ran trials in early 2023, curling is still an issue as well as price, also we have further due diligence to complete regarding the pulp source and carbon related emissions due to the transportation of pulp from South America to the UK for processing. CPI continues to explore trialing alternative laminates and In the meantime is



working on increasing recycled content within laminates. We currently use 30% post industrial waste recycled content for our wet laminates and are working with suppliers on increasing recycled content as we believe, whilst alternatives are being developed, these products will be quicker to market.

o Our suppliers have also been steadily reducing the thickness of the laminate we use and we are now purchasing thermal products that have reduced in volume by 13-18% from 2021 levels.



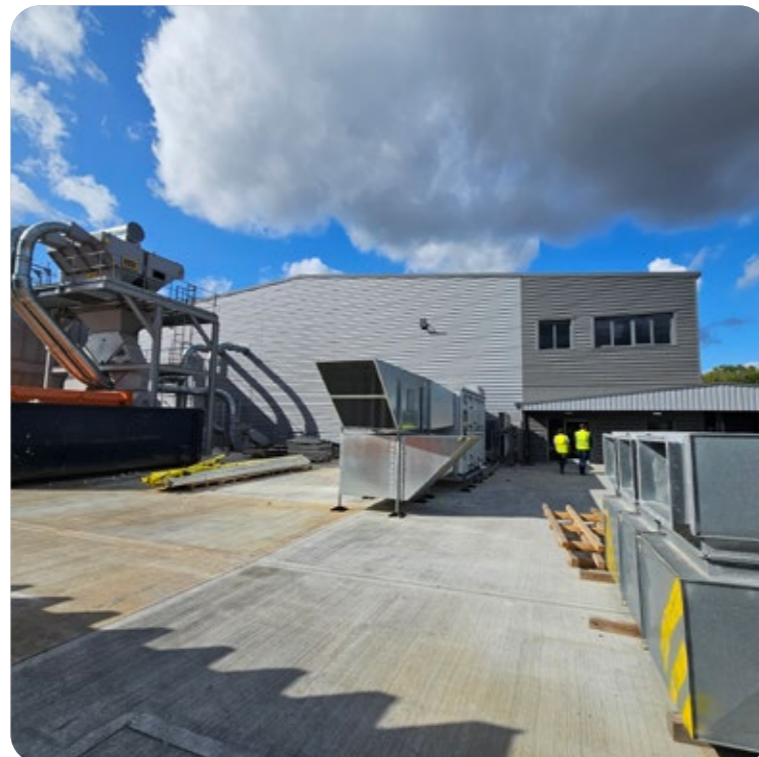
## LEAF VOLUME 5

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Thank you for taking the time to read our newsletter, I hope the information contained within gives you a useful snapshot into the approach we are taking at CPI to reduce our impact on the world around us. In our next issue we will be focusing on specific changes at some of our CPI sites, to include the new build at Chatham and an Introduction to CPI Bognor.



POD at CPI Antony Rowe Bognor



New build at CPI Book Chatham

# CPI

**Lisa Faratro**

Director of Environment and Sustainability

CPI Group UK Limited