



St Ives Group
ENVIRONMENTAL PERFORMANCE REPORT
2009

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- 1 Introduction.** The management of environmental issues continues to be important to the overall management strategy of St Ives plc. In December 2008, St Ives produced its sixth full Environmental Performance report which detailed the environmental issues for the group and reported on progress made in the previous year with respect to those issues. The report also included environmental targets for all St Ives plc for the twelve months from 1st August 2008 to 31st July 2009. Performance against all of these targets is summarised in section 9.1 of this report.
- 2 Environmental Policy Statement.** The group's Environmental Policy Statement was revised and reissued in July 2009. The policy statement includes the following environmental objectives:

 - To ensure that its products and their manufacture by member companies will not be harmful to people or the environment;
 - To strive continually to improve the efficiency of its operations so as to minimise the use of materials, the generation of waste and to prevent pollution of the environment;
 - To comply with all relevant environmental regulations and legislation;
 - To include a review of environmental performance as a criterion for the selection of suppliers and contractors;
 - To operate its facilities in a responsible and cooperative fashion in the communities in which it resides.
- 3 Progress.** During the last year St Ives has made the following progress with respect to improving the company's environmental performance in accordance with the commitments made in its Environmental policy statement:

 - Having signed up to the Carbon Trust Carbon management Programme in 2007, each of the St Ives sites have progressed with the implementation of the carbon reduction initiatives identified by the programme including:
 - Improved process energy control
 - The replacement of conventional fluorescent light fittings with high efficiency, low energy fittings
 - Improved compressed air management
 - Replacement of fixed speed electric motors with variable speed drives
 - The company reduced its overall carbon emissions by 4,794 Tonnes of CO₂. This represents a 7.4% reduction on the 2007/8 figure compared with a 0.5% (292 Tonnes) reduction in 2007/8 compared with 2006/7.
 - St Ives Direct Leeds successfully achieved Programme for the Endorsement of Forest Certification (PEFC) in 2009 bringing the total of PEFC certified sites to eight. All fourteen St Ives companies that use paper or board as the primary printing substrate have Forest Stewardship Council (FSC) certification.
 - FSC/PEFC certification enables companies to:
 - Identify and control their wood sources, including FSC/PEFC certified, reclaimed/recycled material and non-FSC/PEFC certified wood.
 - Communicate business-to-business about the content of their wood and wood fibre products.
 - Use the FSC/PEFC logos to promote their products in the marketplace.
 - Three sites were successfully certified to ISO14001:2004 in 2008/2009. All of the St Ives sites now have environmental management systems that are certified to ISO14001:2004.

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4 Key Environmental Issues. With reference to the requirements of environmental legislation and the desire to minimise the impact of the group's operations on the environment, the following have been identified as significant environmental issues for the group:

- The control of emissions to atmosphere at all printing sites with particular emphasis on heat set web off-set processes.
- The minimisation of, and eventual cessation of, the use of isopropyl alcohol in fount solutions.
- Where appropriate and in accordance with the requirements of the Pollution, Prevention and Control Regulations 2000 (PPC), the control of emissions to air, land and water from all qualifying UK printing sites.
- Improvement in the energy efficiency of all aspects of the group's businesses, with particular emphasis on the printing process at UK Climate Change Levy Agreement (CCLA) sites, with the ultimate objective of minimising the organisations carbon emissions.
- Compliance with all relevant legislation with respect to the storage, transportation and disposal of hazardous waste with specific reference, in the UK, to the Hazardous Waste and WEEE (waste electrical and electronic equipment) Regulations.
- Minimisation of the quantity waste generated by all sites and the maximisation of the recycling or recovery of such waste.

Sections 6 to 9 of this report provide detail on both current and future actions and initiatives which have been established to manage the above issues.

5 Organisation. This report covers all of the St Ives plc operations carried out in each of five operating Divisions. Each site General Manager, or equivalent, is responsible to his or her divisional board of directors and each divisional Managing Director is answerable to the St Ives plc parent board. Environmental advice and support to all of the sites is provided by the group Health, Safety and Environmental Adviser who reports to the St Ives Group CEO who, in turn, reports to the parent board.

St Ives plc's head office is in London. The following table lists St Ives' subsidiaries and sites as at 31st July 2009.

Media Products		Commercial Products		
Clays	St Ives Web	St Ives Direct	SP Group	Service Graphics
Clays Ltd	St Ives Peterborough Ltd	St Ives Blackburn Ltd	SP Group Ltd Birmingham	Service Graphics Ltd t/a B&S Graphics
	St Ives Plymouth Ltd	St Ives Direct Bradford Ltd	SP Group Ltd Redditch Incorporating St Ives Logistics	PR Exhibition Services Ltd
	St Ives Roche Ltd	St Ives Direct Edenbridge Ltd incorporating Sevenoaks Print Finishers Ltd	St Ives Burnley Ltd	Service Graphics Ltd t/a Scanachrome
		St Ives Direct Leeds Ltd		Service Graphics Ltd t./a Service Exhibitions
		St Ives Westerham Press Ltd		Service Graphics Ltd Nottingham
				Service Graphics Ltd Salisbury
				Service Graphics Ltd Wandsworth

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6 Environmental Management Systems

The Group Health, Safety and Environmental Adviser has overall responsibility for overseeing the development and maintenance of group, divisional and site environmental procedures at all sites. Divisional Directors and Site General Managers are responsible, with assistance from divisional Health, Safety and Environmental Managers and the Group Health, Safety and Environmental Adviser, for ensuring that their sites comply with the requirements of local (state) and national legislation.

Environmental procedures have been established at all sites for:

- The evaluation of suppliers and contractors
- The management of hazardous waste
- The purchase of all items of capital equipment
- Equipment installation and construction projects
- Recycling of waste paper
- Recycling aluminium plates.
- Paper procurement

Other group procedures are developed and defined as and when appropriate.

As stated in section 3 above, on the 31st July, all of the nineteen UK sites were certified to ISO14000:2004.

7 Key environmental impacts. An environmental impact of an organisation is any change to the environment, whether adverse or beneficial, wholly or partially resulting from the organisation's activities, products or services. The significant environmental impacts for St Ives are as follows.

7.1 Emissions to air.

- **Volatile Organic Compounds (VOCs).** Solvent based inks are used at all of the sites. All of the web presses, both heat set cold set use only petroleum based inks. The sheet fed presses are capable of running with vegetable oil based inks. Solvents are used for cleaning plates, blankets and rollers. Abatement systems have been installed for all heat-set web off-set presses. All new heat-set web off-presses incorporate integrated afterburners which recycle heat from the afterburner to the oven. Automatic blanket washing using liquids with low volatility is fitted to the majority of presses (sheet fed and web) and is specified for all new presses. All of the heat set web off-set sites run with isopropyl alcohol (IPA) free fount solutions as do the cold set web presses at Clays. The use of alcohol-free fount solutions is specified on all new heat-set web presses. Of the eight St Ives sites with sheet-fed lithographic capacity two sites run all of their presses with alcohol free fount solutions. Out of a total of 28 presses,
 - 15 (53.5%) run alcohol free,
 - 8 (28.5%) run with 5% or less IPA
 - 5 (18%) presses*, run with between 5 and 10% IPA in the fount solution.* 3 of these presses print with UV inks.

In accordance with HSE guidance and in order to reduce to a minimum the fire risks associated with the use of highly flammable solvents such as IPA,. St Ives' long term policy is to remove IPA from all lithographic printing processes.

Solvent management of pressroom chemicals has been instigated at all sites including the use of non-VOC solvents wherever practicable, lidded solvent cans and lidded bins for rags. Two of the UK heat-set web off-set sites are covered by A2 Permits issued under the Pollution, Prevention and Control (PPC) Regulations 2000. Three sites operate under part B permits and are confined to operating conditions defined in their authorisation/permit. The VOC usage at the remaining sites is below the threshold for permitting under the PPC regulations.

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- **Carbon dioxide.** The use of energy either directly (e.g. burning fuel in ovens or in an internal combustion engine on a vehicle) or indirectly (e.g. use of electricity) produces carbon dioxide. St Ives plc is committed to reducing its carbon emissions as far as is practicable by implementing low carbon projects throughout the group. See also 7.4 use of energy below. The company has developed the capability to calculate the carbon footprint of the various aspects of its business such as energy use, printing, and the transportation of raw materials and finished goods etc. As well as enabling the company to measure its carbon emissions, this information can be used to assist customers in the assessment of the carbon footprint of the titles printed for them by St Ives.
- **Dust.** Dust collected by waste extraction plants is removed by filtration of the exhaust air.

7.2 Emissions to water. Wash water from the plate making process and from various other washing activities is disposed of to drain and is routinely monitored to ensure that the concentration of any contaminants present is within the statutory limits. All UK sites which discharge waste process water have been issued with a trade effluent license and are confined to the conditions defined in their consent to discharge. Wherever practicable, recycling of water is designed into all new processes. All sites on which hazardous liquids are handled or stored have established procedures for the containment of leaks and spillages in order to prevent contamination of ground water and water courses. All waste liquids classified as hazardous waste are collected for treatment and disposal by a licensed waste management company.

7.3 Waste disposal to landfill sites. The printing and finishing process can generate a significant amount of waste material. The site quality and environmental management systems include waste minimisation programmes designed to reduce the amount of waste generated at source. All sites operate recycling procedures for all principal waste streams including plastic, wood, paper, cardboard waste and aluminium printing plates. Hazardous chemical waste is collected for specialist recovery and disposal which includes, where practicable, the recycling of non-water miscible organic liquids and the recovery of silver from photographic waste streams.

7.4 Use of Energy – use of natural resources. All sites have been established energy management policies and programmes as part of their site Environmental Management Systems. Targets have been set for the monitoring of energy usage at all UK sites. It is St Ives' policy that high energy efficiency is included as a factor when selecting equipment for purchase. As stated earlier in this report, St Ives have implemented the Carbon Trust Carbon Management programme, the principal objective of which is to reduce the overall energy usage, and specifically, the fossil fuel based energy usage, of all aspects of the company's operations.

7.5 Noise and Vibration. The design of any new factory or alteration or extension to an existing factory includes consideration of the potential noise emission in consultation with the appropriate regulatory authority. Noise emissions from new equipment are evaluated prior to purchase and appropriate measures taken to either minimise excessive noise emission at source or to contain it. Goods vehicle movements at the majority of UK sites are normally restricted between 1900 hrs and 0700 hrs. The use of rapid action roller shutter doors is intended to ensure that doorways are normally kept closed in areas when there is a potential for nuisance noise. The use of such doors also reduces heat loss from buildings.

7.6 Use of water. As stated in 7.2 above, wherever practicable the recycling of water is designed into all new processes.

7.7 Use of raw materials. The use of raw materials by the printing process has an impact on the environment in that it uses up natural resources. The most significant such impact arises from the use of paper. All sites have adopted measures to monitor and minimise the use of raw materials consistent with changing customer specifications. Wherever practicable, paper used is manufactured from pulp which is derived either from managed, sustainable, forests or from post consumer waste (recycled paper).

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8 Environmental Performance Indicators. All sites record the usage of electricity, gas, water, paper and consumables and the quantities of waste generated. The Key Performance Indicators in sections 8.1 to 4 below are all based on relative performance i.e. energy used, water used and waste generated per metre squared of paper used in the printing process.

8.1 Energy Efficiency. The fourth milestone year for measuring the performance of the UK Climate Change Levy Agreement (CCLA) sites against their energy efficiency targets ended on 31st December 2008. Ten of the twelve St Ives CCLA sites met their targets without having to use carbon credits. The remaining two sites achieved their targets by the transfer of Carbon Credits from another St Ives site. All ten of the sites that met their 2008 CCL targets are currently showing improvements which, if sustained, will result in them also meeting their targets for the next milestone year in 2010. All of the St Ives production sites, irrespective of CCLA status were set the target of improving the group efficiency by 2% compared with 2007/2008. In practice the aggregate energy used per metre squared of paper in 2008/2009 increased by 6%. See also section 9.1 below.

8.2 Waste. All sites have been set targets for the reduction of the amount of general waste sent to landfill and have been asked to report the amount of waste generated relative to units of production in order to measure performance year on year and also to provide a comparison between sites with similar work mixes. The St Ives production sites were set a target of improving the amount of waste per unit of production sent to landfill 2% compared with 2007/2008. In practice, the aggregate waste generated per metre squared of paper used was reduced by 45%. See also section 9.1 below.

8.3 Water. All sites have been set targets for the reduction of the amount of water used per unit of production. The St Ives production sites were set a target of a 2% reduction in the amount of water consumed per unit of production. In practice, the aggregate water consumption per metre squared of paper used increased by 19%. See also section 9.1 below.

8.4 Packaging usage. Under the requirements of the Producer Responsibility (Packaging Waste) Regulations 1997, all St Ives' UK sites record the use of packaging material and the Group is a member of a compliance scheme which ensures compliance with the recycling targets set by the Regulations.

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9 Targets for improvement. Section 9.1 shows the performance against the targets which were set for the UK sites for the 2008/2009 financial year. The targets in section 9.2 are for the 2009/2010 financial year. The targets apply to all St Ives sites unless specifically stated otherwise.

9.1 Progress against 2008/2009 Targets

	Target	Performance
1	EMS. Service Exhibitions and PR Exhibitions to establish a certified Environmental Management System to ISO14001:2004	Target met
2	Energy Efficiency. Improve the aggregate energy efficiency for all sites by at least 2% compared with August to July 2007/8.	Target not met. Aggregate energy efficiency worsened by 6%
3	Waste. Reduce the aggregate quantity of waste per unit of production sent to landfill by all production sites by at least 2% compared with August to July 2007/8.	Target met, reduced aggregate waste generated per metre squared of paper used by 45%
4	Water. Reduce the aggregate water consumption per unit of production at all printing sites by at least 2% compared with August to July 2007/8.	Target not met. Water consumption per metre squared of paper used increased by 10.0%
5	IPA Reduce the quantity of isopropyl alcohol in the fount solution on the UV sheet fed presses at Clays Ltd and SP Group Redditch, Birmingham and Burnley to 5% or less	Target met at SP Group Birmingham (two out of three presses) and Burnley. Target not met at SP Group Redditch, Birmingham (one press out of three) and Clays.
6	CCL All Climate Change Levy (CCL) Agreement sites to meet their 2008 Milestone year energy efficiency targets	Target met

The above table shows that the targets for performance against the KPIs for energy and water were not met. These figures need to be viewed in context. The total paper consumption across all sites in the 2008/2009 financial year was 13% lower than in the previous twelve months and this fact has contributed to the poor performance with respect to energy and water use relative to paper usage. However, the absolute consumption of both energy and water decreased year on year. The total gas consumption by all sites fell, year on year, by 10.4% (2007/2008 – 3.3% fall compared with 2006/2007), total electricity consumption fell by 8.0% (2007/2008 – 0.4% fall compared with 2006/2007) and the total water consumption fell by 4.6% (2007/2008 – 1.9% increase compared with 2006/2007). Total waste sent to landfill was reduced by 53.1% (2007/2008 –13.3% reduction compared with 2006/2007).

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9.2 2009/2010 Targets. The following environmental targets have been determined for the 2009/2010 financial year for all St Ives plc sites.

	Target	Completion date
1	Carbon Reduction Commitment (CRC). Determine and quantify the company's exposure to CRC and register with the EA as appropriate.	30 th April 2010
2	Carbon Emissions. Reduce the Carbon Dioxide Emissions due to energy use at all St Ives sites by 5% compared with August to July 2008/2009.	31 st July 2010
2	Energy Efficiency. Improve the aggregate energy efficiency for all sites by at least 5% compared with August to July 2008/2009.	31 st July 2010
3	Waste. Reduce the aggregate quantity of waste per unit of production sent to landfill by all production sites by at least 10% compared with August to July 2008/2009.	31 st July 2010
4	Water. Reduce the aggregate water consumption per unit of production at all printing sites by at least 5% compared with August to July 2008/2009.	31 st July 2010
5	IPA Reduce the quantity of isopropyl alcohol in the fount solution on the all non UV sheet fed presses to zero.	31 st July 2010
	IPA Reduce the quantity of isopropyl alcohol in the fount solution on the all UV sheet fed presses to 5% or less.	31 st July 2010
6	CCL All Climate Change Levy (CCL) Agreement sites to meet their 2010 Milestone year energy efficiency targets	31 st December 2010