

PPA Responsibility Deal Annual Update of Progress 2019

ABOUT THE PPA

The PPA is the industry network for the UK's professional publishers. We represent and support over 200 companies, ranging from consumer magazine publishers to business-to-business data and information providers, customer magazine publishers and smaller independents. Whether on the page, through a screen, or face-to-face, our members create professional, influential content that resonates with target audiences and drives real action.

1. THE PPA'S RESPONSIBILITY DEAL (2014 TO 2018)

This report outlines progress on the Responsibility Deal from 2018 to 2019. The voluntary Responsibility Deal came into effect in May 2014 and commits the industry to undertake a raft of initiatives designed to mitigate the environmental impacts of individual publishers and the industry as a whole. It commits publishers to a five-year action plan based on the key priorities of waste prevention, sustainable production and recycling. Specifically, publishers are focusing on activities to: reduce carbon emissions; reduce unsold magazines; limit the amount of plastic wrapping and covermounted gifts that go to landfill; improve the recyclability of magazines; and encourage ethical and sustainable procurement practices. Overall, the Responsibility Deal contains 19 action points and eight key performance indicators (KPIs).

As part of this agreement, the PPA provides a report to Defra which outlines its progress on the commitments contained within the Deal and PPA's wider sustainability initiatives. The PPA and its membership remain committed to meeting their obligations established via the current Responsibility Deal with Defra. As the sustainability agenda is constantly evolving, in addition to the PPA's focus on the commitments within the Responsibility Deal, it was recognised that a shift of emphasis was required.

Subsequently, a need for more knowledge of the strategic risks and opportunities that some of the current and emerging sustainability challenges present for the publishers and their supply chains was identified. To address this need, the PPA commissioned research in Autumn 2018 to gain insights into the wider implications of the fast-evolving sustainability agenda for publishers and their supply chains, including plastic magazine wrapping and alternative materials. This information has helped stakeholders make informed decisions and continues support members as they manage risks and take advantage of opportunities.

This summary outlines the progress on the commitments within the Responsibility Deal and the wide-range of current and planned future initiatives.

2. PROPOSAL TO CREATE A NEW AGREEMENT

The current Responsibility Deal ends in 2019, and the PPA would like to propose to Defra a new deal to extend the existing relationship for a further five years. Since the original agreement came into place with Defra in 2005 the industry has clearly demonstrated a proactive approach to ensure that it identifies and mitigates its environmental impacts. This leadership approach has been recognised by Defra. The industry has demonstrated over this period that as the sustainability agenda evolves, new and emerging challenges have been addressed.

The PPA recommends that it modifies the existing approach, to make the deal more flexible and capable of adapting to the changing environment and sustainability implications of the publishing industry. Such a deal will enable the PPA to invest its limited resources in further initiatives aimed at mitigating the environmental impact of publishers' activities. PPA would welcome the opportunity to meet with Defra to discuss our proposal for a new deal.

3. SUMMARY OF KEY ACTIVITY SINCE THE LAST REPORT

Over the last 12 months the PPA has focused its sustainability activities on the following key areas:

- Continuing to progress the KPIs and actions contained within the Responsibility Deal;
- Undertaking research into the strategic risks and opportunities that climate change presents to the publishing supply chain;
- Hosting a series of presentations on methods of wrapping magazines, and how these influence the sustainability of magazine publishing;
- Visits to UPM Shotton and Palm Paper, to see the paper recycling process first-hand and raise awareness of the implications of plastic contamination in the process;
- Providing carbon footprinting support to eleven publishers and other supply chain stakeholders, including creating and administering new user accounts for the carbon calculator, training sessions covering carbon footprinting and use of the carbon calculator, provision of tailored data for their internal case studies/calculations, and completion of twelve case studies on behalf of publishers;
- Submitted evidence to the HM Treasury's Plastic Tax consultation and Defra's Packaging Producer Responsibility System consultation on behalf of publishers;
- Growth of Sustainability Action group to include four new members ranging from across the supply chain.

4. WASTE PREVENTION

The PPA continues to seek ways to reduce the quantity of unsold printed magazines and unnecessary covermounted gifts through a number of actions as outlined below.

4.1 INVESTIGATING WAYS TO MINIMISE THE IMPACT OF UNSOLD MAGAZINES

The PPA continues to work on methods to reduce the quantity of unsold printed magazines. It will do this by continuing to explore ways to reduce the level of unsold magazines, monitoring and critically evaluating the level of unsolds and promoting and encouraging the use of Sales Based Replenishment Services (SBR) by retailers and publishers.

SBR is an enhancement to magazine supply management processes that supplies stores based on live consumer demand, rather than solely upon previous sales levels.

Operational SBR maximises consumer availability and typically leads to sales increases of anywhere between 0.75% and 3.3% whilst reducing retailer unsolds by up to 30%.

The process reduces initial retailer supplies against defined supply parameters on the first day of sale and in response to consumer demand informed by the retailer Electronic Point of Sale (EPOS) data, drip feeds additional supplies into retailer's stores throughout the on sale period from withheld stock. At present the offer is predominantly used by the major retail multiples, as they are able to provide robust EPOS data.

The magazine supply chain is working to expand the number of retailers and titles which receive an SBR offer in two ways: firstly, by encouraging a broader usage of EPOS systems, particularly in smaller retailers, and secondly, by reducing the supply parameters, therefore increasing the number of titles and retailers that could benefit from the process. The effective implementation of SBR relies on the collaboration of all parties in the supply chain and the PPA will continue to work closely with retailers and wholesalers to extend the scope and related improvements of SBR.

4.1.1 Unsolds KPI (as noted in the Responsibility Deal)

For retailers benefiting from SBR, the percentage share of magazine sales volume is forecast to increase as per the table below:

YEAR	ORIGINAL FORECAST	REVISED FORECAST	ACTUAL
2012	N/A	N/A	56.4%
2013	N/A	N/A	58.7%
2014	59%	59%	59.7%
2015	60%	60%	60.3%
2016	61%	61.3%	61.0%
2017	62%	61.0%	x
2018	64%	61.2%	x

There is no available update to complete the table above for 2019. Retailer uptake of SBR is dependent on the provision of robust EPOS data, and the PPA continues to work with industry stakeholders to encourage the provision of this information. All of the major grocery accounts have an SBR offer in place and we continue to support them as they use the scheme.

Whilst a degree of unsold copies is inevitable with the magazine market, a considerable focus is put on recycling and the impact on the environment. The PPA has paid particular attention to what happens to unsold magazines. There are very good arrangements in the UK newstrade to collect and recycle the paper fibre in unsold magazines. 100% of all unsold magazines are sent for recycling to be used for newsprint. The overall market is in decline and so the volume of unsolds has decreased year on year since 2016.

4.2 COVERMOUNTS

The PPA continues to explore ways to reduce the environmental impact of covermounted gifts and has undertaken a number of initiatives which are noted on the next page.

4.2.1 Covermount Recycling Initiative: With an annual supply of magazines into the magazine market approaching one billion copies, the industry has in place a robust process for recycling in an efficient and responsible fashion with 100% unsold magazines being recycled for newsprint. However, a common promotional feature of the magazine market is “value added gifts” on the front cover, and managing the unsold copies with these covermounted gifts through the reverse Supply Chain has traditionally been a challenge for the industry.

It is estimated that around 50 million (5%) of the magazines produced in the UK are promoted in some form or other using value added gifts to promote the sale of the title.

During the past year we have continued to work with key stakeholders in order to develop and grow our magazine covermount returns initiative, which we believe makes sound economic as well as environmental sense. Given the complexities of the supply chain, there are challenges to overcome in order to deliver a sustainable solution but we are making good progress, with an estimated 2-3 million promotional gifts being diverted from landfill this year.

4.2.2 Best Practice Guidelines for Covermounted Gifts and Promotional Gifts: The PPA has developed best practice guidelines for covermounted gifts and these are regularly reviewed. They are also promoted to publishers through the email newsletters to publishers and on the [PPA website](#).

4.2.3 Covermount Database for the PPA's Carbon Calculator: The PPA continues to develop an extensive Covermount Database for the Carbon Calculator so that publishers can understand the environmental impacts when using Covermounted gifts on their magazines.

4 DIVERSION FROM LANDFILL

4.2 USE OF PLASTIC MAGAZINE WRAPPING

The PPA continues to explore ways to reduce the environmental impacts of plastic magazine wrapping and continues to investigate new opportunities in order to mitigate environmental impacts with relevant parties.

As an overall recommendation, members are encouraged to reduce the thickness of their plastic film. Since September 2012, guidance developed in association with WRAP, recommends that titles sign-up to the OPRL (On-Pack Recycling Label) scheme and adopt the logowhich encourages consumer to recycle Polyethylene (PE) film at retailer collection points. The guidance denounces the use of oxo-degradable plastics and provides updated advice on the use of polypropylene (PP) film, the material used for the majority of retail magazine bags which is recycled by neither retailers nor local authorities. In this case, it is recommended that titles sign up to the OPRL and adopt the 'not currently recycled' label, encouraging consumers not to contaminate the recycling waste stream with PP.

The PPA continues to work with all relevant parties, including WRAP, OPRL and the plastics industry to identify and overcome barriers to adoption and to ensure that its member guidelines offer the best environmental options. The PPA will continue to revise its guidelines based on the outcomes of ongoing investigations and will promote any changes to its membership. PPA monitors the uptake of these guidelines within its membership.

The PPA continues to collaborate with MRF's including Palm Recycling and UPM Shotton to better understand what happens to plastic wrapping at end of life and to ensure that its guidance is current.

A recent survey was undertaken of our largest publishers to identify the amount of plastic used annually and the average thickness. We undertake this survey annually to establish trends such as lightweighting and make appropriate recommendations. The sample of publishers surveyed represents some 75% of the membership by revenue. The results are noted in the table below. Encouragingly, the survey indicates a trend towards lightweighting and an increased use of PE as a proportion of the total plastic used (PE is fully recyclable). Some 80% of our larger members have now adopted the OPRL label.

PLASTIC USED (PE & PP) 2018	kg	% of Total Plastic Bought
Approximate amount of Polyethylene used annually	571,022	74%
Approximate amount of Polypropylene used annually	197,006	26%
Total plastic bought (in kg)	768,028	

THICKNESS OF PE USED 2018							
microns	50	45	35	30	25	21	
% of total	27%	14%	23%	21%	9%	6%	100%

THICKNESS OF PP USED 2018						
microns	47	40	38	35	30	
% of total	4%	49%	43%	3%	1%	100%

Annual Survey of major magazine publishers' paper purchasing 2018

5 SUSTAINABLE PRODUCTION

The PPA continues to raise awareness of environmental issues and encourages publishers of printed magazines and digital media to produce and distribute such publications in a manner which minimises waste and carbon emissions by undertaking the following actions:

5.2 THE PPA'S CARBON FOOTPRINT CALCULATOR

The PPA continues to investigate the environmental impacts of the magazine publishing supply chain. In recent years, a major focus of this work has been carbon footprinting, culminating in the development of an award-winning and pioneering Carbon Footprint Calculator. The Carbon Calculator is a user-friendly online tool – access is available from here: <http://www.ppa.co.uk/resources/resources/ppa-sustainability-resources>

The PPA Carbon Calculator is a tool which allows UK magazine publishers to estimate the carbon footprint of various activities, specifically:

- A publisher's office buildings
- The fieldwork associated with publishing (e.g. business meetings, journalist travel, etc)
- The manufacture, distribution, consumption and disposal of a printed publication (i.e. a physical magazine title)
- The provision and consumption of digital content (e.g. web pages, page turners, apps, etc).

Using the calculator provides publishers with an understanding of the size of the carbon impact of different activities within their business and therefore allows them to make informed decisions as to how these impacts can be reduced and managed.

The tool is produced as a membership benefit for PPA members. The development and application of the Carbon Calculator is enshrined in the sector's Responsibility Deal, as agreed between Defra and the PPA.

Development of the Carbon Calculator is continuous and significant financial investment continues to be made to ensure that the goals within the Responsibility Deal are met. The PPA continues to improve data for key areas of traditional magazine publishing, particularly printing, finishing and covermounted gifts. A Covermount Database is updated regularly so that publishers can better understand the impacts of their Covermounted gifts.

Additional support is provided for the completion of carbon footprint calculations on behalf of PPA members and to measure carbon footprint trends. Some eight carbon footprint consultations and workshops were undertaken in the previous 12 months, alongside a variety of SME case studies. The PPA continues to ensure that businesses understand the results generated by the Carbon Calculator for their publications and how they can take action to reduce the carbon emissions associated with their title. User guidance has been developed to give advice on how to interpret the results generated by the Carbon Calculator and how to reduce carbon impacts.

We now have nine of our largest members and fourteen smaller and medium sized publishers signed up to the Calculator, plus a further four supply chain stakeholders (printers, wholesalers, distributors and finishing houses). This composition shows the commitment of businesses across the magazine supply chain and publishing industry, to sustainable practices.

The PPA remains dedicated to promoting the use of the Carbon Calculator amongst its members. To achieve this aim, PPA retains consultancy support from Inventionia Edge¹ to provide training and support on an ongoing basis. Some of the activities undertaken in the frame of this support include:

- Training sessions, Consultancy sessions, Modelling support and Carbon footprint reports for selected small publishers,
- The PPA continues to use the Sustainability Action Group meetings for promoting the benefits of the carbon calculator. Each year, the PPA presents the findings from a series of case studies, demonstrating how the information can be used to understand and manage carbon impacts associated with the publishing sector,
- Regular updates to all members are included via the PPA website and PPA Radar, a weekly e-newsletter.

5.3 ENCOURAGING PROCUREMENT FROM SUSTAINABLE SOURCES

The PPA continues to encourage its members to use material from sustainable sources in their publications and recycled material should be considered where it is fit for the purpose.

To achieve this, the PPA:

- Recommends to its membership that FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification) certified paper is used in publications,
- Provides guidance on ethical procurement and environmental best practice and promote this to its membership.
- The PPA has also undertaken an annual survey on sustainable sourcing of paper and the details are noted below.

A recent survey was undertaken of our largest publishers to identify the amount of paper used and types of paper used annually. This survey is undertaken each year so that we can establish trends such as lightweighting and make appropriate recommendations.

The sample of publishers surveyed represents some 75% of the membership by revenue. The results are noted in the table below.

PAPER PURCHASED ANNUALLY 2018	TONNAGE	% OF TOTAL
Approximate tonnage of PEFC certified paper purchased annually	99303	64%
Approximate tonnage of FSC certified paper purchased annually	80633	52%
Approximate tonnage purchased annually from outside the EU	58	0%
Approximate tonnage of recycled content purchased annually	5,900	4%
Approximate tonnage of paper purchased annually not certified	0	0%
Total tonnage of paper purchased annually	178,426	

PAPER PURCHASED ANNUALLY 2017	TONNAGE	% OF TOTAL
Approximate tonnage of PEFC certified paper purchased annually	123079	60%
Approximate tonnage of FSC certified paper purchased annually	75,448	37%
Approximate tonnage purchased annually from outside the EU	1,800	1%
Approximate tonnage of recycled content purchased annually	5689	3%
Approximate tonnage of paper purchased annually not certified	0	0%
Total tonnage of paper purchased annually	204,215	

Annual Survey of major magazine publishers' plastic wrapping purchasing 2017/18

In summary, the findings from our survey indicate that 100% of paper purchased is from sustainable sources with 64% being PEFC and 52% being FSC. 13% less paper was bought in 2018 than in the previous 12 months. This decrease is likely to be due to several reasons such as: the decline in newsstand and advertising, decline in print magazines as publishers diversify their businesses to include, digital (apps, e-editions, websites, e-newsletters etc), live events and e-commerce. This trend towards a multi-channel business is likely to continue.

¹ During 2017 Innventia Edge and its parent organisation Innventia AB will formally merge with the research institutes SP and Swedish ICT to create RISE, a unified institute sector and become a stronger innovation partner for businesses and society. This will provide Innventia Edge and its clients with access to a wider spectrum of expertise, including experts from the ICT sector which can be applied to enhance the institute's knowledge and capabilities with regards to the environmental and sustainability impact of digital media.

5.4 RAISING AWARENESS AND SHARING BEST PRACTICE

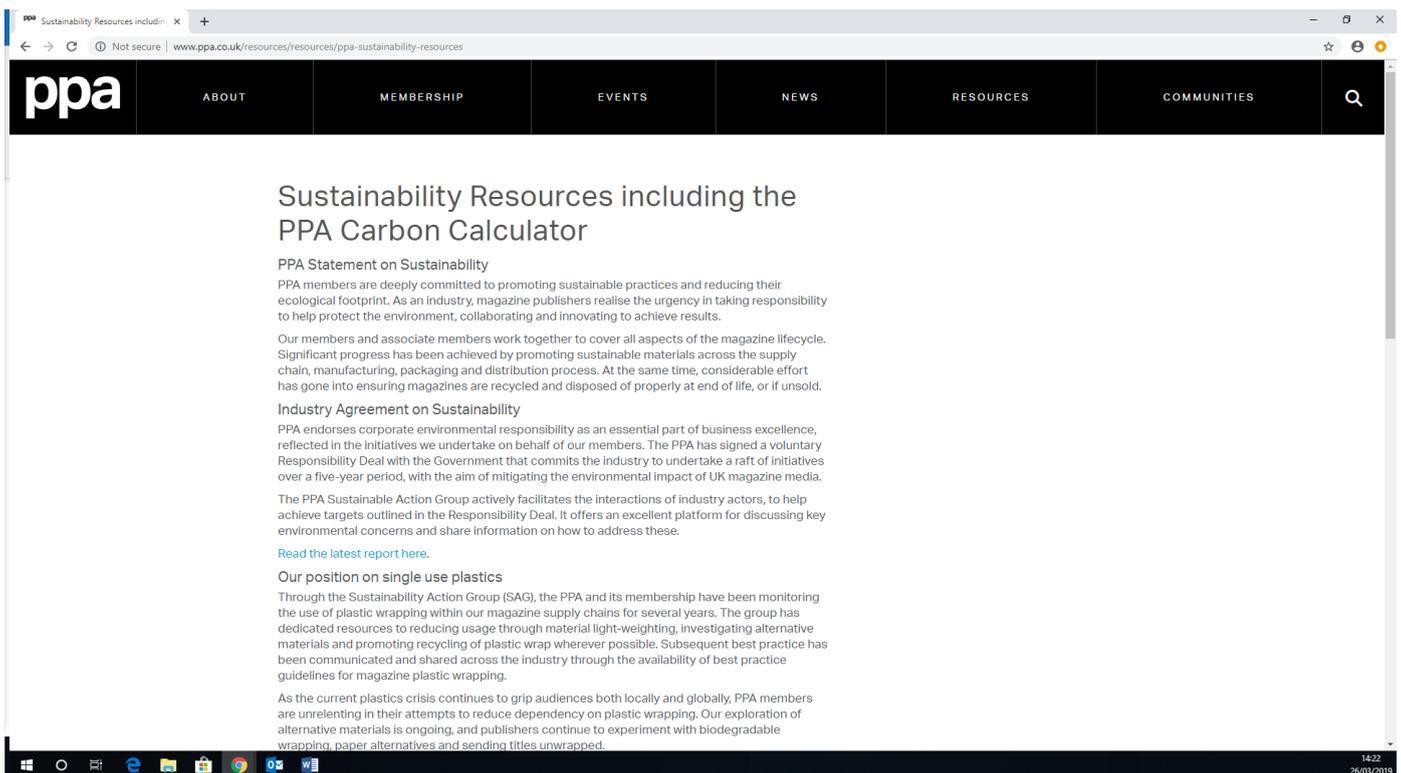
The PPA is committed to providing leadership on sustainability issues and provides guidance to its members on environmental and ethical best practice.

The PPA's Sustainability Group (SAG), whose members are senior representatives from the supply chain including publishers, distributors, wholesalers and printers, lead the PPA's sustainability agenda. SAG meets quarterly and is there to ensure that the Responsibility Deal remains on track to achieve its objectives, to review how emerging challenges can be reflected in the Responsibility Deal, and to propose amendments to the Responsibility Deal as appropriate.

As previously noted, the PPA has undertaken a study on the strategic risks and opportunities from climate change to the supply chain. This information is a useful communication tool that will help the stakeholders ensure that they are prepared to manage risks and take advantage of opportunities.

The PPA regularly informs its members on sustainability issues via a number of channels including: PPA website, PPA Radar e-newsletter, and presentations in other PPA Committees. These platforms facilitate the sharing of updates to do with emerging and new environmental priorities, whilst enabling members to 'deep dive' into relevant topics of discussion.

- 5.4.3** The Sustainability section of the PPA website provides a wealth of resource for publishers and includes: a statement on single-use plastics, access to the Carbon Footprint calculator, PPA's research reports, Defra annual report and a raft of best practice guidelines. A screen grab is noted below and further details are available at: <http://www.ppa.co.uk/resources/resources/ppa-sustainability-resources>.



Screen shot of the Sustainability section of the PPA website

5.4.4 Sustainability Best Practice Guidance

The PPA offers best practice guidance on issues such as:

- Plastic magazine wrapping;
- Deinking and recycling for magazines;
- Environmental best practice guidelines;
- Ethical purchasing and the Modern Slavery Act;
- Covermounted and Promotional Gifts.

6 RECYCLING

6.2 POST-CONSUMER MAGAZINE RECYCLING RATES

The PPA has committed to maintaining the recycling rate of 75% target for recycling of post-consumer magazines (by weight of waste post-consumer magazines arising). To ensure robust data the PPA undertook a third-party audit and reported to Defra in 2014. This report formed the baseline for the Responsibility Deal. The post-consumer recycling rate is calculated at **81.8%** - a figure that exceeds the recycling target of 75% set within the Responsibility Deal. Although there have been changes in the recycling market for paper and board, having conferred with the UK Confederation of Paper Industries the PPA do not believe that the changes have been significant enough to precipitate a significant fall in magazine recycling rates. For this reason, it is proposed that the final audit of post-consumer magazine recycling originally planned for 2019 is postponed to free up resource for other topics, in particular to investigate alternative, plastic-free packaging solutions for magazines.

In the meantime, in order to maintain the high level of post-consumer magazine recycling the PPA continues to:

- Recommend the use of the OPRL recycle now logo amongst its membership, which is included as part of the membership pack;
- Actively promote the use of materials in magazines that do not contaminate the post-consumer recycling process.

The PPA has developed a set of best practice guidelines, PPA'S Deinking and Recycling Guidelines for Magazines working with all relevant parties including recovered paper mills, printers and ink and glue suppliers to identify the technical barriers to recycling magazines. PPA will continue to engage with these parties in order to understand where the major impacts lie and continue to reduce contamination.

7 GOVERNANCE AND REPORTING

The SAG is the Steering Group which has been appointed to manage the Responsibility Deal. The group has increased its membership and now includes the following members: Air Business, Bauer Media, British Medical Journal, Clare Taylor Consulting, Denmaur, Dennis Publishing, Frontline, Gary Marshall Consulting, Haymarket Media Group, Hearst Magazines UK, Immediate Media, Marketforce, Menzies Distribution, News Media Association, Royal Mail, Seven Publishing, Seymour, Smiths News, The Economist Group, TI Media and YM Group.

The SAG meets quarterly to ensure the Responsibility Deal remains on track to achieve its objectives, to review how emerging priorities/challenges can be reflected in the Responsibility Deal, and to propose amendments to the Responsibility Deal as appropriate.

8 WHAT WILL BE DIFFERENT BY THE END OF 2018 AS A RESULT OF THIS RESPONSIBILITY DEAL?

The following Key Performance Indicators (KPIs) are used to monitor the performance of this Responsibility Deal:

1. The post-consumer magazine recycling rate will be maintained at a level of 75%.

Current status: *The rate when audited in 2013 was 81.8%. A further third-party audit is scheduled to take place in 2019 at the end of this Responsibility Deal. However, as detailed above, it is proposed to postpone this activity until significant changes in market conditions are identified that would impact negatively on post-consumer magazine recycling rates. This will free up budget and resource to focus on the emerging issue of single-use plastic packaging. By focusing on this topic PPA intends to provide all its members with independent, objective and fact/data-based information on the production, environmental and cost implications of alternative packaging materials for subscription and newsstand magazines, thereby encouraging the adoption of more sustainable alternatives to the fossil-based, single-use plastic packaging currently widely used.*

2. Awareness among PPA members of the PPA's Carbon Calculator tool will have risen from current level of 53% as follows:
 - 60% of members aware by the end of 2014
 - 80% of members aware by the end of 2018

Current status: *All PPA members have received regular communications about the PPA's Carbon Calculator via PPA's membership email Newsletters, marketing material for its round table events, regular workshops and consultations.*

3. Uptake of the PPA's Carbon Calculator tool among members will have risen from baseline level in 2013 of:
 - 38% for major PPA members
 - 1% for the remaining PPA membership

to the following levels by 2018:

- 70% uptake among major PPA members (*please note: these members account for approximately 85% of total magazine volumes*)
- 10% uptake among the remaining PPA membership (small to medium-sized companies)

Current status: *70% of the major members, plus 12% of small publishers use the calculator. We have also seen an increase in the number of large and medium-sized suppliers using the calculator.*

4. Awareness of the PPA's Plastic Magazine Wrapping best practice guidelines will have risen from 2013 level of 47% as follows:
 - 55% of members aware by the end of 2014
 - 75% of members aware by the end of 2018

Current status: All PPA members have received regular communications about the PPA’s Plastic Wrapping Best Guidelines via PPA’s membership email Newsletters, marketing newsletter Radar and regular updates at PPA’s SAG meetings.

5. Uptake among members of the PPA’s Plastic Magazine Wrapping best practice guidelines will have risen from current level in 2013 of:
 - 24% of major members
 - 1% of the remaining PPA membership

to the following level by 2018:

- 50% of the major PPA members (please note that these members account for approximately 85% of total magazine volumes)
- 10% of the remaining PPA membership (small to medium-sized companies).

Current status: 80% of our major members have now adopted the OPRL scheme.

6. For retailers benefiting from SBR, the percentage share of magazine sales volume will increase from the current level of 58% in 2013 as follows:

YEAR	ORIGINAL FORECAST	REVISED FORECAST	ACTUAL
2014	59%	59%	59.7%
2015	60%	60%	60.3%
2016	61%	61.3%	61.0%
2017	62%	61.0%	x
2018	64%	61.2%	x

Current status: Whilst we are unable to give a percentage number to reflect SBR uptake, all major retailers now participate with the scheme.

7. Awareness among members of the PPA’s other environment-related PPA best practice guidelines (Environmental best practice; Ethical best practice; and use of cover mounted gifts) will have risen from the current level in 2013 of 49% to 70% by the end of 2018.

Current status: All PPA members have received regular communications about the PPA’s suite of guidelines via PPA’s membership emails, marketing material through the Radar e-newsletter and PPA SAG meetings.

8. Awareness of EU regulations on illegal timber products and PAS 2021 will have risen from the current level in 2013 of 33% to:
 - 50% of members by the end of 2014
 - 80% of members by the end of 2018

Current status: Figure 100% of PPA members are aware of EU regulations, owing to recent legislative changes prohibiting illegal timber. Awareness is maintained through regular communications PPA’s membership email Newsletters and PPA’s SAG meeting.

