

## CASE STUDY

# CUTTING THE CARBON COST OF PRINTING



As a global company with 6 million customers and more than 40,000 employees, we use a lot of paper. We also have a high influence on our print services supply chain, which includes design, print, manufacturing and logistics for everything from stationery and marketing collateral to forms, transactional stock, ATM rolls and PDFs.

So when ANZ made sustainability a procurement priority and committed to becoming a carbon conscious company, we undertook a comprehensive review of the impact and risks associated with our sourcing activities, including the print services supply chain.

#### What we found was:

- Print generates ~12,000 tonnes of CO<sub>2</sub> every year, contributes ~3% of ANZ's total annual emissions and represents a significant cost to our carbon neutrality commitment
- Print has high embedded carbon and also uses significant amounts of water and waste
- We are reliant on our suppliers for information about consumption and carbon use.

With this in mind, we set ourselves a target to manage the carbon cost of our print services – and embarked on a journey to build carbon into our print services selection processes.

#### Step 1: Understand the need

Before we could do anything, we needed to develop a methodology which could show the true environmental impact of our print services supply chain.

#### Specifically, we needed to:

1. Develop a process for calculating and reporting the volume of carbon (prior to purchase) ..and to
2. Embed this process into our operations

#### Step 2: Consult key stakeholders

In December 2009, we assembled a group of suppliers, industry experts and relevant government bodies to discuss the issue.

Early the following year, ANZ's Environmental Sustainability and Global Sourcing teams hosted two stakeholder workshops in Australia and New Zealand to determine the best way forward.

Participants included print suppliers – both printers and print managers – as well as representatives from ANZ's Group Corporate Affairs and Marketing teams, and industry and government bodies.

**“ ANZ's commitment to having participants from all members of the print supply chain allowed us to have a broad and robust discussion, which ultimately benefited everyone ”**

*Paul Allen  
General Manager - Packaging  
Australian Paper*



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Together, we discussed our plans to introduce carbon into our print services selection processes and all of the issues that might get in the way.

### We agreed that:

- The biggest hurdle would be the lack of an agreed standard in the printing industry for calculating or reporting carbon
- It was up to major corporations like ANZ to take a leadership position and encourage printers to build their carbon-counting infrastructure and expertise
- The vast majority of carbon emissions in the print segment is generated by paper.

### Step 3: Select a reliable measurement tool

At this point, the need for a printing industry carbon calculator became priority number one – and after investigation of a range of options, we selected the Gaia Partnership's CO<sub>2</sub> Counter tool.

The Gaia Partnership works with Melbourne's RMIT University and other leading academic organisations to develop common standards for measuring the carbon footprint of marketing activities.

Importantly, the CO<sub>2</sub> Counter gives us the opportunity to calculate emissions from all of our communications media, not just print.

### “ We're proud of our association with ANZ and our contribution to the sustainability program ”

*Adrian Painter, Director  
ANZ Print Management Unit Stream Solutions*

### Step 4: Partner with suppliers

ANZ has two significant print suppliers for its global operations: Stream in Australia and Blue Star in New Zealand.

Both companies understood the value of implementing a carbon calculator, not only to their relationship with ANZ but as a potential competitive advantage as well.

ANZ and the Gaia Partnership worked with these suppliers to introduce an emissions count into every print quotation they provide. This count reflects all potential emissions for the job requested, including paper, equipment and transportation.

Stream and Blue Star have now committed to sustainability principles as part of their standard business practice with ANZ. Engaging with suppliers like these, who share our values and principles, has been critical to our success.

### Step 5: Embed it in our operations

Now, at ANZ, we are actively embedding carbon counting into our print service procurement processes by:

- Ensuring we have carbon visibility, with emissions counts on all print service quotations, provided by accredited printers
- Building a better understanding of the environmental credentials of our key print partners
- Making sure ANZ employees responsible for print requests are aware of the role they play in helping to reduce emissions
- Monitoring the effectiveness of our sustainability strategies by reporting on print-based emissions at a product, business and geographic level.

We are also working towards introducing carbon as a mandatory criterion for our supplier and individual print service selections by 2013.

### Step 6: Extend best practice across our supply chain

With carbon now embedded as a business issue for ANZ, we are applying the lessons learned in this project to other supply chain categories. The carbon-counting methodology developed for print services provides a template for transfer to segments like IT hardware, telecommunications devices, fleet, travel and couriers.

For example, we are now working with our accommodation providers to build an agreed methodology for calculating the environmental impacts of hotel room stays. Like print, we also plan to reflect carbon use in accommodation quotations and introduce it as a selection criterion by 2013.

All of this shows that ANZ is maturing in its capacity to manage our carbon inventory and minimise the cost impact to our business. It also demonstrates the value of aligning our sourcing activities with our Corporate Responsibility framework and our ability to build brand value. And it sends a clear message to ANZ's service providers that we are serious about our commitment to reducing ANZ's environmental impact.

### LESSONS

- Ensure carbon use is verified and visible
- Introduce carbon into decision-making
- Replicate across the supply chain