

# The Data Group Corporate Governance

## ABOUT THE DATA GROUP

The DATA Group of Companies (DATA Group) is Canada's largest provider of enterprise document management services, and an industry leader in digital print, direct marketing, and web-enabled solutions. DATA's products and services include marketing and promotional materials, business and financial documents such as annual reports, as well as labels and stationary.



*DATA Group's Brampton facility*

DATA was founded in 1959, and currently operates in 24 facilities throughout 11 regions across Canada. DATA employs close to 1800 people. In 2010 annual revenue was \$ 332.3 million with a net income of \$2.2 million. DATA Group of Companies has been a publicly traded company since 2004. The DATA Group Income Fund's units and convertible debentures are listed in the TSX under the symbols DGI.UN and DGI.DB, respectively.

## LOCATION

**ADDRESS:** 9195 Torbram Road, Brampton, Ontario (Corporate Offices)

**WEBSITE:** [www.DATAGroup.ca](http://www.DATAGroup.ca)

## CORPORATE GOVERNANCE - CORPORATE SUSTAINABILITY

The DATA Group recognizes that the continued success of its business depends on a healthy environment. As such, they are committed to conducting business in an environmentally and socially responsible manner.

Their sustainability initiatives focus on the efficient use of resources, minimizing waste, and employee health and safety, while finding innovative ways to provide their clients with sustainability focused products and services for their operations, including having all of its major print facilities as Forest Stewardship Council (FSC) certified, carbon neutral print solutions and life cycle assessments of printing requirements.

## SUSTAINABILITY GOALS, TARGETS AND DRIVERS

The DATA Group's head office is in Brampton, Ontario and is located in a 285,000 square foot facility that has 400 staff working in production and administrative roles. The facility includes production focusing on lithographic, flexographic and digital printing, along with administration, sales, pre-press and warehousing.

Within its Brampton operations, and its facilities across Canada, the DATA Group is committed to environmental sustainability, and has developed the following overall vision statement:

*“The DATA Group of Companies is committed to conducting business in a socially and environmentally responsible manner. As an environmental leader in our markets, we will provide the best available products and services to our customers, while managing our business using effective environmental practices and materials. In order to ensure customers’ needs are met, DATA promotes cost-effective and efficient use of resources and waste minimization, while protecting the environment from degradation.*

*At DATA we seek to reduce, reuse, and recycle where possible. Our employees are dedicated to meeting our environmental goals, and ongoing training ensures the wellbeing of employees and members of the community. DATA seeks to move beyond compliance of environmental regulation and industry standards in order to maintain our position as an environmental leader. Our environmental management system enables DATA to identify and monitor ambitious targets for the future. Setting annual objectives promotes long-term continuous improvement.*

*The DATA Group of Companies is committed to using FSC certified paper in our facilities and favouring, when possible, suppliers who share our commitment to protecting the environment. Though our sustainability plan and website we seek to communicate with and engage our stakeholders regarding our environmental position.*

*Finally DATA seeks to work with customers to develop and market products and innovative solutions that meet their environmental goals.”*

To help reach this vision, DATA Group is continuously working to push their internal capacities to exceed environmental standards, research new supplies, production methods and energy solutions, all of which aim to reduce their waste, minimize resource consumption and translate into DATA Group being a good neighbour in the communities they operate within.

## SETTING THE FOUNDATION: DATA GROUP'S CARBON FOOTPRINT

In order to better understand their energy use, DATA Group completed a carbon footprint of their operations.

Working with the firm Offsetters, DATA Group calculated their carbon footprint for 2010 to be 16,567.8 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). The main sources of emissions, in order of magnitude, were electricity, waste, natural gas, travel for sales and company flights, as well as emissions from welding.

Utilizing the Greenhouse Gas (GHG) Protocol as the process for defining their carbon footprint, DATA Group's emissions were broken out as follows within each of the scopes:

**SCOPE 1** – Direct emissions from stationary and mobile sources were 3,251.0 tonnes CO<sub>2</sub>e. This included emissions from natural gas burned to heat their buildings and the combustion of acetylene fuel for welding. This represented 19.6 per cent of their total footprint.

**SCOPE 2** – Indirect emissions from purchased electricity were 10,101.5 tonnes of CO<sub>2</sub>e. This represented 61 per cent of their total footprint.

**SCOPE 3** – Indirect emissions from all other outsourced activities were 3,215.3 tonnes of CO<sub>2</sub>e. This was comprised of waste (3,092.4 tCO<sub>2</sub>e), sales ground travel (74.1 CO<sub>2</sub>e), and employee air travel (48.9 tCO<sub>2</sub>e), combining for 19.4 per cent of their total footprint.

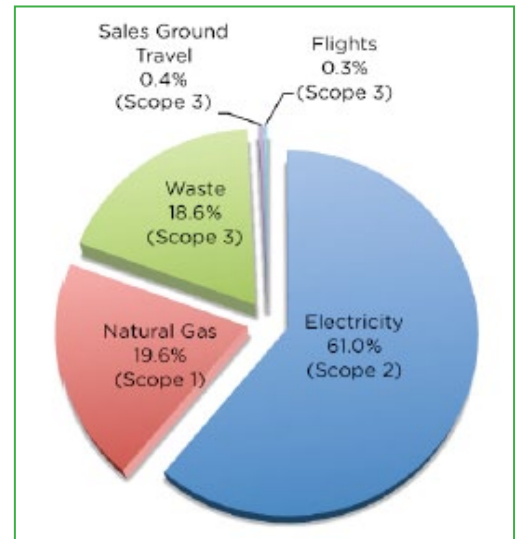


Figure 1: DATA 2010 GHG Emissions by Source

## GHG REDUCTION INITIATIVES

The DATA Group has focused on a number of measures to reduce the GHG emissions and address environmental sustainability within their Brampton head office. The following provides an overview of their results.

### ENERGY EFFICIENCY

To better understand the energy reduction opportunities at their Brampton facility, the DATA Group completed a third-party energy audit that led to a number of projects, including:

- Lighting retrofit with motion sensors – resulted in 500,000 kWh of electricity and 85 tCO<sub>2</sub>e in savings per year.
- Replacing existing air compressors – 300,000 kWh of electricity and 51 tCO<sub>2</sub>e in savings per year.
- Installing a heat recovery system – 24,000 m<sup>3</sup> of natural gas and 45 tCO<sub>2</sub>e in savings per year.
- Installing inflatable door shelters on shipping doors – 51,000 m<sup>3</sup> of natural gas and 96 tCO<sub>2</sub>e in savings per year.

In addition to these projects, the following were also completed:

- Power conditioners were added to improve the facility's power factor.
- Programmable thermostats were installed to control space heating.

## WASTE MINIMIZATION PROGRAM

While any manufacturing facility generates solid waste, DATA Group aims to not only divert its waste, but also generate less of it. By taking this approach, they not only reduce their costs, but also reduce resource consumption and their GHG emissions. Throughout their portfolio of facilities, they generated 7203.5 metric tonnes of solid waste in 2010. Compared to 2009, this was a reduction of 436.2 tonnes or 5.7 per cent.

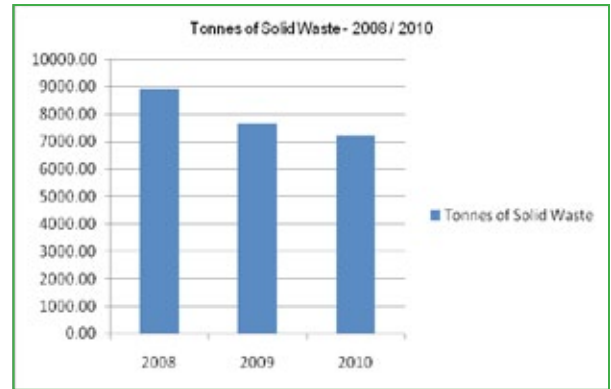


Figure 2: Tonnes of Solid Waste

To help realize this reduction, DATA Group educates their staff on waste management, ensuring they know how to properly sort and dispose of materials, while ensuring the proper bins are located in easily accessible locations. One of the interesting tools they have installed in their Brampton facility is a centralized vacuum system that collects and stores paper waste from work stations.

While DATA Group understands it has a high diversion rate, it is always looking for further ways to improve. One of the hard to deal with wastes is label matrices – DATA Group produced 208 tonnes of these in 2010 and given that they are a mix of paper and plastic that cannot be recycled, these go directly to landfill. To help address this, the DATA Group is continually on the lookout for new label matrices products that can be recycled.

## VOLATILE ORGANIC COMPOUND (VOC) REDUCTIONS

Through cleaning solvents and tinting alcohol, VOC emissions can occur in DATA Group facilities. However, DATA Group aims to reduce their VOC emissions and has a plan to reduce and monitor the use of VOC generating compounds at their facilities.

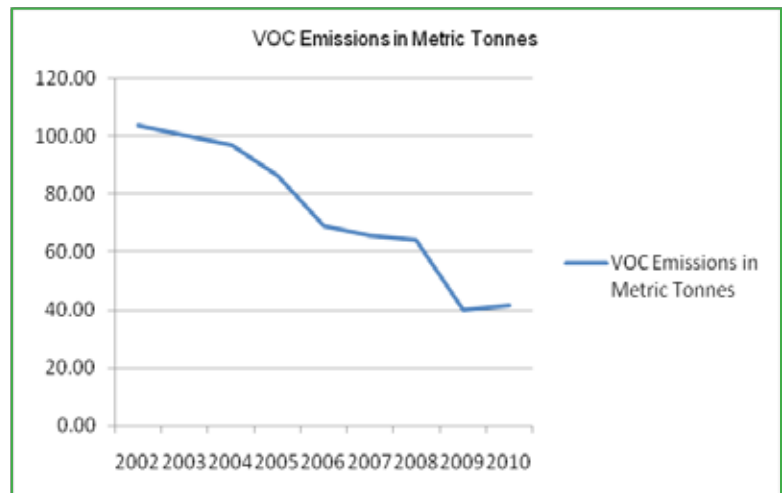


Figure 3: VOC Emissions

For the period from 2002 to 2010, DATA Group reduced its VOC emissions on average by 59 per cent at its production facilities. Major process changes made these reductions possible and include the following:

- The facilities eliminated the use of isopropyl alcohol (IPA) in the press dampening systems by substituting more environmentally responsible chemistry.

- Tinting of paper using alcohol based systems has been phased out in favour of purchasing pre-coloured stock
- Major facilities employ computer-to-plate technology and flexographic plate makers, which remove the use of chemicals and water.

As an example of this VOC reduction strategy, DATA Group's Edmonton plant moved to a new facility in 2006 at which time they eliminated the use alcohol-based paper tinting technology in favour of purchasing pre-coloured stock. This one change in process reduced their VOC emissions by approximately 50 per cent.

DATA Group's trade division, Multiple-Pakfold Business Forms, accomplished an even more dramatic reduction by phasing out of paper based tinting in 2008, resulting in a VOC emission reduction of over 75 per cent.

## TURNING SUSTAINABILITY INTO BUSINESS DEVELOPMENT

DATA Group understands sustainability is more than just reducing its costs though, as it also makes every effort to turn sustainability into new business opportunities by offering their customers the option of choosing environmentally responsible print solutions.

For companies looking for sustainable print solutions, they start at the design phase to identify the appropriate format, colours, ink coverage and print process that best minimize environmental impacts. When considering paper, they encourage a move to FSC-certified sources, helping customers balance their options between recycled, chlorine free, lighter weights and paper produced with renewable energy.

In the production process, DATA Group employs the latest production technologies that eliminate harmful chemicals, require less water and use vegetable-based inks to meet is FSC certification.

And while DATA Group continually strives to reduce their own GHG emissions, they also offer their clients the option to purchase carbon credits to make their end-product completely carbon neutral. At the end of the day, DATA Group aims to use their knowledge of sustainable print solutions to ensure their clients meet their own sustainability goals.

## CANADA POST GHG PROJECT

One of the interesting examples of working with a client to meet their sustainability goals is DATA Group's work with Canada Post on a carbon neutral passport envelope.

Working with their suppliers, they quantified the cradle-to-grave GHG emissions associated with a passport envelope by looking at its raw materials, manufacturing process, transportation requirements and final disposal method. The report detailed the emissions of four different envelopes (including two passport envelopes and the 14- and 21-inch government standard registered mail (GSRM) envelopes). The GHG emissions for each envelope were as follows:

1. Passport Laminate Envelope (Cradle-to-Grave): 111.4 grams CO<sub>2</sub>e
2. Passport Laminate Envelope (Cradle-to-Gate): 42.5 grams CO<sub>2</sub>e
3. 14-inch GSRM (Cradle-to-Gate): 58.2 grams CO<sub>2</sub>e

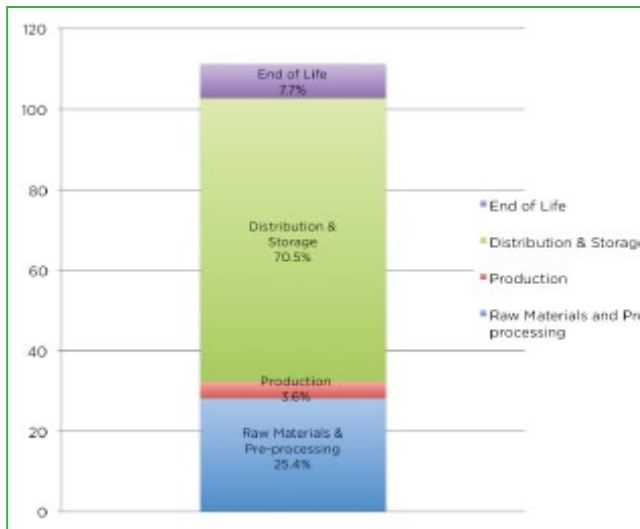


Figure 4: Emissions by Stage of Passport Envelope (Cradle-to-Grave)

4. 21-inch GSRM (Cradle-to-Gate):  
90.1 grams CO<sub>2</sub>e

A detailed breakdown of the GHG emissions at every stage of two of the envelopes can be found in Figures 4 and 5. As illustrated, the distribution and storage stage has the highest amount of emissions at 70.5 per cent of the total footprint. The majority of these emissions are associated with the national distribution of the passport envelope.

Looking at the emissions for the 14- and 21-inch GSRM envelopes and the passport envelope, Figure 5 shows the 'cradle-to-gate' emissions

and does not include the final distribution or final disposal of the envelopes. For the cradle-to-gate inventory, the boundary ends after the envelopes have been printed and stored at the warehouse.

For the 'cradle-to-gate' emissions of the GSRM envelopes, the majority of emissions are associated with the 'raw materials and pre-processing' stage. Although the GSRM envelopes contain 30 per cent recycled paper, the emissions from the production of the paper substrate is higher than the passport envelope per unit due to the carbon intensity of electricity in Wisconsin, where the paper substrate is produced.

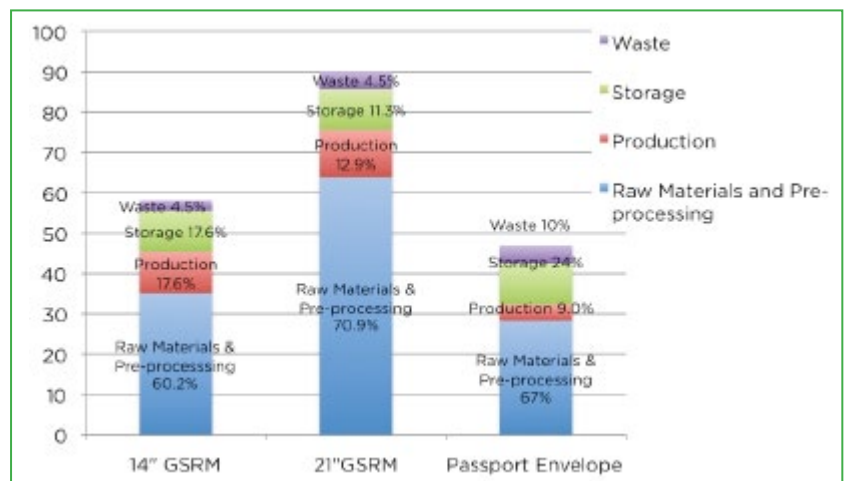


Figure 5: Cradle-to-Gate Emissions by Stage of GSRM Envelope (14" and 21") and Passport Envelope

Overall, the 21 inch envelopes have the highest 'cradle-to-gate' emissions followed by the 14 inch GSRM envelope and the passport envelope. On a per gram basis, the cradle-to-gate emissions of the 21-inch envelope are 2.9 gCO<sub>2</sub>e, the 14-inch envelope are 2.9 gCO<sub>2</sub>e, and the passport envelope are 2.1 gCO<sub>2</sub>e.

With this information in hand, DATA Group is now working with Canada Post to reduce the overall GHG footprint while maintaining the quality and security of the products.

# CASE STUDY

## SUMMARY

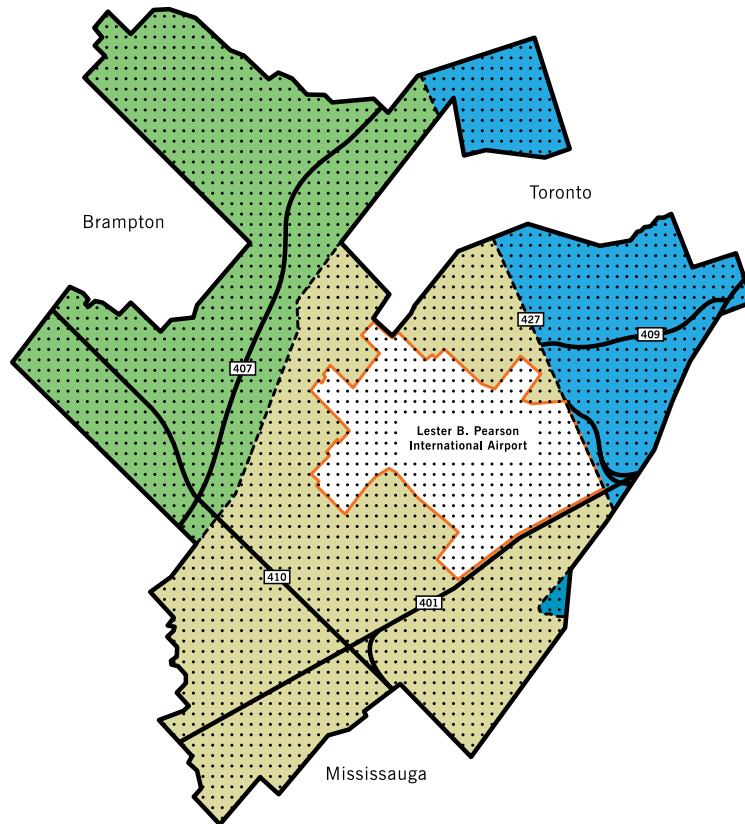
Through their sustainability initiatives, the DATA Group has acquired an excellent understanding of the company's energy use, waste generation and VOC emissions, and achieved remarkable reductions in each area. A series of energy efficiency measures implemented at the Brampton facility resulted in a substantial reduction in the facility's GHG emissions. The company's commitment to waste minimization in its operations and purchasing decisions continues to result in less waste being generated and more waste being diverted across their facilities. Major process changes since 2002 have also resulted in a sizeable reduction in VOC emissions at the company's facilities. By providing their clients with sustainability focused products and services, the company has also helped clients achieve their own sustainability goals, which makes them an attractive choice for like-minded businesses in need of their services.

## WHAT IS PARTNERS IN PROJECT GREEN?

Opportunities to gain a competitive advantage through sustainable business practices are more attainable than you think. Partners in Project Green is a growing community of businesses working together to green their bottom line by creating an internationally-recognized eco-business zone around Toronto Pearson.

Through new forms of business-to-business collaboration, Partners in Project Green delivers programming that helps businesses reduce energy and resource costs, uncover new business opportunities, and address everyday operational challenges in a green and cost-effective manner.

## PEARSON ECO-BUSINESS ZONE



[www.partnersinprojectgreen.com](http://www.partnersinprojectgreen.com)