

Responsibility Deal between the UK, Scottish and Welsh Governments and the direct marketing sector

November 2011



© Crown copyright 2011

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/ or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or e-mail: psi@nationalarchives.gsi.gov.uk

This document/publication is also available on our website at:
<http://www.defra.gov.uk/environment/waste/business>

Any enquiries regarding this document/publication should be sent to us at:
simon.dawes@defra.gsi.gov.uk

PB 13668

Contents

Introduction	1
Scope.....	2
Objectives and actions.....	3
Waste prevention.....	3
Sustainable production and distribution.....	4
Recycling.....	4
Governance and reporting	5
Terms and definitions.....	6
Annex A: Action plan & Key Performance Indicators	7
What will be different in 2014 as a result of this responsibility deal?	7
Annex B: Details of awareness-raising activities for the opt-out schemes	9

Introduction

The UK, Scottish and Welsh Governments and direct marketing industry share an ambition to improve the environmental performance of the direct marketing industry and in particular support a move towards:

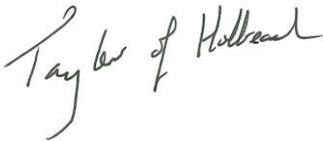
1. A zero waste economy, and
2. A low carbon economy.

This responsibility deal embodies a commitment for the UK, Scottish and Welsh Governments and direct marketing industry to work together towards achieving these environmental priorities through an agreed set of actions. This partnership approach is a recognition that both Government and industry have a role to play, and that neither party can deliver the desired outcomes without the support of the other.

Annex A to this document describes what we aim to achieve through the agreed set of actions by the end of 2014.

This responsibility deal has been developed jointly by Defra and the Direct Marketing Association (DMA), who are the founding parties. It also reflects input from other marketing Trade Associations, the devolved administrations¹ and WRAP.

The DMA and its members are at the heart of this initiative. However, we welcome participation from others who wish to subscribe to the commitments which this document contains.



Lord Taylor of Holbeach
Parliamentary Under-Secretary,
Department for Environment,
Food and Rural Affairs



Chris Combemale
Executive Director,
Direct Marketing Association



Richard Lochhead
Cabinet Secretary for Rural Affairs,
And the Environment,
Scottish Government



John Griffiths
Minister for Environment and
Sustainable Development
Welsh Assembly Government

¹ Scotland and Wales only

Scope

For the sake of clarity, this responsibility deal applies to:

- the direct marketing industry throughout Great Britain
- physical direct marketing communications; although the principles of better targeting and suppression can also apply to direct marketing through digital media
- those media and channels over which the DMA and its members have some degree of control and influence; this includes direct mail, most unaddressed mail and loose inserts into newspapers and magazines, but it does not include, for instance, free newspapers or directories.

The UK, Scottish and Welsh Governments recognise there is a risk that if the burdens placed on the direct marketing industry by this responsibility deal are significant, then this could simply result in a shift in communications to other delivery channels not included in this agreement (e.g. leaflets delivered via free newspapers; leaflets inserted within directories) which could undermine the environmental benefits sought. Therefore, Defra will commit to engage with other parts of industry that are delivering unaddressed printed material to householders with a view to improving the environmental performance of these other delivery channels.

Objectives and actions

In support of the overarching aims of this responsibility deal, we are committed to delivering a series of actions centred around the following objectives/themes:

- Waste prevention – reducing the quantity of direct marketing material necessary to achieve an acceptable return on investment through better targeting and suppression
- Sustainable production and distribution – ensuring direct marketing material is produced and distributed in a manner which minimises waste and carbon emissions
- Recycling – encouraging and enabling consumers to recycle the direct marketing material and so minimise waste to landfill

Waste prevention

To reduce the quantity of direct marketing material necessary to achieve an acceptable return on investment through better targeting and suppression, we will take forward the following actions:

1. The DMA will develop and promote **an improved single contact preference service** for unaddressed mail by April 2012. The key principles for the new opt-out scheme are that:
 - It should be flexible, simple to use and access, and enable consumers to make an effective choice over what unaddressed mail they receive.
 - It should ensure that legally required materials are still delivered (eg electoral roll registration)
 - It should be designed to ensure that it does not unduly restrict the activities of local communities, charities and local small businesses (eg a blanket ban on anything through the letterbox)
2. The DMA will provide **guidance for consumers, local authorities and other relevant organisations** on what action householders can take to opt-out of receiving direct marketing mail (both addressed and unaddressed). To help manage the expectations of householders, this advice will need to raise awareness of the different sources of direct marketing material, and make clear what marketing material the opt-out service/s do and do not cover. Annex B includes details of the activities that have raised awareness of the existing Preference Services and the new opt-out scheme for unaddressed mail would be promoted alongside the existing services following its launch.
3. The DMA will develop and implement, by April 2012 **an updated industry standard** that aims to encourage organisations with responsibility for direct marketing campaigns to adopt best environmental practices in the production and distribution of direct marketing material. This will replace the existing industry standard, PAS 2020 and will be aligned with the discounts provided by Royal Mail and other postal operators to incentivise take up. As with the existing standard it will focus on data management to ensure proper targeting and suppression to prevent production of unnecessary Direct Marketing material. It will also require that mail pieces include information about how the recipient can unsubscribe from receiving future communications.
4. Defra will consider how it can **support the Industry Standard**, including helping it with its launch.

5. The DMA will develop and implement, by the end of 2011, an **industry data suppression report** showing the amount of direct marketing material removed from production as a result of action on targeting and suppression. This report will be produced annually, and once a carbon calculator for the industry is in place (see below), the intention will be to include an estimate of 'carbon emissions avoided'.

Sustainable production and distribution

To ensure direct marketing material is produced and distributed in a manner which minimises waste and carbon emissions, we will take forward the following actions:

6. Calculating the carbon footprint of an activity is at the top of Government's hierarchy of actions to combat climate change. The DMA will develop **carbon calculators for paper Direct Marketing material**, by the end of 2013. Carbon calculators for addressed and unaddressed mail would be given priority and would be available by the end of 2012. The calculators will enable organisations with responsibility for direct marketing campaigns to calculate the carbon footprint associated with the production and distribution of their paper based communications. These organisations can then begin to engage with their suppliers and make decisions about how to reduce this footprint by adopting more sustainable production and distribution practices.
7. The method used to calculate the footprint will be certified as compliant with PAS2050 (Publicly Available Specification for assessing the life cycle greenhouse gas emissions of goods and services).
8. The new Industry Standard will also include controls on the procurement and use of paper products, and on supplier management. These controls will help ensure that waste and carbon emissions are minimised, and that where waste is produced it is managed in line with the waste hierarchy.

Recycling

To encourage and enable consumers to recycle direct marketing material, we will take forward the following actions:

9. The new Industry standard will include controls which ensure the mailings are produced using materials that are capable of being recycled and contain messaging to help consumers easily recognise whether the mailing can be recycled.
10. Defra will investigate what barriers exist to achieving higher recycling rates for direct mail, and identify actions to overcome these. For example, the DMA has provided evidence that inconsistencies between recycling collections provided by Local Authorities, in particular regarding the acceptance of window envelopes, is a barrier to achieving high recycling rates for direct mail throughout the country.
11. The DMA will continue to measure recycling rates for direct mail on an annual basis.

Governance and reporting

A steering group will be established to ensure the responsibility deal remains on track to achieve its objectives, review how emerging environmental priorities/challenges can be reflected in the deal, and to propose amendments to the deal as appropriate. The steering group will meet regularly and will be chaired by the DMA and will include representatives from Defra, Royal Mail, the Devolved Administrations and WRAP.

The DMA will establish an environmental working group/s to take forward:

- development of the improved single contact preference service
- development and monitoring of the industry standard, and
- development of the carbon calculators and consideration of what further measures might be taken to reduce the carbon footprint of the direct marketing industry.

Any proposals for future amendments to this responsibility deal will be submitted to the steering group for consideration.

The DMA will submit an annual report to Defra on progress against the agreed key performance indicators and actions described at Annex A, together with plans for the next 12 months. A final report will be submitted by the end of 2014, together with recommendations for a possible future responsibility deal.

Terms and definitions

Defra	the Department for Environment, Food and Rural Affairs
Direct Mail (Addressed Mail)	Physical direct marketing communication delivered to a named customer or prospect at a specific postal address
Direct Marketing Material	Physical communication received by a customer or prospect as a result of a direct marketing activity
DMA	the Direct Marketing Association
Loose insert	direct marketing communication inserted into a a publication
PAS 2020	Publicly available specification to reduce the environmental impact of Direct Marketing material
Preference service	A service that maintains a suppression file of names and personal details that customers and prospects have requested should not to be used for direct marketing purposes e.g. Mailing Preference Service (MPS)
Suppression	Removal of names and associated personal details of individuals and organizations that have requested not to receive direct marketing communications ,registered with preference services, known to have moved or died.
Targeting	method of increasing the likelihood that a direct marketing communication is sent to a customer or prospect that wants it
Unaddressed mail	unaddressed physical direct marketing communication delivered to an individual household and/or business
Waste hierarchy	the waste hierarchy ranks waste management options in order of environmental preference; top priority is given to waste prevention, followed by preparing for re-use, then recycling, energy recovery and last of all disposal (e.g. landfill). This hierarchy is now enshrined in law through Article 4 of the revised EU Waste Framework Directive.
WRAP	the Waste and Resources Action Programme

Annex A: Action plan & Key Performance Indicators

The Responsibility Deal outlines a range of actions to be delivered; these are summarised in the Table below in date order.

Action Plan			
No.	Action	Delivery timetable	Lead organisation
1	Annual report submitted to Defra, including a data suppression report	End of 2011, annual	DMA
2	Identify barriers to higher recycling rates of direct marketing material	March 2012	Defra
3	Launch of an improved single opt-out service for unaddressed mail	April 2012	DMA
4	Launch of an updated Industry Standard for the sustainable production and distribution of direct marketing material	April 2012	DMA
5	Guidance to consumers and local authorities about how to opt-out of receiving unwanted DM material	Ongoing	DMA & WRAP
6	Development of a carbon calculator for the direct marketing industry	Addressed/unaddressed mail by end 2012 Loose inserts by end 2013	DMA
7	Discussions with other parts of industry that are delivering unaddressed printed material to householders	Ongoing	Defra

What will be different in 2014 as a result of this responsibility deal?

The following Key Performance Indicators (KPIs) will be used to monitor the performance of the responsibility deal:

- a. The production of unnecessary direct marketing material will be reduced as a result of a 25% increase in the use of suppression and targeting data, compared to a 2011 baseline².
- b. Awareness of Mailing Preference Service will be at least at 2011 levels³, and awareness of the new opt out scheme for unaddressed mail will have risen to 30%⁴
- c. More than 40% of paper Direct Marketing material delivered to UK households is being produced to the industry environmental specification⁵

² Current amounts of direct marketing material removed from production are unknown. The data suppression report will provide the baseline and track progress against this KPI.

³ New measure of awareness levels due to be reported by end 2011. Awareness levels were at 46% in 2008.

⁴ Awareness levels of the existing unaddressed opt-out schemes has not been measured

- d. Recycling rates for direct marketing material are at or above levels achieved in 2011⁶.

We will consider scope for establishing an indicator relating to the carbon footprint of the sector once the carbon calculator is in place. Similarly, once the barriers and solutions to high levels of recycling have been identified, we will consider scope for establishing appropriate indicator/s.

⁵ Currently, about 20% of direct marketing material is produced to PAS 2020 specifications

⁶ Last measure of recycling rate at beginning of 2010 indicated 76.5% +/- 3.8%

Annex B: Details of awareness-raising activities for the opt-out schemes

The new preference scheme for unaddressed mail will be promoted alongside the Mailing Preference Service (and other preference schemes where appropriate). To provide an indication of what this involves, below are some brief facts about the exposure that MPS has had in the last 12 months. A similar level activity would be expected going forward.

Over the last 12 months the DMA has:

- sent out approximately 60,000 leaflets with details of the scheme to local authorities
- provided regular and ongoing reports to local authorities that give them information on the numbers of households signed up to MPS within their borough; currently we supply this to 60 separate local authorities and their agents in the UK
- launched a new look consumer website in April with simplified online registration
- attended the Trading Standards Annual Conference to promote MPS to their members, staff and visitors
- advertised in the Trading Standards Annual Directory
- seen over 220 mentions of MPS and how to register in national and local press and consumer magazines