



ISSUE

The paper
industry has a
new journal on
sustainability

Welcome to eQ
from Sappi

How *responsible* is my paper?

The maze of sustainability can become pretty challenging when it comes to specifying paper. Especially when you consider all the distracting noise being generated around particular certifications or statistics. Again, we continue to hold steadfast to our belief that a more holistic approach to selecting paper – one that takes into account the entire supply chain – is the only way to choose a paper that meets your environmental goals.

To that end, we are champions of Metafore's Environmental Paper Assessment Tool® (EPAT) as the most comprehensive yet simple tool for translating technical data into a context businesses can use for selecting paper. EPAT evaluates 19 performance indicators (rather than adopting a "one-size-fits-all" approach) for different paper types and then distills them into seven interrelated desired outcomes of environmentally preferable paper. This holistic approach takes into account everything from specific supply chain information and certification, to recovered content, mill performance and impact on climate change.

Here, according to EPAT, are the seven issues you should be carefully examining to help you answer that nagging question...how responsible is my paper? You should consider these same issues when developing paper procurement guidelines for your organization.

1

EFFICIENT USE AND CONSERVATION OF RAW MATERIALS

*Recovered content,
Water use, Energy use*

COMMUNITY AND HUMAN WELL-BEING

*Labor and human rights,
Human health and safety,
Stakeholder impacts*

5

2

MINIMIZATION OF WASTE

*Recyclability and
compostability*

CREDIBLE VERIFICATION AND REPORTING

*Obtaining certifications from
industry-leading sources*

6

3

CONSERVATION OF NATURAL SYSTEMS

*Fiber sources, Certified
forest management, Sensitive
forest fiber*

ECONOMIC VIABILITY

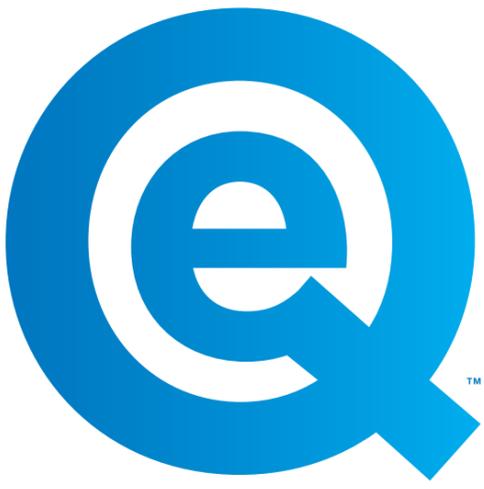
*Ensuring cost-effective
end products*

7

4

CLEAN PRODUCTION

*Air quality, Water quality, Climate stability,
Minimum impact mill efforts, Solid waste,
Environmental management system, Mercury*



eQ Journal

Elevating Your Environmental Knowledge
Sappi Fine Paper North America

Issue 001

Proof Versus
Empty Promises

Hearst:
A Sustainability
Story That
Has No Ending



WELCOME TO THE FIRST ISSUE OF eQ JOURNAL

Our intent is simple: to give you more reliable, accurate and holistic information so you can easily navigate the maze of sustainability within the paper industry. We want to be that voice of reason you can trust. One that is not swept up in this current wave of “greenwashing,” but resolute in providing a refreshingly honest and more scientific approach that can help separate fact from fiction, proof from promises.

With a decade of industry experience coupled with a PhD in paper science, I find myself increasingly concerned by the tsunami of information, certifications and metrics circulating in our industry.

All too often, I see confusion created by competing claims and a focus on single attributes that do not tell the full story. This has far-reaching consequences, as it is impossible for any customer to make a truly educated decision without understanding the complete life cycle of paper – from material acquisition through manufacturing and distribution, use and disposal. Environmentally sound paper can never be defined by singular attributes. After all, the manufacturing and supply chain is way too complicated to be defined by any one element.

So that’s where eQ comes in. It’s our way of shifting the dialogue to where it belongs: on the bigger picture. To elevate your knowledge and expertise (hence, the eQ moniker). All so that you have the most up-to-date and topical information around sustainability to help you make more responsible choices and win more business.

Since this is our first issue, we’ve decided to share our holistic philosophy with you as well as some truly compelling case studies of companies who also reflect Sappi’s way of thinking and have used it to maximize their “eQ” as well as their bottom line. Inside, you’ll also find a host of useful tools – from the most important issues to consider when choosing paper, to a helpful paper specification guide.

Of course, this is just the beginning. And like the dynamic world of sustainability itself, you will be able to look to eQ as a trusted source that is not only staying on top of this ever-changing dialogue, but leading it in a direction towards confidence and clarity.



Laura Thompson, PhD
**DIRECTOR OF TECHNICAL MARKETING
 AND SUSTAINABLE DEVELOPMENT**
 Sappi Fine Paper North America

Sustainability is becoming ingrained in our business and every day we encourage customers to consider three important questions.

Is your paper company working to reduce your environmental impact?

As a paper user, you have many choices to make along the supply chain. Studies have shown that paper manufacturing is the largest contributor to greenhouse gases in the whole life cycle of a printed piece. By selecting papers from Sappi, you can be assured that you have chosen a supplier that leads our industry segment in the use of renewable energy and as a result has the smallest carbon footprint. Our continuous efforts to reduce our own footprint will have a significant impact on minimizing the carbon footprint of your publication.

Is your paper company supporting the well-being of people and communities?

Throughout the communities where we do business, Sappi employees volunteer their time and make significant charitable contributions. The mills sponsor activities ranging from local baseball teams to teen centers and our corporate sponsorships support programs like Ideas That Matter (using good design to promote good causes) and Living Lands and Waters, which is dedicated to cleaning up the nation’s most vital river systems. By choosing Sappi, you are also choosing to help support these noble causes.

Is your paper company continuing to invest in the future of our industry?

Sappi, as a strategically owned company, looks beyond quarterly goals and is taking steps now to ensure future growth and prosperity. Our leadership is dedicated not only to the success of our company, but to our industry. By offering publications such as *The Standard*, Sappi continues to lead the industry in promoting the power of print as a sustainable and powerful communications medium.

A Holistic Approach to Sustainability

Sappi’s 3 Pillars for Sustainable Development

As a manufacturing company, we recognize our responsibility to control and minimize the environmental impact of our operations. However, we must also acknowledge that as a producer, our responsibility extends throughout the lifecycle of a product – from material acquisition through manufacturing, distribution, use and disposal. By taking a holistic viewpoint of the entire life cycle – from cradle to grave – Sappi offers our customers a partner with a proven track record of environmental responsibility and the lowest carbon footprint among domestic coated paper suppliers. It’s all part of our commitment to drive meaningful improvements beyond our mill gates.

1

Planet

Working to help our customers reduce their environmental impact

Over 75% of our energy is derived from renewable resources

Lowest carbon footprint amongst domestic coated paper suppliers

Triple Chain of Custody Certified (FSC, SFI, PEFC)

2

Prosperity

Operating with a long-term view that focuses on growth through investments in our industry

Capital investments for efficiency and quality improvements

Continued growth through acquisition

Ongoing dedication to innovation through Research and Development

3

People

Actively supporting the well-being of our employees and communities

Ideas That Matter (using good design to promote good causes)

Sappi ETC: Education, Training and Consulting

Proof



Empty Promises

THE STORY IS PROBABLY APOCRYPHAL:

A woman hires solar installers to put panels on her roof, even though they point north. When they tell her, “*Lady, that’s not where the sun is,*” she replies, “*But that’s where the neighbors can see it.*”



Name
TOM POLLOCK
Company
METAFORE
Location
PORTLAND, OR



Name
LARRY WESTLAKE
Company
SANDY ALEXANDER
Location
CLIFTON, NJ



Name
MICHELA O'CONNOR ABRAMS
Company
DWELL MEDIA
Location
SAN FRANCISCO

The tale illustrates a corner of the new environmentalism in which fashion trumps the spirit of sustainability. But even well-meaning greens don't always go beyond buying a Prius or reasoning that recycling solves everything.

Now, as the movement matures, customers and companies are growing impatient with puffery – they want the facts, and they want the big picture.

Call it Sustainability 2.0, where how one does business is as important as the business one does.

And it has come full force to the paper business. Larry Westlake, Executive Vice President of Sandy Alexander, a printing industry leader based in New Jersey, said his company has been addressing the sustainability issues raised by its business for 15 or 20 years, but it really got serious about five years ago, when it became one of the first companies to be powered strictly by wind energy.

"One of the interesting parts of getting wind energy is we were going to go using baby steps and go 50 percent wind and 50 percent non-renewable, but we had a consultant come in and look at our power

usage. When we found that 45 percent of that other 50 percent would come from coal, we realized that we could do better. So we opted to go 100 percent," he said.

Of course, the most sophisticated buyers of printed papers don't limit their questions to the sources of power used; they are starting to look to the overall environmental footprint created by the print job: Where did the paper's fiber – both virgin and recycled – come from? How has it been processed? How much of it was wasted, or how far did it have to be transported before it reached a reader? How much never reached a reader at all, because more was printed than was needed?

With so many factors to consider, even the well- and purely motivated can struggle to make the best choices for each printing challenge. That's where Metafore, a nonprofit based in Portland, Ore., can help, especially with EPAT, the Environmental Paper Assessment Tool®, which lets users assess paper's life cycle, "from the forest all the way through manufacturing to end use."

"There's a lot of different data and science that's needed to realize the full impact of something," said Tom Pollock, a program manager whose Paper

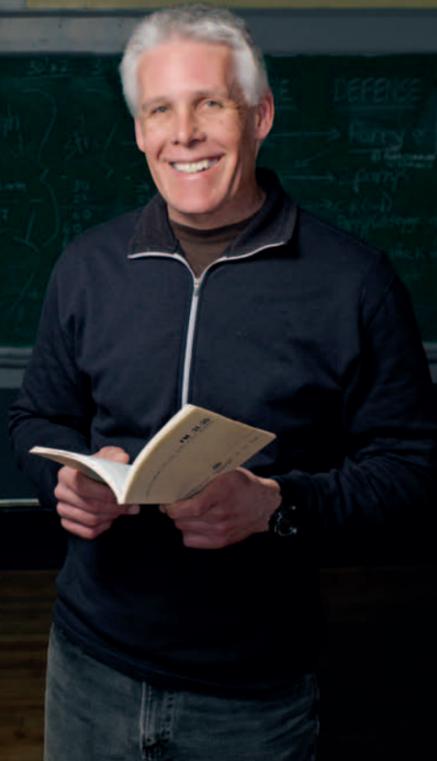
Working Group developed EPAT. Users can weigh indicators across the supply chain and get a score back that reflects their own environmental and economic realities. "When you go to an environmental group, the stereotype might be that we're just out for one issue and we're not taking economics into account, so we want to make sure that the environmental solutions are also economic solutions."

Another way the tool is useful is to allow customers, and potential customers, to look at a paper company's performance, not only in isolation but compared to industry averages.

Such comparisons are especially attractive to large-scale paper buyers such as *Dwell* Magazine, a 325,000-circulation monthly that covers life at the intersections of modern, pre-fab, and green shelter. Sure, says Michela O'Connor Abrams, president of Dwell Media, doing the right thing feels good, but it's also essential to Dwell's identity, and that means knowing conditions all along the supply chain.

"Modern, certainly to Dwell, is not a style. It is a philosophy. A design philosophy. And those who are drawn to this architecture seem, already in their DNA, to have a social consciousness and a desire to live lightly on the earth," she said. "We have not truly found one person who says, 'Could you help me build a 10,000 square foot pre-fab mansion?'"

Name
JOHN BIELENBERG
Company
C2
Project
PROJECT M
Location
BELFAST, ME



“Changing behavior is the biggest challenge.”

Abrams said the magazine often hears questions from *Dwell's* audience that spring from the same sensibility:

“It’s amazing how many of our readers ask us the question, ‘Where does your paper come from? What forest source? Do you use soy-based inks? Does your printer adhere to sustainable practices?’ Our community is interested in all of that.”

Since you could assume he might have kinship with the designerati, it’s not surprising that those sorts of questions also arise in John Bielenberg, a founder of C2, a design firm based in San Francisco and in Belfast, Maine, that helps businesses and other organizations simplify and convey their messages.

“I think everybody is looking more carefully, or they should look more carefully, at the whole life cycle of the stuff they consume. So to me, this idea of responsibility applies to paper choice and where it comes from and how it’s made,”

said Bielenberg, who also conceived and shepherds Project M, an intensive program for young creatives so they might have a positive influence in their communities.

Abrams said *Dwell* went through an extensive process before narrowing its choice of paper supplier to two. “Sappi impressed me tremendously with their deep sense of obligation to their publishing partners about their practices before we asked.

“Their Director of Sustainability [Laura Thompson] gave an incredible presentation in our board room that wasn’t just about the wonderful merits of Sappi. It was a deep education on what the terms mean that people throw around, especially the press. What the impact is on land, what the carbon-cycle time periods are and what those really mean. I have to say, it actually made me feel a whole lot better about what we’re doing because I finally understood in much greater detail the decisions that we had made. And I had never gotten that from another supplier.”

From his perspective as an objective third party, Metafore’s Tom Pollock noted the same distinction: “They’ve always been ahead of the curve in terms of how transparent they are about environmental data. And not only the data but the data that really matters for environmental decision making.”

Though it’s a cornerstone of Sandy Alexander’s leadership in sustainability, Westlake said transparency is not the stuff of dalliance: “One of the problems with making claims of sustainability is if you don’t pursue more of it, or don’t maintain it, or don’t try to monitor or become more and more transparent, you defeat yourself. So we’ve published a sustainability report for ourselves. It’s painfully honest.”

Though he said the company has always had “an undertow to try and do what’s right,” the impulse has thrived because it has been good for the balance sheet:

“It’s a unique opportunity for a company to do what’s right globally and also impact the bottom line. The motivation was to help get more business, but I think when you do what’s right, generally good things follow...”

The benefit came very, very quickly. I think we were all kind of surprised at how quickly, and how quickly competitors went ahead and did the same things we did.”

Abrams assured that *Dwell* cares about practicalities too, including pricing and paper performance, but Bielenberg came from a different direction entirely: “I honestly don’t care so much about the finish or the opacity or anything. I care mostly about what you’re actually doing with that paper.”

He explained that when they get to the sustainability portion of design conferences he attends, “they trot out architecture and industrial designers and talk a lot about products.” But they ignore graphic design and the power of communication – “you know, changing the way people think about consumption or using their car, or any of that stuff. And changing behavior is the biggest challenge to me,” he said.

Last year, Sappi asked him to judge “Ideas That Matter,” a design competition that really got his attention. “Unlike other contests, which acknowledge merit and is somewhat of a beauty contest, this one really had an impact. People propose projects for the greater good and then Sappi picks them and they actually get funded.

“I thought this was such a perfect example of the power of design, the power of what paper can do to shape a more sustainable future through communicating messages,” Bielenberg said.

These days, of course, the medium is part of those messages, such as how *Dwell's* image rests in part on the paper it’s printed on. “It’s interesting how little people know about the use of paper and what it really means to be a steward of the environment and still be using paper,” Abrams said.

“Believe it or not, the recycled paper content gets credit for being the most responsible, yet if it isn’t tied back to the forest floor and those forestry practices, then in my view it’s greenwashing.”

Hearst's roots are in mining, but from its first newspaper in 1887, it has grown into one of the nation's largest diversified media companies. It owns more than 60 U.S. papers, has interests in more than 100 others, and publishes more than 200 magazines worldwide. Its 29 television stations reach almost 1 in 5 U.S. viewers, and it has extensive stakes in cable TV, among many other holdings.



A Sustainability Story That Has No Ending



DAVID SCHIRMER



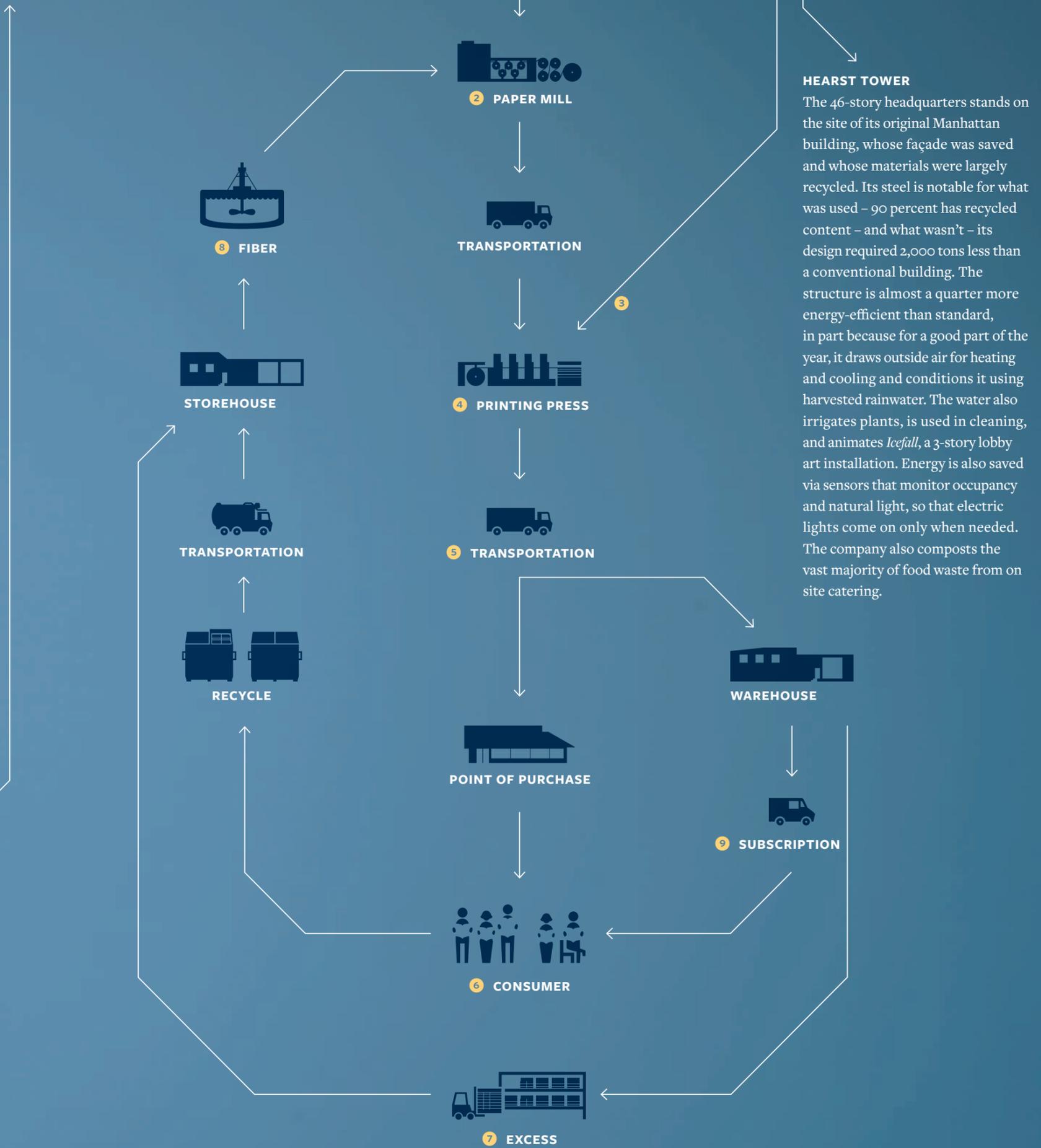
CRAIG DERUSHA

Hearst Corp.'s LEED-Gold Manhattan tower is obvious evidence of the company's solid spirit of sustainability. But if all the elements of Hearst's commitment to planet-friendly publishing could be forged into building blocks, you might get an even greater edifice.

"We try to look at it in respect to all of the stakeholders," said VP and General Manager David Schirmer, "our customers and readers and advertisers, our suppliers, the environmental community, the media. We want to learn from all of them, but we also try to look at it holistically."

Added VP Craig DeRusha, "We understand as a large buyer of paper, we have an obligation to help them understand how we select the paper, who we're buying from, and why we're buying from those particular sources."

From the forest forward, Hearst monitors sustainability and carbon footprint at every stage of its printing process, engaging suppliers, shippers, printers and others who share their concerns or are willing to change.



1 FOREST

Hearst buys only legally harvested trees from non-threatened species. It uses several forest-certification standards, including the Sustainable Forestry Initiative, the Forest Stewardship Council, the Canadian Standards Association, and the Euro-centric Program for the Endorsement of Forestry Certification. It also funds tree planting through the Arbor Day Foundation and the New York Restoration Project.

2 PAPER MILL

Hearst partners with mills that value both fiber certification and continuous

improvement. Because mills are among the highest emitters of carbon dioxide in the supply chain, Hearst seeks out mills that monitor energy use and encourage both greater efficiency and greater reliance on renewable energy.

3 DIGITAL WORKFLOW

Hearst is moving to all digital workflow, which reduces carbon dioxide emission substantially: far less messengering of advertising materials and reduced visits to printers.

4 PRINTING PRESS

Companywide, post-consumer fiber accounts for

15 percent of paper use, mostly in newspapers. Hearst monitors waste in the pressroom and sets targets for waste reduction year after year.

5 TRANSPORTATION

After the mills, transportation is the worst contributor to greenhouse gas emissions in the supply chain. Hearst buys 90 percent of its paper from North America, in part because it reduces transportation costs.

6 CONSUMER

The company encourages readers to recycle in three ways. It was an early and

enthusiastic supporter of the Magazine Publishers of America “Please Recycle” campaign, and has promoted the Paper Retriever and Remix outreach efforts.

7 EXCESS

Hearst has lowered the basis weights of its paper, saving 20,000 tons of fiber annually. The company has minimized press overrun waste and streamlined distribution to winnow “under appreciated” circulation and copy returns. All told, it reports having printed 17.5 million fewer magazines in the past three years. Workers in the Hearst Tower recycle 50 tons of paper monthly.

8 FIBER

All of Hearst’s mill partners operate under continuous chain of custody so that the source of all its paper is known. Four years ago, 38 percent of its fiber was certified; at the end of 2008, it was 70 percent, and the goal for this year is to reach 80 percent.

9 SUBSCRIPTIONS

Hearst gained 2.2 million subscribers via electronic publishing last year, enabling a sharp reduction in blown-in subscription cards.