Green Means Go
Moving forward, responsibly, with Appleton Coated.
Our Commitment

We know that you care about the environment and want to make sure that you are working with a paper manufacturer that shares your values. Appleton Coated does.
Our Environmental Policy

Appleton Coated LLC and its employees will endeavor to reduce pollution, and continuously improve our environmental performance, as we conduct our business of supplying value-added papers.
Our Environmental Policy

**Intent**
- Be good stewards by acting responsibly to protect the environment

**Principles**
- Continuous Improvement
- Stewardship
- Sustainability
- Comply with regulations
- Communicate our policy
- Integrate policy and procedures

**Actions**
- Strive to continuously improve our processes to increase efficiency, prevent and minimize pollution, and to reduce and recycle waste
- Establish and maintain an environmental management system
- Set objectives to improve our environmental performance

**Commitment**
- Continuous Improvement
2007 Environmental Objectives

“We will strive to continuously improve our processes to increase efficiency, prevent and minimize pollution, and to reduce and recycle waste.”

Environmental Improvement Objectives for 2007:

- Increase production of FSC product five-fold
- Reduce energy usage by 1.3 million kilowatt-hours per year
- Increase the capacity for beneficial reuse of boiler ash
- Reduce carbon monoxide and particulate emissions upon startup of #10 Boiler
- Reduce PM7 cleaner solids losses
2005
- Customers began requesting environmental practices as part of the RFP process
- Explored what a “green” product might look & fit in our existing offering
- Manufactured our first paper order with Green Power
- Pursued ISO 14001 certification
- Pursued FSC certification for Utopia One X
  - First US coated manufacturer to introduce an FSC product
  - Received certification January 2006

2006
- **Introduced Green Power Utopia & FSC Certified U1X**
- Participated in green events (Metafore, AIGA Grow, Rainforest Alliance)
- Introduced first *Green Means Go* brochure
- Pursued move to credit system to grow FSC product line
2007

- We continue to grow our environmental offering under the Utopia Green program
  - FSC certified products
  - Extra Recycled Content (new lower order quantities)
  - Green Power

- A 2007 Environmental Management System (EMS) objective is to increase our FSC-certified product production five-fold over ’06

- Our air emissions from our power boilers are continuously monitored for air quality and reported to the Wisconsin DNR
  - Further reducing emissions is a 2007 EMS objective
We continue to grow usage of renewable energy (Green Power)

ISO - International Organization for Standardization
- 14001 series is for *environmental standardization*
- Work on objectives, continue internal/external audits, report on progress

All of our pulp suppliers are certified under a Sustainable Forestry Management System – *continue to grow FSC certified pulp purchases*
- 100% of our virgin fiber pulp is certified by one or more of the following organizations:
  - CSA certified (Canadian Standards Association)
  - SFI certified (Sustainable Forestry Initiative)
  - FSC certified (Forest Stewardship Council)
Recovered Fiber

- Our Post-Consumer Recovered Fiber (PCRF) is “reprocessed” chlorine-free (6% of our pulp usage)
  - The paper waste prior to collection may have been manufactured with a chlorine process, but the reprocessing is done in absence of chlorine

- Utopia products - U1X, U1, U2, UBook, U3 Matte - contain a minimum of 10% PCRF, meeting EPA guidelines for coated printing papers

- We will manufacture up to 30% PCRF content as a special making order on U1 and U2 products, and up to 20% on U1X
  - Upcharge and order guidelines apply
Appleton Coated’s state-of-the-art waste treatment facility collects and removes solid waste from our waste water.

Are solid wastes sent to landfill?
- Most of the solids removed at our water treatment facility are mixed with wood waste and incinerated in boilers as *biomass*, an environmentally beneficial alternative energy source
- The resulting ash is used as road construction filler or landfilled
- Some solid waste is burned by a third party and converted to glass aggregate
- 2007 EMS objectives: increase capacity for beneficial re-use and reduce solids losses

Is any fiber recovered from our process for reuse?
- Yes. Most residual trim and side cuts from our papermaking process are repulped and fed back into our papermaking process. Colored waste paper is baled and sold to recyclers that reuse or sell the pulp.
- We are in partnership on a Co-gen project with the Combined Locks Energy Company.
  - A state-of-the-art turbine uses natural gas to produce electricity for the local energy company while producing steam for our papermaking operation.

- In addition, we have a team that tracks, evaluates, and engineers viable energy-saving projects throughout our mill.
  - We work with the energy management services and expertise of Wisconsin Public Power, Inc. (WPPI) and Focus On Energy (FOE) to identify and implement energy-saving projects.
The Utopia line of coated papers offers the broadest range of FSC-certified coated papers - 15 product choices in a variety of weights and formats: digital, traditional folio sheets, super-size sheets, and web options.

Utopia Premium Gloss, Silk, & Ivory Silk

Utopia One X Gloss, Silk & Matte

Utopia One Gloss, Dull & Matte

Utopia Two: Xtra Green Gloss & Dull (U2:XG)

Utopia Two Gloss, Dull, Matte, Ivory Matte

Utopia Two Web is available as making upon inquiry
FSC certification means that a product has passed through a complete “chain of custody”

- From an FSC-certified forest
- To an FSC-certified pulp manufacturer
- To an FSC-certified paper manufacturer
- To an FSC-certified merchant
- To an FSC-certified printer
## UTOPIA GREEN PRODUCT OFFERING

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<thead>
<tr>
<th>UTOPIA</th>
<th>FSC-CERTIFIED</th>
<th>GREEN POWER AVAILABLE*</th>
<th>STANDARD</th>
<th>MAXIMUM PCRF CONTENT* AVAILABLE</th>
<th>FINISHES</th>
<th>DIGITAL PROGRAM</th>
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<td>30%</td>
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*Small upcharge and standard program guidelines apply

*Subject to minimum & trim
**New U2:XG**

**UTOPIA TWO: XTRA GREEN**

Gloss & Dull

Our Utopia Green Program just keeps getting better as we introduce a new stocking product under the Utopia Two brand called U2:XG.

**WHAT DOES THE XTRA GREEN REPRESENT?**

1. The only coated mill offering with 3 green features in a stocking product:
   - FSC CERTIFICATION
   - 30% POST-CONSUMER RECOVERED FIBER
   - GREEN POWER (RENEWABLE ENERGY)

2. A response to your request for an “xtra-sustainable” product in 2 finishes, 4 basis weights, low minimum order size, and stocking carton options.

3. A bright, blue-white, familiar product that maintains a consistent look and feel between the standard U2 offering and U2:XG to support brand identity guidelines across varied projects.

**U2:XG Stocking Inventory**

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**U2:XG Making Program**

Order skid-packed folio and custom-size sheets through our standard making program— inquiry for details.
The advantage of being a socially responsible organization

- Over 30% increase in perception of positive overall reputation
- Over 40% increased customer loyalty
- Almost 50% gain in sense of goodwill toward company
- Increases shareholder perception of value
  - Metafore conference, May 2006 (Lippincott Mercer)

“Communications Consulting Worldwide (CCW) calculates that if Wal-Mart had a reputation like Target, its stock would be worth 8.4% more, adding $16 billion in market capitalization.”
  - Business Week, 1/29/07

Formerly about donating, then about marketing, now about strategy
Best practices

- Begin at the top, as a part of the overall business strategy
  - “If there’s no connection to the company’s business, it doesn’t have much leverage to make an impact.” – Michael Porter, Harvard University

- Think through your marketing communications plan

- Detail major initiatives and determine most suitable options

- Create process to communicate application across various media

- Tap into available resources
Marketing communications plan may include:

- Significant brand-building print collateral like annual reports, high-end product catalogs, coffee table books
  - Evaluate your options to maximize impact of print reproduction

- Routine publications
  - Great application for post-consumer waste, FSC-certified papers and Green Power
    - Is the quantity printed based on history or real need?
    - Consider page count, page size, travel distance
Thinking Through Your Options

- **Direct mail**
  - How clean is the list, periodic check-ins to gauge level of interest?
  - If the piece has a low life expectancy, is the real estate and packaging a waste of resources?

- **Trade events**
  - Limit quantities and have mechanism to provide copies
  - Is material a reference, the give-away re-usable?

- Maximize synergy between materials and your website
Detail the Plan

Example:

- Promotional brochure
  - Evaluate quantity based on current need
  - Specify Utopia One X (FSC product)
  - Purchase Green Power
  - Order additional 10% post-consumer waste
  - Specify FSC-certified merchant*
  - Use FSC-certified printer*
  - Include credit line #5 on inside back cover (follows)
  - Post PDF on website for those desiring only electronic copies
  - Communicate plan for usage; monitor trade event orders

*fscus.org
3. If chain of custody **will not** be maintained on an FSC certified Utopia product

![Recycle logo]

Printed on paper manufactured with virgin pulp from certified sources and minimum of 10% post-consumer recovered fiber.

4. If chain of custody **will be** maintained on an FSC certified product

![FSC logo]

Printed on FSC-certified paper that includes a minimum of 10% post-consumer recovered fiber. (The FSC trademark identifies products which contain fiber from well-managed forests certified by SmartWood in accordance with the rules of the Forest Stewardship Council.)

5. If chain of custody **will be** maintained on an FSC certified Utopia product & Green Power is ordered with paper

![Green Power logo][FSC logo]

Printed on FSC-certified paper manufactured with electricity in the form of renewable energy (wind, hydro, and biogas), and includes a minimum of 10% post-consumer recovered fiber. (The FSC trademark identifies products which contain fiber from well-managed forests certified by SmartWood in accordance with the rules of the Forest Stewardship Council.)

Note: Items in parenthesis are not essential to include.
FSC-certified Utopia Two Gloss, 100 lb. Cover, 20% PCRF, 14637 lbs.
Number of trees saved: 29 trees
Post consumer recovered fiber (PCRF) displaces wood fiber with savings translated as trees. (Trees – the number of typical trees assumes a mix of hardwoods and softwoods 6-8” in diameter and 40’ tall.)

Total energy saved: 20 million BTU’s/<1 home per year
PCRF content displaces energy used to process equivalent virgin fiber. (Homes per year – The average US household uses 91 million BTUs of energy in a year.)

Greenhouse gases: 3,206 lbs CO² equivalent/<1 car per year
PCRF content reduces greenhouse gas emissions (measured in CO² equivalents) that would be generated by equivalent virgin fiber production. (Cars per year – the average car emits 11,013 pounds of CO² in a year.)

Wastewater reduction: 10,509 gallons/<1 swimming pool
PCRF content eliminates wastewater needed to process equivalent virgin fiber. (Swimming pools – 1 Olympic-sized swimming pool holds 660,430 gallons.)

Solid waste reduction: 1,739 lbs/<1 garbage truck
PCRF content eliminates solid waste generated by producing an equivalent amount of virgin fiber through the pulp and paper manufacturing process. (Garbage trucks – 1 fully-loaded garbage truck weighs an average of 28,000 lbs.)
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