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The Facts About Print & Paper

Two Sides campaign focuses on consumers

Two Sides is an international initiative of companies in the paper and publishing sectors, which goal is to promote the responsible use of paper and establish facts about the true environmental footprint of paper. This year's new campaign focuses again on the message of paper sustainability to end-users.

"No wonder you love paper"

That's the slogan at the centre of new a Two Sides campaign rolled out across the UK and Benelux in June 2012. The campaign builds on research* showing that, while consumers prefer paper-based media, they have real concerns about forest growth and recycling rates.

Consumers are surprised to hear the facts about the European pulp and paper industry. For example, almost 70% of paper across Europe is collected and recycled – it's one of the most recycled materials of all. Forested areas in Europe, which provide wood for making paper and many other widely used materials, have grown 30% since 1950. In fact they're increasing by 1.5 million football pitches every year!

Printed paper: attractive, powerful and sustainable

The new campaign has had a successful launch with high visibility in the press. Its adverts have appeared in popular daily and regional newspapers, and many well-known magazines. They convey clear and simple messages promoting the responsible use of printed paper as an attractive, powerful communications medium. One that – based on a natural and renewable resource – can be sustainable too.

Martyn Eustace, Director of Two Sides, comments, "This campaign is urgently needed to correct consumer misunderstandings. Our research tells us that magazine and newspaper readers are unaware of the industry's great record on recycling and expanding European forests. Yet 80% of UK consumers prefer reading from paper than reading off a screen. They deserve to know about the industry's record on important environmental issues."

The campaign will continue throughout 2012 supported by a new website: www.youlovepaper.info. Site visitors can learn the environmental facts about the paper industry, take a fun quiz,

and enter a "share your paper experience" video competition. The consumer campaign will be deployed in other European countries in the

second half of the year.

*Two Sides/IPSONS research of 5000 European Consumers, September, 2011

100% informed
70% recycled

No wonder you love paper

Did you know that almost 70% of paper across Europe is collected and recycled? In fact it's one of the most recycled materials of all.*

Magazines are printed on paper from natural and renewable wood which is all good to know if you love reading your favourite magazine.

*Monitoring Report of the European Recovered Paper Council, (ERPC), 2010.

To discover some surprising environmental facts about print and paper, visit www.youlovepaper.info

Print and Paper. The environmental facts may surprise you

Two Sides is an industry initiative to promote the responsible use of print and paper as a uniquely powerful and natural communications medium.

Europe's Biggest Biomass Plantation

Joint International Paper & GWR project in Poland

Some International Paper sites generate energy from renewable biomass. For example, the integrated plant in Saillat, France, burns by-products from paper pulp manufacturing to produce 85% of its energy. In a giant sustainability step, International Paper is taking this concept even further.

International Paper has signed an agreement with Green Wood Resources (GWR) to develop a biomass plantation in Pomerania, Poland. When completed it will be the largest of its kind in Europe.

Founded in 1998, GWR is a global company specialising in the acquisition, development and management of high-yield, sustainable tree farms. All its farms are certified under the Forest Stewardship Council (FSC) or equivalent third-party programmes.

Meeting sustainability targets

Current supplies of biomass are not sufficient to support the increasing demand from Polish industry as it adjusts to meet EU renewable energy targets. Therefore, new sources of sustainable biomass must be developed to ensure a

stable supply at a reasonable cost.

The green light for the energy tree farm follows a successful pilot project, which used fast growing, short rotation, hybrid poplar trees as the biomass crop. GWR Poland will manage the new farm in cooperation with local farmers, leasing lands from them.

And the first harvests are expected in four years' time. In addition to producing renewable fuel, the project will offer local farmers more crop options.

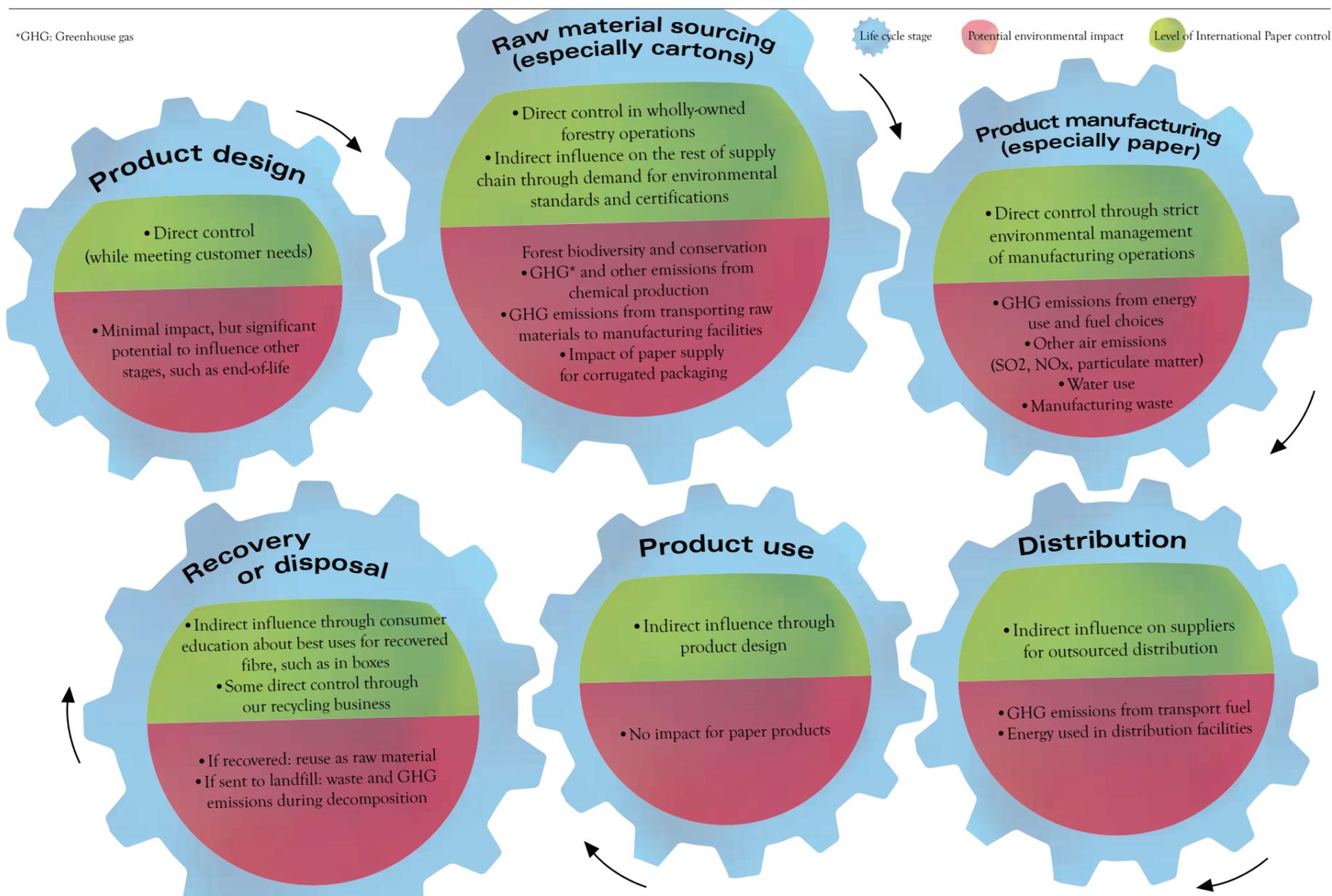
Commenting on the new project, Eric Chartrain, International Paper's Vice President of



European Papers, said, "It will enable us to develop a fully integrated biomass supply system, helping Poland deliver on renewable energy targets while offering a valuable boost in jobs and prosperity for the local farming community."

International Paper uses life cycle assessment to make greener products

Sustainability from start to finish



When deciding what product to buy people want to know how their purchase will affect the environment. For this the product must be assessed across its entire life cycle. The information also helps manufacturers reduce the environmental footprint of their products. International Paper is a leader in the life cycle assessment of paper and packaging.

More and more, customers and end-users want information about the environmental impact of the products they buy and use. This can be determined by conducting a life cycle assessment (LCA). It measures the total environmental impact of a particular type of product by analysing individual impacts at every stage – from raw material sourcing through manufacturing. And from use to end of life. This kind of analysis will soon be the basis for government legislation.

International Paper contributes to industry-wide LCA studies on products such as containerboard and corrugated carton, printing and writing paper, and grocery bags. Every year in the Europe, Middle East and Africa region we calculate the carbon footprint of each of our paper product categories using guidelines from

the Confederation of European Paper Industries. This information is then made available to customers.

From measuring to managing

At International Paper not only do we measure a product's carbon footprint. We try to reduce it. We have either direct control or indirect influence over every stage of a product's lifecycle. This allows us to seek ways to minimise the environmental impact of each step.

There are four principal stages in which we can make a big difference: product design, the sourcing of raw materials, manufacturing processes, and end-of-life product recovery.

• Product design

The design of packaging products can have a significant effect on the environment. One example is an environmentally friendly box that International Paper devised for a familiar consumer product: a clothes iron. Instead of interior cushioning made of polystyrene, International Paper created a carton-based design to protect the iron during transport.

Not only did it provide the necessary high level of protection, meeting "drop test" standards. The all-carton, mono-material packaging is

much easier to recycle. In addition, it is a lot less bulky, which allows more boxes to fit in a truck. Each year 70 fewer trucks are needed to transport the packaging material to the customer, and 108 fewer trucks are required to deliver the packaged irons to distributors. This translates into a total CO₂ emissions reduction of 91 tonnes per year. The result is a consumer product with a smaller environmental footprint.

• Raw materials

International Paper is committed to sourcing fibre from responsibly managed forests. In Europe, 65% of the wood we use to produce paper-based products comes from certified forests. We work closely with forest owners to help them get Forest Stewardship Council (FSC) certification, as well as that of the Programme for the Endorsement of Forest Certification (PEFC).

We encourage landowners to replant their harvested areas to make them productive and to continue managing their forests in a sustainable way. Where possible we select local suppliers to reduce the impact of transport. For instance, at our plant in Saillat, France, the average travel distance for sourced wood is 137 km. Moreover, no wood is imported: it all comes from France.

• Manufacturing

We continually work to improve our manufacturing processes in order to increase energy

efficiency and use waste productively. Here are some combined statistics from International Paper plants in Kwidzyn, Poland, and Saillat, France: 52% of waste is productively reused in road construction and fertilizers; 24% is burned for energy production; and only 24% landfilled.

• Recovery

We provide financial support for initiatives that promote the collection and sorting of waste paper and containerboard. These include the Green Dot scheme in France, Italy, Spain, Germany and the UK; the Extended Producer Responsibility contributions in France and Germany; initiatives by the European Federation of Corrugated Board Manufacturers to organise and improve the collection of waste board and paper; and environmental working groups set up by the Confederation of European Paper Industries.

Through these measures, among many others, International Paper remains an industry leader in the life cycle assessment of paper and packaging products. It is leading to products that have an increasingly minimal effect on our environment – from start to finish.



Reporting on Sustainability

A newly published report includes International Paper sustainability goals

A new report looks back at International Paper's sustainability efforts in 2011. It also faces the future, setting out sustainability goals to be achieved by the year 2020. Among them are a number of ambitious environmental objectives

Among the 2011 highlights covered in International Paper's new sustainability report is the establishment of a Sustainability Leadership Committee. The cross-functional group will help set sustainability goals, monitor performance, align sustainability with company strategy, and create policies, standards and guidelines. In addition, an Energy Council was set up to optimise results of energy efficiency projects and achieve sustainable competitive advantage.

In 2011 International Paper supported the National Council for Air and Stream Improvement in forming a Forest Biomass Cooperative. Its aim is to sponsor and direct scientific research to support sustainable production and the use of forestry biomass.

The year 2011 also saw progress across a variety of environmental performance criteria. For example, International Paper met 71% of

its global energy requirements with renewable biomass. And compared to 2010 it cut water use by 8% and reduced landfill waste by 27%

Twenty-twenty targets

Setting improvement objectives is essential for effective sustainability management. In 2011 International Paper released its first public global sustainability goals. From a 2010 baseline, they set firm targets for the year 2020, including ambitious environmental goals

International Paper plans to improve purchased energy efficiency by 15%, and will cut the global greenhouse gas emissions from production by 20%. A number of air pollutants (including sulphur dioxide, nitrogen oxide and particulate matter) will drop by 10%. And there will be a 15% global increase in paper fibre volume coming from certified third parties, along with reduced fibre loss in manufacturing.

Wastewater discharges of oxygen-depleting substances to streams will fall by 15%. And to use less water by 2020, water usage across manufacturing locations will be mapped by 2013, and site-specific plans will be adopted in strategic watershed areas by 2015.



And beyond

The recovery of old corrugated containers will grow 15% through finding new sources and diverting useable fibre from landfills. To achieve a significant company-wide reduction of manufacturing waste, site-specific plans will be

Of course, International Paper's ongoing commitment to sustainability means that over time the performance bar will be set ever higher. This will of course require new, more ambitious environmental goals. So watch this space.

Leading by example

International Paper Receives Prestigious Climate Leadership Award

In March 2012 International Paper was named as one of the winners of the inaugural Climate Leadership Awards.

The recognition came from a group of top environmental agencies and organisations. They include the US Environmental Protection

Agency, the Association of Climate Change Officers, the Center for Climate and Energy Solutions (formerly the Pew Center on Global Climate Change), and The Climate Registry.

"This award reaffirms our commitment to continuous improvement and reductions in our environmental footprint," said Teri Shanahan, International Paper vice president of Sustainability.



International Paper was one of 20 organisations – and the only forest products company – recognised for its leadership in addressing climate change and reducing carbon pollution. During the past decade, International Paper has reduced its greenhouse gas emissions from fossil fuels by 40%. It has committed to cutting another 20% by 2020.

The awards were presented at the inaugural Climate Leadership Conference in Fort Lauderdale, Florida. The conference brought together leaders from business, government and academic institutions. During the event they exchanged best practices on how to address climate change while running more competitive and sustainable operations.



Powerful partnership for a better future

International Paper, a member of the World Business Council for Sustainable Development



World Business Council for Sustainable Development

International Paper has become a member of the World Business Council for Sustainable Development (WBCSD). International Paper will also take an active role in the council's Forest Solutions Group, which provides leadership in expanding sustainable forest-based solutions.

A CEO-led organisation of forward-thinking companies, the WBCSD is driving the global business community to create a sustainable future for business, society and the environment. It includes 200 member companies with combined revenue of more than \$7 trillion, representing all business sectors and continents. The WBCSD provides a forum to share best practices on sustainable development issues and develop innovative tools for change.

"International Paper is one of the few companies that can trace its commitment to sustainable operations back more than 100 years," said Peter Bakker, President of the WBCSD. "We will be able to learn from them at the same time as helping them move forward with their activities."

David Kiser, International Paper's Vice President, Environment, Health, Safety, commented, "It is an exciting partnership that demonstrates our commitment to continual sustainability improvement. I am confident collaborating with the WBCSD will lead to rapid and meaningful progress toward our sustainability goals."

Sustainability VP speaks out

International Paper: part of the solution to the problem of global deforestation



"Honesty and transparency have always been crucial to raising International Paper's sustainability profile and demonstrating we are serious about protecting natural resources and promoting a healthy environment." These are the words of Teri Shanahan, International Paper Vice President, Sustainability. In a recent interview she pointed out that deforestation is a serious, global problem. "We buy most of our wood from tree farmers who maintain high standards and continuously replant to sustain their business. That's the happy side of the picture. But globally, forests are shrinking and we need to act."

protecting them," Teri answered. "Independent certification of fibre for forest products is an excellent way to verify good forest stewardship. These systems are being more and more widely used and accepted."

The business case is clear: "Our operations are totally dependent on preserving the forest's natural, renewable and recyclable materials. Markets want to see proof that we 'get' this and are good stewards of these precious resources".

Forests under pressure

According to the United Nations the main cause of deforestation is clearing forests for agriculture. "And with two billion more people expected by 2050," explained Teri, "forests will come under even more pressure."

So what, in her opinion, can be done to help? "At International Paper we feel deeply tied to forests and want to be part of the solution for



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International Paper (NYSE: IP) is a global paper and packaging company with manufacturing operations in North America, Europe, Latin America, Russia, Asia and North Africa. Its businesses in-

clude uncoated papers and industrial and consumer packaging, complemented by xpedx, the company's North American distribution company. Headquartered in Memphis, Tenn., the company employs

approximately 70,000 people and is strategically located in more than 24 countries serving customers worldwide. International Paper net sales for 2011 were \$26 billion. Temple-Inland Inc.,

which was acquired in February 2012, had 2011 net sales of \$4 billion. For more information about International Paper, its products and stewardship efforts, visit internationalpaper.com