PULP & PAPER PPI INTERNATIONAL

By GRAEME RODDEN, Executive Editor

Sappi Fine Paper North America's new eQ blog promises candidness and transparency about sustainability issues it considers critical

SUSTAINABILITY'S THREE P'S

Not so long ago, if a forest products company was asked about sustainability, it would proudly point out the number of trees it was planting. Sustainable was a word most often used to define forests or forestry practices.

Sappi realized that the term would have to mean much more than that. The World Summit on Sustainable Development (Johannesburg, 2002) set out key factors inherent in sustainability: prosperity, people and planet. These "3 Ps" formed the basis of Sappi's commitment to sustainable development.

The company defines sustainable development as "development which meets the needs of the present without compromising the ability of future generations to meet their own needs."

So while sustainability does mean growing trees, it goes far beyond. The executive vice president, strategic marketing, and chief sustainability officer, Sappi Fine Paper North America (SFPNA), Jennifer Miller, explains that it is very important to understand that sustainability at Sappi is a "business strategy" as important as any marketing or environmental strategy. "We need to make adequate returns to be able to grow."

Jennifer Miller: Our commitment to sustainability is sincere

Sappi Fine Paper North America's current initiatives had their beginnings in 2007. "We realized we had operated as a sustainable company dealing with good practices (e.g. forestry, effluent treatment, etc), but that the whole holistic story was not well understood by customers, communities or the NGOs," Miller adds. "Therefore, we had to demonstrate the power of what we did everyday in the mills to minimize the impact on our natural resources."

A strong and explicit corporate governance policy was established. A steering committee led by SFPNA CEO Mark Gardner and which includes Miller was formed. A monthly meeting reviews the status of the company's initiatives. "Corporate governance is very important," Miller states. "Laura Thompson, Ph.D., is our director of sustainable development and technical marketing. She oversees all the work from our line operations and sets the directions." (SFPNA has three mills: Somerset and Westbrook, ME, as well as Cloquet, MN.)

For example, Miller cites the Somerset Mill where almost $50 million was invested recently on the recovery boiler and other projects. "The decision was difficult but we were able to return good energy efficiency, maintain the mill' competitiveness, debottleneck other processes in the recovery and reduce the mill's reliance on fossil fuels.

"There were huge benefits to the environment but also to the future prosperity of Somerset."

The benefits are seen by the employees and understood as not just another technological advancement, but as part of the larger umbrella of sustainability and the 3Ps.

The final leg of the corporate governance strategy is

to ensure how best to communicate the company's progress with customers. Sustainability is not a marketing initiative, but SFPNA realizes it is important that the marketplace understand its actions. To this end, a customer council was created with a cross-section of clients who are "proud of their involvement with us," Miller says.

Meetings are held twice yearly and, Miller adds, "We show them our progress and talk about how best to communicate what we've done. They give feedback and suggestions on new products and service ideas. Sustainability is an assumed part of any discussion.

"All the work we do is fact-based, but we try to declutter the jargon. That is the genesis of the *eQ Journal*."

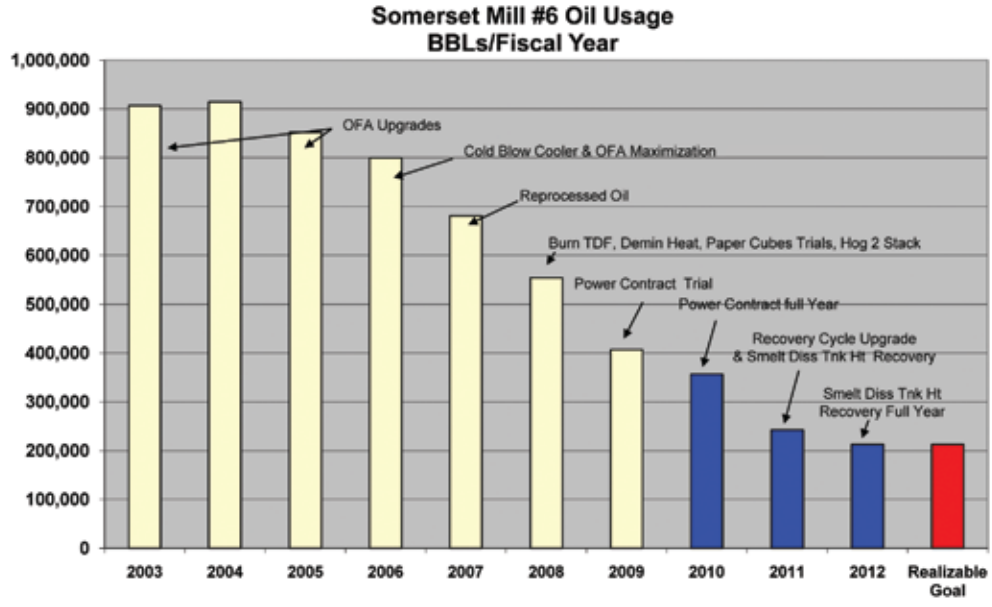
The *eQ Journal* is a print and online publication that looks at various aspects of SFPNA's holistic approach to sustainability such as carbon footprint and carbon management as well as case histories and customer questions and observations. Each employee receives a copy of the *eQ Journal*. The catch line for each *eQ Journal* is: Elevating your environmental knowledge.

CHOPSTICKS FROM GEORGIA?

The eQ (environmental quotient) is a brand that SFPNA created that is designed to be a trust mark. There is the online eQ tool, developed to help assist paper buyers in making informed decisions on the environmental effects of their paper choice. It includes the *eQ Journal* as well the Environmental Quotient blog (http://eq.tumblr.com) that is authored by Thompson.

Launched in May 2011, the blog is really designed to take SFPNA's desire to be engaged and interactive to the next level. "Laura's blog provides real time immediate dialogue to entice response. It is our commitment to transparency," Miller says.

Recent posts by Thompson have covered such topics as single stream recycling, the high content of recycled fiber in Canadian-made packaging paper, the carbon disclosure project, why a company's paper procurement policy is important and in early August, a piece about a Georgia company that makes chopsticks from wood species previously considered almost useless.



Sappi's Somerset, ME, mill has reduced use of No. 6 fuel oil considerably

Back to the farm

Sappi Fine Paper North America's Cloquet mill partnered with the University of Minnesota's Carlton County Extension Agency, to reduce the amount of waste sent to onsite landfill. Through this partnership, Sappi identified an opportunity to beneficially reuse lime mud and boiler ash, byproducts from pulp and paper manufacturing, to improve crop yields by enhancing soil characteristics. As part of this process, the Carlton County Extension Agency visits local farms to test the soil and makes recommendations to Sappi and the local farmers for application rates of these byproducts. In addition, Sappi also coordinates and pays for the hauling and spreading of the material, which saves the farmers time and money while ensuring that the byproducts are applied at the optimum rate. Annually, the company distributes 25,000 to 30,000 tons of these byproducts to local farmers in the Cloquet area, saving them more than $1 million/yr in soil amendments, while significantly reducing Sappi's landfill volumes.

Thus far the blog has attracted a lot of observers. "As with any new social media outreach, we have to get some experience. My belief is that we can get some relevant information and generate a response. The quality of dialogue thus far has been excellent and will only get better."

Miller explains that as SFPNA's customers number in the thousands, it is impossible to visit them on a daily basis. The blog is a way to increase that dialogue, to get in front of them. It is also a way to show that print can be a partner with social and electronic media.

The blog was primarily designed for customers but the company has been pleased to see that students and NGOs are also following it. "We hope John Q. Public goes to the site and tells us where they are still confused or need more information or even disagree," Miller says. "We welcome the input."

THE MILL FLOOR IS INVOLVED

How does all this relate, for example, to a millwright in Somerset in rural Maine? Miller explains that the workforce has signed on. "At our Cloquet Mill in Minnesota, we have explained the trade case against China (coated paper) to the workers there. The United Steel Workers stewards at the mill asked how they could help. The unions are a very effective voice in Washington explaining the good work the industry has done.

"Our workers understand that we operate the business the right way."

The words are nice but the company is working to show that it walks the walk as well. In terms of objectives, it set a series of five-year goals in 2007 that were revised in 2009 with the closure of the Muskegon, MI, mill.

Planet: By September 30, 2010, SFPNA had reduced its fossil fuel use by 54%. The target was 40%. With the recovery boiler rebuild at Somerset, that mill will be even further ahead. Greenhouse gas emissions fell by 50.3% compared with a target of 40%

For solid waste, SFNPA has a five-year goal of reducing the organic content of solid waste by 50% by 2012. It has already exceeded this objective, reducing organic content by 61%.

At the end of fiscal 2010, forest certification levels had risen to 61%. Miller says the company is continuing to make a sizable investment in the programs it

recognizes: SFI, FSC and PEFC. As SFPNA buys all its wood, it realizes small landowners may have some problems with the certification process. In conjunction with the Sustainable Forestry Initiative® Inc., the American Tree Farm System (ATFS), Time Inc., Hearst Enterprises, National Geographic, and Verso Paper, SFPNA is working with smaller landowners to help them through the complexities of the process.

Prosperity: The goal was to generate 25% of revenue from products and services that were less than five years old. SFPNA is now at about 45%. "We are constantly replacing brands and goods," says Miller. In its 2010 Sustainability Report, Sappi admits this is becoming more difficult for the core business. New products from the specialty business and product modification from the core business are seen as key to maintaining customer satisfaction.

People: By 2012, SFPNA wants to ensure its employees, salaried and hourly, receive 60 hr/yr. At end of fiscal 2010, the level was at 46 hr/yr, above the 40 hr/yr target set for then.

But training does not stop at the employee. SFPNA has an extensive customer training program as well. This is not to say the company teaches its customer show to run a paper machine or bleach plant, but includes information about sustainability and topics such as paper math, paper attributes, printing techniques and even print's effective role in a marketing mix. "We offer and they all want it," says Miller. "Our paper is not a commodity but it is bundled with all our value-added services including training."

LOOKING AT THE LIFE CYCLE

One of the issues demanding more attention recently is life cycle analysis. Some printers and end users want a better way to talk about the life cycle of paper. "We are looking at further work in 2011-12 to give them a fuller picture of the life cycle of paper," Miller explains. "We're talking to printers and users to join TwoSides (recently formed in the US, Sappi is a founding member, *PPI*, June 2011). We are very involved with the Check Off campaign of the American Forest & Paper Association (AF&PA).

"We do a lot of one-on-one work with customers to explain the footprint of their decision to work with Sappi, in addition to making resources available to them. And we're finding that our resources like our eQ Tool are being well-received in the marketplace, as customers such as Coca-Cola have included the eQ Tool's Environmental Benefits Statement in their annual reports, to show audiences the greenhouse gas emissions that they avoided by going with Sappi."

Although SFPNA is working hard on its sustainability message, it realizes communications play a key role. "We are trying to tell our story in straightforward, accessible ways," says Miller. "For people to understand, accept and believe what we are doing needs enormous trust and integrity. We need to be open, willing to share and transparent."

"Our commitment to sustainability is sincere. It is critical to the health of the company and industry to be able to answer the questions asked of our industry candidly." PPI

About Sappi Fine Paper North America

sappi

Sappi Fine Paper North America, known for innovation and quality, is a preeminent North American producer of coated fine and release papers headquartered in Boston, Massachusetts. Its coated fine papers, with highly recognized brand names such as McCoy, Opus, Somerset, and Flo, are used in premium magazines, catalogs, books, and high-end print advertising. Sappi's mills in North America are triple chain of custody certified to the Forest Stewardship Council (FSC), Sustainable Forestry Initiative® (SFI), and Programme for the Endorsement of Forest Certification (PEFC). Over 85% of the energy used by Sappi's North American mills comes from renewable resources, resulting in one of the lowest carbon footprints of any major North American coated paper supplier. The company is also the world's leading supplier of Release or "specialty papers" for the automotive, fashion and engineered films industries, including the globally recognized Ultracast brand. Sappi's Release papers provide the surface aesthetics for synthetic fabrics used in footwear, clothing, upholstery and accessories, as well as the textures for decorative laminates found in kitchens, baths, flooring and other decorative surfaces. Sappi Fine Paper North America is a division of Sappi Limited (NYSE: SPP and JSE: SAP), a global company headquartered in Johannesburg, South Africa, with manufacturing operations on four continents in 9 countries, sales offices in 35 countries, and customers in over 100 countries around the world. For more information about Sappi Fine Paper North America, visit: **www.sappi.com/na** or call **800.882.4332**.

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