



SFI Conference 2012

The Future is Decided Now



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What's This? Not the future we want



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What is this?



1. Lumber mill
2. Pulp line
3. Printing Press
4. Fourdrinier paper machine



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What is this?



Correct answer is 4 - Fourdrinier paper machine

When was it installed?



1. 1927
2. 1946
3. 1959
4. 1963



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When was it installed?



Correct answer is 1 - 1927



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Who is Graphic Communications?

- ➔ We are the Print and Paper Brokerage arm of Unisource Worldwide
- ➔ We source between 800,000 and 1.2 million tons of paper on an annual basis.
- ➔ Paper is sourced in North America and Europe.
- ➔ We do not source from any areas of high risk for illegal logging
- ➔ We provide over 150 Million Dollars worth of print
- ➔ We have operations in England, Belgium, Mexico, and Brazil



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What is Our Role on Environmental Issues

- ➔ **Communication & Education:**
 - ➔ To provide environmental education to our Customers, Prospects, and Employees
 - ➔ To be the knowledgeable link between our mill partners and our mutual customers
- ➔ **Environmental Choices: To provide Customers with Environmentally Preferable Paper choices to help them meet their Corporate Sustainability Goals**
- ➔ **Influencer: To use our market leverage to help promote sustainable practices of our Mill Partners, Customers and Ourselves**

Trends in Environmental Behavior

- ➔ Customers defining their environmental values
- ➔ Chain of Custody & Sustainable Forestry
 1. Increase in COC Certified Mills
 2. Actual Certified Content in Paper
 3. Growth in Certified Paper Sales
 4. Is my mill certified?
 5. Logo usage/non usage
 6. Environmental claims
- ➔ Recycled Content
- ➔ Detailed RFQ's-Where does my paper come from?

Customers Defining their Environmental Values

- ➔ More companies are defining their environmental values
- ➔ Growth of paper purchasing policies that address the environment
- ➔ No longer only the large paper consumers like Time Inc, Hearst, Staples, Office Depot, Crate & Barrel
- ➔ Now the small and medium size paper consumers
- ➔ CEO driven, Grass Roots driven, NGO driven
- ➔ Many had no idea where their paper came from
- ➔ Public disclosure on the Policy & Progress



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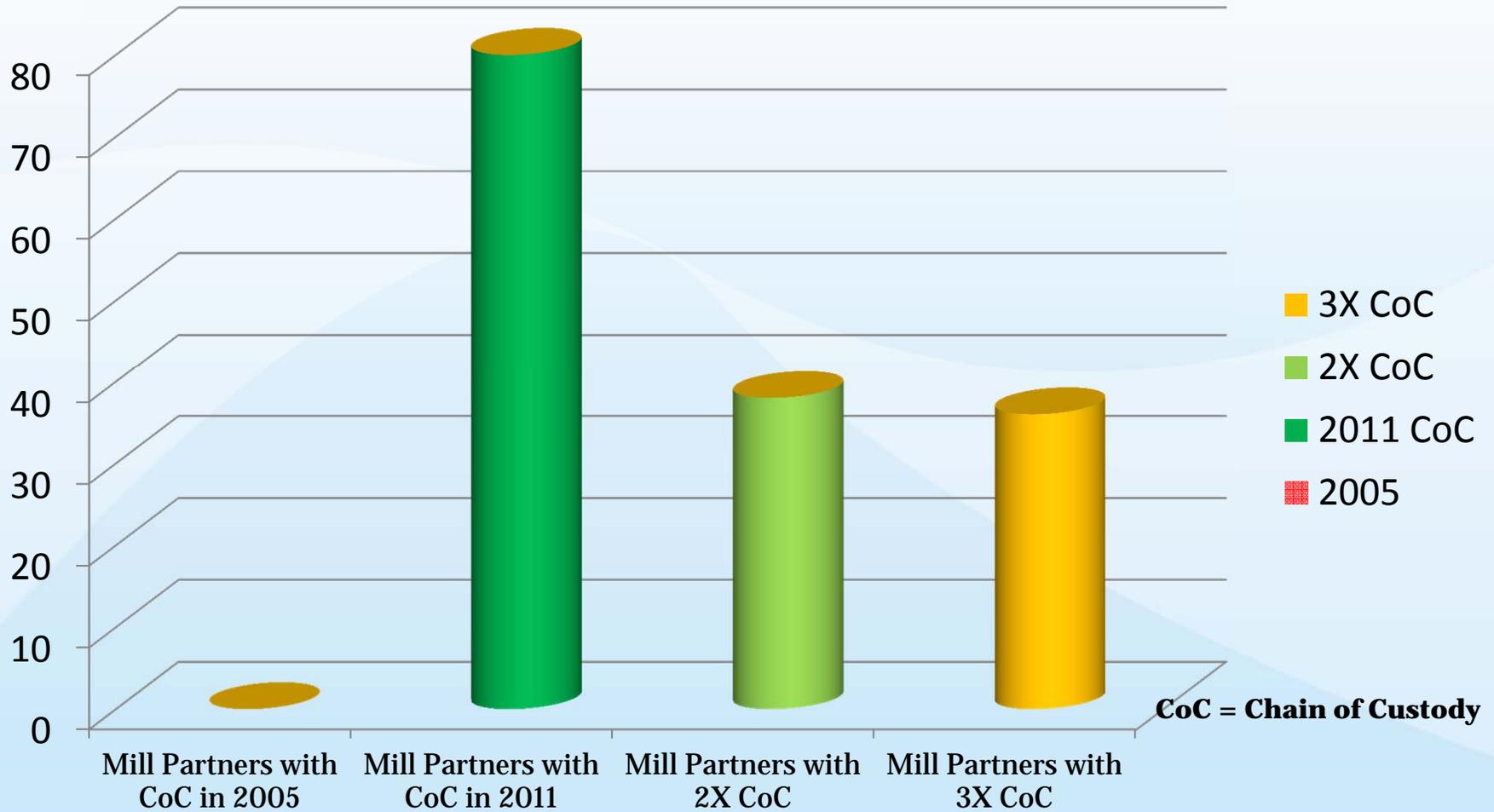


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It All Starts in the Forest!

- ➔ Sustainably Managed Forests are critical for the regeneration of the forest, clean water, air quality, and wildlife habitat.
- ➔ Has the fiber in the paper we supply been sustainably managed?
- ➔ What is the percentage of fiber from Sustainably Managed forests
- ➔ Are the mills working to increase the amount of Certified Forest Land?
- ➔ To which Credible standards?
- ➔ Chain of Custody Systems to independently prove it.

Graph Comm Mill Partners with CoC Certifications 2005 to Present



Growth in Certified Paper Sales

- ➔ 2007 1st full audit year & 2008 slow growth small volume
- ➔ 30% Increase in 2009
- ➔ 40% Increase in 2010
- ➔ Doubled in 2011 audit period
- ➔ The paper consumers are showing that they value a Commitment to Sustainable Forestry
- ➔ “What standards can we get COC Certified Paper to” is always a question now.
- ➔ Some customers just want to know the suppliers have it in place
- ➔ I have not seen the same growth in paper with recycled content

Logo Usage-Environmental Claims

- ➔ Many Paper consumers want to promote their environmental awareness
- ➔ Logo usage has grown with COC certified paper growth
- ➔ Some companies see logo usage as a risk
- ➔ Prefer to make environmental claims instead
- ➔ Some prefer to say nothing (Prairie dogs)
- ➔ Some just want the “Burglar Alarm” Recycled Logo

Recycled Content

- Is it a corporate value?
- Have they made a commitment to recycle internally?
- Do they want to use the recycled logo?
- Is there an additional cost?
- “Please Recycle this Catalog” tag line
- The days of any paper with recycled content is “Green” are over.
- Recycled Newsprint Mills have been an endangered species
- I do not see a trend towards more recycled content in the advertising paper grades we source.

Request For Quotes (RFQ's)

- Every one now has Environmental Questions or a Section devoted to Environmental Information
- The trend is to more environmentally detailed RFQ's
- Viewed as a burden by Mills
- Some Mills do an excellent job providing information
- Still waiting for my first question about the content from a paper consumer.
- Would you be surprised if I told you XXXXXX?

Customer & Mill Partner Trends

- Reduction of energy usage
- Reduction of fossil fuel usage
- Reduction of GHG's
- More work on Life Cycle Assessments
- Work on Carbon Footprint
- Reduction in Processed Water Usage
- Reduction of Process Waste to Landfills
- Waste to a Beneficial use

SFI Program

- I'm proud of the SFI Program and their accomplishments
- Training Loggers
- Supporting research
- Community & Partnership Grants
- Landowner Outreach
- Increasing the amount of Certified Forest Land
- Inclusion & Participation of First Nations and Tribal Lands
- I'm proud of our association with SFI

Thanks to the SFI Program



From all of us at GC
thanks to the SFI
Program and their staff
for all of the good work
they continue to do for
our forests



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