

“TwoSides”

***Exploding The Myths,
Telling The Facts.
Promoting A Sustainable Print And
Paper Industry***

Martyn Eustace


Two Sides Presentation to Cepifine and Eugropa Boards, 27th April 2009



www.twosides.info

Is this the way we want
the world to see us?



A large, chaotic pile of discarded newspapers and magazines, illustrating environmental waste. The papers are crumpled and scattered, with various headlines and images visible. A black text box is overlaid on the left side of the image.

Is this the way we want
the world to see us?



What are our customers thinking?

Two Sides Presentation to Cepifine and Eugropa Boards, 27th April 2009



www.twosides.info


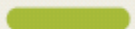
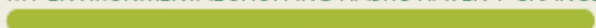
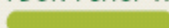


2009 CONSUMER ENVIRONMENTAL SURVEY FACT SHEET

AMERICAN INTEREST IN THE ENVIRONMENT TODAY VERSUS ONE YEAR AGO:

- ABOUT THE SAME INTEREST
 55%
- HIGHER INTEREST
 35%
- LESS INTEREST
 10%

THE CURRENT ECONOMY HAS AFFECTED CONSUMERS' SHOPPING HABITS:

- I AM **MORE** LIKELY TO BUY ENVIRONMENTALLY RESPONSIBLE PRODUCTS TODAY
 34%
- I AM **LESS** LIKELY TO BUY ENVIRONMENTALLY RESPONSIBLE PRODUCTS TODAY
 8%
- MY ENVIRONMENTAL SHOPPING HABITS HAVEN'T CHANGED AS A RESULT OF THE ECONOMY
 44%
- I DON'T SHOP WITH THE ENVIRONMENT IN MIND, REGARDLESS OF THE STATE OF THE ECONOMY
 14%

EXPECTATIONS OF COMPANIES TO MAKE AND SELL ENVIRONMENTALLY RESPONSIBLE PRODUCTS AND SERVICES DURING AN ECONOMIC DOWNTURN:

- HIGHER (IT IS MORE IMPORTANT THAN EVER FOR COMPANIES TO BE ENVIRONMENTALLY RESPONSIBLE)
 35%
- THE SAME
 50%
- LOWER (I UNDERSTAND IF COMPANIES HAVE OTHER PRIORITIES)
 15%

Source: Cone Consumer Environmental Survey – Jan 2009. On line research of 1,087 18+ adults

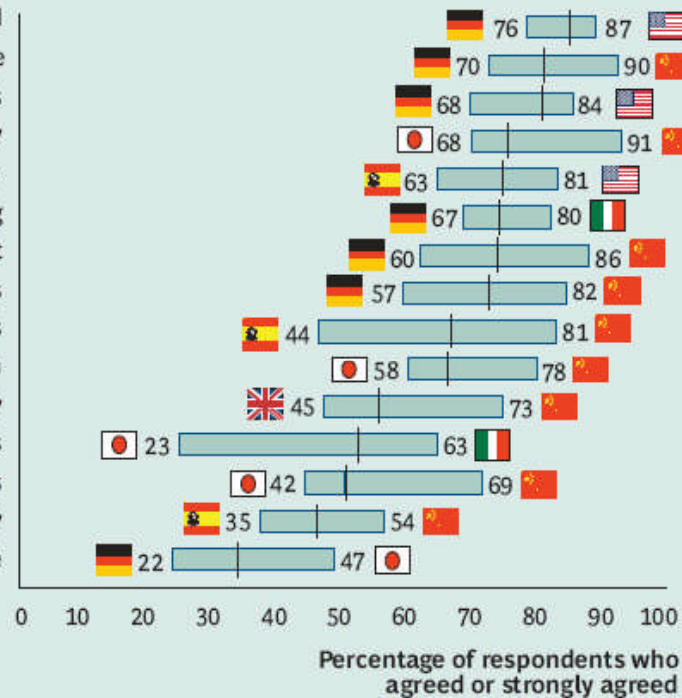


www.twosides.info

Consumers Around The World Define Green Differently

What are green products?

- Products that can be recycled or reused
- Products that generate less pollution in their production or use
- Products that are made of recycled materials
- Products that are produced in an eco-friendly way
- Products that consume less energy in their production or use
- Products that involve less packaging
- Products that have a smaller carbon footprint
- Products that are made of natural or organic materials
- Products that are made of fewer materials
- Products that are certified as green
- Products that use innovative technology
- Products that are not tested on animals
- Products that are made under fair-trade conditions
- Products that are produced locally
- Products that are handmade

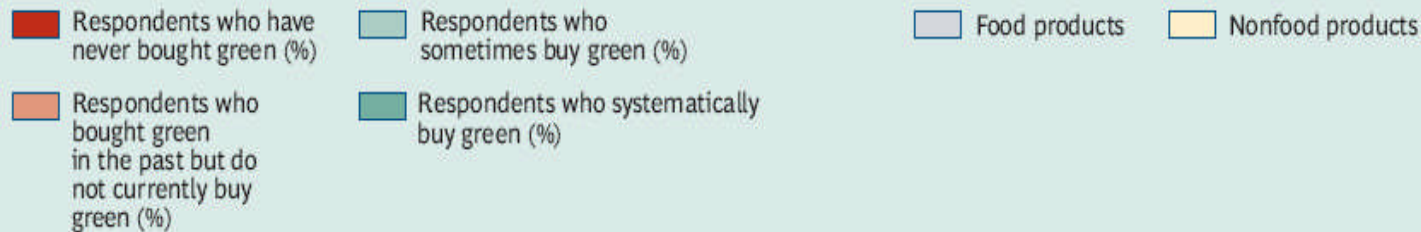
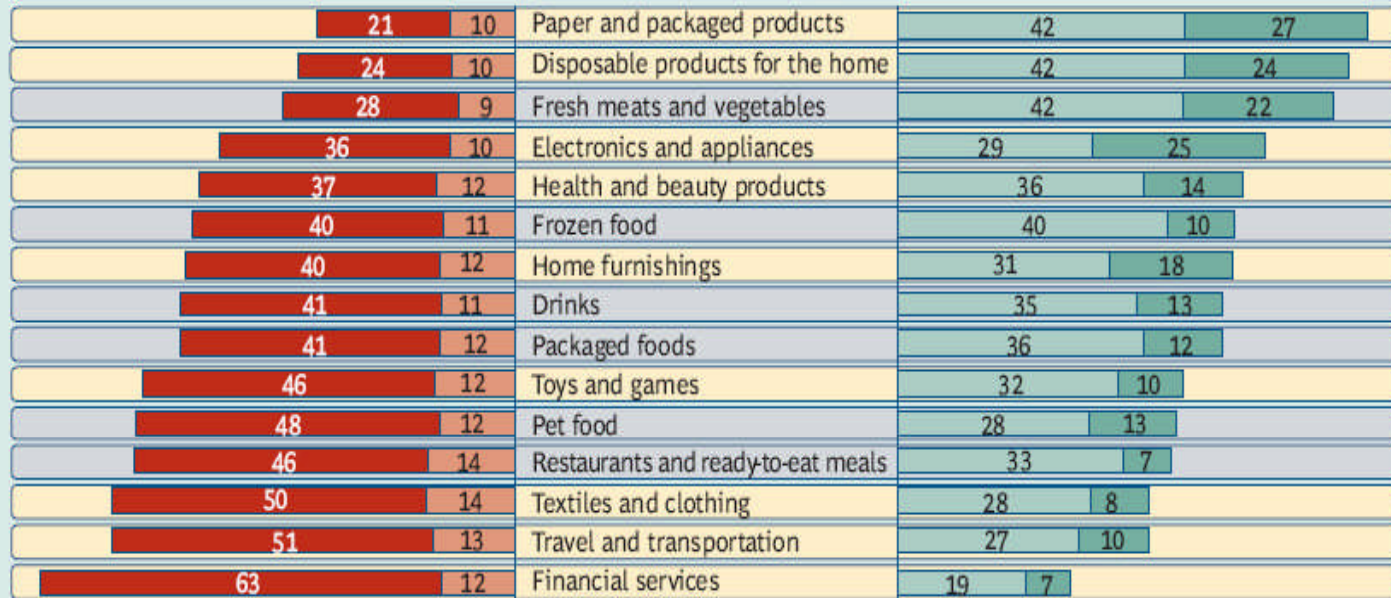


Country with the lowest percentage of respondents who agreed XX XX Country with the highest percentage of respondents who agreed
 Percentage of all respondents

Sources: BCG Global Green Consumer Survey, 2008; BCG analysis.
 Note: Data are from 1,000 responses across all countries in our survey.



Consumers Vary Their Green purchases by Product category

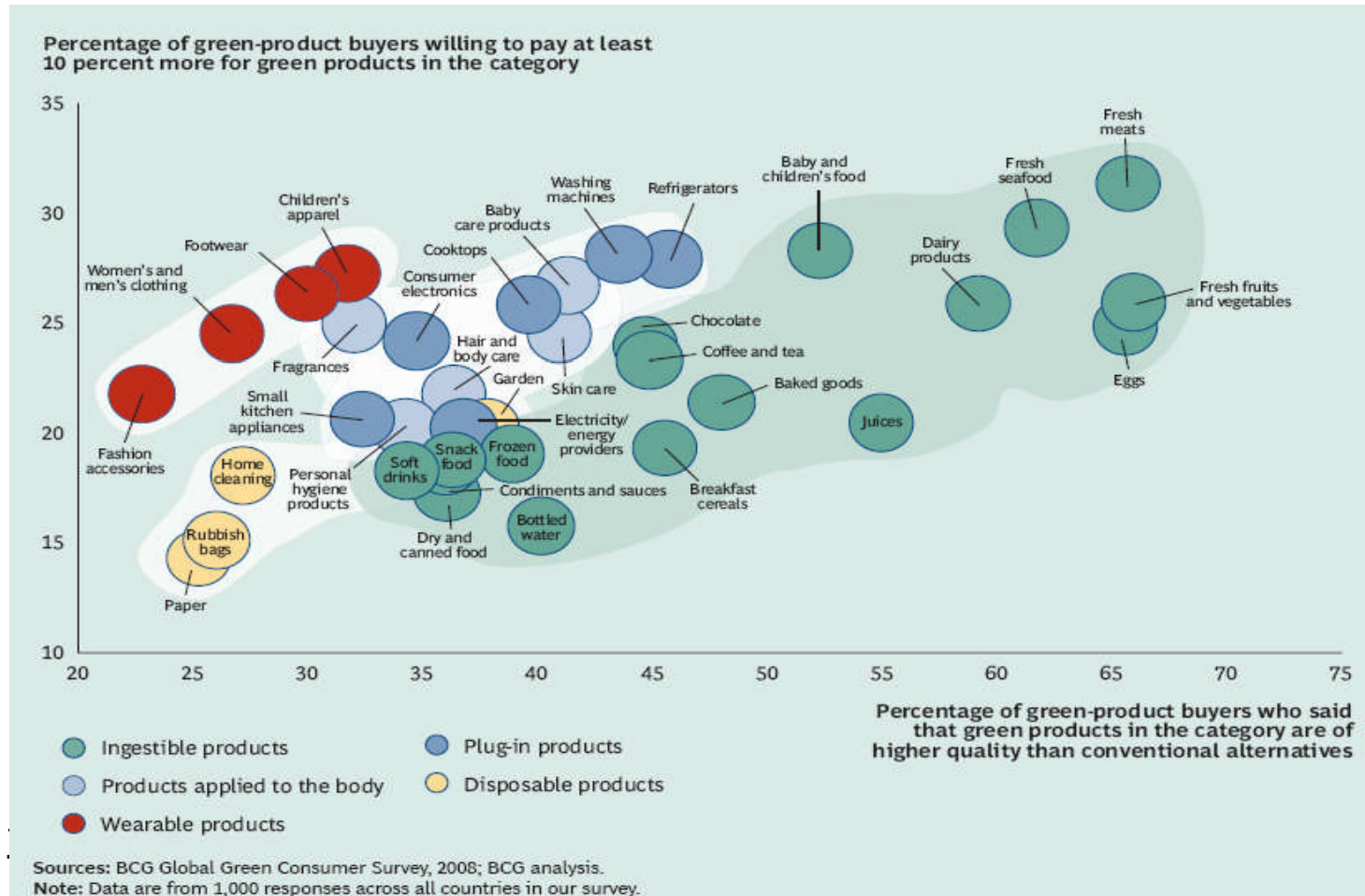


Sources: BCG Global Green Consumer Survey, 2008; BCG analysis.

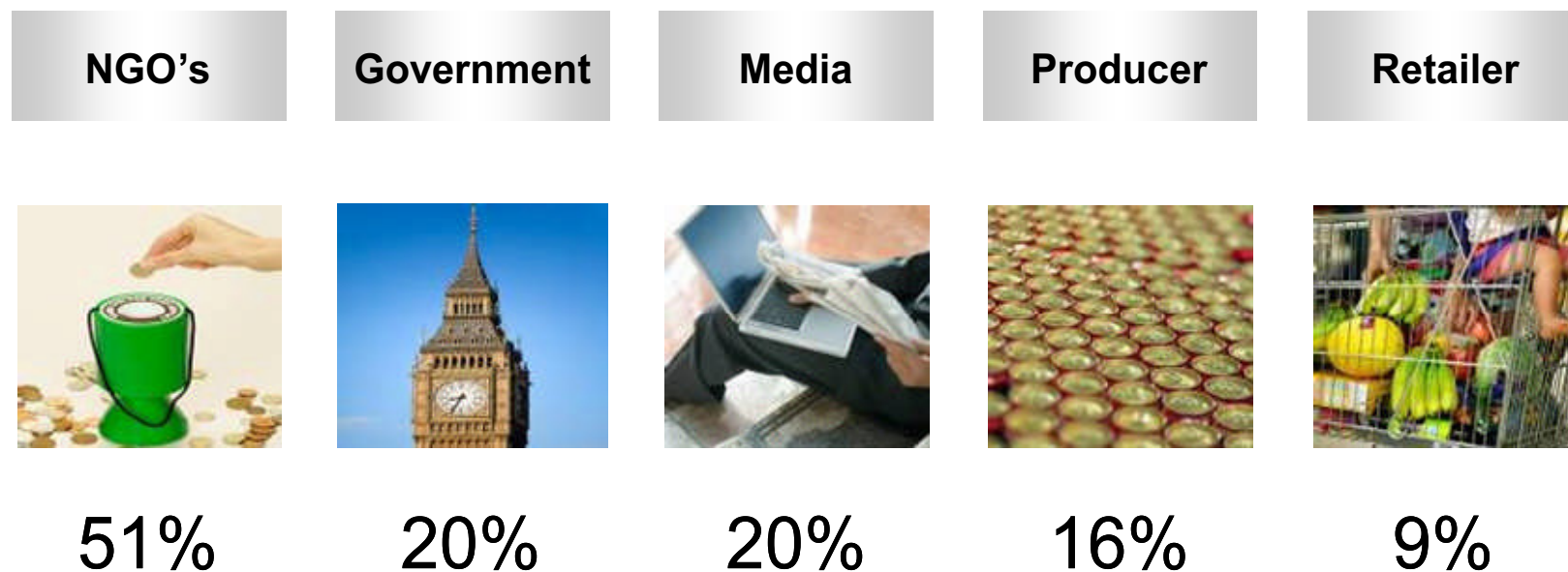
Note: Percentages do not total 100 because of rounding. To calculate percentages for each product category, we averaged results across various products.



Consumers' Willingness to Pay a Green Premium Depends on a Product's Category and Perceived Benefits



Consumers do not trust producers and retailers to provide information on the environmental attributes of a product



Source: PricewaterhouseCoopers

Two Sides Presentation to Cepifine and Eugropa Boards, 27th April 2009

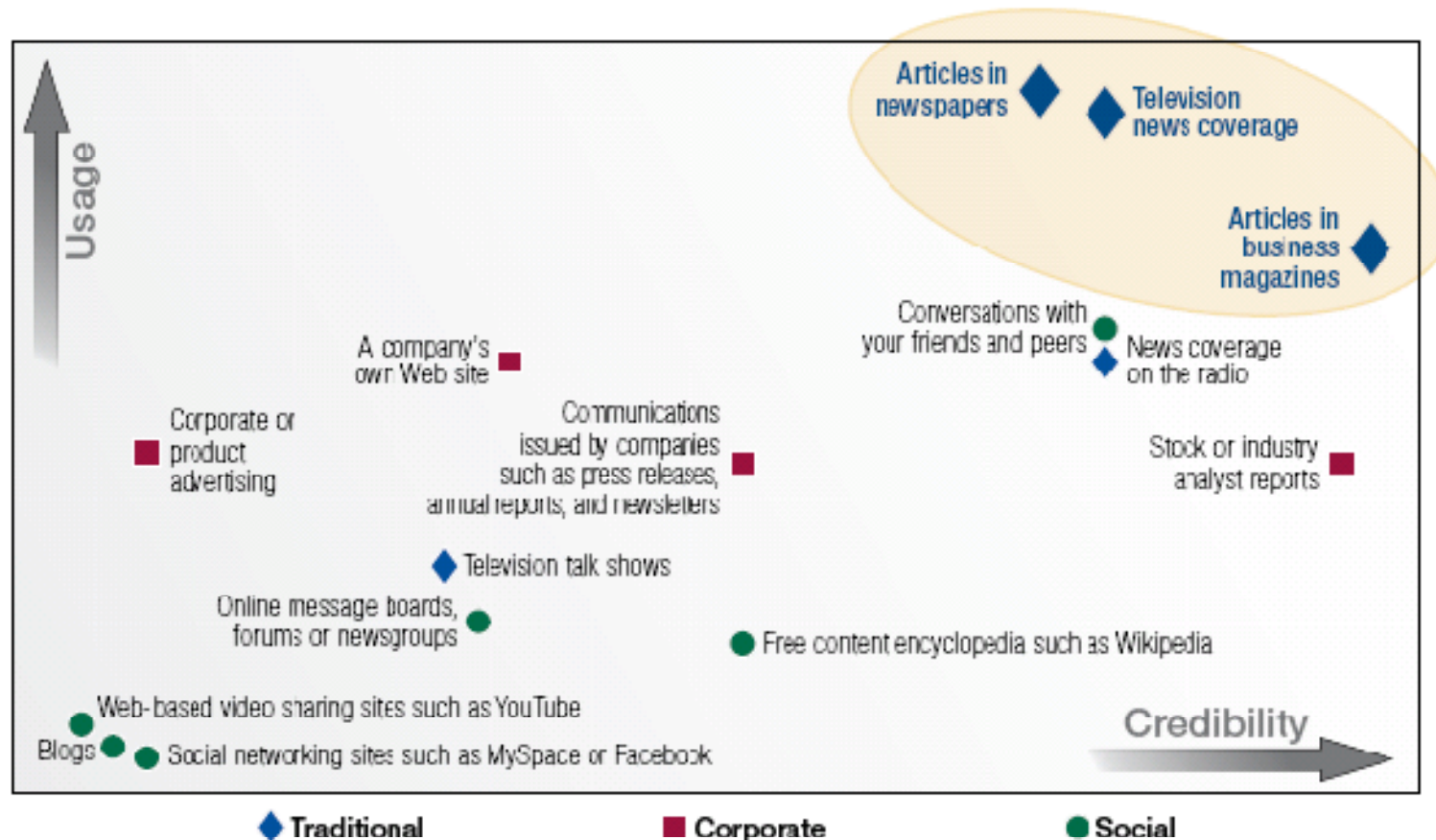


www.twosides.info

Which channels to use?

Most Used Sources Are Generally the Most Credible

From which of the following sources do you regularly get information about companies? How credible do you feel each is?



Opinion elites ages 35-64 in 18 countries

Source: Edelman Trust Barometer 2009



www.twosides.info

What are our customers thinking?

Summary

- Increasing concern for the environment
- Increasingly want to buy environmentally friendly products
- Green =
 - Products that can be recycled
 - Non polluting
 - Made from recycled fibre
- Paper and Packaging is a top priority for consumer attention
- Producers not trusted to provide accurate information

We believe that.....

**PRINT AND PAPER
HAVE A GREAT
ENVIRONMENTAL
STORY TO TELL**

.....but how?

Two Sides Presentation to Cepifine and Eugropa Boards, 27th April 2009



www.twosides.info

The paper industry has a great environmental story to tell

Inherently Sustainable

“Forestry, paper and packaging are among the most sustainable industries in existence”.

Source: CEO perspectives 2008. Price Waterhouse Coopers

“There aren’t many industries around that can aspire to becoming genuinely sustainable. The Paper Industry, however is one of them, it is inherently sustainable”

Source: Jonathan Porritt Chairman
UK Sustainability Development Commission & Founder,
Forum for the Future

Two Sides Presentation to Cepifine and Eugropa Boards, 27th April 2009



www.twosides.info

Compared to other materials, wood and paper-based goods produced in a sustainable manner can be a wise choice because:

- They come from a renewable resource – trees, the product of sunlight, soil, nutrients and water.
- They capture carbon – through photosynthesis, trees take carbon dioxide out of the atmosphere and replace it with oxygen, mitigating greenhouse gas emissions. In sustainably managed forests the carbon released through harvesting is offset by that stored through regeneration and regrowth, making these forests carbon neutral.
- They store carbon over the long term – solid wood, panel and other wood and paper-based products can effectively store carbon for decades or even centuries.
- They are recyclable – they can be reused, or converted into other products, extending their useful life and adding to the available resource pool of wood fiber.

Source: World Resources Institute,
Sustainable Procurement of wood and paper based products, an introduction

The paper industry has a great environmental story to tell

Many of the 'scare stories' are not based upon facts

“Deforestation is generally occurring in the tropics but for a variety of reasons. The main cause of deforestation is either for agriculture or for domestic fuel requirements, which between them account for almost half of the trees cut down worldwide”

Paper and the Environment, ATS Consulting, August 2007

Two Sides Presentation to Cepifine and Eugropa Boards, 27th April 2009



www.twosides.info

The paper industry has a great environmental story to tell.

TwoSides will set out the facts, such as:

- The paper industry sources more than 80% of its wood and its wood pulp from within Europe and the total area of European forest is now 30% larger than in 1950 and increasing by 1.5 million football pitches each year
- 50% of all the paper used in Europe is made from recovered fibre
- 54% of the energy consumed by the European Industry originates from biomass
- Paper amounts for two thirds of all the packaging material recovered for recycling – more than glass, metal and plastic combined
- A UN report has stated that forest health in Europe is good and is improving and the European Environmental Agency has stated that forestry practice in Europe is developing in such a way that can be considered good for diversity.

Two Sides Presentation to Cepifine and Eugropa Boards, 27th April 2009



www.twosides.info

The paper industry has a great environmental story to tell

...and the alternatives can be more damaging;

- The paper industry is the second largest user of electricity in the U.S., consuming 75 billion kilowatt hours in 2006.
- U.S. data center electricity usage in 2005 was 56 billion kWh, and is growing at about 17% per year.
- The disposal of electronic goods (e-waste) is the fastest growing cause of toxic waste.
- It was reported that Australian television advertising is producing 57 tonnes of carbon dioxide per hour.
- Print and paper can aspire to be carbon neutral.

Source: Pira International



The paper industry has a great environmental story to tell

Individual paper usage has a small footprint

“Producing 200kg of paper, the average we each use every year, creates between 130-250kg of CO2 depending on the source of energy. This is comparable to many other small scale domestic activities, and is roughly equivalent to the CO2 produced by an average family car over a distance of 600 miles”

Source: Paper & the Environment, ATS Consulting, August 2007

“Reading a newspaper for more than 20 minutes can consume 20% less carbon than viewing the news online”

Source: Swedish Royal Institute for Technology

Two Sides Presentation to Cepifine and Eugropa Boards, 27th April 2009



www.twosides.info

TIMES ONLINE

Revealed: the environmental impact of Google searches

*Physicist Alex Wissner-Gross says that
performing two Google searches uses up as
much energy as boiling the kettle for a cup
of tea*

**From The Sunday Times
January 11, 2009**

Two Sides Presentation to Cepifine and Eugropa Boards, 27th April 2009



www.twosides.info