

## About Mohawk



Mohawk is an **independent, family owned business**, founded in 1931 that is now run by the 3<sup>rd</sup> generation of the O'Connor family.

We manufacture our papers exclusively in the United States, operating three mills and six paper machines , with over 175,000 tons of capacity.

# Products

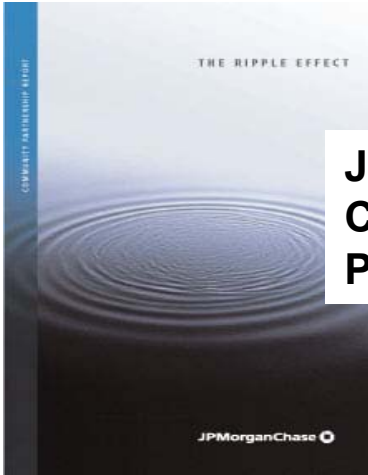
Premium grade printing & writing papers



## End-use Customers

- Corporate
- Educational Institutions
- NGOs
- Office Supply Chains

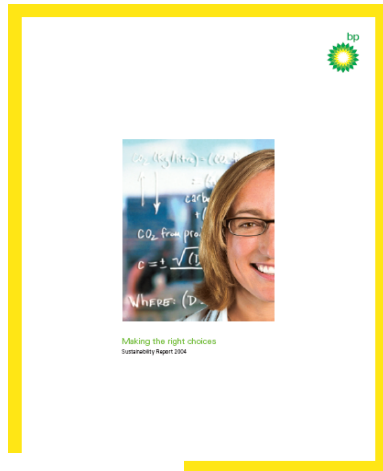
# Customers are publishing CSR reports



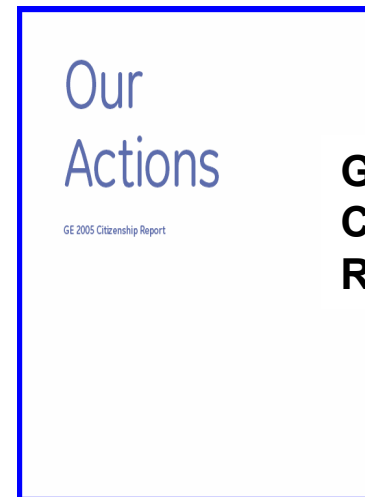
**JPMorganChase  
Community  
Partnership Report**



**Johnson Johnson  
2004 Sustainability  
Report**

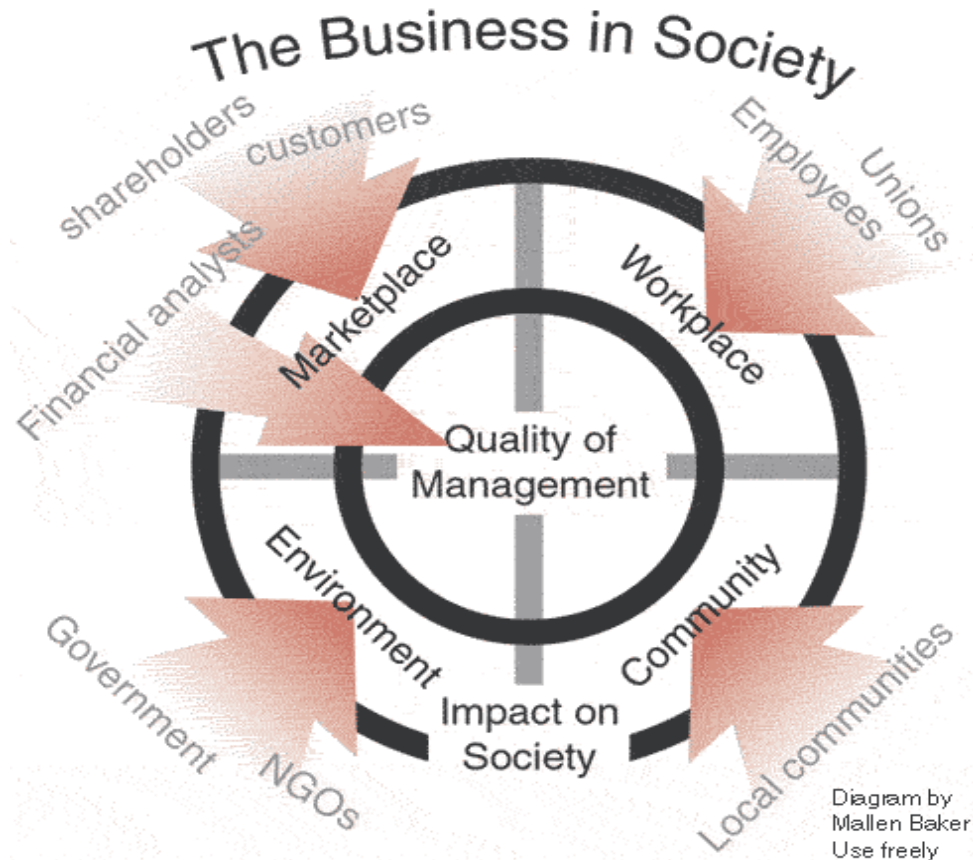


**BP 2004  
Sustainability  
Report**

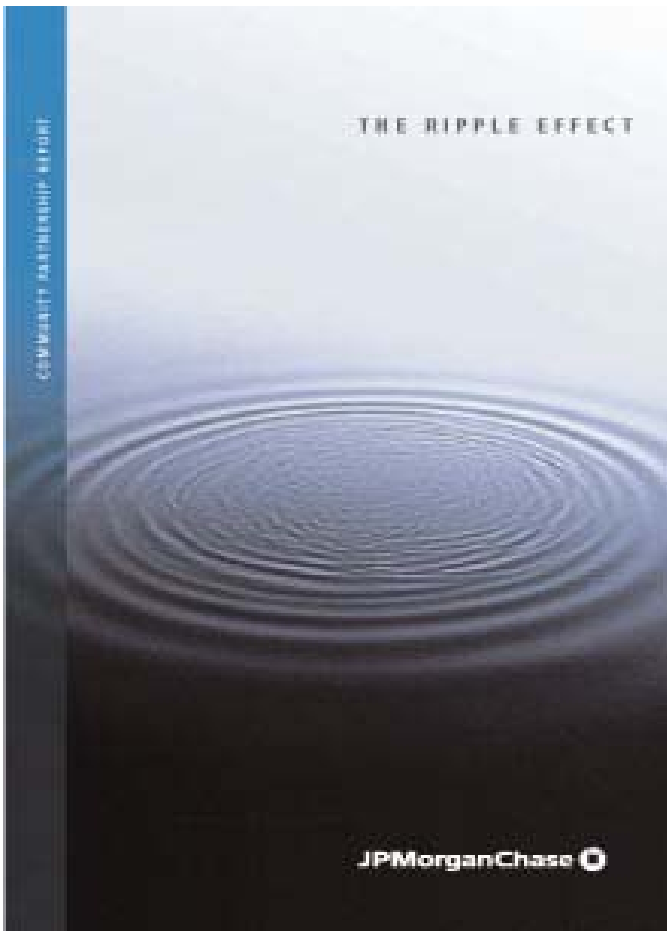


**GE 2005  
Citizenship  
Report**

# The source of corporate social responsibility expectations



# Corporate stakeholders are increasingly focused on climate change and forestry protection



- Section A: Environmental risk management policy
- Section B: Climate change policy, products and research commitments
- Section C: Forestry and biodiversity policy and commitments
- Section D: Indigenous communities
- Section E: Internal resource management
- Section F: Implementation and reporting

## Value at Risk: Climate Change and the Future of Governance

CERES Sustainable Governance Project Report

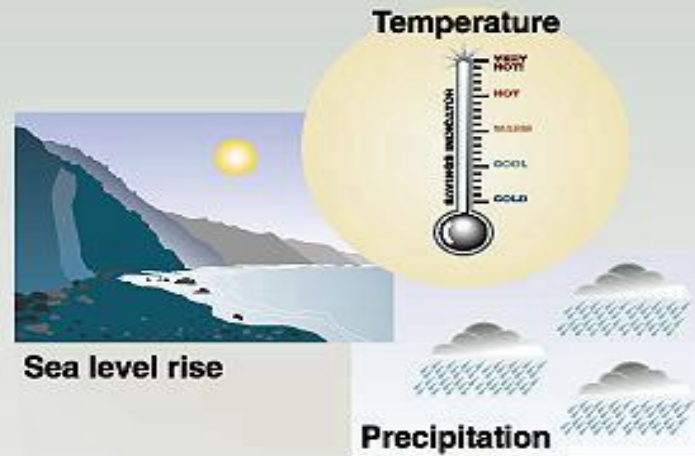
prepared by

Innovest Strategic Value Advisors, Inc.

April 2002

*It is now difficult to identify a sector of the economy that would not be affected in some way by climate change. The question is no longer whether any given portfolio contains climate risk, but how much.*

# Potential climate changes impact



## Impacts on...

### Health



Weather-related mortality  
Infectious diseases  
Air-quality respiratory illnesses

### Agriculture



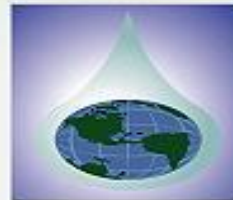
Crop yields  
Irrigation demands

### Forest



Forest composition  
Geographic range of forest  
Forest health and productivity

### Water resources



Water supply  
Water quality  
Competition for water

### coastal areas



Erosion of beaches  
Inundation of coastal lands  
additional costs to protect coastal communities

### Species and natural areas



Loss of habitat and species  
Cryosphere:  
diminishing glaciers

# The Business Risk of Climate Change

“Company directors and institutional investors in the United States currently control – and have legal responsibilities for roughly \$7.4 trillion of financial assets invested in corporate equities, and a significant proportion of it could be at risk from climate change.”





# Forest protection is key to controlling climate change




- An area of forest equal to 20 football fields is lost every minute
- 20 to 25 % of annual human induced CO<sub>2</sub> emissions can be attributed to the release of sequestered carbon from deforestation

# Paper production: a process heavily dependent on forest resources and energy



- Globally, the paper industry is the single largest industrial consumer of water;
- It is also the third greatest emitter of greenhouse gases;
- It is the largest consumer of wood fiber.



# CATASTROPHIC CONSUMPTION:


## THE REAL COST OF RETAIL CATALOGS

**CATALOGS DESTROY NORTH AMERICA'S ENDANGERED FORESTS**  
Each year, catalog retailers mail out around 17 billion catalogs. That's 59 catalogs for every man, woman and child in the US. Yet almost none of this paper contains any recycled content. This means that every year, over 8 million tons of trees go straight into catalogs that are often discarded unread. Catalogs are needlessly consuming North America's most valuable forest regions and filling our overburdened landfills.

**A CHALLENGE FOR INDUSTRY CHANGE**  
Catalog customers are learning that catalogs do much more than clog their mailboxes. They are concerned about the impacts of paper manufacturing and use on their forests and environment.

After a two-year campaign by ForestEthics and allies, office supply leader, Staples, Inc., announced a landmark environmental policy. ForestEthics is now shifting its attention to the catalog industry, challenging the industry to stop buying paper from endangered forests and to maximize the post-consumer recycled content in catalogs.

**ENVIRONMENTAL RESPONSIBILITY MATTERS TO CONSUMERS**  
According to the 2002 Cone Corporate Citizenship Study, 89 percent of Americans say that in light of recent financial scandals, it is more important than ever for companies to be socially responsible. 76% of those surveyed said they would refuse to purchase a company's products or services if they learned of a company's negative practices.



In recent years environmental organizations have shifted their attention from the production process to consumption.

# Paper procurement and consumption have become corporate priorities

JPMorganChase 

*Environment*  
**Environmental  
policy**

## Paper procurement

“JPMorgan Chase is working to maximize the use of environmentally friendly paper, such as post-consumer waste recycled content paper. We are also examining the use of suppliers that source their products from independent third-party certified, well managed forests.”



# Environmental Paper Network



## What is EPN?

EPN is a resource for purchasers, environmental organizations, industry, and individuals.

Its mission is to support socially and environmentally sustainable transformations within the pulp and paper industry.

EPN developed the **Common Vision** document as a framework to achieve desirable shifts in the production and consumption of paper.





# Environmental Paper Network



## EPN common vision goals

- Reduce negative impacts on forests
- Reduce the need for tree farms
- Conserve water & energy
- Reduce greenhouse gas emissions
- Strengthen the market for recycled and alternative fibers
- Prevent pollution
- Encourage responsible forest management
- Protect biodiversity

## Metafore & Paper Working Group

An organization with the mission of implementing the Environmental Paper Network's Common Vision Goals.

Its Paper Working Group consists of large volume paper and paperboard buyers who collectively purchase 4 to 5 million tons of paper annually.





## **Metafore Corporate Participants of the Paper Working Group**

Bank of America

Norm Thompson Outfitters

Cenveo (formerly Mail-Well)

Staples, Inc.

Hewlett-Packard Company

Starbucks Coffee Company

Time Inc.

McDonald's Corporation

Toyota Motor Sales, U.S.A., Inc.

Nike, Inc.

FedEx Kinko's Office and Print Services



# metaFore

## The Environmental Paper Assessment Tool (EPAT)



The Paper Working Group developed EPAT, a web-based tool that will help customers identify environmentally preferential papers.

## **The environmental performance expectations of customers have put Mohawk's EHS personnel at the center of strategic business planning.**

- Develop supplier surveys & seek third party certification / verification
- Consult on the development of environmentally preferable products
- Communicate environmental performance and commitment to customers and other stakeholders
- Become a leader in environmental innovation
- Understand the issues that affect our customers and provide products that offer solutions

**PULP / FIBER SUPPLIER SURVEY**

Supplier:	Name of respondent:
Address:	Title of respondent:
	Signature:
Telephone:	Date:
Fax:	Email:
Pulp / Fiber trade name:	MPM RM ID:
Pulp / Fiber mill name & location:	Pulp Type: __ HW __ SW __ SD __ DI __ EU __ CT __ OTHER

**CERTIFICATION OF EH&S AND MANUFACTURING PRACTICES**

	YES	NO
<ul style="list-style-type: none"> <li>Is your company in compliance with all applicable environmental, health and safety regulations? <i>If no, please explain:</i> _____</li> </ul>		
<ul style="list-style-type: none"> <li>Please provide details of significant non-compliance incidents during the past three years. If any, describe enforcement actions, penalties, and corrective actions: _____ _____</li> </ul>		
<ul style="list-style-type: none"> <li>Does your company have an Environmental Management System? If yes, is it 3<sup>rd</sup> party verified? Please describe its major features: _____</li> </ul>		
<ul style="list-style-type: none"> <li>Does this product contain, or is it manufactured with a process that utilizes Class I or Class II ozone-depleting substances?</li> </ul>		
<ul style="list-style-type: none"> <li>Does your company use elemental chlorine to bleach this product?</li> </ul>		
<ul style="list-style-type: none"> <li>Does your company use <u>any</u> chlorine compounds to bleach this product?</li> </ul>		
<ul style="list-style-type: none"> <li>Does your company have information available about the concentration of dioxin and dioxin-like compounds present in this product? <i>If yes, attach information to this survey</i></li> </ul>		
<ul style="list-style-type: none"> <li>Does your company have information available about the concentration of dioxin and dioxin-like compounds present in mill effluent? <i>If yes, attach information to this survey</i></li> </ul>		
<ul style="list-style-type: none"> <li>Please indicate the types of pulp manufactured at this facility, and specify type (e.g. TMP,BCTMP): _____ chemical; _____ semi-chemical or mechanical; _____ recycled;</li> </ul>		
<ul style="list-style-type: none"> <li>Please describe all bleaching processes used on this product<sup>1</sup>: _____</li> </ul>		
<ul style="list-style-type: none"> <li>What is the daily average mill effluent flow? (gallons/ton air dry pulp): _____</li> </ul>		
<ul style="list-style-type: none"> <li>In the past five years, what investments have been made to upgrade pulping and bleaching lines and pollution prevention and abatement equipment?: _____</li> </ul>		
<ul style="list-style-type: none"> <li>Please feel free to attach information or comment on your company's environmental programs and policies. (Space provided on page following)<sup>1</sup> _____</li> </ul>		

# Our Supplier Survey

- Certification of EHS and manufacturing practices

- Certification of Fiber Sourcing and Forestry Practices

- Certification of Fiber Sourcing and Forestry Practices for suppliers outside of US or Canada



An aerial photograph of a dense, lush green forest covering a hillside. The trees are tall and thin, with a thick canopy of vibrant green needles. The lighting is bright, creating a rich, textured appearance of the forest. The text is overlaid on the center of the image.

## **What is Third Party Certification?**

**A procedure by which a third party gives written assurance that a product, process, service or management system conforms to specific requirements.**



## Third Party Certifications



**FSC** is a non-profit organization that encourages the responsible management of the world's forests and sets standards that ensure forestry is practiced in an environmentally responsible, socially beneficial and economically viable way.



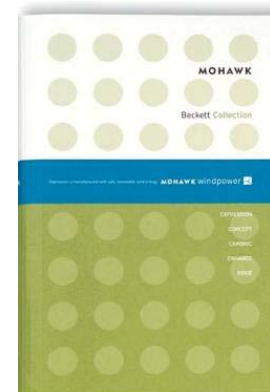
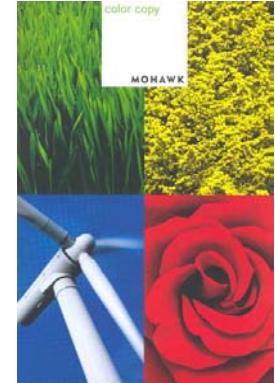
**Green Seal** is a non-profit organization dedicated to environmental standard setting, product certification, advertising claims substantiation and public education.



**The Green-e logo** is a nationally recognized symbol to help consumers identify superior, certified renewable energy products.

# EHS provides guidance in the development of environmentally preferable products

- Manufactured with power derived from wind turbines
- Made with 100% post-consumer waste fiber
- Process-chlorine free
- Endorsed by the environmental organizations Green Seal and the Forest Stewardship Council



# EHS communicates environmental performance and commitment to customers and other stakeholders



Mohawk Fine Papers Inc.

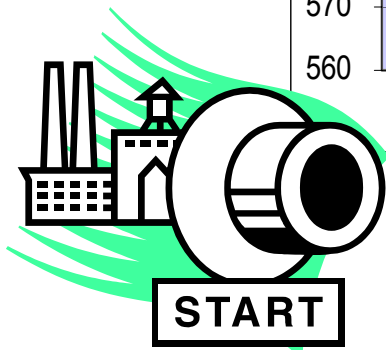
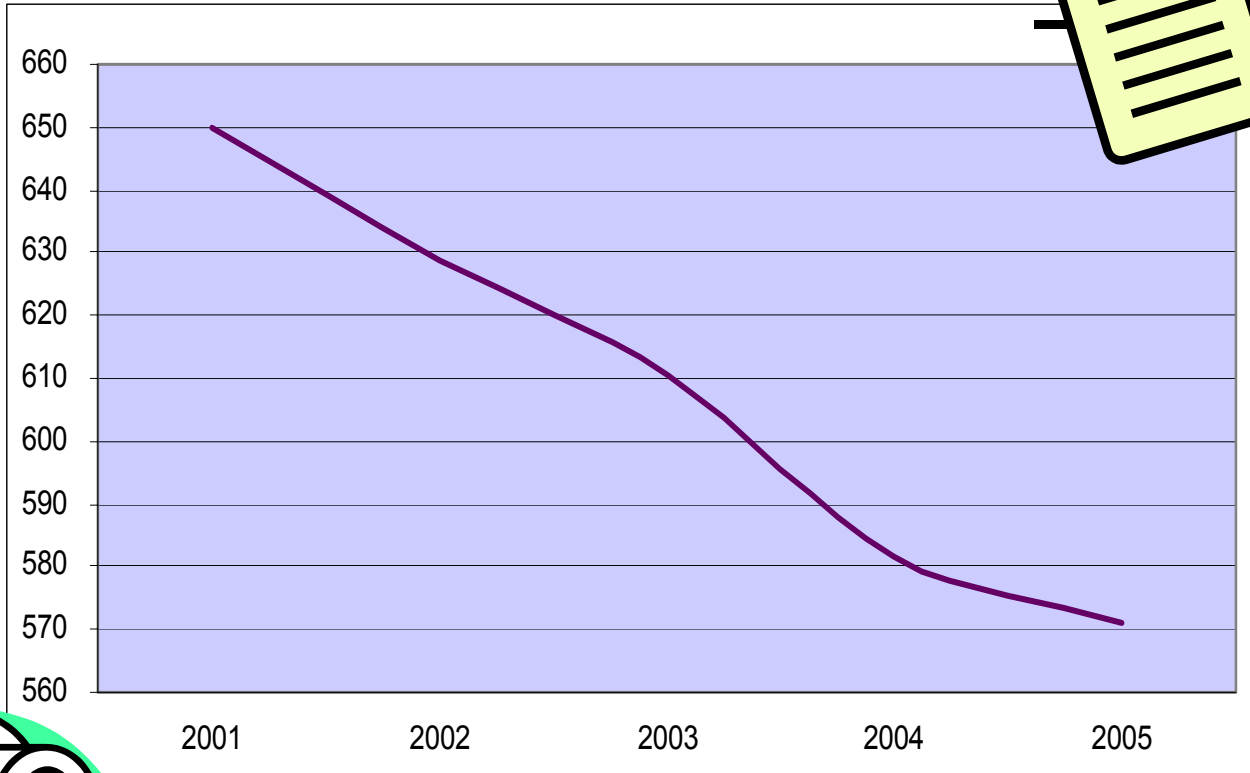
The Growing Demand  
for Environmental Performance



# Invest in Conservation Measures to Reduce Demand



NY Mills –  
kWh of electricity  
used per ton of  
production



Year



## EHS: demonstrate environmental leadership and innovation

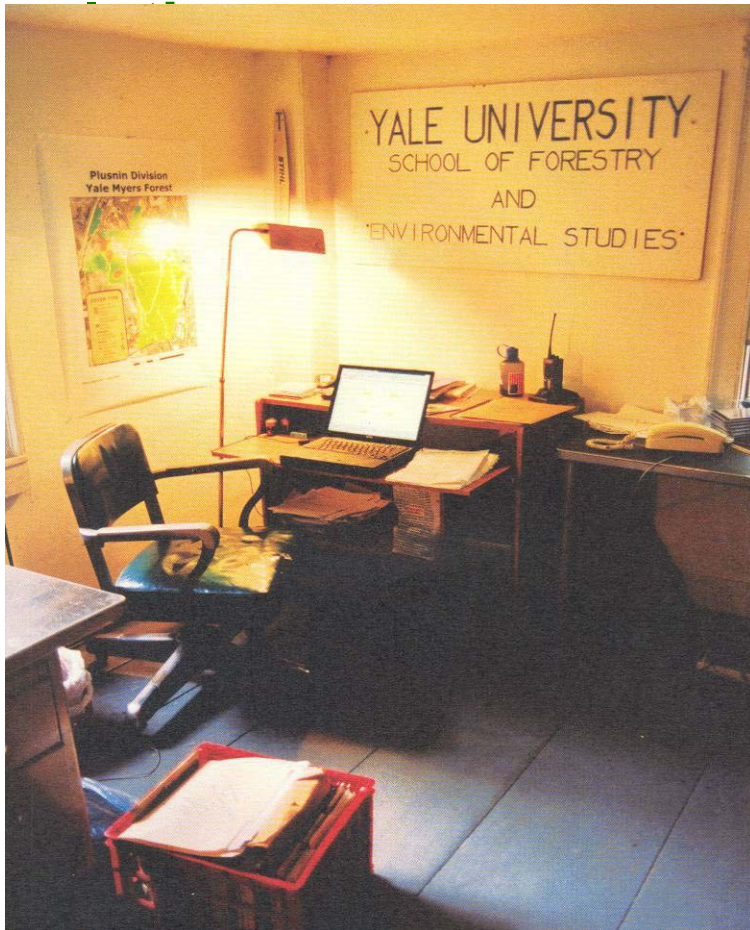


Our use of wind power places us in the Top 25 Partners in the EPA's Green Power Partnership...and fourth among manufacturers that use wind power.

In 2005 Mohawk Fine Papers was honored with the Green Power Purchasing Award from the United States Environmental Protection Agency (EPA) and Department of Energy (DOE). The Green Power Leadership Awards are competitive awards that recognize outstanding commitments and achievements in the green power marketplace.



**We understand the issues that affect our customers and provide products that offer them**



This book is printed on Mohawk Options 100% PC White, Smooth 80 cover and 80 text, which are made with process-chlorine-free 100% post-consumer waste fiber. The paper is certified by Green Seal and the Forest Stewardship Council, which promotes environmentally appropriate, socially beneficial, and economically viable management of the world's forests. The paper was manufactured using non-polluting, wind-generated energy.

This project used 4,416 pounds of 100% post-consumer paper manufactured with wind power.

Savings derived from using post-consumer recycled fiber in lieu of virgin fiber:



52.99  
trees not cut down



2,388.20 lbs.  
solid waste not generated



153.02 lbs.  
waterborne waste not created



4,667.41 lbs.  
atmospheric emissions eliminated



22,509.68 gallons  
water/wastewater flow saved



30,503,631.98 BTUs  
energy not consumed

Savings derived from using a paper created from wind power:



659.68 lbs.  
air emissions not generated

This amount of wind energy is equivalent to:



44.66 trees  
being planted



2,453.09 cubic feet  
natural gas

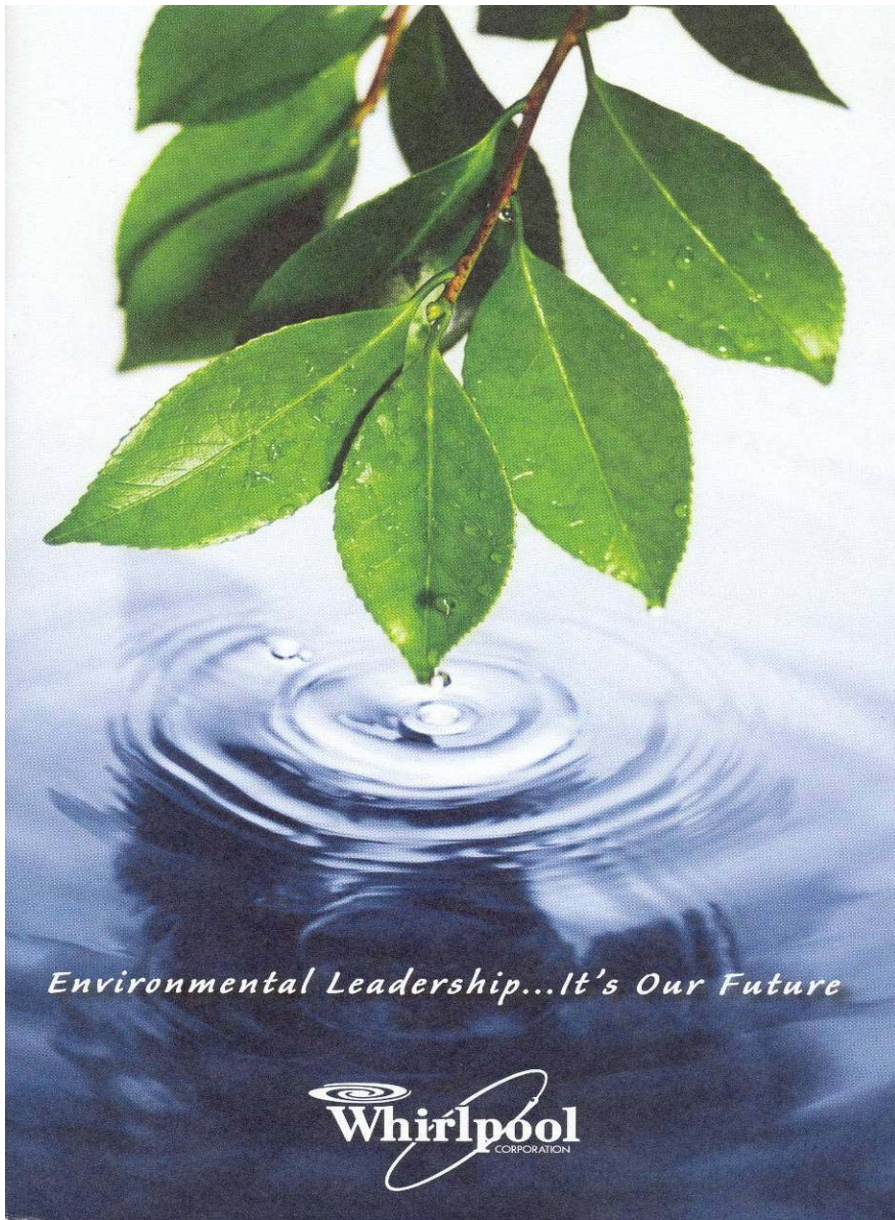


736.00 miles  
traveled in an average automobile

**MOHAWK**

For more information please visit [www.mohawkpaper.com](http://www.mohawkpaper.com)

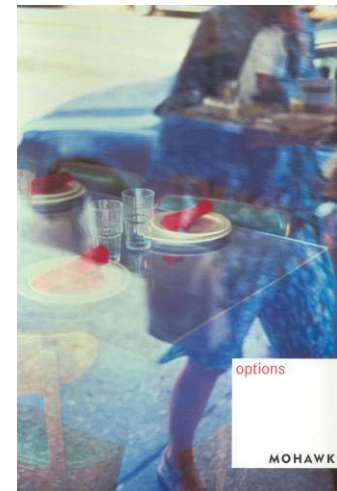
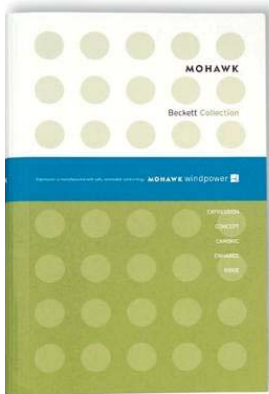




## **Products and solutions**

**“This book is printed on Mohawk Options 100% PC paper which is made with process-chlorine-free 100% post-consumer waste fiber. The paper is certified by Green Seal and the Forest Stewardship Council, which promotes environmentally appropriate, socially beneficial and economically viable management of the world’s forests. The paper was also manufactured using non-polluting, wind-generated electricity.”**

**In summary, EHS is a key component of a business model that is focused on the development of products that balance quality, service and price with minimal lifecycle impact.....**



.....so that our customers can meet the expectations of their stakeholders.

