

[http://www.greenbiz.com/news/news\\_gen.cfm?NewsID=29068&CFID=1715092&CFTOKEN=72012898](http://www.greenbiz.com/news/news_gen.cfm?NewsID=29068&CFID=1715092&CFTOKEN=72012898)

GreenBiz.com  
January, 2006

## **Greening Your Catalog: Why It's Good for Your Business Source**

Reporter Deborah Fleischer outlines two low-cost solutions for greening your business catalog -- and why companies like Norm Thompson and Dell can't afford to pass them up.

Do you know where the paper in your catalog comes from? Are you using more resources than necessary to produce it? Do you care?

The call to action to consider the environment when choosing paper is not new for the retail catalog industry. But for the most part, many companies have not yet embraced the most simple and affordable steps toward greening their catalog: to use a minimum of 10% post-consumer recycled paper and to specify Forest Stewardship Council (FSC)-certified paper.

This piece presents the business case for taking these two simple steps toward greening your catalog. While you are developing a more comprehensive assessment of your paper supply chain, these two low-cost, relatively simple changes can:

- \* Protect your reputation and brand;
- \* Capture the attention of green consumers;
- \* Reduce greenhouse gas emissions;
- \* Strengthen supplier relationships;
- \* Improve employee and customer loyalty and satisfaction;
- \* Help to transform the market; and
- \* Last, but not least, improve your bottom line.

Not to mention the environmental benefits of minimizing the consumption of trees and energy and reducing air and water emissions. If the entire catalog industry made the simple step of shifting to just 10% recycled content, the annual environmental benefits would be enormous, saving enough wood to build a six-foot fence stretching seven times across the United States (see Environmental Defense's "Does Your Catalog Care?").

### Protecting Your Brand

One reason to pay attention to the paper procurement issue is to protect your brand. Ultimately, if you are exposed as being an organization with no social responsibility or environmental awareness, the cost to your business, from bad press and brand name impairment, could be significant.

Despite the successful Environmental Defense-Norm Thompson partnership that proved the case that recycled content for catalogs is widely available, performs just as well as virgin paper and can be cost-neutral, many of the largest retail catalog companies still use little or no recycled content. And some are sourcing their virgin fiber from endangered forests, such as the Boreal forest of Canada and the southeastern forests of the U.S.

Forest Ethics has responded to the lack of industry response by launching a corporate campaign against Victoria Secret, where a curvy model in lingerie wielding a chainsaw chides the company for its paper procurement practices.

Among other demands, the campaign is asking Victoria Secret to avoid paper from endangered forests, to maximize the post-consumer recycled content in their catalogs and to shift to FSC-certified paper.

With plans to expand their campaign to include other top catalog companies, it seems timely to revisit the question, "What is the business case for greening catalogs?"

#### Lessons Learned on Business Value from Norm Thompson

Derek Smith, director of communications and corporate responsibility at Norm Thompson, was directed by the president and CEO to set the strategy for sustainability and prove the business case that you can promote sustainable business practices while improving profitability. Paper has become one of several issues they focus on because "catalog paper is a major environmental impact for a company like ours, a direct marketing company."

He has been working to see how far they can push without having a negative impact on the bottom line. Through their partnership with Environmental Defense, Norm Thompson demonstrated the environmental and business values of using recycled paper in catalogs. They initially discovered that they could obtain a minimum of 10% (they now average 15%) recycled post-consumer recycled content at no extra cost and with a neutral impact on customer response rate and average order size--two key metrics for the industry (see Environmental Defense's "A New Norm for Catalogs").

Norm Thompson's priorities include not only using recycled content and sourcing from well-managed forests, with a preference for FSC certified papers, but also making decisions through a life cycle filter and partnering with responsible partners, such as minimum impact mills that minimize the consumption of resources (wood, water, chemicals, energy).

Norm Thompson is branded as a company that cares about the environment, increasing brand awareness and recognition and differentiating themselves as environmental leaders in the field. By coming across as an authentic company that walks their talk, they have started to attract the attention of new green consumers--who collectively spend billions and billions of dollars each year on products that align with their values.

Over time they have received thousands of messages from customers and prospects, saying, "What you are doing is great and next time I shop, I will shop with you."

Smith summarizes the business value of environmentally preferable paper as "increased brand awareness and recognition, enhanced customer loyalty and increased acquisition." A softer benefit they have observed is high employee morale and productivity -- employees feel good that the company is involved in sustainability.

### Protecting the Source for the Future

Derek Smith, a consultant on paper and the environment (not to be confused with Derek Smith of Norm Thompson) suggests a company start by asking, "Where does the paper that I sell, specify, print or buy come from?" If you have no idea, it could come from countries or mills that are decimating the planet. The next question to ask is, "Do you care?"

This is why he thinks companies should care. "If your main media for making money is paper, what ought to concern you is trees and forestry management," suggests Smith.

"If you want to stay in the paper business, you need to preserve trees as your major source of raw materials. By insisting that environmental criteria be met by printers, merchants and paper mills, from a business prospective, you are protecting the source of paper for the future."

### Upping the Bar: Stepping into the FSC World

There are growing pressures from the environmental community for catalog companies to obtain their virgin paper from a source that avoids endangered forests. Accurately tracing the chain-of-custody of paper--knowing where the woodpulp comes from--can be challenging.

One solution the environmental community supports is the Forest Stewardship Council (FSC), which promotes sustainable forest practices that protect a full-range of ecological benefits by certifying forests that comply with their standards and certifying the chain of custody--mills, merchants and printers that source from these forests (a list of FSC-certified merchants and printers is available online).

While not a complete environmental paper procurement solution, you get a lot of bang for your buck with FSC-certified paper. Under the new FSC standards, if you purchase paper from a FSC-certified mill, merchant or printer, you are not only supporting sustainable forest practices, but are provided assurance that 100% of your virgin fiber avoids:

- \* Areas in social conflict;
- \* Genetically modified trees;
- \* High-conservation value forests; and
- \* Large scale conversions, which replace native tree species with faster growing non-native species.

FSC-certified chain of custody companies such as Domtar can provide FSC-papers at commodity prices, depending on the volumes and grades used. The Domtar EarthChoice line of FSC-certified papers, with post-consumer recycled content, have been successfully used by both Norm Thompson and Eastern Mountain Sports in their catalogs.

The key challenge with FSC is supply and building the supply chain. According to Jonathan Shean, Vice President and Divisional Manager of Domtar Distribution Group-Publishing Solutions, a paper merchant, "The problem is there is a finite amount of FSC-certified paper that is currently available. There is a niche of papers available, but a broad spectrum of papers are not obtainable yet."

#### Norm Thompson Works to Overcome the Challenges with FSC

In regards to FSC, Norm Thompson's focus has been to help set up the infrastructure and remove the barriers, helping make FSC an easier option for paper buyers.

"Supply is a problem, which is a function of demand. That is why we are pushing on both sides of the equation-trying to get the supply chain set-up as well as to encourage our colleagues to specify FSC," explains Smith.

In December 2003, Norm Thompson used Quad/Graphics to print the first catalog to be printed on FSC-certified paper. Today, all components of their offset catalogs use FSC-certified paper--cover stock, text and order forms. They have helped to overcome the barriers to entry by encouraging printers to get FSC-certified. Thanks to efforts by Norm Thompson, Quad/Graphics, R.R. Donnelley & Sons Company, and Quebecor are all now FSC-certified printers.

What advice does Smith have to other companies working to make the transition to recycled content and certified paper? "Look where you are, using whatever paper works best for your business, understand all your options and make the best choice you can that makes the most financial sense. Start there. We can't do this overnight."

#### The Dell Example

Dell has developed a Forest Products Stewardship Model that details their goals around protecting endangered forests and sets targets for improving forest practices with respect to paper products that Dell uses, such as shipping cartons and catalogs. For Fiscal Year 2005, they achieved approximately 15% post-consumer recycled content in its catalogs and they set a goal for 2005 of sourcing 5% of their virgin paper from FSC certified sources, increasing to 10% in 2006 and 25% by the end of 2010 (see page 49 of their most recent sustainability report).

Dell specifically states in their policy a preference for the FSC standard because it is broadly endorsed by environmental and social NGOs, which incorporate credible science into their approaches.

#### Transform the Market Place

The catalog industry has the potential to help transform the market place. A steady and sustained demand from the retail catalog industry for a minimum of 10 percent post-consumer recycled paper, FSC-certified paper and low-impact production methods, would provide the merchants and mills a strong, consistent message. Driving up market demand is one strategy for making environmentally friendly paper products more readily available and affordable.

According to Dr. Michael Washburn Vice President of Forestry & Marketing at the FSC, FSC-certified paper is not only a tool to support the full range of forest values, it is a tool to transform the marketplace because customers like Norm Thompson, Dell and other catalog companies can have an impact with their purchasing power.

### Next Steps and Resources

1. Take the First Step. Talk to your printer, merchant or mill about incorporating a minimum of 10% post-consumer recycled content paper into your next catalog. This is something any company can do today, while exploring other options for greening their catalogs. Although Kristin Bonner of Metafore warns that there is not enough recovered fiber to go around, the Environmental Paper Network (EPN) and Environmental Defense believe there is additional supply to be tapped as the demand for ecologically superior paper increases. For example, office paper recovery still stands at less than 50% in this country, so there is plenty of recovered paper left to collect.

2. Explore the Source of Your Paper and Educate Yourself on Options. Find out where your paper comes from and how it is manufactured. If your paper sourcing is supporting destructive forest practices in endangered forests, or is not produced at a minimum-impact mill, explore the other options available to you. One upcoming resource for educating yourself on the options includes the upcoming seminar for end users, printers, designers and paper suppliers called Leadership in Paper and the Environment.

3. Develop a Policy. If you are ready to develop a paper procurement policy, you can learn from other companies that have already paved the way.

A recent article by Derek Smith of Norm Thompson outlines some of the key steps to consider in developing a paper procurement policy. And both Norm Thompson and Dell have paper procurement policies that make great models to build upon (see Norm Thompson's paper procurement policy and Dell's Forest Products Stewardship Model ).

A good place to start in developing the framework for your own environmental policy is the Common Vision for Transforming the Paper Industry. Endorsed by over 80 environmental organizations, the Common Vision identifies defines four overarching goals of environmental paper procurement: minimizing consumption, clean production, responsible fiber sourcing and maximizing post-consumer recycled content.

Deborah Fleischer, MES, MPA is president of Green Impact, a consulting company that helps businesses implement greener procurement practices, enhance collaboration with NGOs, improve communications to suppliers and design dialogues that inspire new ways of thinking.