

Membership Compliance Series: Earth Day 2011

WELCOME

10 Tips for Print & Digital
Communicators To Improve Marketing's
Environmental Performance



Session Panelists



Monica Garvey
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Public Relations
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Session Deliverables

- *Understand Sustainable Marketing for Multiple Media Channels (Not Just Print!)*
- *Chart a Course for Improved Marketing Efficiency AND Environmental Performance with 10+ Tips for Consideration*
- *Access DMA Tools for Improving Environmental & Business Performance – and its Relevancy for Marketing Now*

The Business Case for 'Going Green'

- *World's Leading Brands Have 'Gone Green'*
- *Resonance with Stakeholders:
Customers, Employees, Investors*
- *Triple Bottom-Line Performance: Profit, Planet, People*
- *Marketing Contributes to Environmental Impacts*
- *We're Direct Marketers! We're Measurable &
Accountable!*

Paper Tip 1: Follow the Law! Ensure Paper is Sourced from Sustainably Managed Forests

Paper suppliers manufacture products with one of the earth's few truly renewable resources – wood fiber from trees.

Ensure they verify the source of the wood fiber procured and that they use only fiber from forests that are sustainably managed to remain healthy, productive and biologically diverse for generations to come.

Supplier should support third-party forest certification to credible certification standards and be committed to continuously increasing the amount of third-party certified fiber used.

Focus should be on expanding global forest certification through participation in and sponsorship of a variety of organizations.

U.S. Lacey Act – Eliminate Illegally Sourced Wood

- On May 22, 2008, the U.S. Congress passed a landmark amendment to the 100 year-old Lacey Act, originally enacted to prohibit the transportation of illegally captured animals or wildlife products across state lines.
- The new law extended this protection to plants - including timber, paper, and other forest products - thereby giving the U.S. government a powerful tool to **eliminate illegally sourced wood** and increase transparency in the global forest product supply chain.
- Three main things to address illegal wood:
 - Prohibits all trade in plants and plant products—including furniture, paper, and lumber—that are illegally sourced from any U.S. state or foreign country;
 - Requires importers to declare the country of origin of harvest and species name of all plants contained in their products (a provision that is currently being phased in); and
 - Establishes penalties for violations of the law, including forfeiture of goods and vessels, fines, and jail time.

Certification Terminology

Forest Certification

- Forest certification verifies that forests are well-managed — as defined by a particular standard — and ensures that certain wood and paper products come from responsibly managed forests. Types of certification schemes: **FSC, PEFC, SFI, CSA, ATFS, ML...**
 - FSC = Forest Stewardship Council
 - PEFC = Programme for Endorsement of Forest Certification Schemes
 - SFI = Sustainable Forestry Initiative
 - CSA = Canadian Standards Association
 - ATFS = American Tree Farm System
 - ML = Master Logger

Chain-of-Custody (CoC) Certification

- The act of tracking fiber from its point of origin in the field through harvesting, processing and sale to the customer
- Involves third-party audit of wood and paper tracking systems at mills, printers, brokers and merchants
- Required for label use such as **FSC, SFI or PEFC**; or other public claims about products

Paper Tip 2: Reduce Weight of Paper Products

Seek suppliers that offer the opportunity to replace heavier-weight papers with papers that consume less wood fiber and water per page, yet deliver the same high-quality printing surfaces and optical characteristics required for magazines, catalogs, retail advertising and commercial printing applications.

These papers also require less energy per page to manufacture and ship than their heavier-weight counterparts, resulting in lower greenhouse gas emissions that reduce the overall carbon footprint of final products. Lower weights also help ease the effects of rising postal costs.

Paper Tip 3: Understand and Reduce the Carbon Footprint of Paper Products

Carbon Footprint:

The total amount of greenhouse gas emissions caused directly and indirectly by an individual, organization, event or product. For example, in the daily operations of a paper mill it can include a measure of the amount of carbon dioxide and carbon dioxide equivalents emitted by the combustion of fossil fuels. For a paper product, it is the measure of CO₂-equivalent emissions as determined by a life cycle assessment.

Measuring the Carbon Footprint of a Magazine or Catalog - *Considerations*

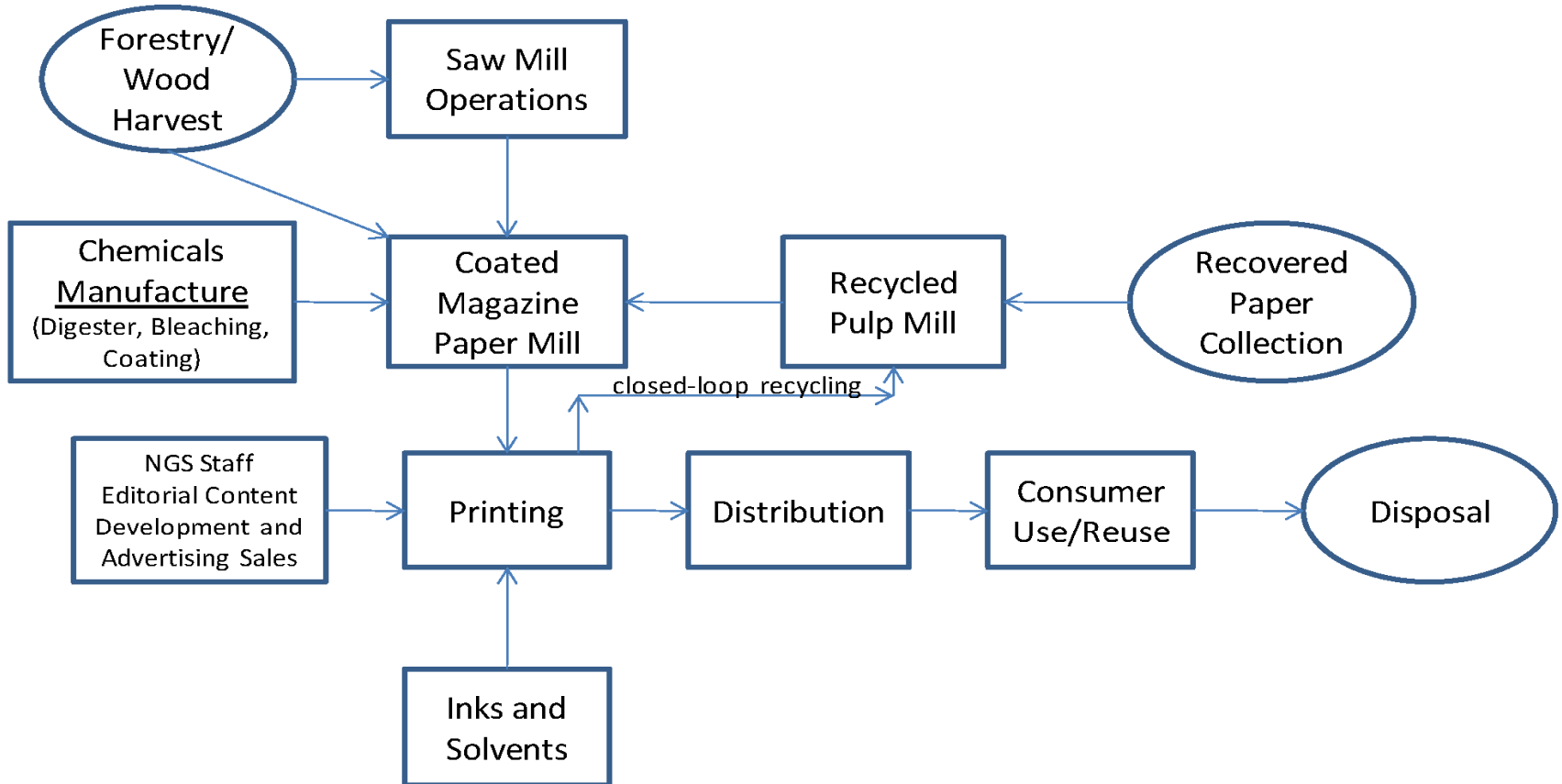
- No single method universally accepted
- Online carbon calculators - too many variables and vague methods supporting the calculations
- **Life Cycle Assessments (LCAs)** most credible but unclear scope – which activities are counted
- Transparency is key – explain how it was done. Aligning metrics with standard setting efforts (e.g. ISO, PAS, WRI, NCASI) are key.

Carbon Footprint LCA for *National Geographic Magazine*



- **Verso, Quad Graphics, National Geographic Society agreed to:**
 - Include all three parties (Publisher-Paper-Printer) for a “Cradle to Grave” study
 - Independent LCA practitioner
 - Follow best measurement practices
 - Follow LCA existing guidance for portions of the study such as ISO 14040 standard
 - Emphasis on integrity and total transparency
 - Be comprehensive

National Geographic Magazine CF Life Cycle Assessment (LCA) – Boundaries



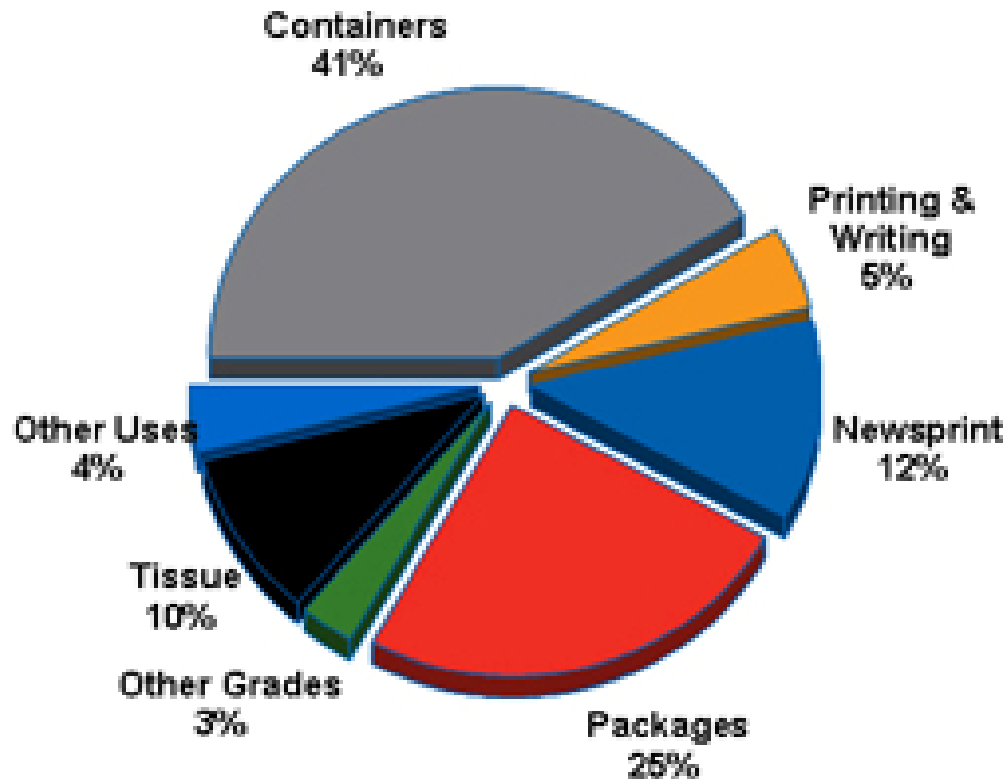
Most Inclusive Study of a Magazine to Date

Paper Tip 4: Encourage Recycling and Incorporate Recycled Content where Feasible

- Everybody still agrees that recycling paper is a good idea. It extends the life of a valuable natural resource – wood fiber from trees – and it prevents the release of a potent greenhouse gas – methane – that occurs naturally when paper decays in landfills.
- While no one argues the value of recycling or the need to continue increasing the paper recovery rate as much as possible, debate continues on how recovered fiber gets used. Some contend that it's environmentally preferable for all paper products to include as much recycled content as possible, with a goal of 100%.
- But if we look at the entire life cycle for different types of products, especially the manufacturing and energy elements, the environmental and economic benefits of using recycled content in some, like containerboard, tissue and newsprint, and not others, like magazines and catalogs, become clear. Maximizing the use of recovered fiber – versus virgin fiber – in *appropriate* paper grades is good for the environment and can be economically beneficial. Maximizing recovered content in *every type* of paper for the sake of recycling alone may not only be more costly, but may have negative environmental effects.

What Paper Grades Utilize Recovered Paper? (after exports)

Different uses of recovered paper in the U.S. and Canada



Source: Metafore The Paper Fiber Life Cycle

Greater Benefits from Recycling

- Contrary to popular belief, the key environmental benefit of recycling is not in saving trees. Trees are among the few truly renewable resources on earth. **Sustainable forestry practices in the U.S. have resulted in forest stocks expanding by nearly 50% between 1953 and 2006. There are 20 million more acres of forestland today than there were two decades ago. U.S. landowners and the forest products industry are responsible for approximately four million new trees being planted each day.**
- **The real benefit of recycling is keeping paper out of landfills.** By diverting usable fiber from landfills, we not only reclaim a valuable raw material, but also reduce GHG emissions (methane) that result when landfilled paper products degrade over time.

Greater Benefits from Recycling

- Ultimate goal of paper recycling should be to increase fiber recovery beyond the current **63.4%** reported by AF&PA to the maximum possible in the U.S., and then to **re-use all fiber recovered in products where the least amount of transporting, cleaning and energy for processing of the post-consumer fiber is needed.**

U.S. Paper Recycling Rates

Newspapers	88%
Corrugated Boxes	81%
Office Papers	74%
Magazines	54%
Mail	63%
Books	33%
Telephone Directories	37%

Source: U.S. EPA, 2009 Municipal Solid Waste Generation Facts and Figures

“Every ton of paper recycled saves more than 3.3 cubic yards of landfill space.”

...AF&PA

Promote Recovery Programs

DMA's *Recycle Please* Campaign

- An industry-wide public education campaign that encourages the recycling of direct mail pieces and catalogs
- “Recycle Please” logo also directs consumers to the DMA’s www.recycleplease.org website, where they can find information, helpful tips, and resources on recycling.



Promote Recovery Programs



ReMix – Recycling Magazines is Excellent

A public education partnership started by Verso Paper, Time Inc and the National Recycling Coalition to promote the recycling of magazines and catalogs

MPA's Please Recycle This Magazine campaign

An industry-wide campaign to let consumers know that magazines can and should be recycled

Source: www.magazine.org/pleaserecycle



Paper Tip 5: Ensure Paper is Manufactured at a Facility that is Continuously Working to Prevent Pollution

Seek suppliers whose mills are certified to the internationally recognized International Organization for Standardization (ISO) 14001:2004 Environmental Management System Standard.

Certification to this voluntary standard verifies that a mill has met specific requirements for organizations that want to implement a comprehensive EMS [environmental management system] aimed at continuous environmental performance improvement.

Manufacturing

- *Enhancing Energy Efficiency*
- *Reducing Greenhouse Gas Emissions/Carbon Footprint of Products*
- *Returning Clean Water to the Environment*
- *Using Chemicals Responsibly*

Environmental Paper Assessment Tool[®] (EPAT)

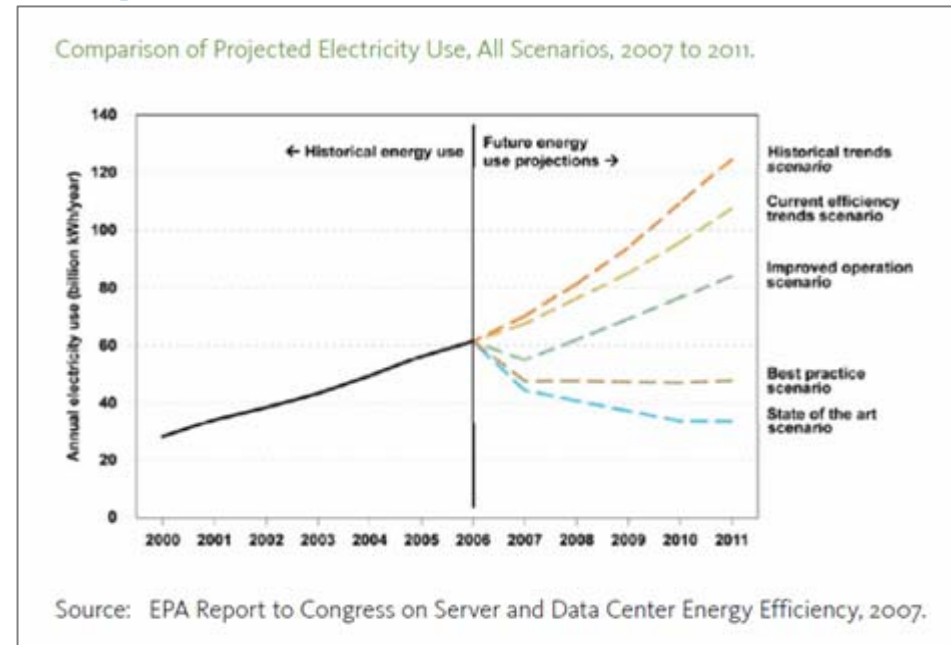
- Developed by MetaFore and the Paper Working Group
- Online tool to compare environmental characteristics of paper products (www.epat.org)
- Provides apples-to-apples metrics and language to help paper buyers assess environmental attributes and trade-offs
- Verso continues to be a key contributor to EPAT development by working closely with customers and MetaFore....GreenBlue



Digital Tip 6: Decoding Your Digital Marketing Footprint

Data Centers

- Reasons behind the impact
 - 24/7 Load profile
 - “Triple environmental impact”
 - Value of data to organizations
 - Inaccessibility of facilities
- Energy usage & greenhouse gas emissions
 - Data centers use 3% of all energy in the U.S. (**doubled** in past 5 years)
 - Carbon footprint currently $\frac{1}{2}$ the size of the entire air travel industry
 - Growth rate = 10 new coal or nuclear power plants
- E-Waste (Hardware... PCs, PDAs, Laptops, Servers, Routers, Mobile, etc.)
 - Pending EPA regulation: Hugely toxic. Lead. Mercury. Nasty stuff!







Decoding Your Digital Marketing Footprint

<h2>Marketing Impact Areas</h2> <ul style="list-style-type: none">✓ outgoing email marketing campaigns✓ your firm's cloud i.e. Google, Salesforce✓ high-bandwidth new media✓ it's a multichannel world <p><i>Myth Busting: "online marketing is a 'green alternative' to print."</i></p>	<h2>Policy and Regulatory Leadership</h2> <ul style="list-style-type: none">✓ get ahead of pending E-Waste legislation✓ a carbon price is coming: "Be prepared!"
<h2>Value Creation Opportunities</h2> <ul style="list-style-type: none">✓ "green seal" opportunities✓ reduce costs!✓ premium pricing opportunities✓ attract new clientele in niche markets✓ internal morale and pride	<h2>Implementation</h2> <ul style="list-style-type: none">✓ I.D. the person "in charge"✓ demand renewable energy or REC's✓ seek out EnergyStar rating✓ what's your company's e-waste policy?

Decoding Your Digital Marketing Footprint

Case Studies of cloud-based expansion

Comparison of significant cloud data centres

		Sq Footage	Estimated number of servers	Estimated power usage effectiveness	% of Dirty Energy Generation of local grid	% of Renewable Electricity of local grid
	Lenoir, NC	476,000	-	1.21	50.5% Coal 38.7% Nuclear	3.8%
	Dalles, OR	206,000	-	1.2	34.4% Coal 3.3% Nuclear	50.9%
	Apple, NC	500,000	-	-	50.5% Coal 38.7% Nuclear	3.8%
	Chicago, IL	700,000	473,000	1.22	72.8% Coal 22.3% Nuclear	1.1%
	San Antonio, TX	470,000	-	1.2	37.1% Coal	11%
	Lockport, NY	190,000	-	1.16	21.0% Coal 27.0% Nuclear	27.7%
	La Vista, NE	350,000	100,000	-	73.5% Coal 14.6% Nuclear	7%

Digital & Print Tip 7: Implementing a Sustainability Strategy in Your Organization

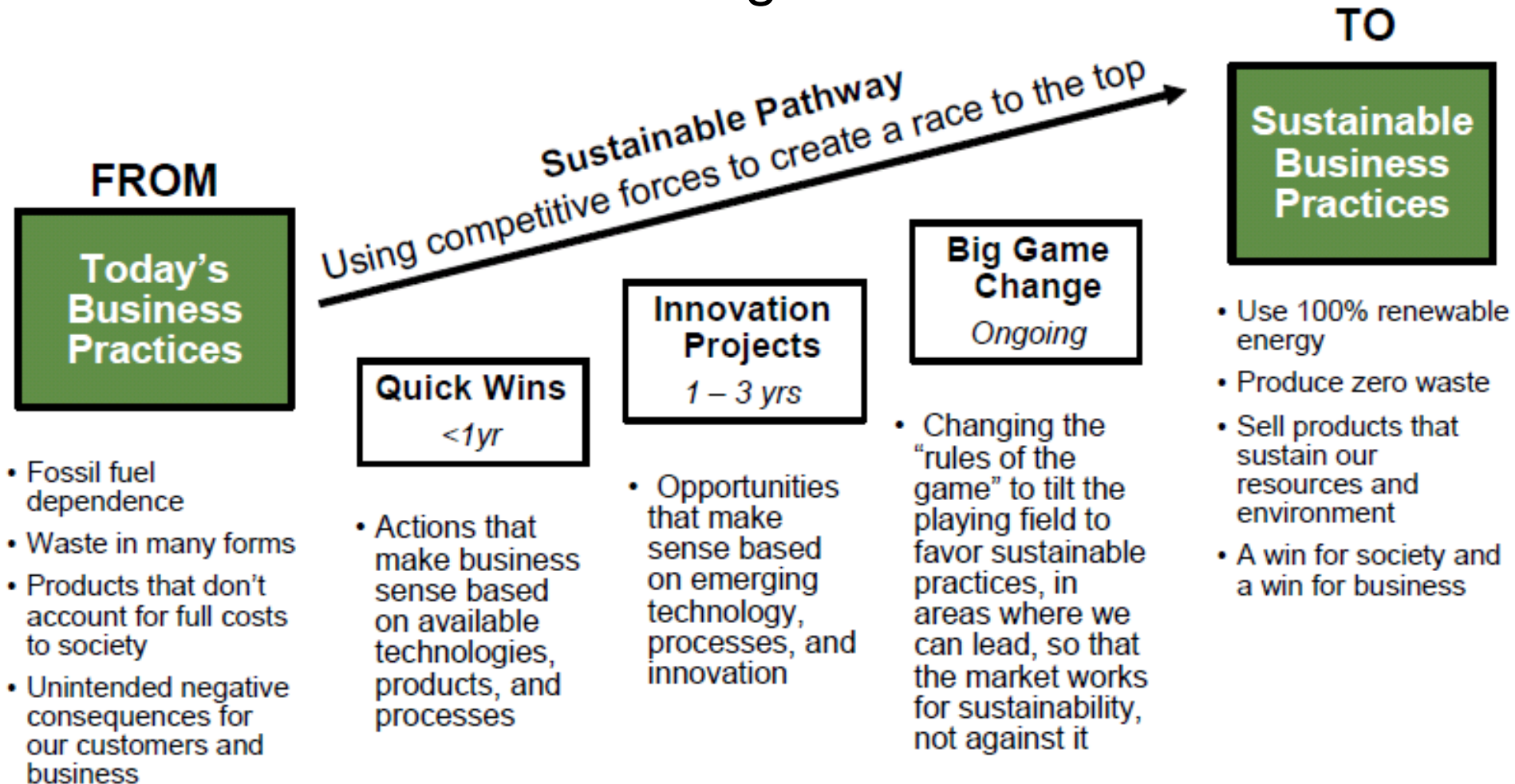
FIGURE 1. Generic Competitive Environmental Strategies



Implementing a Sustainability Strategy in Your Organization

- Eco Efficiency – in-process improvements for manufacturers
 - increase productivity
 - decrease environmental impact
 - decrease costs
- Beyond Compliance Leadership: e.g. ISO 14001, product stewardship
 - Must be able to recover costs through increased brand value!
- Eco Branding: Measurable eco attributes that customers will pay for.
 - achieve differentiation from competitors
 - avoid greenwashing
- Environmental Cost Leadership: Radical product innovation
 - reduce environmental impact.
 - Protects competitive advantage
 - Ideal for highly competitive high-volume low-margin business.

Implementing a Sustainability Strategy in Your Organization



Implementing a Sustainability Strategy in Your Organization

Example: An “innovation project.” How will you create a corporate culture for sustainable action in your organization?

28,500,000 miles
3,000,000 gallons



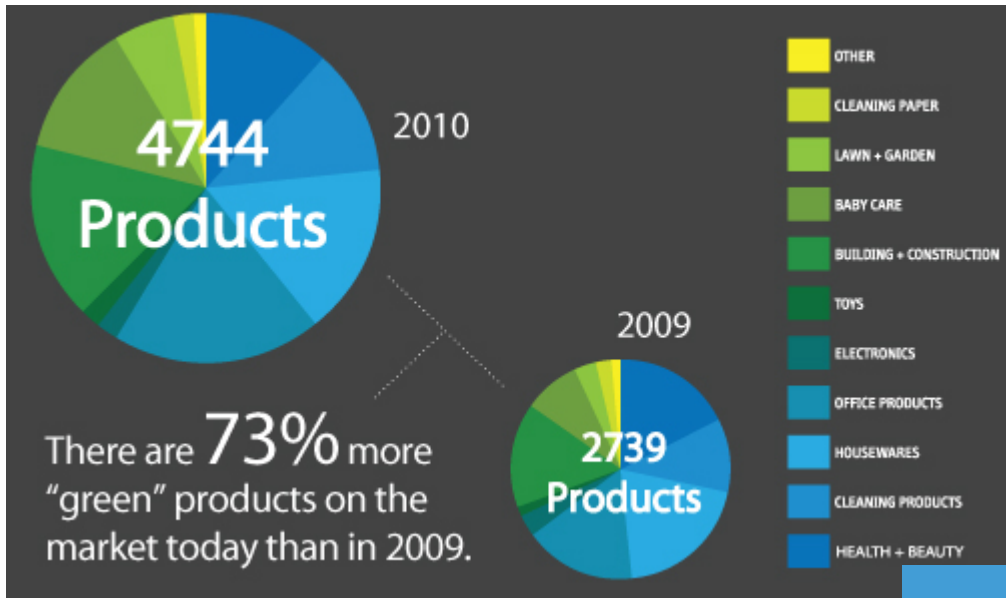
www.andrewwinston.com

Implementing a Sustainability Strategy in Your Organization

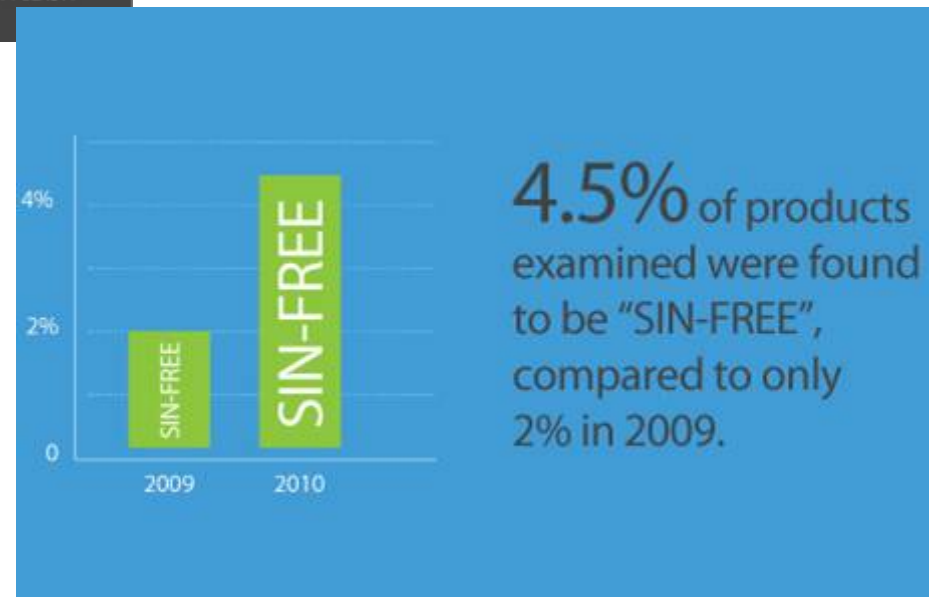
Example: A “game changing” initiative. *How will your firm redefine your business in the next 3-5 years to drive profit and reduce environmental impact?*



Digital & Print Tip 8: Know the “Seven Sins of Greenwashing”



- Practical resource that mirrors the *FTC Green Guides* and the earlier Canadian Standards Association guidelines on green marketing
- Great way to achieve widespread buy-in across your organization



THE 7 SINS OF GREEN- WASHING



SIN OF THE HIDDEN TRADE-OFF

A claim suggesting that a product is 'green' based on a narrow set of attributes without attention to other important environmental issues. Paper, for example, is not necessarily environmentally-preferable just because it comes from a sustainably-harvested forest. Other important environmental issues in the paper-making process, such as greenhouse gas emissions, or chlorine use in bleaching may be equally important.



SIN OF NO PROOF

An environmental claim that cannot be substantiated by easily accessible supporting information or by a reliable third-party certification. Common examples are facial tissues or toilet tissue products that claim various percentages of post-consumer recycled content without providing evidence.



SIN OF VAGUENESS

A claim that is so poorly defined or broad that its real meaning is likely to be misunderstood by the consumer. 'All-natural' is an example. Arsenic, uranium, mercury, and formaldehyde are all naturally occurring, and poisonous. 'All natural' isn't necessarily 'green'.



SIN OF WORSHIPPING FALSE LABELS

A product that, through either words or images, gives the impression of third-party endorsement where no such endorsement exists; fake labels, in other words.

Avoid the “Seven Sins of Greenwashing”



SIN OF IRRELEVANCE

An environmental claim that may be truthful but is unimportant or unhelpful for consumers seeking environmentally preferable products. ‘CFC-free’ is a common example, since it is a frequent claim despite the fact that CFCs are banned by law.



SIN OF LESSER OF TWO EVILS

A claim that may be true within the product category, but that risks distracting the consumer from the greater environmental impacts of the category as a whole. Organic cigarettes could be an example of this Sin, as might the fuel-efficient sport-utility vehicle.



SIN OF FIBBING

Environmental claims that are simply false. The most common examples were products falsely claiming to be Energy Star certified or registered.

Steering Clear of the “Seven Sins of Greenwashing”

<p style="text-align: center;">Marketing Impact Areas</p> <ul style="list-style-type: none">✓ all communications on all products, across all channels✓ “internal marketing” efforts involving staff, vendors, and stakeholders	<p style="text-align: center;">Policy and Regulatory Leadership</p> <ul style="list-style-type: none">✓ FTC Compliance✓ protect claims from competitor challenges✓ BBB and consumer reporting✓ “it’s the right thing to do”
<p style="text-align: center;">Value Creation Opportunities</p> <ul style="list-style-type: none">✓ protect your brand integrity✓ win respect and incremental B2C and B2B business from environmentally conscious buyers✓	<p style="text-align: center;">Implementation</p> <ul style="list-style-type: none">✓ explore hot-buttons for each of your organization’s decision makers✓ big hurdle: interdepartmental communication✓ get a third party partner if your brand strategy requires specific environmental claims

Digital & Print Tip 3: Seeking Environmental Certification of Your Product or Service

EcoLogo

<http://www.environmentalchoice.com>

- 23 years old: high-recognition
- Application process
- Cost structure
- Documents life-cycle-based environmental impacts for your product
- Highly selective: Seeks to certify only the top 20% of products in a category
- Audit and stakeholder consultation
- Ongoing performance focus
- EcoLogo seal and partner orgs...

Key steps in the Criteria Development & Review Process:

Stage 1 – Defining the product / service category and its environmental and market profile
This initial stage in the development/review process helps increase the understanding of environmental and market details related to the product / service category by:
Distinguishing the various options available in the market, how these products are used, and what their specific functions are;
Identifying key stakeholders;
Researching market details; and
Documenting life-cycle based environmental impacts for the product.

Stage 2 – Proposing Drafts
The research performed in Stage 1 is compiled and synthesized into an initial draft criteria document by:
Proposing criteria in areas that distinguish environmental leadership for the product / service of interest;
Meeting the EcoLogo principle of identifying better environmental choices – setting criteria levels such that approximately 20% of the products / services within a category can achieve certification;
Ensuring definitions and test methods are consistent and in line with international norms; and
Relying on stakeholder input and expertise.

Stage 3 – Stakeholder consultation
To ensure a balanced review and vetting of all criteria, stakeholders from a wide range of perspectives are selected to actively participate in and contribute to the criteria development process. In particular, participants are sought from environmental groups, purchasers, relevant industry members and associations, consumers and consumer groups, academia, government and regulatory bodies, and other interested or related groups. Through a series of meetings or teleconferences, these stakeholders contribute to this initial draft development and subsequent draft revision stages.

Stage 4 – Iterative Consultation and Draft Revision
To ensure ongoing transparency of the development and consultation process, the resulting consultation draft document is made available to the public and other stakeholders for comment through posting on the EcoLogo website for a four to eight week long review period. (Click here to see draft criteria posted for public comment)
At the end of this period, a commentary report (including responses to all comments) is prepared and made available to all stakeholders and other interested parties. Through an iterative process, the commentary draft is revised and further stakeholder comments are sought until a certification criteria document is finalized.

Stage 5 – Final Criteria Document and Ongoing Maintenance
In addition to facilitating the development of criteria, the team of EcoLogo criteria development professionals ensure the criteria are regularly updated and represent current environmental leadership in an ever changing market. Any EcoLogo criteria document may be reviewed at any time if significant technical or market developments occur that justify a revision. This could include manufacturing technology, scientific, regulatory or market shifts that have occurred since the criteria were originally developed or last revised. Nevertheless, documents are reviewed every three years to ensure their continued relevance and stringency, and may be affirmed, revised or revoked. This revision follows the process described above, and includes consultation with licensed companies and the broader range of stakeholder groups and interested parties.
Through continual improvement, EcoLogo helps to guide industry further in the direction of environmental responsibility and provide purchasers with even better environmental choices.

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Seeking Environmental Certification of Your Product or Service

<h2>Marketing Impact Areas</h2> <ul style="list-style-type: none">✓ all manufactured products, promotions, and marketing communications	<h2>Policy and Regulatory Leadership</h2> <ul style="list-style-type: none">✓ FTC Compliance✓ State and Federal consumer product safety regs✓ protect claims from competitor challenges✓ climate change and EPA policies✓ it's the right thing to do
<h2>Value Creation Opportunities</h2> <ul style="list-style-type: none">✓ premium pricing opportunities✓ attract new clientele in niche markets✓ internal morale and pride	<h2>Implementation</h2> <ul style="list-style-type: none">✓ explore your certification options✓ pick a leading “green seal”✓ beware fraudulent certifications✓ talk to current licensees

Digital & Print Tip 9: Give Customers Choice, and Communicate Access via All Channels

- The customer list is the most important business asset – these are your customers and your sweat equity
- The smartest marketing targets most precisely
- Brands are multichannel – because customers are
- So build a robust and online-accessible **Customer Preference Center**
- Use it to supplement DMAchoice, FTC Do Not Call, aboutads.info, and other industry-wide suppression sources for consumer prospecting
- Communicate URL in mail, email, home page, social media pages, privacy policies, inserts, mastheads, catalogs & envelopes, with live links online

The Customer Preference Center

- Let the customer set his or her own preferences –
Opt-in, Opt-out, Opt-Down:
 - Channel Preferences: Mail, Phone, Text/Mobile, Email, Cookies-Internal, Cookies-Third Party, Social Media
 - Frequency Preferences: Daily, Weekly, Monthly, Seasonal
 - Subject Matter Preferences: Promotions, Closeouts, Special Events, Newsletters, Categories
 - Address Validations & Updates: Mail, Phone, Mobile, Email, and other Profile Information
 - Choices on Third-Party Data Transfers: List Rentals & Exchanges, Marketing Partners, Affiliates & Family Brands
- Let options apply to *both* consumer & business individuals, particularly if your customers and prospects are global

Digital & Print Tip 10: Get to Know DMA Resources



THE GREEN 15

"Starting today, the direct marketing community must embrace sustainability as a business concept and objective, and work towards a future that is both profitable and eco-friendly. The DMA's Green 15 manual provides organizations with the building blocks they need to do just that."

DMA President & CEO
John A. Greco, Jr.

What is 'The Green 15'?

A customizable roadmap that takes the guesswork out of determining the 15 most impactful environmental strategies for a sustainable Direct organization.



Nuts & Bolts of Green 15 Pledge

- Implement & establish self-defined benchmarks for 15 baseline green marketing practices, as applicable to your organization.
- Make continuous improvement over time in the 5 key “Green 15” areas:
 - 1. List Hygiene & Data Management**
 - Reduce Wasted Mail & Increase Response Rate
 - 2. Mail Design & Printing**
 - Test Downsizing, Reduce Overruns, Reduce Costs
 - 3. Paper Procurement & Use**
 - Involve Suppliers & Use DMA Paper Pledge
 - 4. Packaging**
 - Involve Suppliers & Use Recyclable Materials
 - 5. Recycling & Pollution Reduction**
 - Focus on Office Supplies and Workplace Waste Reduction
 - Support DMA’s ‘Recycle Please ‘ Initiative
 - Use Icons to Inform Customers and Employees



Track Your Green 15 Progress

- Measure progress toward your organization's internal goals
- Help meet, and measure your progress toward the DMA industry-wide Lists & Data "Green Goal":
<http://www.the-dma.org/cgi/dispanouncements?article=1112>
- Share your progress and any needs for Tools/Resources with DMA





DMA Environmental Resources

- ✓ Green 15 Toolkit
- ✓ Environmental Planner: 150 Best Practices That Can Quickly Green Up Your Marketing & Workplace
- ✓ Online Environmental Resource Center
- ✓ Monthly e-Bulletin: *'Triple Bottom Line'* - 3BL
- ✓ Educational Webinars, Tips & Fact Sheets, Alerts
- ✓ Recycle Please program (www.recycleplease.org)

Question & Answer Session

Thank You and Happy Earth Day!

- *Enter the DMA ECHOs, including the DMA ECHO Green Marketing Award*
www.dma-echo.org
- *The entry deadline is May 6, 2011*
- *Please email environment@the-dma.org with any questions or comments regarding today's webinar*
- *For more information on DMA's green initiatives, please visit the DMA Environmental Resource Center at www.the-dma.org/environment/*