



**American
Forest & Paper
Association**

AF&PA Sustainability Update

TAPPI PEERS Conference
October 28, 2019
St. Louis, MO



**BETTER PRACTICES
BETTER PLANET 2020**
Continuing AF&PA's Commitment to Sustainability

Overview

- *Better Practices, Better Planet 2020*
- Awards
- What Else Informs the Goals?
 - U.N. Sustainable Development Goals
 - Circular Economy
 - Investment Community/ESG
 - Climate Crisis
 - Plastics Crisis
- 2030 Goals

About AF&PA



Sustainability Goals



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Sustainability Report



Better Practices, Better Planet 2020 Sustainability Goals

Goal	2016 Performance (see 2018 Report)	Goal Status
Improve purchased energy efficiency by at least 10%	11.6 % Improvement	Achieved
Exceed 70 percent paper recovery for recycling	68.1 percent recovery rate	Possible
Reduce greenhouse gas emissions by at least 20 percent	19.9 percent reduction	Likely

Better Practices, Better Planet 2020 Sustainability Goals

Goal	2016 Performance (see 2018 Report)	Goal Status
Improve safety incidence rate by 25 percent, while working to achieve zero injuries	36.3 percent improvement	Achieved
Increase fiber procurement from certified forestlands	6.1 percentage point increase	Achieved
and from certified fiber sourcing programs; and decrease illegal logging	12.1 percentage point increase	Achieved
Reduce pulp and paper mill water use by at least 12 percent	6.6 percent reduction	Not Likely

Sustainability Awards

- Leadership in Sustainability
 - Energy Efficiency/GHG Reduction
 - Paper Recovery for Recycling
 - Safety
 - Sustainable Forest Management
 - Water
- Innovation in Sustainability



WestRock's Advancing Foodservice Packaging for Recycling

Times Free Press

Local Business Sports Life Opinion Politics Obits National Right2Know

Chattanooga recycle pickup now takes food service packaging

September 23rd, 2017 | by Paul Leach | in Local Regional News | Read Time: 1 min.





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2018 AF&PA Sustainability Award Winners

LEADERSHIP IN SUSTAINABILITY

American Eagle Paper Mills

Clearwater Paper

Domtar

Resolute Forest Products

WestRock

INNOVATION IN SUSTAINABILITY

WestRock

United Nations Sustainability Goals

SUSTAINABLE DEVELOPMENT GOALS



AF&PA Members Contribute to:

- 4. Education
- 6. Water
- 7. Energy
- 8. Economic Growth
- 11. Sustainable Cities and Communities
- 12. Responsible Consumption & Production
- 13. Climate
- 15. Life on Land



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Investment Community/ESG



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PRINCIPLES FOR RESPONSIBLE INVESTMENT

**PRI'S ROLE IS TO ADVANCE THE INTEGRATION OF
ESG INTO ANALYSIS AND DECISION-MAKING**

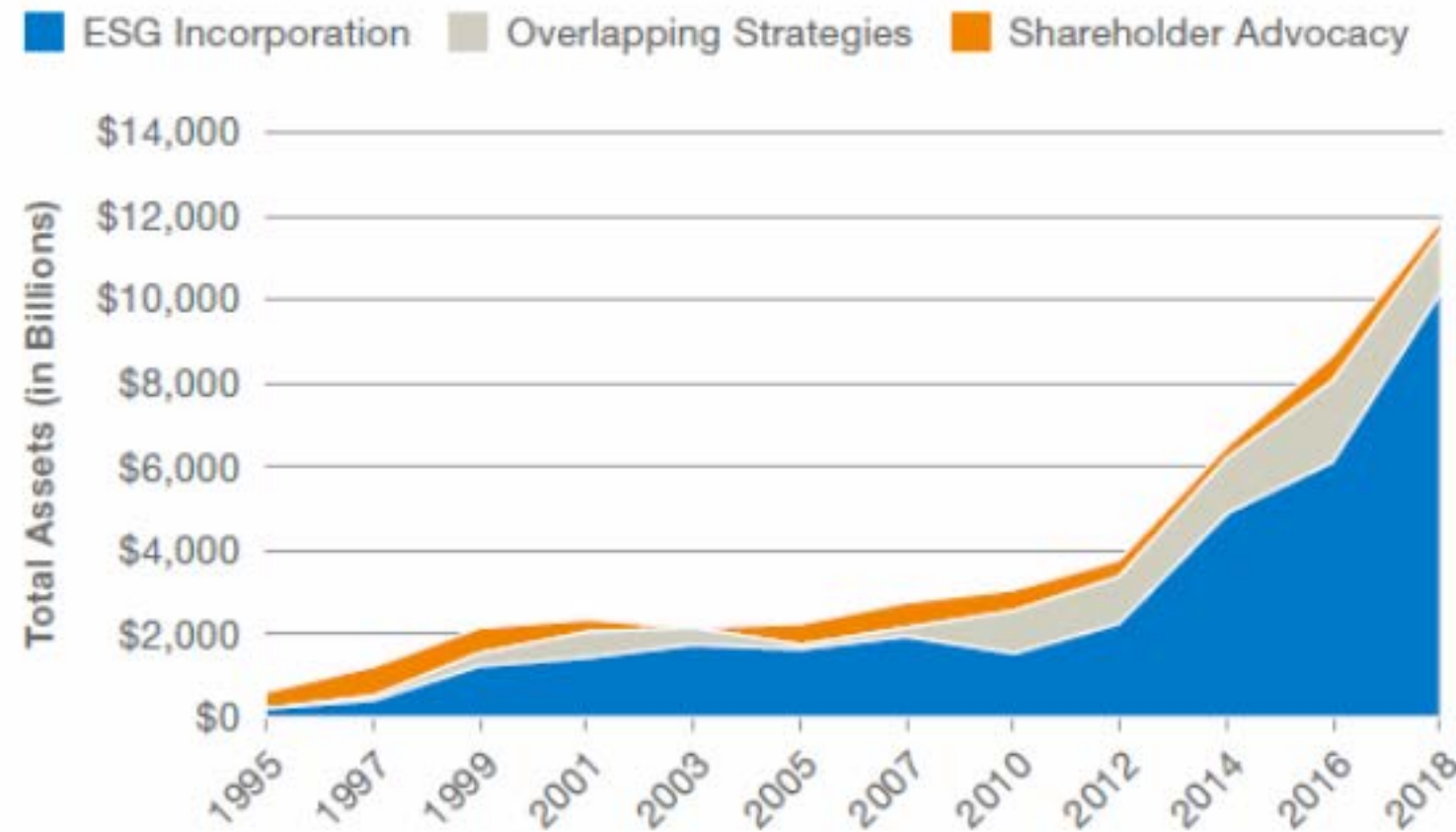
**PRI IS A THRIVING GLOBAL INITIATIVE
WITH OVER 1,600 MEMBERS**

**OVER US\$ 70 TRILLION ASSETS
UNDER MANAGEMENT**



Investment Community/ESG

Sustainable and Responsible Investing in the United States 1995–2018



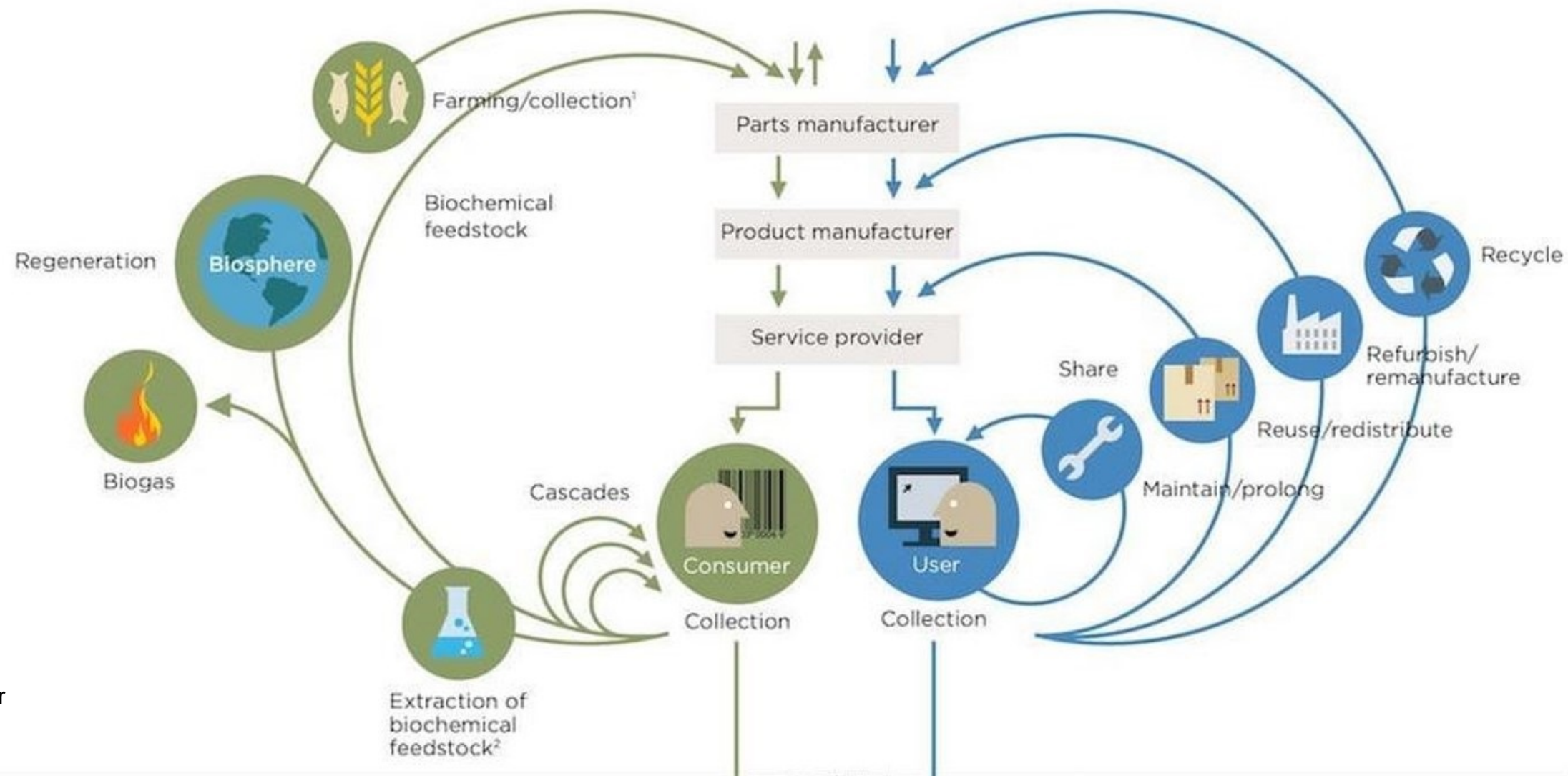
SOURCE: US SIF Foundation.

BlackRock's Engagement in 2019

BlackRock's **Investment Stewardship** engagement priorities for 2019 are: governance, including your company's approach to board diversity; corporate strategy and capital allocation; compensation that promotes long-termism; environmental risks and opportunities; and human capital management. These priorities reflect our commitment to engaging around issues that influence a company's prospects not over the next quarter, but over the long horizons that our clients are planning for.



Circular Economy



Source: Ellen McArthur Foundation





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Climate Crisis



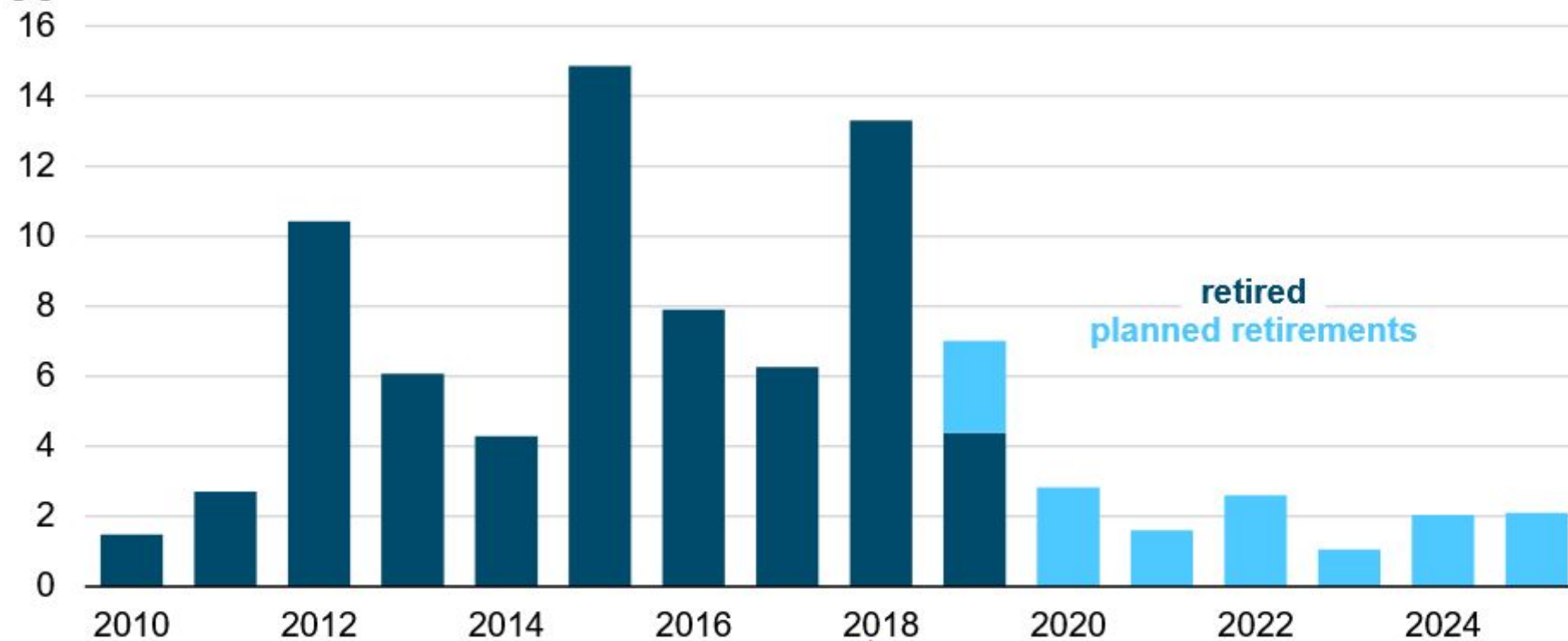
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Climate Crisis

JULY 26, 2019

More U.S. coal-fired power plants are decommissioning as retirements continue

Total net summer capacity of retired and retiring coal units (2010-2025)
gigawatts

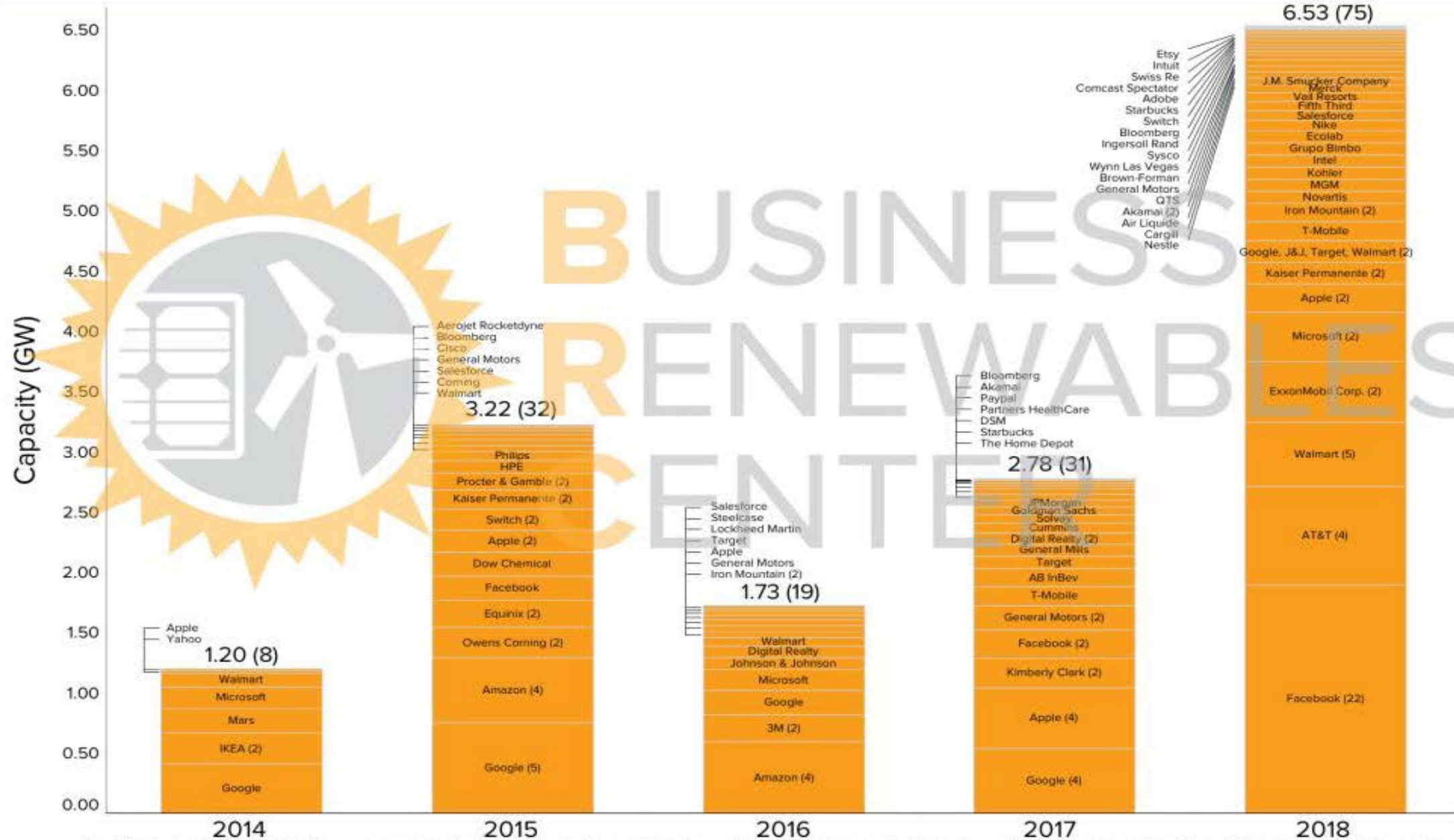


Source: U.S. Energy Information Administration, *Annual Electric Generator Report* and *Preliminary Monthly Electric Generator Inventory*

- 2010 to Q1, 2019:
 - Announced Retirements: 102 GWs of capacity.
 - Another 17 GWs by 2025



Corporate Renewable Deals 2014 – 2018



As of December 31, 2018. Publicly announced contracted capacity of corporate Power Purchase Agreements, Green Power Purchases, Green Tariffs, and Outright Project Ownership in the US, 2014 – 2018. Excludes on-site generation (e.g., rooftop solar PV) and deals with operating plants. (#) indicates number of deals each year by individual companies.

Plastics Crisis



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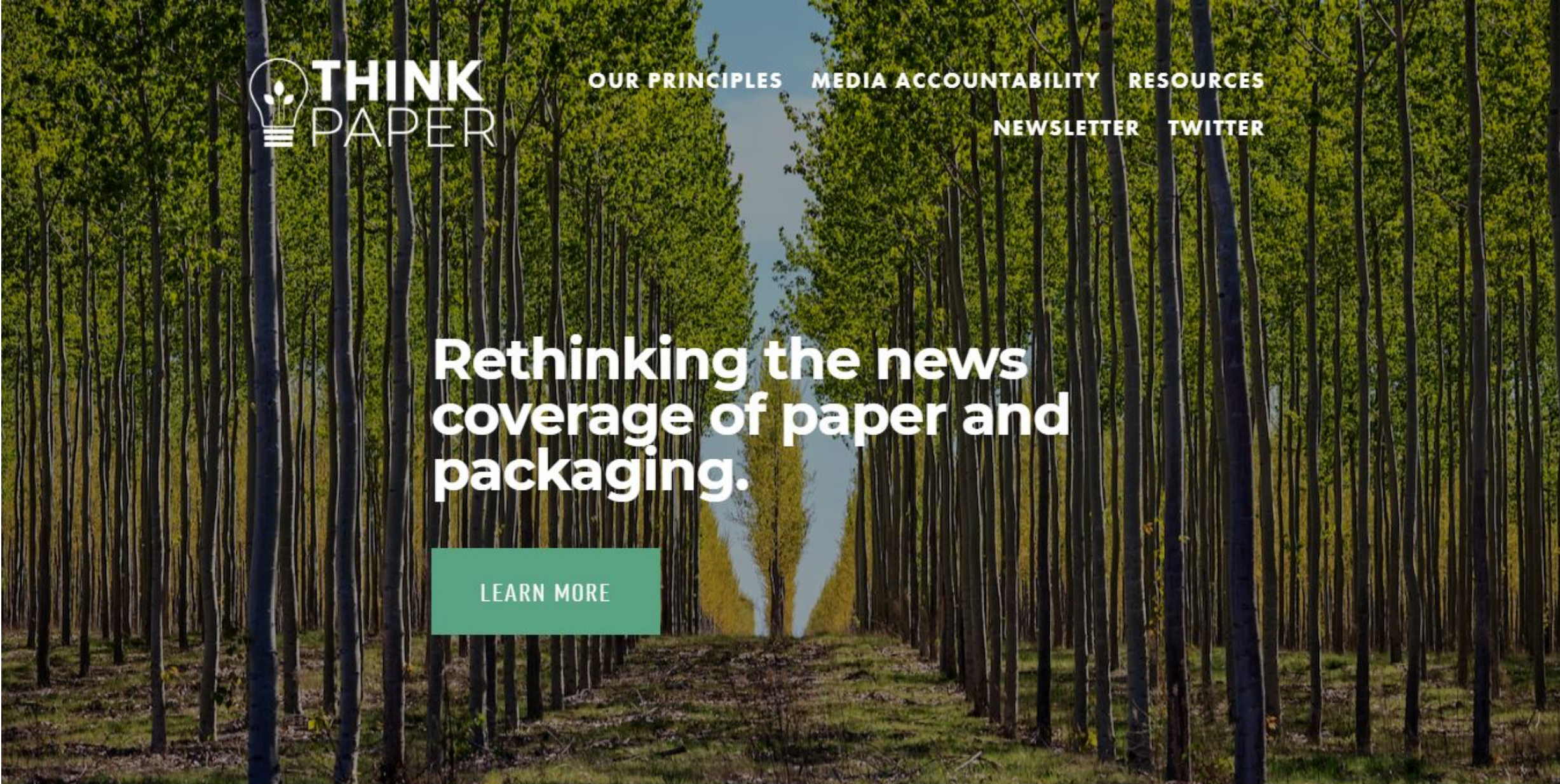


Reuters: Samsul Said



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Think Paper



[OUR PRINCIPLES](#) [MEDIA ACCOUNTABILITY](#) [RESOURCES](#)
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Rethinking the news coverage of paper and packaging.

[LEARN MORE](#)

2030 Goals

- Materiality
- Categories
 - Greenhouse Gas
 - Water
 - Forestry
 - Sustainability of our Products/Circular Economy
 - Diversity and Inclusion
 - Safety – Serious Injuries and Fatalities

Rethinking Serious Injuries & Fatalities (SIFs)

- Expert research insight: even significant declines in the total recordable incident rate (TRIR) do not typically result in comparable reductions in serious injuries and fatalities (SIFs) (See Paul Noe Blog: A New Paradigm for Preventing Serious Injuries and Fatalities: <https://www.afandpa.org/media/blog/bloga/2019/03/05/a-new-paradigm-for-preventing-serious-injuries-and-fatalities>)
- Changing longstanding assumption about how to judge success in safety efforts.

Rethinking Serious Injuries & Fatalities (SIFs)

- Because only a subset of minor injuries are associated with precursors to SIFs, reducing SIFs requires a different strategy than reducing minor injuries.
- Focus on leading indicators -- rather than lagging indicators like TRIR -- as a proactive, preventative approach to ensuring workplace safety

How AF&PA is Helping Member Companies Prevent SIFs

- Voluntary program to help members prevent SIFs (launched 3/19)
 - 27 companies signed up
 - Key elements: 1) leadership and management commitment; 2) employee involvement; 3) risk identification; 4) risk management; 5) measurement and monitoring; and 6) continuous improvement
- Webinars on preventing SIFs, facilitated by Krause Bell Group

How AF&PA is Helping Member Companies Prevent SIFs

- Annual Safety Workshop
 - Facilitate exchange of learnings and insights among member safety professionals
- Other ways AF&PA facilitates SIF prevention:
 - Safety alerts program
 - Hosting regular member conference calls
 - Compiling annual statistical survey focused on SIFs and other safety metrics

Contact Information

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