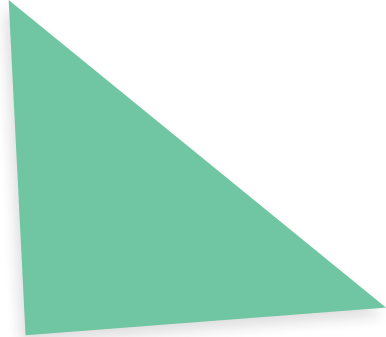


Two Sides Membership Charter



Print and Paper
have a great
environmental
story to tell



www.twosides.info

Introduction

Two Sides was created in 2008 with members from the Graphic Communications Supply Chain, creating a forum for the industry to work together and share experiences; improving standards and practices; maximising customer confidence in our products. There are approaching 100 members at the present time.

Two Sides Mission Statement

'Two Sides' is an initiative by companies from the Graphic Communications Supply Chain including forestry, pulp, paper, inks and chemicals, pre press, press, finishing, publishing and printing.

Our common goal is to promote the responsible production and use of print and paper, and dispel common environmental misconceptions by providing users with verifiable information on why print and paper is an attractive, practical and sustainable communications medium.

Two Sides Vision

By uniting with common purpose behind 'Two Sides', the Graphic Communications Supply Chain, led by sustainable and responsible forestry, paper production and printing, aspires to ensure that, in a world of scarce resources, Print and Paper's unique recyclable and renewable qualities can be enjoyed for generations to come.

'Two Sides' is further committed to ensuring that Print and Paper also remains a versatile, effective and powerful means of marketing and communication, stretching the imagination and imparting knowledge.

Background

In recent years, the wider business community has evolved. It has developed an increased awareness of corporate responsibility issues, and assumed its share of responsibility and accountability for maintaining standards of ethical, social and environmental performance.

The developing awareness of the industry has grown in step with an increase in communities' and society's expectations across all sectors.

Two Sides recognises that the industry has a responsibility to continually improve its environmental credentials and address customer concerns, which are often the result of misleading or inaccurate information.

The 'Two Sides' initiative will set out the facts in a clear and straightforward manner; addressing some of the inaccuracies and issues that surround the industry. There is an appetite by those working within the graphic communications channel to understand all the environmental issues and thus make more informed decisions about the use of Print and Paper products.

Print and Paper have been the preferred communication medium for over 2000 years. Two Sides seeks to ensure that, by fostering a better understanding of our industry's environmental credentials, Print and Paper, through its myriad of uses from commercial applications to the basis of learning and creativity, remains the essential communication medium of choice.

Two Sides was formed after consultation with key partners, primarily the larger organisations within the supply chain, and also after conducting market surveys to assess opinions about the industry's sustainability image.

A survey was conducted by the National Association of Paper Merchants (NAPM) in June 2008, who contacted c. 8000 media buyers. The responses can be found on the Two Sides website; www.twosides.info

Two Sides Organisation

Two Sides is a not-for-profit organisation. It will endeavour to implement its Mission Statement and in turn will seek to reinforce confidence in the Graphic Communications Supply Chain by:

- Making it a condition of Membership that Members adopt the Two Sides Principles
- Promoting an understanding of the environmental issues via a programme of engagement with all stakeholders
- Promoting the sustainability of the Graphic Communications Supply Chain by publicising the positive steps that members are taking to reduce their environmental impact
- Making available to all Stakeholders, facts and information concerning the industry's sustainability and performance
- Reacting to inaccurate and misleading environmental statements made about the Graphic Communications Supply Chain by engaging with the various communication media and clearly setting out the environmental facts
- Better explaining and communicating the sustainability and effectiveness of Print and Paper versus the alternative media
- Seeking to be inclusive and extending the Membership opportunity throughout the industry
- Encouraging Members to promote the adoption of sustainable business initiatives amongst their Business Partners

Two Sides strongly supports:

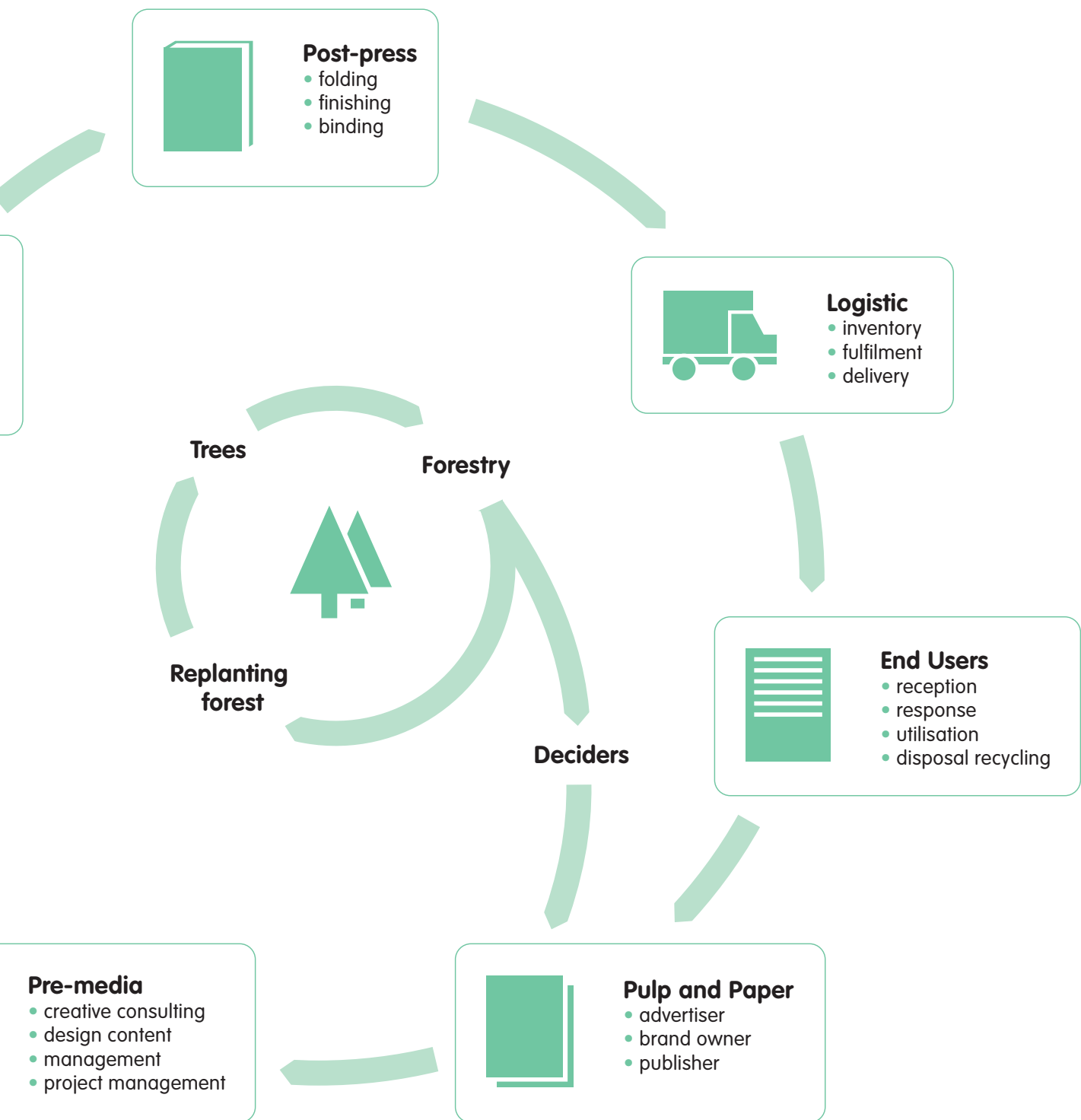
- Responsible Sourcing of Materials
- Responsible Production
- Responsible Print and Design
- Responsible Consumption
- Responsible Disposal

From tree to page

Two Sides is distinct from other sectorial or single issue corporate responsibility initiatives because it aims to promote responsible and sustainable business practices across every step of the UK Graphic Communications Supply Chain, no matter how large or small the business.

The Graphic Communications Supply Chain is very complex and diverse, covering a wide array of businesses. The diagram below attempts to illustrate this complexity.





Progression and Plans

Two Sides is still in its infancy and a large amount of work will be required over the coming years to achieve its ultimate aims.

In view of the importance of this initiative, there is an ambitious timeframe to develop the building blocks with which to realise the Two Sides mission.

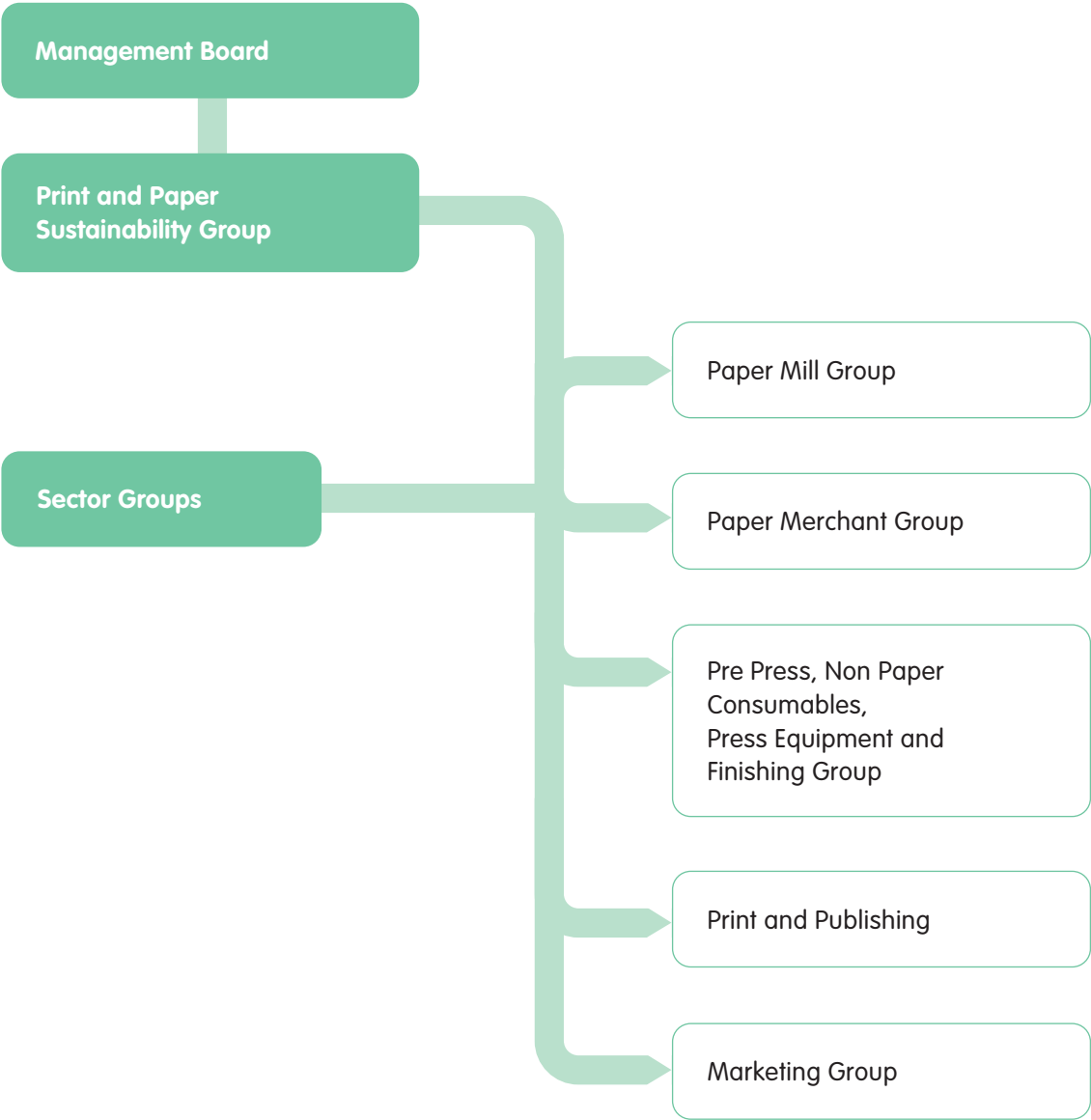
On 22nd January 2009, Two Sides held its first Sustainability Group meeting in London, UK. The structure and organisation of Two Sides was set out, formalising the governance structure and processes.

The table on the right summarises progress to date and the plans for the coming year:

| | Status | Notes |
|---|---|--|
| Mission Statement | Complete | |
| Two Sides Board The Print and Paper Sustainability Group Sector Groups Marketing Group | Complete March 2009 | The various groups that comprise the Two Sides structure were assembled and by the spring of 2009 devised the Two Sides strategy, structure and purpose. As a result of extensive discussions, the Two Sides Membership Charter was born and the objectives for a marketing campaign were formulated. The delivery of the Two Sides Strategy is given to the Marketing Group to manage |
| Membership Charter | Complete April 2009 | This document defines all aspects of Two Sides and provides members with a clarity of structure and purpose |
| Marketing Campaign | Begins June 2009 and runs through to May 2010 | Comprising: <ul style="list-style-type: none"> • Direct mail campaign targeted at Media Buyers, specifiers and influencers • Page advertising in targeted influential media • Interactive and resource based website |
| Membership and Fundraising | On going | The recruitment of additional members to Two Sides is an important objective |

During 2009, Two Sides activities will be largely directed at establishing the organisation and creating an effective structure to deliver the key sustainability messages to market.

Two Sides Structure



The Board

| Board Member | Role | Member Organisation Represented |
|-------------------|--|---------------------------------|
| Martyn Eustace | Chair | Two Sides |
| Alistair Gough | President | NAPM |
| Tim Bowler | Director NAPM and Two Sides Administration | Two Sides/NAPM |
| Michael Johnson | Chair, Print and Publishing Group | BPIF |
| John Sanderson | Chair, Paper Mill Group | UPM Kymmene |
| Bob Latham | Chair, Paper Merchant Group | PaperlinX |
| Bertrand Lousteau | Chair, Pre Press, Non Paper Consumables, Press Equipment and Finishing Group | Sun Chemical |

Members

The membership at the beginning of 2009 comprises about 80 organisations:

Commercial Members

Paper Mills

Artic Paper
Arjowiggins Graphics
Burgo
Cartiere del Garda
Clairfontaine
Condat
CVG Papier
Favini
Fedrigoni
Grupo Portucel Soporcel
Gryksbo
International Paper
Koehler
Lenzing AG
Mitsubishi HiTec
Mondi Uncoated
Norske Skog UK
Papico
Sappi
Stora Enso
Sun Paper and Board
Torras Papel
Tullis Russell
Vida Paper
UPM Kymmene

Pre Press, Non Paper Consumables, Printing Equipment and Finishing Group

Duplo International
Fujifilm UK
Sun Chemical

Paper Merchants

A1 Paper
Antalis
Careo UK
Denmaur Independent Papers
Deva Hawarden Board & Display
Elliott Baxter & Co
Gould Paper Sales UK
Howard Smith Paper Group
James McNaughton Group
Middleton Paper Group
The Paper Company
Paper 4 Print
Penistone Paper & Board
Robert Horne Group
GF Smith
Varsity Packaging
Warren Board Sales

Print and Publishing

Access Plus
Buxton Press
Cavendish Press
G.W McCane & Son
Henry Ling
Hobbs The Printers
Hunts
Jadeprint
Jones & Brooks
Limetree Offset
Linney Group
Manor Creative
Pensord

Philip Myers Press
Principal Colour
Proof and Print
Pureprint Group
S.F Taylor & Co
Seriously Responsible Print
Stephen Austin
Synergy Print
Management Limited
Team Impression
Thomas Leach
TJ International
Trinity Mirror Printing
Webmart

Representative Body Members

British Association for Print and
Communication (BAPC)
British Printing Industries Federation (BPIF)
Office of Government Commerce (OGC)
Buying Solutions
Confederation of Paper Industries (CPI)
Direct Marketing Association (DMA)
International Print Purchasing
Standards Association (IPPSA)
Independent Print Industries
Association (IPIA)

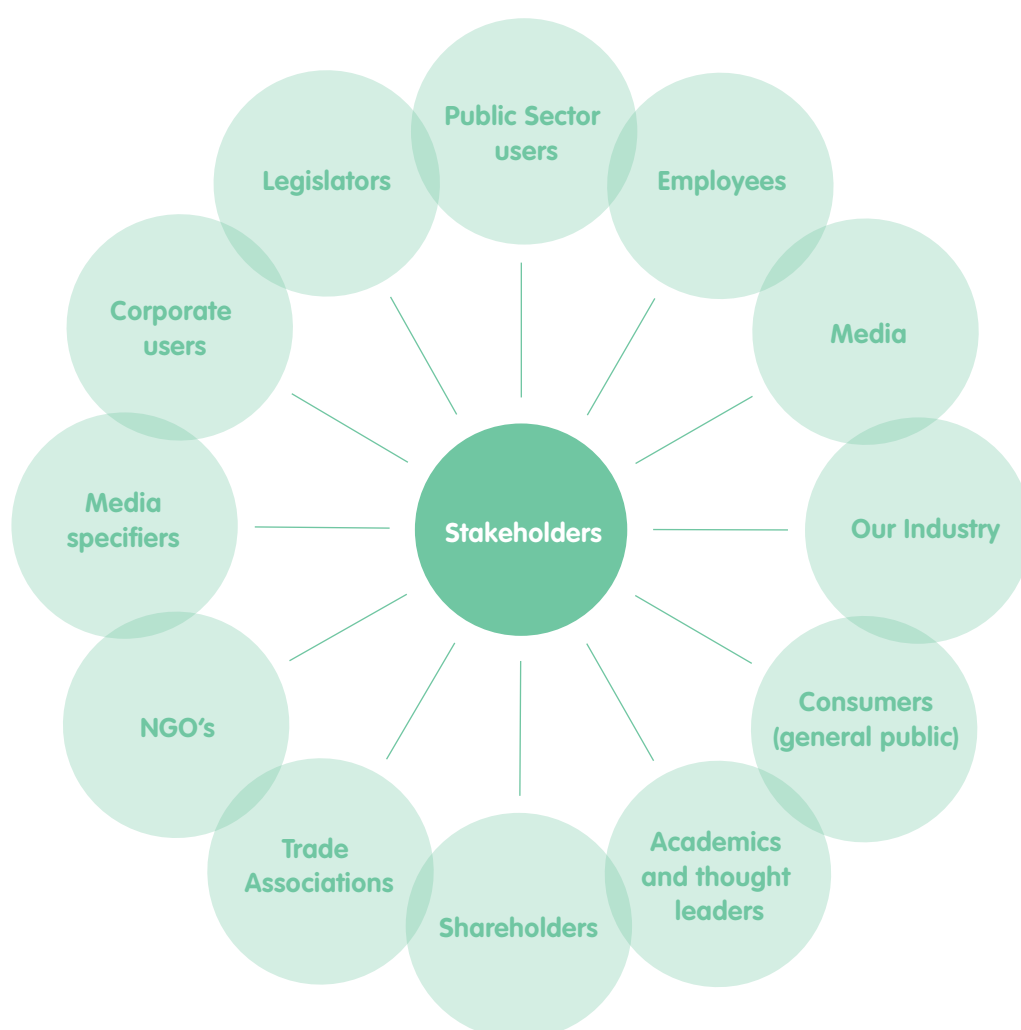
Partner Members

300million
Lateral Group
PricewaterhouseCoopers
PrintWeek
RA Creative
Splash!

Reaching out to Print and Paper users everywhere

Two Sides defines stakeholders as those who have an interest in Print and Paper's performance with respect to environmental responsibilities.

Stakeholders therefore include, but are not limited to, industry members, the communities in which the industry does business, and non-governmental organisations (NGO's), who monitor issues such as environmental performance.



Two Sides Principles

As Members of Two Sides, we seek to minimise and reduce the environmental impact of our business activities so that we contribute to Sustainable Development.^[1]

- We will conduct our businesses in an environmentally and socially responsible manner
- We support and will encourage forest certification schemes as well as the practical use of recycled fibre in suitable products
- We will employ procedures that are aimed at ensuring the purchase of raw materials from sustainably managed sources
- We will measure and manage our environmental footprint by eliminating or minimising negative environmental impacts
- We support the implementation of effective recycling schemes and the minimisation, and eventual elimination of Print and Paper waste in landfill
- We will improve the sustainability of our business operations by measuring and minimising our waste and our use of water and energy

[1] Two Sides bases its understanding of Sustainable Development on the 1987 World Commission on Environment and Development (the Brundtland Commission) definition: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

Planned Activities

The detail of Two Sides activities have been developed by the Print and Paper Sustainability Group. There are already some decided objectives and the Two Sides Initiative will immediately begin to address the many issues concerning the environmental sustainability of Print and Paper and set out to provide the facts.

Key elements of the Two Sides Initiative are:

- A well targeted media campaign which will provide our chosen audience with the facts about Print and Paper's sustainability. The campaign will comprise various elements including:
 - off the page advertising targeted towards our chosen audience
 - a highly focused direct mail campaign to media buyers, specifiers and influencers
 - a first class web site
- Case Studies will be drawn from all member organisations which demonstrate actual programmes and initiatives involving sustainability and which encourage the use of Print and Paper as an effective communications medium
- Two Sides Case Studies will be available to read and download from the website and will be distributed to chosen media to achieve maximum publicity
- The website will be a repository of environmental information about the industry. Links will be provided to member companies. Key facts and data will be made available
- A Two Sides 'toolbox' will be created; providing facts and information in an easy to understand format
- An annual report will be produced which will aggregate all Two Sides activities during the year and be distributed as widely as possible in multi media formats
- Continuing fund raising and new member recruitment
- Developing a programme of stakeholder engagement around the activities and principles of the Two Sides initiative

Participation with Two Sides

There are a number of member categories for participation in the activities of Two Sides. These are listed below;

Commercial Member

Any business that is actively involved for commercial reasons in the Graphic Communications Supply Chain; commits to the prevailing Two Sides Principles on environmental performance, undertakes the payment of the annual Two Sides subscription fee, and files a fully and accurately completed application form with the Two Sides Secretariat is eligible to become a Two Sides Member.

Representative Body Member

Any Representative Body actively involved in the Graphic Communications Supply Chain that commits to the prevailing Two Sides Principles and files a fully and accurately completed application form with the Two Sides Secretariat is eligible to become a Representative Body Member of Two Sides.

Partner Member

Organisations that have specific skills and expertise, who subscribe to the aims and objectives of the Council, and who commit to playing an active part in assisting Two Sides in its endeavours are eligible to become a Partner Member of Two Sides.

The following pages outline the commitments required to qualify for each category of participation and the benefits associated in each case. To register interest in participation with Two Sides as a Commercial Member, Representative Body Member, or Partner Member please contact:

info@twosides.info
www.twosides.info

Commercial Member

To be eligible for Commercial Membership of Two Sides, the applicant must:

- be actively involved for commercial reasons in the Graphic Communications Supply Chain
- commit to the prevailing Two Sides Principles
- submit a complete and accurate application form to the Two Sides Secretariat*
- pay an annual Commercial Membership fee

Member Commitments

Commercial Members must commit to:

- promote responsible business practices in the Graphic Communications Supply Chain
- operate their business in accordance with the prevailing Two Sides Principles
- comply with the Antitrust Compliance Rules adopted by Two Sides in its dealings with the Two Sides and other members
- comply with the rules laid down by Two Sides as to the use of its logo and intellectual property

*PLEASE NOTE: All financial information provided by applicants to Two Sides Secretariat will be treated as confidential and will be used for the sole purpose of assessing relevant membership fees. The Two Sides Secretariat will not disclose or release this or any other confidential information to any third party (including other Members) unless such information is required to be disclosed by a court, mandatory provision of law, governmental or other authority or regulatory body.

Commercial Member Role

Commercial Members undertake to disseminate information about Two Sides and its activities throughout their various organisations. This activity will include educating their staff on environmental challenges that are faced by the Print and Paper industry and communicating the messages and processes of Two Sides.

Commercial Members will have the opportunity to be elected to the Two Sides Sustainability Group and the Sector Groups which focus on defining and developing the various Two Sides Initiatives.

Commercial Member Benefits

The benefits below may apply to the various stages of the supply chain to varying degrees:

- a unique initiative, 'from tree to page', promoting the sustainability of the Print and Paper sector for common benefit. Establishing through Two Sides a credibility for sustainability messages to stakeholders that could not be achieved through single organisations
- a valuable forum for discussion and interaction with industry peers and a communication and engagement platform, supporting member communicating with media, suppliers, NGOs and any other organisation
- access to information on emerging sustainability issues and challenges the industry is facing
- use of the Two Sides logo and intellectual property offering a means to demonstrate:
 - your business's proactive approach to responsible business practices
 - your business's commitment to implementing the Two Sides Principles in a robust and credible manner
- a means to provide confidence to your supply chain partners in respect of your sustainability practices

Representative Body Member

To be eligible for Representative Body Membership of Two Sides, the applicant must:

- be a Representative Body which is actively involved in the Graphic Communications Supply Chain
- commit to the prevailing Two Sides Principles
- submit a complete and accurate application form to the Two Sides Secretariat*
- pay an annual Commercial Membership fee

Representative Body Commitments

On becoming a Representative Body Member you are committing to:

- promote Two Sides membership amongst smaller industry participants
- promote compliance with the Principles of Two Sides within your own organisation and membership, (in the case of a trade association)
- educate your organisation and members about the issues and risks within the industry and about how they may apply the Two Sides Principles within their activities
- assist Two Sides in consulting widely throughout the industry
- comply with the Antitrust Compliance Rules adopted by Two Sides
- comply with the rules laid down by Two Sides as to the use of its logo and intellectual property

Representative Body Member Role

Representative body members play an important role of outreach and disseminating information about Two Sides and its activities to their respective memberships. Outreach activity will include educating their organisation and members as to the environmental challenges that are faced by the Graphic Communications Supply Chain and communicating the messages and processes of Two Sides.

Representative body members will have the opportunity to be elected to the Board of Two Sides and Sector Groups.

Representative Body Member Benefits

The following benefits apply to Representative Members:

- access to materials to use in educational activities
- ability to demonstrate leadership in consumer confidence issues to your organisation and membership
- a means to enhance your reputation in relation to sustainability issues and to support the interests and reputation of your own organisation and membership
- access to information on emerging issues and challenges the industry is facing
- a vehicle for developing practical solutions in consultation with industry, civil society and government
- a communications and engagement platform, supporting you in communicating with media, your own stakeholders, NGOs and other organisations

PLEASE NOTE: Individual members of Representative Bodies do not join Two Sides by Proxy through membership of their Representative Body. Membership of a Representative Body which is an member of Two Sides will not confer the right to use the Two Sides logo.

*In some circumstances, and at the discretion of the Two Sides board, a Representative Body may not be required to pay a membership fee.

Partner Member

To be eligible for Partner Membership of Two Sides, the applicant must:

- commit to the prevailing Principles on environmental performance, adopted by Two Sides

Partner Commitments

On becoming a Partner Member you are committing to:

- understand and respect the Two Sides Principles
- promote compliance with the Two Sides Principles within your own organisation
- assist Two Sides to meet its objectives
- comply with the Antitrust Compliance Rules adopted by Two Sides in its dealings with the Two Sides and other Two Sides members
- comply with the rules laid down by Two Sides as to the use of its logo and intellectual property

Partner Member Role

Partner Members play a vital role in assisting Two Sides to communicate with all its stakeholders. Partner Members recognise the benefits that Two Sides brings to the industry and will strive to assist Two Sides with their expertise.

Partner Members may be invited to participate on the Two Sides Marketing Group, thereby contributing to the formulation of policy and marketing plans prior to submission to the Print and Paper Sustainability Group.

Whilst Partner Members must support the Two Sides mission, they will not be required to apply implementation processes within their organisation. Partner Members will not be expected to pay a subscription.

Partner Member Benefits

The following benefits apply to Partner Members:

- access to Two Sides materials
- a means to enhance your reputation in relation to sustainability issues and to support the interests and reputation of your own organisation
- access to information on emerging issues and challenges the industry is facing
- a vehicle for developing practical solutions in consultation with industry, civil society and government
- a communications and engagement platform, supporting you in communicating with media, your own stakeholders, NGOs and any other organisation

Questions and Answers

What was the process for developing the draft Principles?

The Two Sides Principles were decided after extensive discussion by all members of the Print and Paper Sustainability Group during March 2009.

The Two Sides Principles demonstrate significant commitment by members of Two Sides to measure, manage and reduce their environmental impact.

What makes this initiative different from others?

Two Sides draws its membership from all sectors of the Graphic Communications supply chain.

Two Sides will actively promote the sustainability of the Industry setting out the facts and responding to inaccurate environmental statements; providing in return accurate and verifiable information which reflects the activity of the industry in developing sustainable practices.

Two Sides members also believe in and will adopt a set of Principles which demonstrate their environmental commitment.

How will Two Sides ensure the transparency of its activities?

Two Sides will provide an annual, publicly available, report on its activities. Two Sides also releases a regular newsletter to members and interested parties.

Two Sides accounts and membership will be made publicly available.

How will Two Sides fit with existing industry standards and initiatives?

It is envisaged that the Two Sides Principles and Member Commitments will be recognised as setting a standard that will give confidence to Print and Paper users and all stakeholders that members are acting in a sustainable manner in all areas of their operations.

It is recognised that there are many accreditation schemes which seek to assure purchasers of Print and Paper that materials meet certain criteria. These are, however, very often limited to one aspect of process or manufacture whereas Two Sides provides an assurance of the whole organisation's approach to their activities. Membership of Two Sides requires that members are implementing sustainable environmental practices right across their organisations.

How is Two Sides organised?

The key decision making body of Two Sides is the Print and Paper Sustainability Group, drawn from leading membership companies spanning the whole supply chain. Any member can apply to join the Sustainability Group by writing to the Board of Two Sides. The Group will be restricted to a manageable number.

To ensure effectiveness, the Sustainability Group is split into Sector Groups who will meet to decide how member companies in their sector can contribute to Two Sides, delivering actions to promote the Two Sides message.

A Marketing Group will discuss and recommend ways to deliver the Two Sides messages, assisted by the specific skills offered by Partner Members .

Good governance of Two Sides is provided by the Board.

Is Two Sides legally constituted?

Two Sides operates as an Industry Association and will take all necessary steps to ensure that its activities comply with all applicable competition rules.

Two Sides has adopted an Antitrust Compliance Policy which seeks to ensure that all its members are aware of their competition law obligations and at all times act in accordance with all applicable competition rules.

Who can become a member?

Any organisation involved in the Graphic Communications Supply Chain who adopts and practices, and if requested can show compliance with, the prevailing Two Sides Principles, may ask to become a Two Sides Member.

The eligibility and suitability of the applicant will be determined by the Director of Two Sides. If membership is refused the applicant may appeal to the board of Two Sides. Any decision, regarding an applicant's membership of Two Sides, will be at the Board's sole discretion.

Questions and Answers

What is the basis of the subscription?

A key principle of Two Sides is to be inclusive, encouraging organisations of all sizes to contribute to the overall aim of promoting responsible environmental practices throughout the Graphic Communications Supply Chain.

To achieve this, annual membership fees for organisations trading for commercial reasons in Print and Paper are calculated as a percentage of their annual Relevant Turnover in the UK.

Relevant turnover is defined as the total turnover derived from those parts of the business entity that are directly involved in the Graphic Communications Supply Chain.

How much does it cost to become a member?

| Entity type | Annual membership (% relevant turnover) |
|---|---|
| Commercial Members Paper Mills and Merchants, minimum £500 Printers, minimum £150 | 0.0025% (£25 per million) |
| Representative Body Members | By agreement |
| Partner Members | No Charge |

Two Sides recognises that applicants may have wider commercial interests which are outside of the Graphic Communications Supply Chain. In these circumstances, applicants will be asked to declare their turnover arising from Print and Paper activities and raise a subscription on relevant turnover according to the formula above.

Notes:

- 1 All print and paper activity must be declared
- 2 Turnover derived from non print and paper products may be excluded
- 3 The membership year starts on 1st January. Membership fees for members joining partway through a membership year will need to reflect a whole year’s membership
- 4 There will be a minimum fee of £500 for all members except for printers where there will be a minimum fee of £150
- 5 Two Sides reserves the right to challenge and/or request additional information about an applicant’s declared relevant turnover figure, in order to ensure consistency of fee payments across the Two Sides Membership
- 6 Discretionary supplementary financial contributions to Two Sides are also welcome
- 7 Subscription rates may vary from time to time and will be decided by the Board

Partner Members

Two Sides Partner Members provide significant expertise to Two Sides; assisting with direction and strategy as well as contributing to the delivery of the initiative to all stakeholders.



300million is a London-based Design Week Top-100 Design Group specialising in brand design and communications. Since its launch five years ago it has gained recognition in all the major creative design award schemes, including D&AD and a World Gold Medal at the New York Festivals. Clients cross all sectors and include Alessi, BMW 1 Series, Land Securities, London Symphony Orchestra, McKinsey & Company, Premier Paper, QinetiQ, RADA, Royal Bank of Scotland, TalkTalk.



PricewaterhouseCoopers provides industry-focused assurance, tax and advisory services to build public trust and enhance value for its clients and their stakeholders. More than 155,000 people in 153 countries across our network share their thinking, experience and solutions to develop fresh perspectives and practical advice. Our UK Sustainability & Climate Change practice is over fifteen years old and is part of a global network of 700 sustainability specialists across 45 territories. Our Forestry, Paper & Packaging network brings together deep industry experts from around the globe.



Splash! is an international graphic arts PR specialist with an in-depth knowledge of the paper, print, packaging, publishing, marketing and related manufacturing markets, their related media and the issues. Our experienced team works as an extension of a client's marketing team to establish PR aims, develop strategies and implement successful programmes. Working closely with our partners across Europe, in the US and China, Splash! can target any territory or sector.



Lateral Group combines data-led strategic insight with a comprehensive range of offline and online outputs co-ordinated through a unique Integrated Communications Management (ICM) model. We have a pool of capabilities that covers the whole range of integrated channels. We act as the brains, providing experience and data expertise to guide and manage the process. Whatever your campaign requires, we can assemble a potent package that will give you more control, simplify multi-channel marketing and improve RoI on your marketing investment.



RA Creative provide a wide range of digital media services including creating dynamic, exciting and interactive websites for businesses and organisations worldwide. We have developed online e-commerce retail platforms and marketing campaigns along with business critical order tracking systems. We are experienced in the promoting of brands and products online. Our customers include Goldsmiths, Mappin and Webb, Pepsi, Tuffnells, Premier Paper, Fedrigoni, Bentley, GE, British Gas, Watches of Switzerland, Next and many more.



PrintWeek is the highest-circulating and most widely read printing industry title in the UK, reaching a true cross section of the industry. It has an unrivalled reputation for breaking the biggest stories in printing and its associated sectors and every week includes informative features on technology and business and incisive comment on key industry issues. Along with the flagship UK title and website, printweek.com, PrintWeek has sister titles in Australia, Germany, Middle East & North Africa, Russia, and Ukraine.

'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.'

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

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