

Why Purchase Renewable Energy?



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OR

- Why “Doing the Right Thing” Can be Good for Business
- Why Making an Investment In Renewable Energy Sources Adds Value
- How Environmental Responsibility Translates Into Competitive Advantage With Positive Impact To The Bottom Line



About Sandy Alexander

- Largest privately owned commercial printing company in the country.
- National reputation as outstanding printer
- Fortune 500 list of clients
- Largest purchaser of renewable energy in the printing and publishing sector as certified by the EPA's GreenPower Partnership



Background

In December 2005 we announced our intention to purchase wind generated electricity to operate our Clifton, NJ facility.

- Total 9,000,000 kilowatt hours annually
 - 1,000,000 kilowatt hours comes from the Jersey Atlantic Wind Farm

In July of 2006 we agreed to purchase an additional 7,500,000 kilowatt hours of wind generated electricity to operate our St. Petersburg, FL facility.

- Grand Total 16,500,000 kilowatt hours



So how (and why) does a \$135 million commercial printing company decide to invest in renewable energy when it costs more than conventional sources of electricity?



We were already environmentally conscious

- We have been actively focused on the environmental aspects of our business for many years. In July 2002 we first received certification to the ISO 14001 Environmental Management Standard.
- The ISO 14000 standard requires annual objectives for improving environmental performance be established, progress measured and reported.



Global Warming Is Real!

The management of Sandy Alexander believes global warming is real and needs to be addressed today (and not left for our children):

- The Polar Ice Caps are melting
- Hurricane Katrina was a wake up call
- Why be dependent on imported oil?
- We are at the beginning of a new era of environmental awareness
 - California just passed state limits for greenhouse gas emissions
 - Corporate America is taking a leadership role in protecting the environment
 - Just look at Walmart!
- Isn't reducing the carbon footprint of a business worth some incremental cost?



The business case for operating as a sustainable company:

- Corporate America increasingly believes social and environmental stewardship is important to customers and stakeholders
- We realized many of our clients were already actively seeking to communicate their environmental and social commitments:
 - Coca-Cola
 - Starbucks
 - Time Warner
 - BP
 - JP Morgan Chase
 - Kraft Foods
- For many of our prospects – the companies we would like to do business with – our environmental commitment is the key for differentiating us in a highly competitive market.
- Don't forget the value of good will. There are benefits for our customers, stakeholders, employees and the community.
- Marketing opportunities abound.





The economics of purchasing renewable energy for 100% of our electrical needs

- The incremental cost for wind energy is tiny relative to most company's annual revenues.
- We expense renewable energy as a part of the sales and marketing budget for the company, not only as a manufacturing cost
- It makes us unique in our industry. What is that worth?
- Our efforts to promote the environmental aspects of printing further secures our position as a recognized industry leader
- Our leadership role has already caused others to follow
- Implementation is easy and the benefits are immediate
- In less than 1 year we can attribute more than \$3MM of net new sales from customers wanting to use a printer with our environmental credentials

The other things you need to consider

- Our awareness led us to do an environmental assessment of all practices at both of our manufacturing locations
- We conducted environmental training sessions for all NJ employees. This created awareness and good will.
- By looking at all aspects of our business we continue to identify ways to reduce costs by improving our recycling performance and better purchasing practices.
- We are now evaluating how to further reduce our total energy use by increasing efficiency and/or reducing waste.



**Just remember.... Once you start the
process it never ends!**

Thank you.

