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## PAPER VERSUS PAPERLESS? IT'S A TIE

Can you be green and still give paper to customers who want it?

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UNconventional Wisdom is a periodic guest blog, where authors hold up the so-called common wisdom to a fresh perspective. To propose a guest blog, email either William Streeter, editor in chief, or Steve Cocheo, executive editor

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The financial services sector is torn between the pressure to adopt a "full green" philosophy and many customers' love of paper. But, while many purchasing executives may feel pressure from both sides, the reality for most institutions is that--done correctly--there is no need to make a choice. You can be green and still use paper.

U.S. consumers embrace the concept of sustainability but are not entirely committed to changing their lives for it, nor should they have to. For example, most banks offer all-electronic information and transaction options, but the vast majority of consumers continue to demand paper--in contracts, deposit slips, monthly statements, and other items. Why? Surveys consistently show that consumers find reassurance in the security and accuracy of paper documentation.

Consider the findings of the comScore 2010 State of Online Banking report: 58% of respondents are now enrolled in some sort of paperless statements, up 5 points from the previous survey. Nearly 70% of those use the option for their checking/saving accounts. But paperless penetration rates remain lower for other services, like credit cards (47%); auto and homeowners insurance (28%); and brokerage (16%).

As a result, the financial services sector remains one of the world's top users of paper. However, consumer

preference does not mean that banks should be accused of environmental insensitivity. You can be green and serve customer needs by embracing two simple strategies: 1. Source only certified paper and 2. Develop, implement, and adhere to an environmentally friendly procurement policy.

### Using certified paper

What everyone needs to remember is that, unlike many other natural resources, trees grow back if they are managed sustainably--and certification provides independent assurance of sustainable management.

Certification stamps and logos mean that no illegal timber is used in a product's manufacture; that the paper was produced in sustainable processes; that the wood followed a legal, verifiable chain of custody; and that the paper was produced in an environmentally friendly manner.

Some organizations promote one brand of certification over another, but the various schemes are extremely similar and deliver the same reassurance.

In the paper industry, two of the most recognizable and largest independent certification bodies are the Programme for the Endorsement of Forest Certification (PEFC) and the Forest Stewardship Council. When compared side-by-side, these schemes are virtually identical and share the same ultimate goal to promote sustainable practices.

By purchasing certified materials, financial institutions can be confident in the knowledge that they are providing environmentally friendly options to customers who still want the convenience of paper.

### Establish a procurement policy

Procurement policies are critical to a financial services environmental program. Such policies demonstrate to customers that vendors you use will adhere to 100% legally and environmentally sound policies. In essence, it is a public promise from a bank to its customers ensuring green practices.

Some key areas to include when developing your procurement policy:

- Guarantee. Buy from a company willing to guarantee that materials used to make its paper are certified and have a verifiable chain of custody.

- Look for investment commitment. Make sure the supplier invests in sustainable paper production and has a track

record of improving the environment by doing things like reducing air and water emissions; cutting the use of fossil fuels; and investing in aggressive tree planting programs to ensure sustainability.

• People, not just trees. Make sure your supplier is committed to economic and social development in the countries where its pulp and paper are produced. Many people assume environmental friendliness means protecting trees, but the United Nations and a growing number of companies realize that it's just as important to protect people and encourage their development.

The challenge for procurement officers is to create policies that will help their companies embrace the environment and become more sustainable. Embracing a single certification scheme can compromise your company's ability to do business because--despite what individual certification bodies may say--the likelihood of sourcing enough paper certified by a single organization is slim.

By committing only to certification and not to a single certifying body, you can be sure that your financial institution will always be able to access product affordably.

Obviously, these are only a few steps on the road to sustainability, but they are nonetheless important ones. Whatever path your organization chooses, remember that paper is a sustainable, recyclable product. If your bank's other activities are sustainable, smart use of paper not only makes your customers happy, but it also keeps you green.

Agree? Disagree? Post your views, and discuss your own bank's policies on paperless banking; green banking; and sustainability in the comment section below.