



with Mark Mathes
AICC Board Member and Chair of the AICC
Sustainability Board

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**1. Do you feel that “sustainability” is a fad?
Please explain.**

I am amazed at how many people feel that this is the case. The most common thing that is mentioned as proof that it is a fad is Wal-Mart and RFID. Actually, the two can not be compared. All of the hype and promise of RFID was built around undeveloped technology and some unresolved ethical questions revolving around privacy (how to keep RFID from continuing to function after the product leaves the store). Sustainability doesn't require new technology, big infusions of cash nor does it step on any ethical toes. All sustainability needs is top down management buy-in. It is many things, but we are well past the fad stage.

2. What is your vision for sustainable packaging?

The interesting thing about this question is that we can each have a different vision and there really is no right or wrong answer. I can only answer for Vanguard. Our long term vision is a production facility that generates no waste, recycles everything including water and is effectively carbon neutral. This vision will be difficult to achieve and we will have to go beyond the plant walls to make it happen. We are studying things such as solar and wind power and carbon off-sets to help achieve this. The important thing is that by helping ourselves, we are helping our customers.

3. What opportunities does “sustainable packaging” offer independent corrugated companies?

You have to look at this three ways. First, it can be an offensive way to seek out business by marketing your sustainability efforts. Second, it can be a defensive situation. What I mean by that is there will be some plants that get into sustainability for no other reason than they will lose business if they don't do it. Finally, if you do it right, sustainability initiatives are truly capable of saving the typical independent a lot of money each year. At Vanguard, we feel our sustainability goals will net savings of somewhere between \$200,000 and \$300,000 in 2007. I have said on many occasions that sustainability will never fly without economic viability.

4. Are designers changing their outlook in regards to packaging?

I feel that the design lab is the big edge that the typical independent plant will have over the typical integrated plant. I have repeatedly stated that sustainability is a design in process. With that premise in mind, the industry's design strength in both numbers and creativity clearly lies with the independents.

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At Vanguard, we have been at this for some time, but old habits are hard to break. Even our designers need to be reminded, from time to time, to design in sustainability concepts at the very start of the design process. The interesting thing is that buyers are not always on the same page. We recently did a sample for a major beverage company that was a radically different way to get to the same point. Our design saved an enormous amount of board. The buyer nixed it because it was just too much of a departure from the norm.

5. Will sustainable packaging translate to lower costs for consumers?

It probably won't, initially. I think the biggest financial impact will be to prevent or lessen future increases. At some point, I feel it could hit enough critical mass to be a factor in lowering prices, but that is a ways off. I think early savings will be taken as profits to bolster sagging bottom lines. Although you didn't ask, I do think sustainability will play a role in bringing back manufacturing from Asia to the US. We have recently seen mounting evidence that the Chinese will not take measures to curb their terrible environmental record. As American retailers push their sustainability efforts beyond our shores, they are going to run up against significant push back from China and Chinese manufacturers. This will create a new set of opportunities for American businesses.

6. Is the goal of 100% renewable energy and zero wastes obtainable?

On the surface, I would say no. But the Earth has finite resources, so at some point, humans will have no choice but to achieve that to sustain life. Interestingly, the most sustainable countries on Earth are probably the most poor. They practice sustainability to live. Before we hit the goals you stated, we as a country will likely have to go through a period of time where our standard of living will lower to levels found in less successful economies. A possible

problem on the horizon is the extreme economic growth in Brazil, China, India and Russia. I recently read that current sustainability efforts in the US are being swamped by the drain on resources in these four up and coming economies. I have always stated that sustainability is all about buying time. It is not the one and only answer, just an important part of the journey to the answer.

7. What is the goal of the AICC Sustainability Board?

We have only been at this for about 9 months. Our current goals are really to educate our members on the most basic levels of becoming a sustainable company. In 2008 and beyond, we will need to take this to the next level and help our members become leaders in the industry capable of incorporating sustainability initiatives into everything they do internally and with their customers. AICC is also actively engaged with other industry associations in setting definitions and standards that will be industry wide. We need to get everybody on the same page.

8. Where is the best place to find information to educate ourselves?

One problem I have already noticed is what I call sustainability clutter. It is getting increasingly difficult to sort through what is relevant and what isn't. There are also lots of agendas being promoted under the heading of sustainability. However, I would start with the well known industry associations such as AICC, FBA and AF&PA. These three sites cover the perspectives from the independents, integrations and the forest and milling sides. Each has a perspective unique to their constituency, so you really need to view all three. I would also throw in the Sustainable Forestry Initiative group since they got on the bandwagon so early. Finally, I would get on Wal-Mart's web site. They are eating, breathing and living this stuff. They are also very good at sharing their info if you dig deep enough.