

2011 Corporate Responsibility Report
Self-declared Level B



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1. Strategy and Analysis

1.1 Statement from the most senior decision-maker of the organization

CEO Statement on Sustainability

MWV has an unwavering commitment to sustainability in all that we do, and our customers depend on us to help them fulfill their own sustainability promises. In doing so, our definition of sustainability is simple: the ability to sustain profitable growth, social responsibility, and environmental performance over time. It's simple to say, but hard to achieve.

We have been in business for more than a century because of our dedication to stewardship of the many resources entrusted to our care. That includes shareholders' capital, natural resources such as forests and water supply, and the employees, customers and community partners who are the lifeblood of our company on almost every continent. We take this commitment to the "triple bottom line" very seriously, and we always will.

We do everything we can to reduce our impact on future generations – whether that is through sustainable forest management, efficient operations, responsible sourcing or employee wellness. And we do so in a manner that ensures we continue to profitably grow our company and deliver value for our shareholders. These are just a few of the reasons we've been the leading company in our industry on the prestigious Dow Jones Sustainability Index.

Our commitment to responsible and sustainable business practices is just the starting point for our conversations with customers about their sustainability objectives. With our heritage of environmental leadership, our expertise in design and material science, and our insights into market demand and consumer behavior, we can partner with them to make choices that will benefit their triple bottom line as well ... extending the virtuous circle even further.

In the end, that is what sustainability is all about – healthy people, strong communities, economic growth, and the preservation of our shared planet. That is what we're committed to achieving at MWV.

John A. Luke, Jr.

Chairman and Chief Executive Officer

1.2 Description of key impacts, risks, and opportunities

Packaging – a global language spoken all over the world by

- Brand owners – looking to stand out from the competition
- Retailers – who want easy-to-stock and easy-to-shop
- Consumers – looking for quality, convenience and sustainability

So, MWV is leading a global conversation about why packaging matters from the manufacturing floor to the store shelf to the kitchen pantry. We are taking the conversation to many fast-growing end markets and emerging markets. We have deep market expertise, partnerships with leading consumer products companies, and innovative solutions for discerning brands and consumers. It's what makes us uniquely able to expand our business by helping global customers succeed around the world. And it's what will help us shape the future of our industry – today and every day.

In 2011, we had record segment operating results that were a direct result of the strategies we have laid out for profitable growth and value creation. We are gaining share in growing end markets, developing innovative products, and building leadership positions in emerging markets. As a result, we are delivering strong financial performance and will continue to be a source of earnings for our stockholders, as well as growth and sustainability for our stakeholders in the years to come.

Of course, this strong performance does not mean that we are immune to broader trends in the global economy, including weak housing and labor markets in the U.S., and – most recently – the fiscal crisis in Europe. These acute macroeconomic events resulted in lower consumer confidence, tighter inventory management, and softer demand in some of our markets – especially toward the end of 2011. However, our markets have held up fairly well through a challenging global economic environment, and we have made smart decisions, taken swift actions, and focused on the right strategic areas to strengthen our market position and deliver the level of performance our stakeholders expect.

That includes the announcement that we have spun off our Consumer & Office Products business, and merged it with ACCO Brands. The combined company is a \$2 billion leader in the global school and office products market, and the transaction created substantial value for MWV shareholders when it closed in the first half of 2012. We are confident that executing the plans we can control will continue to strengthen our market position and buttress our financial performance during this challenging economic climate.

Sustainability Strategy

MWV's Sustainability Strategy, which is to build a stronger business through balanced choices, aligns with the ideals shared by many of our global customers. We aspire to do things the right way – the way we always have. We will accomplish our aspirations by working to continually use less energy, water, and raw materials. We will operate in a manner that ensures we continually seek new ways to reduce the environmental footprint of our operations and supply chain, including seeking out responsibly sourced materials for our products and solutions. Our actions have earned the trust of our customers, consumers, employees and communities; however, as a company we believe it is our responsibility to always aspire to be better. In essence, this means that our sustainability journey has just begun.

Our philosophy is that we must partner with customers to make their sustainability stories come to life. To do so, we will continue to be an industry leading source of consumer insights regarding sustainable packaging, and rely on our greatest strength, our unique ability to innovate our product offerings. We will focus our innovation efforts to create packaging solutions that reduce waste through recycled raw materials, light-weighting, recyclability, composting and other end-of-life solutions. Keys to our success will be seeking and developing renewable and recyclable materials for our paperboard packaging solutions, and exploring the feasibility of biopolymers as a material for our plastic packaging. Fostering development of a sustainable supply chain will not only engage our customers, but also allow us to have an impact further down the supply chain by engaging end-consumers in sustainable practices, such as recycling and composting.

MWV has identified seven focused commitments that we believe are critical to achieving our Sustainability Strategy and becoming a better company. We have set targets for each of these focus areas to ensure we remain accountable to ourselves, our stakeholders and our customers.

We will:

- Reduce our use of fossil fuels by 25% by 2015 (2010 baseline)
- Reduce our CO2 emissions by 25% by 2015 (2010 baseline)
- Reduce our water use by 15% per net ton of paperboard by 2015 (2010 baseline)
- Ship 90% of our U.S. freight with EPA SmartWay carriers by 2015*
- Involve 100% of our suppliers in our MWV Principles of Conduct program by 2015*
- Reuse 70% of our solid waste for beneficial purposes by 2020*

- Maintain our commitment to get 100% of our paperboard fiber from responsible sources, and get 50% from certified sources by 2020*

*These targets do not have baselines.

2. Organizational Profile

2.1 Name of the organization

MeadWestvaco Corporation

501 South 5th St.

Richmond, VA 23219

2.2 Primary brands, products, and/or services

MWV provides packaging solutions to consumer packaged goods companies in the healthcare, beauty and personal care, food, beverage, home and garden, and tobacco industries. The company's businesses also include Specialty Chemicals, the Community Development and Land Management Group, and Consumer & Office Products (which was [spun off](#) on May 1st, 2012).

For additional information, please see the [Products](#) section of our website.

2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures

MWV has changed the way we report financial results for our packaging business by regrouping our business segments by end market. The three new segments are:

- Food & Beverage
- Home, Health & Beauty
- Industrial

The new reporting structure reflects our focus on global packaging end markets, and it is consistent with how we now manage and evaluate financial performance of our packaging business. The new segments align with our growth strategies to focus on large and growing global end markets for food, beverage, tobacco, home and garden, beauty and personal care, healthcare and industrial in select developing markets around the world.

The change in our reporting segments is consistent with our approach to managing and growing our biggest business, packaging. The change also aligns the investor view with

management's view of the company's results, providing direct line-of-sight into MWV's performance in our targeted markets.

These changes will not impact Specialty Chemicals or our Land Management segments.

Food & Beverage

The Food & Beverage segment produces packaging materials, and designs and produces packaging solutions primarily for the global food, food service, beverage, dairy and tobacco end markets, as well as paperboard for commercial printing.

For the global food market, the segment develops and produces materials and innovative solutions that are used to package frozen food, dry goods, ready-to-eat meals, hot and cold drinks, and various shelf-stable dairy products. The segment also develops and produces differentiated dispensing solutions for many well-recognized food brands.

For the global beverage market, the segment has a fully integrated business model, including high-performance paperboard, carton design and converting operations, as well as beverage packaging machinery. The segment works with many of the world's largest and best-known beverage brand owners.

For the global tobacco market, the segment produces high performance paperboard, and designs and produces cartons for the leading global tobacco brand owners.

The segment's materials are manufactured in the United States and converted into solutions at plants located in North America, Europe and Asia.

Home, Health & Beauty

The Home, Health & Beauty segment designs and produces packaging solutions for the global personal care, fragrance, home care, lawn and garden, prescription drug and healthcare end markets.

For the global beauty and personal care market, the segment produces pumps for fragrances, lotions, creams and soaps, flip-top and applicator closures for bath and body products and lotions, and paperboard and plastic packaging for hair and skin care products. The segment serves the leading beauty and personal care brands worldwide.

For the global home and garden market, the segment produces trigger sprayers for surface cleaners and fabric care, aerosol actuators for air fresheners, hose-end sprayers for lawn and garden maintenance, and spouted and applicator closures for a variety of other home and garden products. The segment serves the world's leading branded consumer packaged goods companies, as well as recognized local producers in key emerging markets.

For the global healthcare market, the segment makes secondary packages designed to enhance patient adherence and child safety for prescription drugs, as well as healthcare dispensing systems, paperboard packaging and closures for over-the-counter and prescription drugs. The segment's key customers include well-known mass retailers for whom it provides turnkey adherence-enhancing packaging for their popular discount generic drug programs, as well as leading branded prescription drug manufacturers.

Paperboard and plastic materials are converted into solutions at plants located in North America, South America, Europe and Asia.

Industrial

The Industrial segment designs and produces corrugated packaging solutions, primarily for produce, meat, consumer products and bulk goods markets in Brazil. The integrated business, MWV Rigesa, includes forestlands, paperboard mill production and corrugated box plants. Products include packaging solutions that bring greater efficiency and cost savings to customers' packaging lines and supply chains. The segment also includes MWV's corrugated operation in India, which develops packaging solutions principally for domestic fresh produce growers.

MWV's customers in this segment range from leading multinational and Brazilian companies in targeted end markets to a diverse spectrum of smaller customers.

In Brazil, the company manufactures high quality virgin kraftliner and recycle-based medium paperboards, and converts the material to corrugated packaging at five box plants across the country. In India, the company converts raw materials to corrugated packaging at its facility in Pune.

Specialty Chemicals

MWV Specialty Chemicals manufactures markets and distributes specialty chemicals derived from sawdust and other byproducts of the papermaking process in North America, South America and Asia. Products include activated carbon used in emission control systems for automobiles and trucks and performance chemicals used in printing inks, asphalt paving, adhesives and lubricants for the agricultural, paper and petroleum industries.

Community Development and Land Management

Our Community Development and Land Management Group manage a diverse portfolio of company landholdings to create value and provide a sustainable source of fiber grown to the highest environmental standards.

2.4 Location of organization's headquarters

MWV's Corporate Headquarters, located in Richmond, VA, reflects our philosophy that sustainability is both a business strategy and ethical imperative. Our 310,000-square-foot building was built with materials which include recycled glass and rubber, low VOC products (paints, furniture, and carpeting), and energy efficient products and systems. The building provided a 21% improvement in overall energy efficiency when compared to buildings built using traditional construction methods. We were also able to recycle 95% of our construction waste.



The building's unique design fosters collaboration amongst employees for greater productivity while simultaneously targeting energy savings, water efficiency, lower environmental impact and employee wellness. The Green Building Initiative (GBI) recognized our headquarters building for its environmental achievements with its highest rating of four Green Globes, reserved for buildings that serve as world leaders in energy and environmental performance.

In addition to our Corporate Headquarters, we maintain a European Headquarters in Geneva, Switzerland. In order to achieve our growth strategies, our European business must be a key contributor, and this new office brings the right people together to make that happen. MWV has operated successfully in Europe for many years, but the creation of the European Headquarters places a greater focus on improving our business and working more effectively across our European platform.

2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report

We are a global company with operations in 30 countries worldwide, selling into 100 different countries. MWV's major operations include mills, converting facilities and specialty chemicals plants at the following locations:

Paperboard Operations

- Aracatuba, Brazil
- Blumenau, Santa Catarina, Brazil
- Cottonton, Alabama
- Covington, Virginia
- Evadale, Texas
- Feira de Santana, Bahia, Brazil
- Low Moor, Virginia
- Pune, India
- Pacajus, Ceara, Brazil
- Silsbee, Texas
- Tres Barras, Santa Catarina, Brazil
- Valinhos, S ã o Paulo, Brazil
- Venlo, The Netherlands

Folding Carton and Primary Plastics Operations

- Aqua Branca, S ã o Paulo, Brazil
- Ajax, Ontario, Canada
- Atlanta, Georgia
- Barcelona, Spain
- Bassano del Grappa, Italy
- Bilbao, Spain

- Bristol, United Kingdom
- Buenos Aires, Argentina
- Bydgoszcz, Poland
- Chicago, Illinois
- Deols, France
- Dublin, Ireland
- Enschede, The Netherlands
- Grandview, Missouri
- Graz, Austria
- Hemer, Germany
- Krakow, Poland
- Lanett, Alabama
- Mebane, North Carolina
- Milan, Italy
- Moscow, Russian Federation
- Roosendaal, The Netherlands
- S ã o Paulo, S ã o Paulo, Brazil
- San Luis Potosi, Mexico
- Santiago de Chile, Chile
- Shimada, Japan
- Slatersville, Rhode Island
- Smyrna, Georgia
- Svitavy, Czech Republic
- Tecate, Mexico
- Tijuana, Mexico
- Trier, Germany
- Troyes, France
- Valinhos, S ã o Paulo, Brazil
- Waalwijk, The Netherlands
- Winfield, Kansas
- Wuxi, People's Republic of China

Specialty Chemicals

- Covington, Virginia
- DeRidder, Louisiana
- North Charleston, South Carolina
- Waynesboro, Georgia

- Wickliffe, Kentucky

Community Development and Land Management Group and Forestry Centers

- Appomattox, Virginia
- Rupert, West Virginia
- Ridgeville, South Carolina
- Summerville, South Carolina
- Tres Barras, Santa Catarina, Brazil
- Waverly Hall, Georgia
- Woodbine, Georgia

Research Facilities

- North Charleston, South Carolina
- Richmond, Virginia
- Shekou Shenzhen, People's Republic of China
- Tres Barras, Santa Catarina, Brazil

Other information

MWV owns approximately 700,000 acres of forestlands and other landholdings in the Southeastern region in the U.S. and approximately 134,000 acres of forestlands in Southern Brazil. All MWV forestland, including both the U.S. and Brazil, are independently certified to forest management requirements endorsed under The Programme for the Endorsement of Forest Certification (PEFC).

2.6 Nature of ownership and legal form

For information regarding MWV's nature of ownership and legal form, please see MWV's [10-K filing](#).

2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)

For information regarding the markets MWV serves, visit the [Markets We Serve](#) section of our website.

2.8 Scale of the reporting organization

In 2011, MWV was able to grow market share in many of our end markets, continuing to push the boundaries on packaging innovation, and extend our leading positions in emerging markets. As a result, we were able to exceed our prior year sales, grossing over \$6 billion in total sales in 2011. We accomplished this through the power of 17,400 and the global nature of our operations which allows us to be everywhere our customers are.

For additional information, please see our [Company Overview](#).

2.9 Significant changes during the reporting period regarding size, structure, or ownership

MWV is constantly evaluating the structure, size and different aspects of our businesses. One business we decided to exit was our Consumer and Office Products business. The business was spun off and merged with ACCO Brands Corporation, creating a leading global school and office products company for ACCO, and allowing us to focus on our global packaging markets.

An addition to the MWV family was Polytop Corporation, an innovative leader in the design and manufacture of dispensing closures. Polytop's products include dispensing closures for food, home and garden, and beauty and personal care packages. The acquisition expands our footprint in packaging end-markets that we believe are growing, providing exciting opportunities for us the world over. By bringing together Polytop's unique capabilities and MWV's market expertise, we believe there are exciting growth opportunities for Polytop around the world.

2.10 Awards received in the reporting period

MWV was named to the Dow Jones Sustainability World Index (DJSI) in 2011 for the



eighth consecutive year, and received a Gold Class rating. The DJSI World recognizes the world's leading companies in the areas of economic, environmental and social performance, and evaluates organizations based on their commitment to and success in integrating sustainability into core business objectives and performance. In addition to being one of the

342 companies listed on the world index, we were the only company in our category to be listed on the North American index.

MWV maintained its best-in-class score in the Social Dimension of the index based on the strength of programs to engage stakeholders in critical projects, establish standards of conduct for suppliers, and human capital development. The company also has an industry-leading Code of Conduct for employees, and scored above its peers for environmental policies and management systems. These scores demonstrate and support our company's every day commitment to sustainability. We realize the value and impact of our daily actions and make responsible decisions to sustain the world by researching renewable materials, building sustainable products and creating work environments that encourage a lighter footprint.

MWV was named Community Impact Company of the Year by Trident United Way (TUW) in Charleston, South Carolina. TUW works to solve the issues facing people in the Lowcountry, a region along South Carolina's coast. MWV employees in our Specialty Chemicals and Community Development and Land Management divisions more than doubled their support of TUW in 2011.

Two MWV facilities were honored with Gold Standard Supplier Awards from Johnson & Johnson. These awards recognize the value of our 30-year relationship and attention we provide to customer satisfaction. MWV and J&J are linked together at critical touch points, including leadership, procurement, and research and development. The Gold Standard award also requires plants to submit an innovation idea that the customer approves for implementation, and our facilities were able to meet and often exceed these expectations.

MWV was named supplier of the year, and "best in class" supplier by SanDisk, the largest supplier of flash memory storage cards. MWV was the only packaging company to receive an award from SanDisk. Using our Natralock packaging, MWV was able to help SanDisk achieve:

- An 80% reduction in plastic
- A 29% reduction in total packaging
- More generous, glare-free printing effects and outstanding graphics

MWV earned two awards at the 2011 National Paperboard Packaging Competition. First, we won an Excellence Award for our embossed [FridgeMaster®](#) dispenser carton for Coca-Cola. Second, we won a Gold Award and two Excellence Awards, in the Innovation and Eco categories, for our "battery box" for Anheuser-Busch InBev.

3. Report Parameters

3.1 Reporting period (e.g., fiscal/calendar year) for information provided

The reporting period is for year 2011.

3.2 Date of most recent previous report (if any)

MWV's inaugural GRI report was published in November of 2011. See [2010 Corporate Responsibility Report](#).

3.3 Reporting cycle (annual, biennial, etc.)

We will continue to publish our Corporate Responsibility Report annually.

3.4 Contact point for questions regarding the report or its contents

For questions regarding this report or its contents, contact [Tucker McNeil](#).

3.5 Process for defining report content

This report was compiled following GRI 3.0 protocol. MWV is continuing to use GRI 3.0 protocol, but we intend to review and make a determination on reporting using G4 once the new guidelines are finalized.

3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.

This report is inclusive of all MWV locations, divisions, subsidiaries, facilities and joint ventures.

3.7 State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope)

This report provides complete coverage for MWV's operations with consideration for economic, environmental and social impacts.

The data included in this report is reflective of fiscal year 2011.

3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.

This report includes the following joint ventures:

- International Labs, U.S.A. MWV owns 50% of this operation.
- Resitec, Brazil. MWV owns 50% of this operation.
- Shaxian Pine Chemicals, China. MWV owns 51% of this operation.

MWV does not include outsourced operations as a part of its reporting process.

3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.

MWV utilizes several data management systems such as SAP and STARS to collect data and measure performance worldwide. All data is validated to meet internal quality standards. However, MWV has also identified several areas of special interest in which we require our data to be third party certified. This includes:

- Carbon Emissions (third –party certified by Bureau Veritas North America)
 - This was restricted to our 6 major US facilities
 - Scope 1 was audited to EPA protocol
 - Scope 2 was audited to WRI / WBCSD standards
- Environmental (Third-party certified by ISO 14001 audit for select facilities)

- Forestry (Third-party certified by Bureau Veritas)
- Safety (Third-party certified by OHSAS's 18001 audit for selected facilities)
- Financial (Third-party certified by PricewaterhouseCoopers)

2010 Environmental metrics exclude the Media and Envelopes businesses we sold in October 2010 and January 2011 respectively. 2011 Environmental metrics include Consumer and Office Products despite the spin off, but do not include Polytop Corporation (a new acquisition).

3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature

There are no re-statements in this report.

3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report

There are no significant changes from previous reporting periods.

3.12 Table identifying the location of the Standard Disclosures in the report

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3.13 Policy and current practice with regard to seeking external assurance for the report

Currently, MWV is not seeking external assurance for our sustainability report.

4. Governance, Commitments and Engagement

4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight

The MWV [corporate governance](#) principles, charters of board committees and code of conduct have been adopted by the MWV board of directors. The corporate governance principles address the role, requirements and responsibilities of the board of directors in its oversight of the company. The committee charters speak to the purpose, duties and responsibilities of each of the committees. The MWV code of conduct, which applies to all directors and employees worldwide, builds upon past policies and practices and serves as the cornerstone of the company's commitment to the highest ethical business standards.

4.2 Indicate whether the Chair of the highest governance body is also an executive officer

MWV's Chairman of the Board of Directors and Chief Executive Officer are joint roles. This position is filled by John A. Luke, Jr.

4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.

MWV's Board of Directors is comprised of 12 members. Of these 12 members, 11 are independent directors. MWV will be losing the counsel of a valued board member, Robert McCormack, who is retiring from our Board of Directors. We have added two new directors, Alan Wilson and Gracia Martore. Both are distinguished business leaders who bring valuable backgrounds that will help guide the future of MWV.

For additional information, please see the [Board of Directors Committee Charters and Membership](#) section of our website.

4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body

MWV shareholders and employees are able to submit questions, concerns or inquiries to the Board of Directors through several different methods.

[Contact MWV's Board of Directors](#)

For the first time ever, MWV held an investor and analyst day at our headquarters in Richmond, VA. We held this event to communicate our profitable growth strategy to shareholders and stakeholders. MWV leaders presented strategies for achieving average annual growth of 5-10% by leveraging our strong packaging platforms that we have built for our targeted end markets. Our message showed that we will grow our business through three levers – Commercial Excellence, Innovation and Emerging Markets – in order to deliver these results.

4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)

MWV's Compensation and Organization Development Committee reviews and approves the company's compensation policy. It is charged with the responsibility for assuring that officers and key management personnel are effectively compensated in terms that are motivating, internally equitable and externally competitive. The Committee approves compensation of the company's executive officers including the Leadership Team (the Chairman and Chief Executive Officer and his direct reports), reviews compensation for other senior management, sets the criteria for awards under incentive compensation plans and determines whether such criteria have been met.

The Committee seeks to ensure that the company's compensation policies and plans are appropriately aligned with the company's strategic objectives to protect and enhance shareholder value. The Committee generally oversees policies and practices of the company that advance its organization development, including succession planning as well as those designed to achieve the most productive engagement of the company's workforce and the attainment of greater diversity.

For more detailed information on the linkage between compensation and performance, please see our [2011 Proxy Statement](#).

4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided

The Board of Directors has adopted the MWV Code of Conduct which includes a section on conflicts of interest. A Committee of the Board reviews potential conflicts on a periodic basis and discloses its evaluations on an annual basis in the company's Proxy statement to shareholders.

4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics

The Nominating and Governance Committee is responsible for recommending qualified individuals for membership on the Board of Directors in accordance with its charter. The Committee periodically reviews with the Board the requisite qualifications of new board members as well as the composition of the board as a whole. This assessment addresses independence of board members, as well as the consideration of experience, judgment, knowledge, and diversity in the context of the needs of the board.

General criteria for the nomination of director candidates include:

- The highest integrity and ethical standards;
- The ability to provide wise and informed guidance to management;
- A willingness to pursue thoughtful, objective inquiry on important issues before the company; and
- A range of experience and knowledge commensurate with the company's needs as well as the expectations of knowledgeable investors.

For additional information, please see our [Corporate Governance Principles](#).

4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation

MWV's mission is to provide the packaging and business solutions people want and need to improve their lives while using sustainable business practices to fulfill the environmental, social and economic responsibilities of our own company, as well as those of our customers. We seek to operate our business the right way – making commitments to use less energy,

water, and raw materials through more efficient processes and products. We also integrate sustainability into our packaging solutions by the way we source raw materials, including the use of recovered materials, and the way we design, manufacture and transport our products. Sustainability also influences our business practices from the research behind our innovative and market relevant products, to the ethical business conduct of our employees, to our community initiatives. MWV's employees shape the company's business practices daily through the principles of safety, integrity, respect for the individual and environmental stewardship.

Development of our Sustainability Strategy was a big step forward for us as a company – expanding our boundaries and moving us forward on our sustainability journey. It has given us a clear and concise vision on how we will continue to live by our values as we move forward and evolve as a company.

4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles

MWV's Board of Directors consists of several committees, each having their own oversight responsibilities. The Committee on Safety, Health and Environment (SH&E Committee) is responsible for reviewing and implementing our workplace safety, employee health programs, property risk management, stewardship of natural resources and environmental protection initiatives. Included within the scope of its responsibilities, the committee reviews sustainability and how it is managed within our company. Part of this committee's charter is that they must review sustainability issues once a year, formally integrating sustainability into our corporate management process. The full Board of Directors is provided updates on sustainability through the Board's SH&E Committee. Updates include:

- Discussion on our Sustainability Targets
- Third party evaluations and certifications (DJSI, CDP, SFI)
- Emerging issues and trends (supply chain, customers, competitors)

Corporate SH&E has dynamic discussions with the SH&E Committee around MWV's Sustainability Strategy and Targets. The SH&E Committee is actively engaged with Corporate SH&E leaders in reviewing how we are implementing our Sustainability Strategy and measuring and achieving our Sustainability Targets. Members of the Board of Directors have been taking what they are learning through MWV's process of implementing our Sustainability Strategy and taking these experiences back to their own companies.

The Board of Directors and MWV leaders challenge each other in ways that result in win / win situations for all involved, and this continues to lead to a more dynamic and collaborative board.

4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance

The MWV Board has adopted a policy for annual assessments of the board, each board committee and individual board members. All aspects of performance are evaluated.

4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization

MWV believes in a precautionary management approach. We proactively evaluate and reduce risks on an ongoing basis in the areas of safety, health and environment in order to minimize potential adverse effects. Corporate policies address risk reduction behavioral expectations across the enterprise.

Corporate risk assessments are conducted on an ongoing basis. Exposure is measured for each risk, and its impact is typically related to volatility, probability, severity, time horizon and correlation. Risks are evaluated at the corporate level, business unit level and locally. As an example, we perform Environmental Vulnerability Assessments at our major manufacturing facilities and take corrective measures to minimize or eliminate risks that may cause health or environmental harm. Resources are allocated and activities prioritized on the basis of risk, with particular focus on higher potential severity.

MWV supports the responsible use of new technology as a means to improve both our operating performance and our environmental footprint. In such cases our deployment plans involve regulatory compliance, responsible use policy controls, routine management reviews and external stakeholder engagement.

Externally, MWV has adopted:

- AF&PA Environmental, Health and Safety Principles;
- American Chemical Council's Responsible Care Guiding Principles;
- ISO 14001 Management Systems (for select facilities); and
- Practices to share environmental and social responsibility data with customers as requested.

4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses

In order to support the communities in which we operate and ensure sustainability of our business strategy, MWV engages stakeholders across the organization, including supply chain, customers and investors. MWV is actively engaged in developing diverse suppliers, improving educational institutions, supporting conservation based programs and partnering with external organizations.

For example, MWV endorses the American Forest & Paper Association's "Better Practices, Better Planet 2020" initiative. This initiative sets sustainability goals for the forest industry as a whole. More information on this initiative can be found [here](#).

We subscribe to the guiding principles of the American Chemistry Council's Responsible Care program. Responsible Care principles can be found [here](#).

We also endorse and adhere to all of the standards and certifications set forth by Sustainable Forestry Initiative (SFI), including their forest certification, chain-of-custody certification, certified sourcing and labeling. More information on the individual components of SFI can be found [here](#).

The World Business Council for Sustainable Development's [Vision 2050](#) is an initiative that we support.

We also endorse the Sustainable Packaging Coalition's definition of sustainable packaging which can be found [here](#).

Read more about our [Sedex](#) and [Better Plants Program](#) Partnerships here.

4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: Has positions in governance bodies; Participates in projects or committees; Provides substantive funding beyond routine membership dues; or Views membership as strategic

MWV holds leadership positions in – and actively supports – a variety of organizations that protect the environment and promote sustainable business practices. The following list represents a selection of the organizations we have joined in pursuit of improving the communities and world in which we live:

MWV Partnerships
The Nature Conservancy
The Conservation Fund
Sustainable Packaging Coalition
American Forest & Paper Association
American Forest Foundation
World Business Council for Sustainable Development
EUROPEN
AMERIPEN
National Association of Manufacturers
American Chemistry Council
Sustainable Forestry Initiative
Foodservice & Packaging Institute

For additional information, please see the [Partnerships](#) section of our website.

4.14 List of stakeholder groups engaged by the organization

In addition to our partnerships, we engage and interact with our employees, our customers and our communities in a variety of ways. We believe that stakeholder engagement allows outside perspectives to bring insights to our organization and provide perspective on our efforts.

MWV engages in direct dialogue with global fiber suppliers such as the Forest Stewardship Council (FSC), the Sustainable Forestry Initiative (SFI) and the Programme for the Endorsement of Forest Certification (PEFC).

4.15 Basis for identification and selection of stakeholders with whom to engage

MWV's stakeholder engagement is determined by a prior examination of costs, opportunities and risk involved with each particular stakeholder. We also look to identify stakeholders that provide support with issues that appear to be most important for long-term success. Finally, we look to establish a common understanding of these issues and determine whether or not they are relevant to underlying problems.

4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group

When we engage with stakeholders we seek out leadership roles in groups that stretch our thinking and lead to enriching, meaningful dialogue. We believe it is important to invest not only our money, but also our time so that we foster and build expertise.

A perfect example of our philosophy is our active engagement with The Forest Dialogue (TFD), a global multi-stakeholder initiative focused on identifying solutions to the world's most important forest related issues. Beginning in November 2012, MWV will assume co-leadership of TFD along with The World Wildlife Fund (WWF).

We believe that "building together" with our stakeholders and customers enables us to achieve our Sustainability Strategy. When we are achieving our Sustainability Strategy, we are living by our values. When we are living by our values, we are making stakeholders' and customers' sustainability stories come to life.

4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting

M MWV consulted local and national stakeholders for input on achieving significant minority and women owned supplier participation in the construction of our new Headquarters facility. The result was 38 percent diverse supplier participation, exceeding our goal of 25 percent and the benchmarked local utilization of 12-18%. We were awarded by two notable Minority organizations for our efforts.

MWV's goal is to create a conservation-driven community development master plan for the company's contiguous acreage along the eastern edge of the Edisto River; land which is located in a natural growth path for both Charleston and Dorchester Counties, South Carolina. Input from three series of public meetings, and numerous meetings with key elected officials and conservation leaders was used to draft a preliminary master plan for the development. This plan addresses growth, maintains rural character and provides a range of housing options.

Operational Excellence is a proven process which uses a structured and data-driven stakeholder approach to analyze plant and business unit performance. This enables business and operations leaders to identify and implement improvement projects designed to make the plants and our businesses more efficient, effective and sustainable through waste and resource reduction efforts. Stakeholders are kept informed through internal web-based reporting. Business units have consistently achieved a 3 – 5 percent improvement year over year through the use of Operational Excellence.

Our Sustainability Strategy and Sustainability Targets were developed largely based on input from stakeholders. The specific areas we are addressing will benefit our customers, consumers, employees and communities in which we operate. Our Sustainability Strategy will be the main vehicle for how we ensure an every day commitment to our stakeholders.

Economic

Economic Performance

EC 1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments

MWV reports this information on an annual basis through our Annual Reports. For more information, please see our [2011 10-K](#), [2011 Annual Report](#) and [2012 Proxy Statement](#).

EC 2 Financial Implications and other risks opportunities for the organization's activities due to climate change

Risks

MWV faces numerous risks from the implications of climate change, and the politics that surround the issue. For instance, we operate several facilities that are energy intensive and use large quantities of coal or fossil fuels, making us susceptible to climate change legislation. Recently proposed US EPA regulations and expected future regulations would require expensive new controls for facilities that use coal and natural gas. Though these regulations would allow for emission reductions, MWV would face costs in the tens of millions of US dollars if they are implemented as currently proposed. Although we are always seeking ways to increase our use of renewable fuels as a way to minimize risks from climate change regulation, we still face significant risks from government regulations. Our extensive use of biomass is an example of how we seek to minimize the risks we face from regulation pertaining to climate change.

We also believe that a tax on carbon emissions is a possibility within the next 5 - 10 years. Depending on the cost per ton of carbon emissions, we could see a significant rise in the cost of our operations. In order to protect our company and stay ahead of the curve, we are implementing and evaluating numerous projects that will decrease our GHG emissions. Our target is to reduce our emissions by 25 percent by 2015 (2010 baseline). This would significantly reduce the risk we face from a carbon tax.

Customers are also asking us to reduce our carbon footprint. We know that companies that do not make efforts to reduce energy consumption and carbon emissions will lose market share. MWV designs and brands many of our products as a sustainable option when compared to alternative packaging. Many of our products are made from renewable raw materials, produced using significant portions of renewable fuels, and emit low emissions in their use and end-of-life.

Our customers expect more than just products that help them meet their sustainability goals; they also expect us to do our part in reducing global carbon emissions. For example, nine of our customers have asked us to respond to the CDP Supply Chain questionnaire. MWV sales to these customers represent nearly 10 percent of our total revenue. Establishing our Sustainability Strategy and Sustainability Targets is one way we have responded to these customers.

Opportunities

Just as we face numerous risks from climate change, opportunities exist where we believe we can take advantage. Throughout our history, MWV has been a leader in the procurement and handling of sustainably grown, renewable woody biomass. In addition to using biomass for our own fuel needs, we are engaging several potential customers to be their biomass supplier for renewable energy projects. This would provide us with an additional revenue stream as well as open up new markets and enhance profitability for small forest landowners and loggers.

Several of our products reduce GHG emissions either directly or indirectly, so it is reasonable to expect that their market share will increase as climate change increasingly becomes an issue. Examples include:

- Promina paperboard – lighter weight than its competitors allowing for more efficient transportation and decreasing the amount of wood fiber needed per ton of product.
- [Evotherm](#) – enables road surfacing with much less energy input and fewer air emissions as well.

Read more about Evotherm [here](#).

- Activated Carbon – used in automobiles to increase gasoline efficiency by reducing fuel evaporation when vehicles are not in use, saving over a billion gallons of gasoline from evaporating annually.

Many of our products are made from sustainably grown, renewable woody biomass. The biomass in our products sequesters carbon during use, when recycled or landfilled, and displaces fossil fuel if burned for energy at the end-of-life. All of these characteristics – renewable, recyclable, carbon sequestering and fossil fuel replacing may be favored in a carbon constrained environment, increasing their value to our customers.

In addition, MWV has developed an internal LCA program which documents the carbon footprint of our major products and potential carbon benefits to demonstrate their increased value in a carbon constrained environment.

Indirect Economic Impacts

EC 8 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members

MWV's Board of Directors is comprised of 11 members. Of these 11 members, 10 are independent directors.

For additional information, please see the [Board of Directors Committee Charters and Membership](#) section of our website.

Environmental

Energy

EN 3 Direct energy consumption by primary energy source

The total amount of fuel consumed in 2011 was approximately 96 million GJ of which 70 percent came from renewable resources. Of that 70 percent, we sold roughly two percent of this energy as renewable energy credits. Over the years we have steadily increased our use of renewable energy resources to reduce our energy costs and our carbon footprint as well. Even though our production numbers increased by 2 percent in 2011, we were still able to reduce our fossil fuel usage by 1 percent and increase our renewable energy usage by 9 percent. We will strive to use more renewable energy as we try to meet our target of reducing fossil fuels by 25 percent by 2015. At the same time, we are working on executing specific projects that will reduce our usage of fossil fuels and also reduce our footprint.



For example, work has begun on the installation of a state-of-the-art biomass boiler at our Covington Mill. The \$285 million investment positions the facility for profitable growth and will further its competitive advantage in providing high quality paperboard packaging for the global food, healthcare and tobacco markets. This boiler will replace two older, less efficient coal-fired units, and make the facility 100% self-sufficient in electrical power and steam generation. The reduction in fossil fuel use will result in lower GHG emissions and other criteria air pollutants, and will also provide economic benefits through lowered operational and maintenance costs. The boiler will primarily burn renewable biomass such as tree bark, wood residues left behind from logging operations, and waste water residuals from the paper making process. Using carbon-neutral, natural resources will provide a sustainable solution which will provide a reliable and efficient source of fuel to produce steam and electricity for the mill.

Fossil Fuel Energy Consumption	2011 Giga-Joules (in thousands)	2010 Giga-Joules (in thousands)
Natural Gas	14,740	14,743
Coal (Bituminous)	13,319	13,243
Residual (No. 6 Fuel Oil, Heavy)	479	794
Distillate (Diesel or No.2 Fuel Oil)	208	218
Propane / LPG	44	145
Gasoline / Petrol	53	50
Coal (Lignite)	53	36
Shale Oil	70	29
Kerosene	5	7
Total	28,971	29,265

Renewable Energy Consumption	2011 Giga-Joules (in thousands)	2010 Giga-Joules (in thousands)
Black Liquor	44,681	41,164
Woodwaste	22,501	20,597
Bio-diesel	5	1
Total	67,187	61,762

EN 4 Indirect energy consumption by primary source

We purchased approximately 4.2 million GJ of electricity in 2011. However, we generate a substantial amount of our own electricity through the use of cogeneration technologies. We self and co-generated about 74 percent of the power requirements at our mills. Most of that co-generated power is derived from renewable fuel resources, such as woodwaste. The Covington boiler project is one example of our efforts to generate our own power using woodwaste.

We were able to reduce our indirect energy consumption by over 10 percent in 2011 compared to our base year. Continuing on this path will aid us in meeting our target to reduce our use of fossil fuels by 25 percent by 2015 (2010 base).

Indirect Energy Consumption	2011 Giga-Joules (in thousands)	2010 Giga-Joules (in thousands)
Electricity	4,251	4,696
Steam	760	853
Total	5,011	5,549

EN 8 Total water withdrawal by source

MWV recognizes that water is a vital resource, not only for the manufacturing process of many of our products, but also for all natural life. We are continually striving to realize new efficiencies in water use by recovering and reusing water in our manufacturing processes. For example, we reuse over 1.7 billion cubic meters of water per year, and we return over 75% of the freshwater we withdraw back to the river. The rest of the water is lost through evaporation or is embedded in our products.

One of our Sustainability Targets is to reduce our water use by 15 percent per net ton of paperboard by 2015 (2010 base).

Overall, from 2010 to 2011 we were able to reduce our total water usage by over 5 percent. Per net ton of paperboard we were able to reduce our water usage by 7 percent.

Read about a project at our Mahrt Mill that has decreased the facility's water and energy usage [here](#).

Volume of Water by Source	2011 Cubic Meters (in thousands)	2010 Cubic Meters (in thousands)
Surface Water	117,928	122,346
Groundwater	45,340	49,570
Municipal Water	667	698
Totals	163,935	172,614

EN 11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

MWV owns and manages approximately 283,000 hectares of forestland in Southeastern United States and approximately 54,500 hectares of forests in Santa Catarina and Paran á, Brazil.

None of MWV's forests contain or are adjacent to Protected Areas or Areas of High Conservation Value, as defined by GRI Indicator Protocols.

All of MWV's forests are managed in accordance with principles of sustainable forestry and are third party certified to internationally recognized forest certification standards. Specifically, our management programs for U.S. forests are certified to SFI and our Brazilian forests are certified to Cerflor. Both SFI and Cerflor are endorsed by PEFC, the world's largest certification program, headquartered in Geneva, Switzerland.

Although MWV forests are not adjacent to protected areas nor do they impact global Areas of High Conservation Value, we do have programs in place that promote conservation of biological diversity. We also have programs that identify and protect areas that we have characterized as ecologically, geologically or culturally important.

Why SFI?

Research oriented: It is the only forest certification standard in North America requiring participants to support forest research. In 2011, program participants invested \$83.2 million for research activities.

Conservation minded: Since 2010, SFI has committed \$1.27 million for 29 conservation grant projects. This includes five projects that focus on water resource management.

Intimately involved with local communities: There are 37 grassroots SFI Implementation Committees which have contributed \$2.5 million to support local programs such as logger training and landowner outreach in 2011.

Commitment to proper training: Nearly 6,500 resource and logging professionals were trained in responsible forestry through SFI or other recognized programs in 2011.

EN 12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas

MWV activities, products and services do not impact protected areas or areas of high conservation value. We have programs in place to identify and conserve areas of local and regional value, outside of national and State protected areas. For example, we entered into a partnership with The Nature Conservancy (TNC) to identify ecologically important species and habitats within MWV owned Appalachian forests.

Both in the U.S. and Brazil, MWV forest management plans include site specific and landscape considerations to promote biodiversity. Fiber procurement operations, outside of MWV owned forestland, include biodiversity considerations that mandate protection of known ecologically sensitive species.

EN 16 Total direct and indirect greenhouse gas emissions by weight

MWV is a leader in improving energy efficiency using combined heat and power (CHP) systems that use residual biomass and biomass by-products from our paperboard production process for energy. Woodwaste and other organic material are burned to generate energy which provides about 70 percent of the energy requirements for our paperboard mills. Roughly two percent of this renewable energy is sold in the form of energy credits. We also self-generate 74 percent of the electric power needs at these mills, mostly with energy efficient CHP systems.

In addition to reducing fossil fuel consumption, we are following developing technologies such as cellulosic biofuels and biomass gasification through support of AF&PA's Agenda 2020 and the Biomass Development Consortium.

We are also focusing our efforts on achieving our Sustainability Target of reducing our CO₂ emissions by 25 percent by 2015 (2010 base). We realized a 4 percent decrease in our CO₂ emissions from our base year in 2011. This reduction was aided significantly by our ability to generate our own energy, reducing our indirect emissions by 17 percent.

Direct / Indirect GHG Emissions	2011 Tonnes as CO2e (in thousands)	2010 Tonnes as CO2e (in thousands)
Direct (Fossil Fuels)	2,168	2,187
Direct (Renewable)	142	130
Indirect Emissions	557	654
Totals	2,867	2,971

EN 19 Emissions of ozone-depleting substance by weight

It is MWV's policy to control ozone depleting substances that harm the earth's ozone layer. Any MWV facility which has a Class I or Class II CFC refrigerant on-site has a written management system to ensure the following:

- Facility is compliant with all local, regional and national regulations regarding CFCs.
- Facility properly handles and maintains all units.

Repair information and amount of CFCs added, reclaimed and recycled is tracked and maintained on file at each facility for all CFC equipment.

EN 20 NOx, SOx, and other significant air emissions by type and weight

MWV monitors air emissions to ensure they meet regulatory permit limits and public expectations for the environment. However, we are also seeking new ways to reduce total air emissions from our facilities. We made efforts to realize air emissions reductions; however, we did not always see the benefits of these efforts in terms of our absolute numbers. Our absolute numbers are a result of market demand and production. Demand for our product increased in 2011, bolstering production but also subsequently increasing some of our air emissions.

Significant Air Emissions	2011 Tonnes	2010 Tonnes
Particulate Matter (PM)	2,066	1,936
Sulfur Dioxide (SO ₂)	7,514	7,430
Nitrous Oxide (NO _x)	7,921	8,064

EN 21 Total water discharge by quality and destination

Planned Water Discharges	2011 Cubic Meters (in thousands)	2010 Cubic Meters (in thousands)
Planned Water Discharges	149,365	150,768*
Water Quality Measures	2011 Tonnes	2010 Tonnes
Adsorbable Organic Halides (AOX)	175	176
Biological Oxygen Demand (BOD)	2,638	2,591
Total Suspended Solids (TSS)	4,075	4,370

*This number was incorrectly reported on our 2010 Corporate Responsibility Report. The error has been corrected and the data above is accurate.

EN 22 Total weight of waste by type and disposal method

As a packaging company, MWV recognizes that reducing our waste footprint is important at every stage of the product life-cycle. There is considerable health, environmental and financial implications associated with transporting and disposing of waste. This is why we developed a sustainability target to reuse 70 percent of our non-hazardous solid waste for beneficial purposes by 2020. We believe that this target will reduce our environmental footprint and the costs associated with solid waste disposal.

Overall, we were able to decrease our total waste generated by approximately 4 percent from 2010 to 2011. However, in terms of beneficial use we only saw slight progress toward our goal. We anticipate further progress in this area as we work toward meeting our target of 70 percent beneficial reuse. Numerous projects are in development and we are working to identify others that will help us meet or exceed our target.

We manage hazardous wastes in accordance with strict federal guidelines and internal policies and procedures. The minimal quantities of hazardous waste we generate is properly treated and disposed of by authorized third party providers.

Waste	2011 Tonnes (in thousands)	2010 Tonnes (in thousands)
Landfilled	289	304
Beneficial Use	435	449
Hazardous Waste	2	1
Total	726	754

EN 23 Total number and volume of significant spills

MWV did not have any spills that could or would have had significant negative impacts on the surrounding environment or human health.

EN 28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

MWV's environmental policy requires all employees to comply with environmental laws of the countries where we operate, striving to continuously improve our environmental performance of our key metrics. The company uses a variety of systems to monitor a vast amount of processes and environmental parameters to help us comply with environmental requirements and to determine those occasions where corrections need to be made. Proactive efforts are made to avoid any occasions of noncompliance with environmental requirements. MWV works diligently to remedy any occasions where we are not in full compliance.

At times, in spite of our best efforts, environmental incidents occur and can lead to legal action by governmental agencies. When a violation is deemed to have occurred, MWV may receive a Notice of Violation (NOV) from the governmental agency. When this occurs, MWV fully cooperates with the agencies and aims to provide the best outcome for all parties involved and the environment. Environmental fines have been paid for air emission events and reporting/recordkeeping deficiencies under various environmental laws.

Please see the table below for the amount of environmental fines paid in U.S. dollars:

Year	Environmental Fines Paid (in thousands)
2011	\$6
2010	\$34
2009	\$5
2008	\$12
2007	\$19
2006	\$0

Social: Labor Practices and Decent Work

Employment

LA 1 Total workforce by employment type, employment contract, and region

MWV's total global workforce includes approximately 17,400 employees as of Dec. 31, 2011. The workforce is comprised of approximately 6,000 salaried employees and approximately 11,400 hourly employees. Our workforce by geographic region is broken down as follows:

Region	No. of Employees
North America	9,280
South America	3,820
Europe	3,180
Asia	1,120

Labor/Management Relations

LA 4 Percentage of employees covered by collective bargaining agreements

About 59 percent of MWV's employees are represented by an independent trade union or covered by collective bargaining agreements.

Occupational Health and Safety

LA 7 Rates of injury, occupational disease, lost days, and absenteeism, and number of work-related fatalities by region

MWV uses OSHA's standards for occupational injury and illness reporting and recordkeeping at all of its operations. Internal reports are produced and distributed monthly across the enterprise. For the year 2011, there were zero cases of occupational disease and zero fatalities throughout the organization.

2011	Total Case Injury Rate	Days Away Case Rate	Lost Days
MWV	1.52	0.75	2123
Europe	1.60	1.23	378
South America	0.49	0.38	73
North America	1.97	0.81	1667
Asia	0.48	0.08	5
2010	Total Case Injury Rate	Days Away Case Rate	Lost Days
MWV	1.83	0.92	6132
Europe	1.45	1.29	555
South America	0.54	0.38	111
North America	2.41	1.00	5434
Asia	0.76	0.25	32

LA 8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases

MWV provides the following assistance programs for employees and/or their families:

- Employees receive training on proper techniques and methods for safely handling exposure to blood-borne pathogens that may result from provision of first-aid or other emergency response responsibilities.
- Through a third party contractor, International SOS, MWV provides information to employees who travel internationally. This service:
 - Provides current and ongoing guidance for potential exposure to disease and illness around the globe.
 - Provides information on ways to enhance personal protection (security)
 - Can be engaged to identify and arrange for medical care and/or transport in the event of medical illness or injury while traveling or living abroad on company business, and
 - Is available 24 hours per day, free of charge to all MWV employees and their families.
- MWV develops training materials and conducts business continuity planning during widespread outbreaks of disease, such as the H1N1 virus in 2009, for any potentially impacted areas where we conduct business.
 - Vaccines, antidotes, and protective equipment may be distributed to employees and their families depending upon the severity of the outbreak.
 - Travel is also monitored and may be restricted at these times.

Social: Human Rights

Diversity and Equal Opportunity

HR 2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken

MWV screens 100 percent of our suppliers for human rights risks. MWV has a risk based supplier approval process that segments suppliers as low, medium or high risk. All high risk suppliers are evaluated for Corporate Social Responsibility compliance.

For more information visit [Responsible Sourcing](#) at MWV.

Freedom of Association and Collective Bargaining

HR 5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights

MWV recognizes and respects the rights of workers to associate freely, including the choice of whether to join or not to join labor union organizations and does not discriminate against applicants or employees based on union affiliation. We strive to have an open and constructive relationship with unions and engage union leadership to work with us in finding solutions to issues of mutual interest.

Child Labor

HR 6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor

MWV does not tolerate the use of children as workers at any of our facilities worldwide or by any of our suppliers. MWV complies with or exceeds all applicable legal minimum employment age requirements and requires that its suppliers do so as well.

Forced and Compulsory Labor

HR 7 Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor

MWV has a zero tolerance policy for forced labor at any of our facilities worldwide or by any of our suppliers.

Social: Society

Corruption

SO 2 Percentage and total number of business units analyzed for risks related to corruption

MWV utilizes a Compliance Committee that reviews each Business Unit for corruption risks. The committee conducts risk assessments on corruption through our MWV audit process. Any issues uncovered from these assessments is reviewed and acted upon by senior management.

SO 3 Percentage of employees trained in organization's anti-corruption policies and procedures

MWV has a comprehensive compliance program directed at prohibiting bribery and corruption. We prohibit offering, soliciting or receiving any form of bribe or kickback to or from any person, including any supplier, customer or government official. Our Anti-Bribery policies and procedures are provided to employees through annual training, compliance communications and the company's Ethics & Compliance intranet site.

All salaried employees, domestic and international, are required to complete annual training on the MWV Code of Conduct. The training is delivered in 12 languages and includes a review of the principles, examples of fact-based ethical issues and a test on the Code. Approximately 6000 employees will complete the mandatory training.

Anti-bribery issues are highlighted through use of interactive web-based scenarios on gifts, entertainment and interaction with government officials. All employees with domestic and international responsibilities in sales, marketing, procurement, strategy, and finance will be provided access to the web-based anti-bribery training.

All training is supplemented with awareness communications, such as periodic compliance updates to senior management and other key employee groups.

Public Policy

SO 5 Public policy positions and participation in public policy development and lobbying

MWV is involved in a number of advocacy efforts and we also strongly believe in employee familiarity and involvement in political and legislative issues that have an impact on the individual, families, communities and our company.

For additional information, please visit our [MWV Government Relations](#) website.

Compliance

SO 8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

In 2011, MWV paid no significant fines and was not sanctioned by any government agency for non-compliance with laws and regulations.

Product Responsibility

Customer Health and Safety

PR 1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures

MWV assesses health and safety impacts of all products and services for improvement at the design stage and commercialization stage. We also engage in on-going assessments of our products as needed throughout their life-cycles as part of our product stewardship review. The process we have in place for life-cycle analyses highlights stages including raw material extraction, transportation, manufacture, distribution, consumption and end-of-life.

We achieve this through our Center for Packaging Innovation (CPI). CPI's mission is to develop market opportunities and enhance operating performance. CPI works with our various business units to develop products based specifically on customers' needs. Their work includes customer engagement to improve our products' sustainability attributes both in use and end-of-life. CPI is one way we have positioned ourselves to be more responsive to our customers, and it enables us to be successful when innovations must be implemented commercially. review.

Product and Service Labeling

PR 3 Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements

We strive to make our products the best that they can be. We achieve this through balanced choices and acting responsibly for our people, our communities and our planet. When our products are evaluated for improvement we will:

- Consider material quality and composition
- Evaluate available technologies

- Study consumer trends and issues
- Abide by all regulatory requirements
- Listen to our customers' feedback
- Consider reusability, recoverability, recyclability, beneficial uses and other end-of-life impacts
- Be mindful of the different regional and local cultures whose lives our products touch
- Design packages that enable consumer participation

All of our products are evaluated and improved based on these considerations. Read more about our Shellpak Renew [here](#).

Marketing and Communications

PR 6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship

MWV complies with the guidelines for environmental marketing claims under the U. S. Federal Trade Commission and with international laws and regulations relating to the use of environmental marketing claims, most of which follow the concepts within ISO 14021.

Relevant commercial and corporate staffs are trained in the proper use of environmental marketing claims and collateral is reviewed for compliance.

In addition, we are highly aware and active participants in creating standards through our participation in stakeholder groups and industry groups. For example, MWV was a participant in the creation of the Global Packaging Protocol.

Our customers also seek guidance and rely on our expertise for labeling, so we make it a point to engage and understand marketing communications. This ensures that we are able to maximize our customers' brand value through proper labeling and communications. These efforts are now embedded into our Sustainability Strategy as we seek to become an industry-leading source of consumer insights about sustainable packaging, and play leading roles in relevant advocacy organizations and associations.

Initiatives and Product Innovations

MWV participates in AIM-PROGRESS, a forum of consumer goods manufacturers and suppliers, which focuses on enabling and promoting responsible sourcing practices and sustainable production systems. MWV and many of our customers participate in AIM-PROGRESS to drive collaboration and work toward the goal of converging global supply chain initiatives. Through AIM-PROGRESS, MWV, and others, are working toward developing and promoting common evaluation methods that will drive supply chain CSR performance.

Sedex



In order to achieve the goals of AIM-PROGRESS, MWV utilizes the Supplier Ethical Data Exchange (Sedex). Sedex is a not for profit membership organization dedicated to improving responsible and ethical business practices in global supply chains. Sedex provides a comprehensive supply chain management tool that enables members to effectively manage supply chain data and ethical risk.

Suppliers share and report information by completing a Self-Assessment Questionnaire (SAQ) that is based on four key pillars:

- Labour Standards
- Health & Safety
- The Environment
- Business Practices

Additionally, Sedex's secure online platform allows suppliers to share audit reports with multiple customers in order to avoid duplicate audits. This furthers progress toward the goal of "an audit for one is an audit for all."

MWV is a B2B company, however, we are well aware that our products touch end-consumers in some shape or form. As a result, we are committed to ensuring ethical supply chains not only for our business but also for our customers' business. We utilize Sedex to help us achieve these goals. Below is a graphical representation of how MWV uses Sedex to build a more streamlined, ethical supply chain.

Beneficial Reuse and Landfill Diversion

At our Covington, VA mill, we are using papermaking residuals as landfill covers. Instead of landfilling the residuals, we beneficially reuse them as a closure system for an at-capacity landfill. This not only avoids roughly \$500,000 in annual disposal costs for the residuals, but also avoided the cost of a landfill cover. Now that we reuse the residuals we no longer have a need to construct new landfills to dispose of this resource that was once viewed as waste.



At our Wickliffe, KY carbon plant, a byproduct of activated carbon production, calcium phosphate, is used as a soil fertilizer by local farmers. This mineral was previously landfilled, but through beneficial reuse MWV saved roughly \$2 million in capital expenditures for a new landfill, and is now also able to benefit local farmers by supplying them with this soil fertilizer.

Waste reduction and recycling does not stop at manufacturing sites. Our HQ in Richmond, VA, and also several of our regional offices have reduced waste generation by at least 50%. The MWV Green Team (comprised of employee volunteers) monitors waste generated, recycling and composting. The team educates employees on reducing their waste footprint at work and at home, and we have made significant progress in recycling and composting our waste at HQ. The team is also working towards an ambitious goal, developing a plan that will make our HQ a zero waste office.



Mahrt Mill:

A project at our Mahrt, AL mill has vastly decreased the facility's water and energy usage. We upgraded our river water supply system and increased efficiency by reusing water that was already heated. This lowered our overall water usage by 20 percent. The project has also lowered the mills energy costs. Since we are recycling water that is already heated, energy needs have dropped by 10 percent, and GHG emissions have been reduced by 10 percent as well. There have also been positive financial impacts from this project. Cost savings will vary greatly each year (due to natural gas and biomass prices), but we believe the savings will range from \$4-10 million per year.

Shellpak/ Shellpak Renew

Shellpak is one of our packaging solutions for the healthcare industry, but it also has a social mission. It is a calendar blister package that is designed to improve medication adherence. Adherence is a growing issue in the US, with research showing that half of all patients do not take their medicines as prescribed, a dismal level of adherence which has remained steady over the past three decades.

A study in Clinical Therapeutics showed that Shellpak was associated with improvement in prescription adherence behavior in patients when



compared with traditional pill vials. According to the researchers, a Shellpak-based adherence strategy could provide a substantial cumulative public health benefit when broadly implemented over a large population. This study shows that the way medication is packaged can have a significant impact on patient behavior. Additionally, it provides an example of how a smarter package can not only deliver and protect a product, but also provide social benefits.

MWV is continuing to work with the pharmaceutical industry to improve our packaging, and our latest innovation is Shellpak Renew. The package was designed based on pharmacist and patient feedback. The package is similar to the original Shellpak design, but we have eliminated the plastic outer shell. Instead, Shellpak Renew's outer carton is made of MWV's Natralock, a paperboard-based packaging solution that maximizes the use of recyclable materials and minimizes waste. The package also contains enhanced adherence features, including color-coded spine labels to help distinguish among drugs and an easy-to-open,

child-resistant push-button. The package will launch in Wal-Mart pharmacies in the summer of 2012.

Specialty Chemicals

Our Specialty Chemicals business is a pacesetter for MWV in terms of innovation, expansion in emerging markets and commercial excellence. This business is also aligned with emerging megatrends in the marketplace, including the global push for lower air emissions and increased infrastructure investment and energy exploration.

The scientists and marketing experts who run this business have increasingly shifted our product mix toward more innovative and value-added chemical formulations for the global automobile, asphalt paving, adhesive and oilfield drilling markets – and they've continued to set earnings records in the process.

Oilfields

Many of Specialty Chemicals' products are made from the residuals of the papermaking process. For example, our emulsifiers are made from pine tree sap, an innovation that is marketed and sold to the oilfield industry. The industry uses our emulsifiers as a component of drilling fluids. Oil companies must drill deeper and deeper in order to get the most out of existing wells, but as they drill deeper, drilling fluids become increasingly more important. Our emulsifiers expand the life of existing wells and maximize their production, reducing the need for new wells.



Evotherm

Evotherm warm mix asphalt technology introduces a paving alternative that delivers longevity and performance while dramatically reducing emissions and fuel demands. Our innovative technology is designed to improve mixing, coating, workability, compaction & adhesion of asphalt mixes. Evotherm is a long-lasting paving solution that significantly lowers

temperatures for asphalt production and application. This means major reductions in fuel consumption, energy requirements and environmental impact.

To learn more about the benefits of warm mix asphalt technology, watch our video on [Evotherm](#).

Better Plants Program Partnership

MWV's Specialty Chemicals division was recognized by the Energy Department's Advanced Manufacturing Office (AMO) for its involvement with the Better Plants Program Partnership. This is a national partnership program that aims to help companies save billions of dollars in energy costs, create new jobs, strengthen their competitiveness, and promote greater energy security across the U.S. manufacturing sector. Through its efforts, MWV Specialty Chemicals is pleased to be a part of the nation's drive toward a sustainable, clean-energy future.

To-date, MWV Specialty Chemicals has achieved a 22 percent energy intensity improvement from its baseline consumption. Projects that have contributed to this improvement include replacing an aging solid fuel boiler with a high-efficiency natural gas boiler, investing in energy recovery, and capturing waste heat from a tall oil refinery.

Natralock

Natralock is a security package designed with sustainability in mind. The package was designed as a result of a market need for an alternative to traditional clamshell packages. It is designed to enable manufacturers to reduce production costs, utilize bolder graphics, and improve sustainability without compromising security, durability, or visibility. Natralock combines a theft- and tear-resistant laminated paperboard with a sealed clear plastic bubble. Natralock has three main goals as a security package:

- Nearly impossible to tear apart by hand, helping retailers reduce theft
- Safe and easy for consumers to open once they get home, opening the package simply with household scissors
- Sustainability – making the most of renewable and recyclable materials and also minimizing packaging waste.

We believe Natralock's sustainability story is quite impressive, especially when compared to traditional clamshell security packages. For example, Natralock reduces the total packaging weight by 20 percent, uses 70 percent less plastic on average and consumes up to 65 percent less energy during the sealing process. Additionally, Natralock can be made with up to 30 percent post-consumer recycled fiber and the paperboard is recyclable in the US.



Lastly, current customers are thrilled with the product because it makes for an easy transition as the packaging runs on existing lines with minimal retrofitting. This is inclusive of lines that already run plastic clamshells and folding cartons. For current customers who have switched to Natralock, they have found that getting Natralock operational requires little additional cost, making the transition quick, easy and inexpensive.