NEW FACES OF OUR INDUSTRY

TAKING STOCK OF CONSUMER ATTITUDES

PAPER: THE NEW PRODUCTIVE

PACKAGING: A MOVING STORY
Strong on the outside. Safe on the inside.

Every day, countless businesses and customers rely on boxes to do the heavy lifting. That’s because the engineering of corrugated boxes provides protective cushioning and rigidity to resist pressure from all directions. Don’t forget to recycle your boxes. They have more packages to protect. Learn more at howlifeunfolds.com/protect.
At the three-year mark, we are excited to share our State of the Campaign update and 2017 Annual Report. This year’s report celebrates graphics papers and the magazines that inform, inspire and generate discussion and action.

OUR PURPOSE
The Paper and Packaging Board was created to slow the decline in paper consumption and increase the use of paper-based packaging. The board accomplishes these goals by promoting the benefits and value of paper through the Paper & Packaging – How Life Unfolds® campaign.

PaperandPackaging.org
HowLifeUnfolds.com

TM, © 2018 Paper and Packaging Board. All rights reserved.
Meet the leaders from our participating companies who oversee campaign strategy and execution of campaign elements. They monitor results on behalf of the companies supporting the checkoff program.

STEVEN VOORHEES  
Chairperson  
WestRock

JENNIFER L. MILLER  
Vice Chairperson  
Sappi North America

MICHAEL P. DOSS  
Secretary/Treasurer  
Graphic Packaging International

CHRISTIAN FISCHER  
Georgia-Pacific, LLC

MATT KAPLAN  
KapStone Paper and Packaging

PAUL LEBLANC  
Packaging Corporation of America

JAMES MORGAN  
DS Smith

PALACE STEPPS  
Sonoco Products Company

FRED TOWLER  
International Paper Co.

JOHN D. WILLIAMS  
Domtar

“The Paper and Packaging Board unifies the industry and initiates positive conversations about our products. At the three-year mark, the campaign has hit its stride, and we feel confident that this rising tide will lift all boats.”

John D. Williams  
Domtar
The paper industry is well positioned to capitalize on the U.S. economy’s steady growth. In order to maximize results and capitalize on this trend, we have spent the last year fine-tuning the Paper & Packaging – How Life Unfolds® campaign to bring you the biggest impact for your investment.

We think it’s working.

Agricultural economist Harry Kaiser, PhD, Cornell, estimates the campaign has created close to 500,000 more short tons of paper per year, every year since 2015, driven by packaging demand.

Just as heartening is our positive-trending consumer preference data, with the most robust measures of consumers’ desire for paper since the start of the campaign three years ago. Despite the continued decline in paper consumption, we believe these positive preference trends will translate to increased consumption in time.

What’s behind this forward momentum? A number of factors are converging to work collectively in our favor:

- New ads that are more visible and do a better job communicating product benefits; and, consumers are taking away a strong environmental message about our products as well;
- A consistently high reputation score for paper versus other packaging materials, providing a more positive selling environment; and
- A flourishing packaging sector, closely linked to the economy and e-commerce growth, creating tremendous opportunities for our products.

While we are playing a supporting role to the many contributing factors helping spur paper and packaging’s success in the marketplace, we take our contribution to your success very seriously. Read on to learn more about how the board and staff are working tirelessly on your behalf and to learn about our solid 2017 financial performance.

Steve Voorhees
Chairperson, Paper and Packaging Board and CEO, WestRock

Mary Anne Hansan
President, Paper and Packaging Board

“"We have spent the last year fine-tuning the Paper & Packaging – How Life Unfolds® campaign to bring you the biggest impact for your investment.”

Steve Voorhees
WestRock
## STATEMENT OF FINANCIAL POSITION
$(000) as of December 31, 2017

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$6,347</td>
</tr>
<tr>
<td>Assessments Receivable</td>
<td>6,160</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>179</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>12,686</td>
</tr>
<tr>
<td>Property &amp; Equipment, Net</td>
<td>165</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$12,851</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable and Accrued Expenses</td>
<td>$823</td>
</tr>
<tr>
<td>Deferred Rent</td>
<td>4</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>827</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Designated</td>
<td>925</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>11,099</td>
</tr>
<tr>
<td>Total Net Assets</td>
<td>12,024</td>
</tr>
<tr>
<td>Total Liabilities and Net Assets</td>
<td>$12,851</td>
</tr>
</tbody>
</table>

## STATEMENT OF ACTIVITIES
$(000) for the Year Ended December 31, 2017

<table>
<thead>
<tr>
<th>Revenue</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessments</td>
<td>$24,504</td>
</tr>
<tr>
<td>Interest Income</td>
<td>42</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>24,546</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Expenses</td>
<td>25,371</td>
</tr>
<tr>
<td>Administration Expenses</td>
<td>1,074</td>
</tr>
<tr>
<td>Federal Government User Fees</td>
<td>91</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>26,536</td>
</tr>
</tbody>
</table>

| Change in Net Assets | (1,990) |
| Net Assets at Beginning of Year | 14,014 |
| Net Assets at End of Year | $12,024 |

This report is a summary of the financial statements incorporated in the annual audit report issued by Councilor, Buchanan & Mitchell, PC, for the year ended December 31, 2017. The complete financial statements and notes are available upon request from P+PB.
Since August 2015, when our first commercials appeared on the air, we have tracked consumption, industry reputation and consumer attitudes among our highly valued “Expressives” audience. The good news is, our April 2018 tracking suggests continued improvement in reputation and attitude measures and increased consumption are on the horizon.

Reaching “Expressives” and Business Decision-Makers

The primary target audience for the campaign is called “Expressives” due to their high engagement with paper and paper-based packaging. Expressives represent about 38M Americans, or 28% of the 18-49 population, and 35% to 49% of usage across a range of product categories from online shopping to purchasing books.

The campaign is also meant to appeal to business decision-makers (BDMs) who make decisions about what to use to package and ship their products. BDMs are thought to overlap with Expressives in that they are career-driven and rely on technology for information, travel and purchases for work and for themselves. Likely older (40-65), they are defined by mobility, connectivity and productivity.
According to Cornell economist Harry Kaiser, PhD, the Paper & Packaging – How Life Unfolds® marketing campaign has contributed nearly 500,000 short tons a year to paper-based packaging consumption from 2015 to 2017. While consumers in the target audience report stronger feelings than ever about paper, these good feelings have not yet translated into a slower rate of decline for paper. Read on to see why we are optimistic that the best for paper lies just ahead.

From a consumer standpoint, our data certainly says that we are breaking through and making an impact. We are helping our consumers understand the strengths and qualities of our products.

Paul LeBlanc
Packaging Corporation of America

The paper industry enjoys a better reputation than other materials industries, particularly plastics.
Expressives’ perception of paper’s relevance and value to their lives keeps getting stronger.

Even as technology becomes more advanced, paper continues to play an important role.

Storing/keeping information on paper is still a valuable thing to do.

Printed catalogs inspire me with more ideas than browsing an e-commerce site.

Perceptions of paper-based product packaging continue to climb, especially among Expressives who recall seeing the campaign. The value of corrugated, high since the start of the campaign, remains high as consumers buy more via e-commerce each year.

Paper-based product packaging is an essential part of everyday life.

Products that come in paper-based product packaging feel more premium.

Corrugated cardboard boxes are essential to the way I live my life.

Isobar, April 2018. Data reported on Expressives aware of the campaign. *Statistically significant improvement since 2015.
Paper creates a roadmap to success.

Collaboration. Ideation. Innovation. Paper is at the center of it all, encouraging fresh ideas, motivating decisions and helping teams work toward one shared goal. From concept to completion, paper propels productivity. Learn more at howlifeunfolds.com/productivity.
NEW MEDIA AGENCY INCREASES CAMPAIGN DELIVERY BY 30%

In 2017, we joined forces with Starcom, one of the largest media agencies in the U.S. (and part of global powerhouse Publicis Media), to leverage their massive buying power and scale to make our media budget go further.

We targeted smarter, reaching consumers and business decision-makers where they are consuming media in television, print magazines and online platforms.

We expanded our digital presence across multiple channels with high-impact online video and custom ad units.

We doubled the number of magazines where our ads appear with a broader mix of titles and used advertorials (sponsored content) and high-impact units like fold-outs to tailor our messaging to fit the magazine’s editorial focus.

We bought TV more efficiently by participating in early buying opportunities and leveraging our agency’s media clout.

“We have a lot more placements online and in print that are really targeted and cost-effective for reaching our audience.”

Michael P. Doss
Graphic Packaging International
The Paper & Packaging – How Life Unfolds® campaign reminds people of paper and packaging’s continued relevance at home, at work and at play. Late in 2017, our storytelling approach took a new turn with the introduction of brand ambassadors that our checkoff companies named Casey (box) and Page (paper). Casey and Page create instantly recognizable connections to our industry and products to build awareness for our industry.

**CHARACTER DEVELOPMENT AND INTRODUCTION**

**SPRING 2017**
Character development takes shape, beginning with sketches on paper!

**SUMMER 2017**
Computer animation brings characters to life.

**FALL 2017**
TV spots and print ads are consumer-tested and given the thumbs-up!
Casey and Page have created an extra level of enthusiasm around the campaign.

Fred Towler
International Paper Co.

WINTER 2018
Ads are produced using state-of-the-art animation techniques.

JANUARY 2018
Checkoff companies vote for character names. Casey and Page are the winners!

FEBRUARY 2018
Casey and Page get to work! TV spots hit the air on a number of popular networks.

AND MORE...
Instagram followers take quiz to learn if they’re more like Casey or Page.
CASEY AND PAGE ARE WORKING FOR YOU

Your new brand ambassadors are hard at work for our industry – reminding consumers how paper and packaging are core to our success and getting the job done. Casey and Page personify the product benefits and are the heroes in new ads appearing in TV, print, digital, mobile and social media channels. Here’s how our stars are telling the story.

Casey
Dependable, strong and protective, just like packaging!

Page
Smart, creative and productive, just like paper!

**TV**

**PRINT**

**DIGITAL**

**MARCH 2018**
Checkoff companies meet Casey and Page through virtual reality at Paper2018.

**AND MORE...**
*Us Weekly* cover features Casey and Page with the coveted “envelope,” kicking off awards season.

**APRIL 2018**
New ads hit the mark
Aware Expressives feel significantly more positive toward our products.

**JULY 2018**
The State of the Campaign has never been better as we move into the year ahead!
Packaging is one part protection and one part perception.

There’s a thrill that comes with making a new purchase. And with premium products come premium expectations. Well-designed paper packaging helps protect products, build anticipation and separate thoughtful brands from their competitors. What’s inside is a product, but what’s outside is a first impression. Learn more at howlifeunfolds.com/protect.
INFLUENCING BEHAVIOR

We rely on third parties, from TV personalities to teachers to journaling experts, to credibly convey the power of paper and packaging products in earned and social media. Topics that continue to generate tremendous interest and coverage include learning on paper, packaging innovation and the industry’s environmental stewardship.

PRODUCTIVE LEARNING

Just as people change habits by drinking eight glasses of water a day and walking 10,000 steps, they are now pledging to read 15 Pages A Day on paper as part of a new initiative to connect reading on paper with better comprehension and retention. Launched in 2017 along with our Third Annual Paper and Productive Learning Report, the 15 Pages A Day initiative reminds readers to take the pledge to read on paper every day. The reading campaign generated 5,105 media placements, including unique coverage in Us Weekly, Black Enterprise, Education Dive, The Huffington Post and NPR for more than 200 million impressions! Social media coverage resulted in 46 media placements contributing 210M social media impressions. These conversations drove 7,400 unique website sessions resulting in over 1,700 pledges to read 15 Pages A Day.

46 media placements ➔ 210M social media impressions
PACKAGING INNOVATORS

To reach business decision-makers and increase consumers’ appreciation of paper and packaging’s innovative features, the Packaging Innovators video series launched featuring four branded partners, each with a unique story. Sixteen custom-content videos of various lengths were promoted in social media, generating more than 15M views in 2017 alone. Fans got a behind-the-scenes peek at how companies like Loot Crate, Harper McCaw, GoKarton and Catapult Thinking push the envelope to build brands and user experiences with creative, protective product packaging.

FACES OF THE FOREST

This video series features family foresters in short-form videos to provide insights into the value of managing, preserving and using forests for paper. Families from Oregon, Alabama and Arkansas share their stories as caretakers of the environment and talk about their commitment to sustainable practices and tree replanting. This series has already been viewed more than 1M times.

See for yourself! Packaging Innovators and Faces of the Forest videos at YouTube.com/HowLifeUnfoldsPPB

SHARE OF VOICE

From July 2017 through June 2018, the campaign generated three in 10 conversations about paper and packaging, or almost 30% of the positive conversations about our industry and products.

This number is produced by scanning news appearing in print, on digital and across social media that mentions the campaign by name or our key messages. We compare that number to the total conversations about paper and packaging, excluding industry news like retirements and promotions within companies and financial or market reports.

“We have always had an exciting story in the paper and packaging industry, we just have never had a cohesive and coordinated platform to tell that story.”

Palace Stepps, Sonoco Products Company
TOP 9 CONVERSATION STARTERS

Social media engages consumers in ways as innovative as our industry’s products themselves. Across a variety of social platforms, we’re curating conversations to amplify our message, extend the campaign and strategically reach Expressives where they consume media online. Here are just a few highlights from the past year:

1. *Us Weekly* Online Coverage

Influencers @AIMEESONG (productivity in the workplace) and @TiffaniThiessen (learning tips for back-to-school) helped paper and packaging trend with *Us Weekly* fans. Social posts drove 34K visitors to *Us Magazine*’s online article about the importance of reading 15 Pages A Day on paper, resulting in just under 15M impressions across all social platforms.

2. Influencer Tia Mowry

Actress and mom @TiaMowry’s successful #15Pages Twitter chat resulted in more than 9.8K engagements, nearly 150 retweets, 900 likes and 223K total impressions across social.

3. Mother’s Day Gifts

@GeorgeOliphant of hit home improvement show *George to the Rescue* demonstrated the fun of creating handmade, personalized paper-based gifts for Mother’s Day. He put paper in front of his 2.3K Facebook and 3.6K Twitter followers. Four other “dad bloggers” also supported the content, attracting another 280K blog views and social posts.

4. Arbor Day

The 2018 #TreeSelfies celebration tapped micro-influencers to broadcast the message that paper and packaging “hearts” trees! Influencers helped reach 337K fans and produce a 6% engagement rate. Two Wisconsin-based canine influencers, Nika & Kira (@2husketeers) with a reach of more than 100K, were particularly popular.

5. Pod Papers

Digital met analog and started a media conversation about the value of paper and tangible experiences in an increasingly digital world. *Pod Papers Magazine* generated coverage from more than 33 traditional and social media outlets, for online impressions totalling more than 21.1M. Coverage included tweets from *Forbes*, *USA Today*, *Fast Company* and @Meena_Thiru, reporter with *The Wall Street Journal*.

6. Subscription Boxes 2.0

Subscription box partnerships with Graze and KitNipBox helped create conversations about gift-giving during the holidays. The engagement rate with content on Facebook was 10.9%. The top post? A Facebook post from KitNip reached more than 11.1M fans!

7. Vocabulary Series

A Twitter campaign on the social topic of reading on paper asked followers to guess whether a vocabulary word was real. Best performer: Notaphilist. This post reached 3M people on social!

8. Blogger @BlushingMomma

Lifestyle blogger and mom-of-three Brook Wegner told followers and Instagram users how she uses a simple roll of paper in her kitchen for countless tasks – homework, grocery lists, notes, you name it! Her two blogs and six social posts generated more than 13M impressions and 143K engagements.

9. Awards

To celebrate the importance of “the envelope, please!” and written acceptance speeches, Page and Casey presented excerpts from eight famous awards speeches across our social platforms. Timed for release during awards season with our print ad of the same theme, the posts reached half a million fans.

Follow Us • Facebook • Twitter • Instagram • LinkedIn • Pinterest • YouTube
Focus. Retention. Comprehension. They all improve when paper is part of study habits. Research shows that taking notes by hand activates the brain in a way that leads to deeper engagement and better recall. Learn more at howlifeunfolds.com/learn.

Paper makes studying stick.