

FREQUENTLY ASKED QUESTIONS

Chain of Custody Certification Lightning Source 19 March 2012

Lightning Source Inc., an Ingram Content Group Inc. company, announced in 2010 that it received Chain-of-Custody (CoC) certification from three leading environmental organizations: the Forest Stewardship Council™ (FSC®), the Sustainable Forestry Initiative® (SFI®) and the Programme for the Endorsement of Forestry Certification (PEFC™).

What is Chain of Custody (CoC)?

Chain of Custody (CoC) is an accounting system that tracks wood fiber through the different stages of production: from the forest, to the mill, to the paper, to the printer and ultimately to the finished book. For publishers, and ultimately consumers, CoC ensures the integrity of the paper supply chain and that the paper used in Lightning Source® printed books are from responsibly managed forests.

What does Chain of Custody certification mean?

At a time of increased global environmental awareness and the demand for environmentally responsible products and services, Ingram is committed to manufacturing books in a manner that both respects the environment and helps preserve the world's natural resources. At Lightning Source, we manufacture millions of books annually for thousands of publishers, and we understand the impact.

What does this mean for Lightning Source customers?

By becoming Chain of Custody certified, Lightning Source has a means to assure publishers that any chain of custody certified product is sourced from well managed forestlands.

What organizations has Lightning Source been certified by?

Lightning Source chose to receive these certifications:

- **Forest Stewardship Council™ (FSC®)**
The FSC® Council is a non-profit organization, promoting the environmentally appropriate, socially beneficial and economically viable management of the world's forests. FSC® certification is recognized internationally as a rigorous environmental and social standard for responsible forest management.
- **Sustainable Forestry Initiative® (SFI®)**
The SFI® program is based on the premise that responsible environmental behavior and sound business decisions can co-exist. SFI® program participants practice

sustainable forestry on all lands which they manage. This unique commitment to sustainable forestry recognizes that all forest landowners, not just **SFI**[®] program participants, play a critical role in ensuring the long-term health and sustainability of our forests.

- **Programme for the Endorsement of Forest Certification™ (PEFC™)**
The **PEFC**[™] Council is an independent, non-profit, non-governmental organization, founded in 1999, which promotes sustainability-managed forests through independent third party certification. The **PEFC**[™] provides an assurance mechanism to purchasers of wood and paper products ensuring they are promoting the sustainable management of forests.

Why did Lightning Source choose to be certified by three certifying bodies?

Obtaining CoC certification from **FSC**[®], **SFI**[®] and **PEFC**[™], enables Lightning Source to offer certified papers based on availability of stock and local custom. As an international company Lightning Source requires this flexibility.

For example:

- **SFI**[®] is well known in North America.
- **PEFC**[™] is a global standard.
- **FSC**[®] is well known in both the USA and Europe.

Where can I find copies of each Chain of Custody certificate?

Our Chain of Custody certificates can be found at www.lightningsource.com/chainofcustody.

Will Lightning Source use “on product” or “off product” labeling?

Due to our manufacturing process, Lightning Source will only use “off product” labeling which means the **FSC**[®], **SFI**[®] or **PEFC**[™] logo will not appear on any books we manufacture that is eligible for chain of custody certification.

Can publishers request to have the **FSC[®] label on their title?**

No. Because of our high-speed manufacturing process, requesting a logo on books is not an option at this time.

Can publishers request to have the **SFI[®] & **PEFC**[™] label on their title?**

No. Because of our high-speed manufacturing process, requesting a logo on books is not an option at this time.

Will there be a price increase for certified paper?

No, there are no current plans to increase our pricing on certified paper or in the near future.

Will all Lightning Source print facilities use the same paper and carry the same certifications?

No. Our paper products are sourced from multiple sources in order to maintain redundancy, although the finish product should be indistinguishable to the end user.

- In the US, **FSC**[®] is seen as a predominate certifying body
- In the US, **SFI**[®] is seen as a predominate forest certification standard
- In the UK, **FSC**[®] is a predominate certifying body
- In the UK, **PEFC**[™] is a predominate forest certification standard

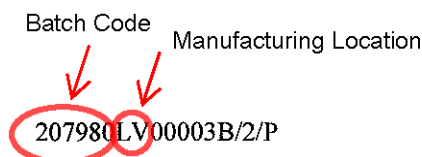
It's important to note that while a physical plant has chain-of-custody certification, the ability to claim off-product certification for a given finished books is based solely on the chain-of-custody certification status of the paper products that go into the manufacturing of that book. Therefore, it is highly possible that some, but not all, products made in a given location can be certified.

How can a publisher determine if a given book is certified?

- First the publisher needs to determine where the book was made, This is available in the batch code on the last page of the book block. “LV” = LaVergne, “BV” = Allentown, PA, and “UK” = Milton Keynes.

Batch Code Manufacturing Location

207980LV00003B/2/P



- The publisher must determine the type of book (paperback or case), the type of bookblock paper (cream or white), and the trim size.
- Go to www.lightningsource.com/chainofcustody and select the **SFI**[®] Certified Product List (most likely if the book is made in the USA) or the **FSC**[®] Certified Product List (most likely if the book is made in the UK). Currently, no books are **PEFC**[™] certified.

- Find the book type on the list. Note the starting batch number associated with that book type.
- If the batch number on the last page of the book is equal to or greater than the starting batch number on the list, then the book is certified as noted in the table. If the batch number on the book is less than the batch number on the list, then the book is not certified.

Note: LSI recently acquired former sites owned by ePAC, located in Ohio and New Jersey. Until these sites are fully converted to LSI's systems, books made at these sites will not bear a LSI batch number on the last page.

You noted that casebooks made in the USA will have their bookblock paper certified as SFI but a similar certification will not be available in the UK. Why? SFI® and FSC® have different rules. SFI® permits a portion of a book to be certified. In the USA, the bookblock paper is SFI® certified, but we continue to work on the certification of other components (spine board, cover boards, end sheets, etc.) that go into making a casebook. Therefore, we can certify the bookblock as SFI®. A tagline will be added to the SFI® Certified Product List posted on LSI's website or in any communication to LSI client-publishers to make it clear that the SFI® claim of Chain of Custody certification only applies to the bookblock of Black & White hardcover books.

FSC® is more restrictive and requires that ALL components of a book be FSC® certified before the finished book can be FSC® certified. While the bookblock paper will be FSC® certified, we continue to work on the other components that go into a casebook. Until such day that all of the components in the book are FSC® certified, then the book cannot earn FSC® certification.

LSI plans to open a facility in Australia. It is not included in the certification tables on the LSI website. Why?

LSI has opened a facility in Australia. It is not included in the certification tables on the LSI website. Why?

The Australia shop opened in June, 2011. Our current plan is to eventually add it to our site certificates. To do so, the Australia site must be externally audited, added to the site certificate, and stocked with chain-of-custody certified papers. Until this occurs, no claim can be made for this location.

LSI recently acquired ePAC, with sites in Ohio and New Jersey. These sites are not included on the site certificates or in the tables where LSI is making certification claims related to various book types. Why?

Our current plan is to add former ePAC sites to LSI's existing site certificates so we can begin to manufacture chain of custody products from these sites. Before this can occur, however, each site must be converted to LSI's standard operating procedures for ordering, receiving, stocking, and processing paper raw materials. Then each must be internally and externally audited, at which time LSI can petition to add to our current site certificates. Until this occurs no certification claims can be made for product manufactured at former ePAC sites.

Some organizations require that a publisher provide proof that a book is “green”. Is there any sort of documentation from Lightning Source that states my book is a green certified?

Yes, certificates can be found at www.lightningsource.com/chainofcustody for your viewing.

Where can I go to find out more about CoC certification?

Please visit the following websites to find out more about these certifying bodies and CoC certification.

- Forest Stewardship Council™ - <http://www.fscus.org/>
- Sustainable Forestry Initiative® - <http://www.sfiprogram.org/>
- Programme for the Endorsement of Forest Certification™ - <http://www.pefc.org/>