



**Ellen MacArthur Foundation's
Jocelyn Blériot**

provides his views on the challenges and opportunities of the circular economy.

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**MEP Miapetra Kumpula-Natri,
Chair of the Parliamentary
"Bioeconomy" Working Group,**

highlights the role of the bioeconomy in the transition to a circular economy.

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based Industries Consortium**

outlines the importance of putting bio-based Industries at the heart of the circular economy.

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Invitation to ACE event

EU Circular Economy – Making it Work, hosted by Giovanni La Via MEP and Simona Bonafè MEP on 23 February 2016.

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COMPLETING THE CIRCLE — FROM RESPONSIBLE SOURCING OF RAW MATERIALS THROUGH TO RECYCLING FOR ALL

The European Parliament and the Dutch Presidency of the EU Council have lost little time in examining the European Commission's Circular Economy Package (CEP). Council working parties have started their review, and the Parliament has nominated Italian MEP Simona Bonafè as rapporteur on the waste proposals.

ACE supports much of the CEP, published last December – and notably the shift to a life-cycle approach and emphasis on responsible sourcing. Unlike previous Commission proposals, the CEP looks at more than just waste.

As Mrs Bonafè states, it identifies "all the steps necessary to speed up the transition [to a circular economy], from the first moment that a product is planned". It is a clear move away from a linear economy - what Commission First Vice-President Frans Timmermans called the "take, make, use, and throw away approach".

ACE views this approach as the right one. Indeed, beverage cartons are well suited to a more 'circular' approach. Beverage cartons make a resource-efficient and low-carbon contribution to the European economy while distributing milk or juice and liquid foods in optimal conditions, preserving goodness and reducing food waste.

By the end of 2016, the framework for an EU circular economy is expected to be in place. Council Conclusions on the Commission's Action Plan are set for June; by December there could be a Council-Parliament agreement on



the waste legislative proposals, including changes to the Packaging and Packaging Waste Directive. ACE is fully and constructively engaged in the debate, focusing on three key elements:

1. The circular economy concept starts with responsible sourcing

Nearly two-thirds of raw materials sourced for the European economy come from imports. The EU should contribute to ensure socially and environmentally sustainable materials. Responsible sourcing brings fair competition here and better livelihoods in producing countries. A true circular economy combines regulation and market forces, extending to all raw material sectors.

2. The EU should promote the use of renewable materials

Increasing and requiring use of renewable materials are vital steps to reduce the climate impact of the EU circular economy. These steps would provide economic growth without resource depletion, stimulate deployment and scaling-up of solutions available today, and

promote innovation in product development. Given its progress already made in developing renewable materials, packaging would be a good sector to start.

3. What can be recycled must be recycled

Sustainably-produced food packaging materials will help us meet the UN Sustainable Development Goals by reducing food waste and securing high environmental performance. Beverage cartons give excellent protection in distribution, using responsibly-sourced low-carbon materials. Europeans expect such high-performing packaging to be included in collection and recycling schemes.

The Commission's proposals on harmonised requirements for collection schemes for packaging waste must ensure that what can be recycled will be recycled. ACE, however, supports a requirement to collect all packaging materials separately, to promote recycling, and a ban on landfilling of packaging waste by 2030.

The EU in 2030 must be more resource-efficient. Based on responsibly-sourced and renewable, recyclable materials. We call on our partners to work together to make this a reality.



Kristian Hall
President
ACE





THE CIRCULAR ECONOMY NOW EMERGING

The time is right, many argue, to capitalise on the potential benefits of a circular economy. The circular economy model offers the opportunity to move from our “take - make - dispose” production and consumption patterns, by ensuring, through careful design and innovative business approaches, the continuous flow of technical and biological materials, so safeguarding valuable resources and restoring natural capital.

As demonstrated in the Ellen MacArthur Foundation’s “Towards the circular economy” reports featuring analysis by McKinsey and Co, the model’s economic potential is considerable, with possible net material savings in excess of 1 USD trillion globally. For the fast moving consumer goods sector, for example, solutions involving the rational use of primary materials, notably in packaging, point to ways of breaking with linear patterns of material use

where today 80% of inputs globally end up as waste; a loss of value of about USD2.7 billion each year.

Circumstances are now changing. Resource scarcity and tighter environmental standards are here to stay and businesses that shift from the “take - make - dispose” approach will be rewarded. Information technologies enabling efficient tracking of materials through the supply chain can also provide readily accessible data about a given product’s composition, disassembly or remanufacture methods.

The gradual change in consumer attitudes suggests that outright ownership of goods may be less important than giving access to the service they provide, thereby favouring the multiplication of take-back systems and leasing models. These models enable manufacturers to retain ownership

and preserve the value of their materials.

The benefits of the circular economy are there for the taking but can be speeded up through appropriate legislation and infrastructure. Residual barriers persist, e.g. in areas like product design, materials science or due to a lack of cross-industry and cross-sector collaboration. At the same time, the mushrooming of more “circular” business initiatives - from biodegradable textiles to remanufacturing - confirms a strong momentum towards the regenerative model embodied by the circular economy.



Jocelyn Blériot
Executive Officer -
Communications
& Policy Lead
The Ellen MacArthur
Foundation

ACE proposed measures to achieve sustainable and low carbon circular economy

MATERIALS MUST BE SOURCED RESPONSIBLY

- Establishing an EU platform for responsible sourcing to identify actions, sectors, pilot projects;
- Mandating material sectors to develop credible responsible sourcing rules and voluntary standards for key material commodities on the basis of international best practice;
- Including responsible sourcing as a criteria in non-financial reporting within EU company accounting and financial reporting rules.

THE USE OF RENEWABLE RESOURCES MUST INCREASE

- Member States to recognise and incentivise the use of materials from renewable and/or bio-based sources in the Packaging and Packaging Waste Directive (94/62/EC);
- Develop measures to facilitate the increased use of renewable materials for packaging.

WHAT CAN BE RECYCLED MUST BE RECYCLED

- Ban packaging materials from landfill by 2030 under the Packaging and Packaging Waste Directive (94/62/EC);
- Require EPR Schemes to collect all obliged packaging materials under the Packaging and Packaging Waste Directive (94/62/EC).

Bio-based Industries: at the heart of the circular economy

EUROPEAN BIOECONOMY

BIOECONOMY SECTOR
ACCOUNTS FOR

APPROXIMATELY 9%



OF THE WORKFORCE

42% OF EU LAND AREA
COVERED WITH FOREST
AND WOODEN LAND



BIOECONOMY SECTOR WORTH

€2 TRILLION
IN ANNUAL TURNOVER



Bio-based industries and the bioeconomy as a whole are playing a significant role in helping Europe's transition towards a circular economy, thus departing from the traditional economic approach. "Make - use - dispose" is being replaced by "reuse, recycle or biodegrade".

The bioeconomy uses renewable resources instead of fossil resources, hence breaking with the linear fossil and carbon-based model of extraction, use and disposal – and their attendant emissions. By contrast, the bioeconomy favours a circular model based on biomass and the conversion of waste. Biorefineries play a central role in producing a vast range of bio-based products such as food, feed, fibres, materials, chemicals and bioenergy.

The bioeconomy industry has been instrumental in bringing sustainable bio-based ingredients to the market, products and materials that can feed the EU economy throughout its entire cycle. For the circular economy goes well beyond waste management. Accordingly, upcoming policy needs to factor in criteria beyond conventional approaches, and to reflect the cross-sectoral nature of bio-based industries, their markets, products and processes if it is to realise the EU circular economy's full potential.

The bioeconomy has come to assume greater policy priority given its potential for stimulating sustainable growth and new jobs; using renewable resources in a smart and efficient way; making Europe more self-sufficient; and for reducing global GHG emissions.

To achieve this potential, the EU and industries across multiple sectors e.g. agriculture, forestry/ pulp and paper, biotechnology/ technology providers, chemicals, energy, joined forces in 2014 to kick-start a 10-year investment of €3.7 billion in research and innovation.

This Public-Private Partnership on Bio-based Industries (BBI) focuses on:

- **securing** sustainable biomass supply,
- **optimising/building** new value chains and biorefineries, and
- **creating** new markets for bio-based products.

Concerted action between the public and private sectors around joint strategies, supported by significant investment, is needed to accelerate the advent of a circular economy.



Dirk Carrez
Executive Director,
Bio-based Industries
Consortium

BIO-PRODUCTS FOR A CIRCULAR ECONOMY

Mitigating climate change and transitioning to a sustainable economy are the two greatest challenges of our lifetime. In both cases, the bioeconomy holds the key to an effective response. So, when preparing the circular economy proposal, the EU should give special emphasis to opportunities linked to a bioeconomy.

Jobs, growth will be a priority focus of the new circular economy policy, as it is for the EU's renewed commitment to bolster the manufacturing sector. The bioeconomy has a big role to play in Europe's search for more sustainable production and employment patterns, and in promoting the use of green technology and renewable raw materials. Only by concerted action in these areas can EU maintain its global competitive position.

The priorities highlighted in the European Bioeconomy Strategy must inform Parliament and the other EU institutions as they draw up the circular economy policy. Policy should in particular encourage the role of bio-based products. While acknowledging the benefits of waste minimisation and recycling for all products, the distinctive emphasis in a bio-based circular economy must be on products made from renewable resources and not just on recyclable materials.

In summary, the potential contribution of bio-based products to a more sustainable and low carbon economy, and of related innovations, must be strengthened. Actions at the EU-level can ensure that the internal market is well placed to provide the scale needed for widespread benefits from the bioeconomy and bio-based

products. Coherence of policies across sectors must also be kept in mind. At international level, EU trade agreements should provide export markets for our bio-based products.

The bioeconomy provides us with an unprecedented opportunity to put EU growth on a sustainable trajectory and at the same time to tackle some of the root causes of climate change.



Miapetra Kumpula-Natri
Member of the
European Parliament

EUROPEAN PARLIAMENT DEBATE ON EU CIRCULAR ECONOMY - MAKING IT WORK

ACE will organise a high-level debate in the European Parliament on ways to deliver an effective EU Circular Economy on 23 February 2016. The event will be hosted by Giovanni La Via MEP, Chair of the Parliament's Environment Committee, and Simona Bonafè MEP, rapporteur on the waste proposals.

With theirs and other contributions from Karl Henrik Sundström, CEO of Stora Enso; Per Lindberg, President and CEO of BillerudKorsnäs; Niels

Petter Wright, CEO of Elopak, Kari Herlevi, Senior Lead, Circular Economy at Sitra; and Pieter de Pous, EU Policy Director at the European Environmental Bureau we expect a productive discussion on how to make the EU Circular Economy work.

For registration contact: maja.drca@beveragecarton.eu

For more information visit: www.beveragecarton.eu

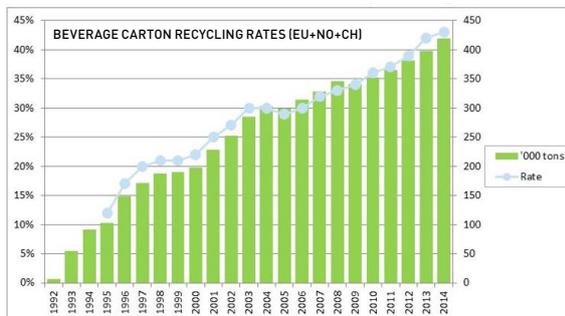


BEVERAGE CARTON MAINTAINS GROWTH IN RECYCLING RATES

In 2014, an impressive 420,000 tonnes of beverage cartons were recycled in the 20 paper mills in Europe. This represents a recycling rate of 43% in EU, Norway and Switzerland. The total recovery rate for beverage cartons - recycling and energy recovery - reached 76%.

Belgium, Germany, Luxembourg and Spain already recycle at least 70% of all beverage cartons put on the market, but progress has been made in many other countries, especially in central and Eastern Europe. The UK has more than doubled its own recycling rate in four years, from 31% in 2011 to 63% in 2015.

Key to further increase recycling rates is to ensure increased collection through Extended Producer Responsibility (EPR) schemes.



CERTIFICATION OF WOOD FIBRE REACHES 98% GLOBALLY IN 2014

In 2014, certification of wood fibre purchased by ACE beverage carton producers reached 98% bringing ACE members one step closer to achieving their voluntary chain-of-custody commitment target of 100% certification for all paperboard purchased by 2015. Further progress was made on the certification of plants manufacturing beverage cartons which at 96% is at its highest level since reporting began and on a good path to reach 100% certification by 2018.

The findings were collected by independent verifier Proforest and are published on the ACE website.

To find out more about ACE's chain-of-custody commitment and its contribution to responsible forest management please visit www.beveragecarton.eu

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