



### RESPONSIBLE FORESTRY PRACTICES

Tetra Pak, SIG Combibloc and Elopak sign a self-commitment on the traceability of wood fibres

page 1

### GREENING OF EU INDUSTRY POLICY

Standards for a low carbon economy

page 2

### INTERVIEW WITH MEP WIJKMAN

Climate Change: the European Parliament response

page 3

- NEW WASTE RULES ON THE EU
- GREEN WEEK IN EUROPE
- BIODIVERSITY

page 4

## RESPONSIBLE FORESTRY PRACTICES: EU WELCOMES GLOBAL COMMITMENT BY BEVERAGE CARTON SECTOR ON WOOD TRACEABILITY<sup>1</sup>

Early July at EU headquarters in Brussels, three ACE companies, together representing 80% of the global market for beverage cartons, formally launched an industry-wide Commitment to achieve 100% traceability of all wood used in their manufacture worldwide.

Co-signed by the chief executive officers of Tetra Pak, SIG Combibloc & Elopak, the Commitment sets out a 10-year worldwide programme to guarantee wood fibres will only come from legal and acceptable sources. The traceability systems used will be independently certified according to chain-of-custody standards. The industry's requirements of paperboard are estimated at 2 millions tonnes annually.

The Commitment was welcomed in Brussels by European Commission Vice-President Günter Verheugen and by Environment Commissioner Stavros Dimas. Members of the European Parliament active in climate change and forest governance also greeted the initiative. MEP Lena Ek, hosting a lunch debate at the European Parliament, looked forward in particular to the progress report on the Commitment promised by the companies by end-2008.



(Left to right) Niels Petter Wright, Rolf-Dieter Rademacher, Dennis Jönsson with MEP Lena Ek. She hosted a meeting with the three CEOs at the European Parliament to discuss their Commitment.

### Good business, good policy

"Our Commitment is as much about good business as good policy", commented Dennis Jönsson, Tetra Pak's CEO. "With beverage cartons made some 75% from wood fibre, a naturally renewable resource, we need to secure long-term supplies, and have a vested interest in responsible management of the forests where our products are ultimately sourced", he said.

"What is important", according to Rolf-Dieter Rademacher, CEO of SIG Combibloc "is that our commitment not only covers European suppliers, but that it applies to all our board suppliers worldwide. By this, we will be able to show how the value chain of an entire sector can work together to meet important policy goals and broader goals of society", he said.

Another priority is to ensure that all players in the sector follow the lead given by ACE member companies.

"We need a level playing field and fair competition", said Niels Petter Wright, Elopak's CEO. "Certified traceability systems mean promoting responsible forestry practices in the world's most vulnerable regions", he stressed.

### Independent certification

Key to the credibility of the system is the independent certification of wood traceability against chain-of-custody standards. These are set by the Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification Schemes (PEFC), or equivalent.

**WWF welcomed the Commitment as an "important step towards responsible forest management". While expecting the implementation of the Commitment to be achieved even earlier than the 2015 target date, WWF recommended governments to take measures to "underpin and support the actions of responsible countries and companies"**

***"Managing forests responsibly will enhance their natural mitigating effect on climate change"***

Dennis Jönsson,  
CEO of Tetra Pak

*continued on page 2*

<sup>1</sup> Environmental Agreement in the Form of an Industry Self-Commitment concerning Third-Party Verified Traceability Systems for Wood Fibres in Liquid Packaging Board used for the Manufacture of Beverage Cartons. For further details go to [www.beveragecarton.eu](http://www.beveragecarton.eu)

## GREENING OF EU INDUSTRY POLICY

ACE welcomes EU support for low carbon economy

In its mid-term review of EU industry policy, the European Commission is proposing some practical steps for achieving a low carbon economy via the greening of European industry.

Standards to promote products with low carbon impacts are high among a range of measures EU policy-makers are considering to encourage industry to respond effectively to the climate change challenge. The measures form part of an EU Action Plan to be launched before year-end to help transform Europe into a low carbon economy.



***“Harnessing EU industry policy to achieve a low carbon economy is an approach we support. Carbon footprint labelling needs to be reliably developed and credibly communicated”***

Marie Tornell,  
Director-General of ACE.

### “Lead” standards

The big idea appears to be a differentiated approach to EU standards policy. In addition to complying with minimum European standards, qualifying a product to be traded in the 27-strong European market, a ‘lead’ standard based on low carbon specifications would be developed to help switch off climate change.

Take-up of the lead standard, while not mandatory, would be encouraged by political support, by the potential for market differentiation, and the focused use of tax incentives. The goal is to stimulate consumption of sustainable goods and services.

Labelling showing compliance with the lead standard, say EU officials commenting on the plan, would also be envisaged. Though not yet clear how this might

be specifically approached, the example of energy efficiency labeling, already in use in Europe, might be a reference point, they say.

The greening of European industry policy is set to target priority sectors - like construction, road transport and renewable energies. ‘Lead’ standards would have as their initial focus these ‘lead’ industries, although there is nothing stopping other sectors from taking their own initiatives.

Global sectoral agreements, i.e. including but beyond the EU geography, could also have a part to play in industry’s response to the climate challenge. Such agreements could obviate the need for government action, encourage best technology take-up and help eliminate free-riders.

continued from page 1

## RESPONSIBLE FORESTRY PRACTICES: GLOBAL COMMITMENT BY BEVERAGE CARTON SECTOR

Some reactions from the European Commission:



Stavros Dimas  
Environment  
Commissioner

*“I welcome this approach for a worldwide traceability system of wood fibres used in beverage cartons. This initiative will help improve the transparency of forest governance and the sustainable use of valuable resources. Private sector initiatives, such as this, implemented correctly, are important models for others to follow.”*



Günter Verheugen  
Vice President  
and Commissioner  
for Enterprise  
and Industry

*“I would like to congratulate the three companies for taking on a voluntary action that addresses a number of challenges and responsibilities within the EU and worldwide. I believe in encouraging voluntary commitments which promote environmental performance and sustainable production as well as the competitiveness of European industry.”*

## CLIMATE CHANGE: THE EUROPEAN PARLIAMENT RESPONSE

Interview with MEP Anders Wijkman on the role of the new Temporary Committee on Climate Change

### What are the priority areas of the work programme of Temporary Committee?

This is the first time the European Parliament has established a committee with a horizontal approach. All sectors of society are affected by climate change and the linkages and interconnections have to be considered in order to find solutions. We need to have a systems approach to climate change mitigation and adaptation. The Temporary Committee will focus special attention for action on the most important fronts. These are transport, the building sector, land-use and forests, and assisting developing countries to invest in efficiency and low-carbon technologies.

### What role do you see for business in helping the EU response to climate change, in particular: do voluntary business initiatives have a role to play?

Of course. Voluntary business initiatives are very welcome, but they need to be backed up with regulation, standards in particular. Voluntary initiatives by themselves can lead to unfair competition if free riders try to benefit by not living up to stricter standards.

### For the Temporary Committee, is there an important role to be played by the efficient use of resources – not just energy resources – in combating climate change?

Definitely. Energy and resource uses should be considered together, with the above mentioned systems approach. It is necessary to have a life-cycle approach to production and consumption.



*We have to consider different products from a life-cycle approach. Normally wood and paper-based products are interesting products from the climate point of view.*

MEP Anders Wijkman,

Member of the Temporary Committee on Climate Change and the Environment Committee

The European Parliament has recently also considered the Commission's proposal for the Thematic Strategy on management of natural resources where the EP proposed a considerably higher target for the enhancement of resource efficiency than the Commission - 6% per year. In this context we should also remember that the role of developing countries is very important. For instance, China uses 50 % of all the cement - and more than 40% of the steel - consumed in the world.

**As beverage carton manufacturers, we mainly use renewable resources, wood from forests, widely seen to have a role in mitigating global warming. By ensuring sustainable forestry practices involving a net increment in the volume of forests we source from, we seek to contribute to neutralizing climate change. What is your view on this?**

We have to consider different materials and products from a life-cycle perspective. Normally wood-based products come out well in comparisons. They are interesting products from the climate point of view. We have to be cautious, though, as some recent research shows that there are some question-marks about the role of temperate forests in mitigating climate change.

**Bearing in mind 1/3 of the EU's land area is covered by forests, what might the EU do to recognize the role of responsible use and management of naturally renewable resources in Europe's response to climate change?**

The EU is already doing a lot. Just to mention a few examples: the Member States can use forests as carbon sinks as part of their strategy to meet the obligations under the Kyoto Protocol. The bio-fuels directive also recognizes wood-based energy as a second generation fuel. Moreover, the strict application of the life-cycle approach when sourcing materials normally gives a bonus to bio-materials.

**What role do you see for policy to encourage the market to take up products with a low carbon footprint?**

It is important that carbon has a price, preferably the same price all over the world. This price will automatically favor products and materials that have a low carbon impact. By making the ETS (emissions trading scheme) more effective, low-cost measures for climate change mitigation will be identified and this will benefit materials with low-carbon impact. It is too early still to specify what additional policy tools will be needed, but this issue will be looked at in the Temporary Committee.

## TESCO SUPPORTS BEVERAGE CARTON RECYCLING

ACE UK has teamed up with supermarket chain Tesco to expand collection points for recycling beverage cartons. While ACE carton manufacturers have been developing recycling projects for some time, Tesco is the first major supermarket to join their carton collection network. Introduction of carton collection banks in Tesco stores will increase availability of cartons for recycling, offering new facilities to customers. Richard Hands, Chairman of ACE UK and Environment Manager at Tetra Pak UK, declared: "Just three years ago, there was very little collection of cartons for recycling in the UK, as no local authorities had the facilities to collect them. But that picture has changed significantly. Now, we're looking at over 100 local authority areas with carton collection facilities and more coming on board every day, taking us a step closer to creating a national carton collection network by the end of 2008".



## NEWS IN BRIEF • NEWS IN BRIEF • NEWS IN BRIEF • NEWS IN BRIEF

**REVISION OF THE EU WASTE FRAMEWORK DIRECTIVE: ACE WELCOMES THE FLEXIBLE APPROACH IN THE POLITICAL AGREEMENT REACHED AT THE ENVIRONMENT COUNCIL**

ACE welcomes the flexible approach in the political agreement on the Revision of the EU Waste Framework Directive, reached on the 28 June at the Environment Council. "This agreement offers a policy framework enabling business to pursue programmes to reduce environmental impacts along a product's life cycle in a flexible and dynamic way" says Marie Törnell, ACE Director-General.

However, ACE does not support the Council's definition of prevention that includes the reuse of products. Once products or components have reached the end of their first use, they need further reconditioning before they can be used again. This reconditioning is not neutral, but has an impact on the environment. A definition of prevention should rather clarify that it is the environmental impacts along a product's life-cycle that need to be reduced, in line with the current Directive on Packaging and Packaging waste.

Following the Council decision to delegate responsibility for prevention measures to the Member States, Ms Tornell points out "clear EU guidelines on waste prevention are a pre-requisite to safeguard the proper functioning of the Internal Market" and concludes "this is an area that the second reading of the revision should tackle further".

**GREEN WEEK IN EUROPE**

"Global Responsibility – Footprints". Speaking in discussions on this theme at the EU's Green Week in June, Erika Mink, president of ACE, commented: "Global business actions will increasingly be needed to help respond effectively to global challenges like climate change". Supporting the new EU policy drive towards a low carbon economy, she highlighted the challenges ahead. Among these was "to communicate the carbon footprint of our product to an often confused market place in a credible and authentic way". Criteria and methods for measuring carbon impact needed to be agreed, she said.

**BIODIVERSITY & CLIMATE CHANGE DAY AT THE UN**

"ACE members are engaged in numerous partnerships and projects aimed at encouraging biodiversity as part of our commitment to sustainable forest management", said Marie Tornell, ACE Director-General, in a statement marking the UN 'Biodiversity and Climate Change Day' on 22 May.

"Forests are a key ecosystem in counteracting climate change", commented Tornell. She also noted "70% of the energy used in ACE companies' paper mills comes from bio-energy, and we make power available from this source to local communities, often in some of the EU's most far-flung regions".



[www.beveragecarton.eu](http://www.beveragecarton.eu)

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ACE represents leading beverage carton packaging producers and their main European paperboard suppliers in EU environmental policy developments

**ACE MEMBERS**