



THE ALLIANCE FOR  
BEVERAGE CARTONS  
AND THE ENVIRONMENT

# Working with Nature



NEWSLETTER

Summer Issue 2009

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## GETTING SUSTAINABLE PRODUCTS TO THE MARKET

### WHO TAKES RESPONSIBILITY FOR WHAT?

These are challenging times for those active in sustainable consumption and production (SCP) – including ACE member companies in the beverage carton manufacturing sector and their forest product suppliers, as well of course for a range of other stakeholders and policy-makers.

SCP is now evolving from an EU policy goal towards a European and indeed global market objective. In essence, the objective is to provide the consumer with competitive products that can credibly claim to have been sustainably produced along each stage of the life-cycle – from raw material to retail to waste. Our newsletter is devoted to this step-change, and to the views of different actors involved in making it happen.

Who then is playing the key role in turning SCP from policy into practice? Many single out retailers as the market's gate-keepers. Few doubt they have a pivotal role in communicating to consumers the environmental performance of the goods they sell – a point made by Timo Mäkelä, European Commission co-chair of the European Retail Forum launched in March (p.2). At the same time, Carrefour, Europe's leading retailer, argues environmental performance needs to be judged on the entire life cycle of the product (p.3). So, a major responsibility in fact lies in the supply chain upstream of retailers – e.g. manufacturers (like PepsiCo, p.4), packagers and raw material processors (both represented in ACE, p.5). NGOs have a critical role to play too in ensuring credible

oversight of supply chain performance, and permanently testing its credentials (e.g. BEUC p.2). Public bodies may be called on to ensure that measurement of product environmental impact (e.g. carbon footprint) is scientifically robust and that environmental claims meet agreed standards.

ACE's experience tells us that supply chain management, based on a life cycle approach, is indeed a key tool for sustainable consumption. It also tells us that partnerships – upstream, downstream and with NGOs – are a critical ingredient in applying the tool successfully. Our chain-of-custody commitment on the traceability of wood fibres used in beverage cartons (p1 & 5) is a case in point.

### Christian Verschueren

Director General



## VOLUNTARY COMMITMENT

Lunch debate at European Parliament hosted by MEP Eija-Riita Korhola surrounded (left to right) by:

Jan Grönvall, VP Supplier management, Tetra Pak  
Rolf Stangl, CEO, SIG Combibloc  
Niels Petter Wright, CEO Elopak  
Mats Nordlander, EVP Consumer Board and Market Services, StoraEnso  
Uno Brinnen, Director, Forestry, Korsnäs  
Erika Mink, Director EU & Government Affairs, Global Environment Tetra Pak  
Christian Verschueren, Director General, ACE



*Executives from the world's leading beverage carton manufacturers met with EU officials in Brussels in March to review progress on their commitment on wood traceability that was notified to the EU in 2007*

photographer: Laurent Poma

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## KEY ROLE FOR EU RETAIL FORUM but general stakeholder mobilization needed

Timo Mäkelä, European Commission Co-chair of the Retail Forum



After the launch of the Sustainable Consumption and Production (SCP) Action Plan last July, the European Commission has been working "full steam ahead" on its implementation. Proposals to improve and extend the scope of the Eco-design and Energy Labelling directive, and also the Eco-label and EMAS regulations, are now well advanced in the EU legislative process. They are expected to be adopted soon by the Council and the European Parliament.



*"The Retail Forum is to elaborate the most efficient ways of informing consumers on the environmental characteristics of the products on the shelves of their favourite supermarket."*

Timo Mäkelä,  
European Commission Co-chair of the Retail Forum

In parallel, we are intensifying collaboration with key stakeholders to ensure the Action Plan is a real success. We need to create an effective alliance among all the partners like producers, suppliers, the packaging industry, consumers, and retailers who are publicly committed to a greener future. So, it is encouraging to see the level of interest triggered by the recently launched Retail Forum. This new partnership aims to produce tangible results in reducing the ecological footprint of the retail sector and its supply chain, while getting better, safer and

cleaner products to European consumers at affordable prices.

The Retail Forum is to elaborate the most efficient ways of informing consumers on the environmental characteristics of the products on the shelves of their favourite supermarket. It will also address other key issues, e.g. labelling (including carbon labelling), environmental claims, energy efficiency, packaging and the optimisation of logistics.

We appreciate the positive attitude of the packaging industry towards environmental issues. The

voluntary commitment to procure raw material from sustainable sources is a significant step in the right direction. We expect to see further initiatives stemming from the activities of the Retail Forum, e.g. improvements on the recyclability of packaging material for consumer goods, an objective requiring early planning at the design phase. Production and consumption that respects the limits of the earth is in everybody's interest. It also offers a long term vision for the packaging industry, which plays a vital role in delivering better products for all of us.

## AN NGO VIEW



Monique Goyens,  
Director General, BEUC

### RETAILERS MUST DELIVER REAL CHOICE OF SUSTAINABLE PRODUCTS

Consumers need clear information, not greenwash

Monique Goyens, BEUC

**Greening the supply chain is a necessary building-block for sustainable consumption – but it is not enough on its own. There is more to green consumption than that. Along with all other stakeholders – e.g. producers, retailers – consumers clearly have to develop more sustainable patterns of behaviour.**

Yet this is easier said than done. Even though consumers have for many years shown to be ready and willing to buy greener products, sometimes at higher prices, their ability to do so may depend on factors beyond their direct control. Difficulties they face include:

- lack of sustainable choices in the store (e.g. light bulbs for fridges)
- inadequate store displays, so the more sustainable option may not easily be found
- confusing information on environmental impact and its methods of calculation, often aggravated by greenwash advertising bordering on the unfair.

Let me stop here a moment. If consumer product information is not handled properly, there are risks to sustainable consumption as a whole. Today, for example, walk the shops and you'll find a multitude of labels linked to environmental claims often with contradictory messages. Or discover a range of methods for carbon labelling when carbon emissions may not be as important as, say, water footprint or child labour. The risk is clear. Where consumers are bamboozled by confusing messages, they lose confidence in all of them including those that are objective and accurate.

Consumers can of course do more on their own. Not buying strawberries in December, for example, would be a good reflex, as would city-dwellers refraining from buying SUVs. That said, we need a more ambitious retail strategy and if the European Retail Forum is a sign of that we welcome it. The EU eco-label scheme should be kept as a label of excellence and products bearing it should be more prominently displayed. Retailers should use choice-editing to highlight sustainable product ranges. And global retailer policies should resonate through their multi-stakeholder network – transport, storage, energy supply, packaging as well as the producers whose goods they sell.



## GETTING THE CONSUMER TO BUY GREENER GOODS

Calculating environmental footprints cannot be left to the marketplace

Emilie Prouzet, Carrefour



Being sustainable for Carrefour means in particular offering our customers affordable products, enabling them to do their bit to reduce environmental impact.

*"Methods of assessing environmental impact need to be commonly accepted as well as scientifically robust to be credible."*



Tetra Pak and Carrefour launched a consumer awareness campaign during the 2009 European Sustainable Energy Week. Milk and juice cartons, with a visual highlighting the Sustainable Energy Europe Campaign as well as specific packaging related eco-tips, were put on hypermarket shelves in France, Italy, Belgium and Spain.

For this we must find ways of identifying greener products for the European market and of communicating them to consumers cost-effectively. Being an importer and manufacturer as well as a retailer, Carrefour has a growing range of sustainable items, but we need accepted criteria for determining environmental impact for each product category, and to reflect these in our supplier specifications and purchasing.

We believe environmental criteria should adhere to some basic principles. They should relate to a full life-cycle assessment of the product – from raw material to use to waste management. Also, carbon impact is not the only criterion for judging or communicating a product's environmental footprint, and could indeed be misleading – e.g. for codfish, biodiversity may be more critical than carbon.

### Public authorities or the marketplace? – or both?

Public authorities may have a part to play in this process. They might support the development and use of common environmental criteria per product category – both to avoid confusion and unnecessary costs.

We at Carrefour cannot systematically conduct life cycle environmental assessments for each product category without incurring added costs which in turn would mean higher selling prices and be counter to our core strategy of lowering prices. Anyway, methods of assessing environmental impact need to be commonly accepted as well as scientifically robust to be credible.

In our view, this cannot be left to the marketplace. We need methods of calculating impact harmonized at European or global level. Today divergences lead to products sitting on shelves side by side making claims based on non-comparable information. Communication to consumers needs to be comparable, and might refer to major parameters e.g. energy, water, biodiversity, pesticides, etc.



*"Today products sit on shelves side by side making claims based on non-comparable information."*

REAP, the recently launched Retailers Environment Action Plan, could address these issues. The retail sector should give a lead in enabling consumers to make smart green choices – e.g. our consumer awareness campaign during the EU Energy Week in February. Publicly endorsed environmental labels are also no doubt a useful tool for consumers seeking environmental guidance.

## SUSTAINABLE MANUFACTURING IS VITAL FOR FUTURE COMPETITIVENESS



**Footprint needs common measurement, consumer education is a big challenge too**  
Cees-Jan Adema, PepsiCo

A company's responsibility does not stop with making profits. PepsiCo's recognition of this underscores our sustainability commitments on health & welfare, human skills development and our strategy on SCP. We need them to stay competitive in the future.

We believe a "push and pull" approach will make SCP happen in the marketplace: "pushing" products with lower environmental footprints; "pulling" consumers towards them.

Getting more sustainable products means working with partners in our supply chain. But teamwork will best succeed if all use a uniform methodology for measuring footprints, one that is scientifically robust and global in reach. Remember PepsiCo's supply chains are international and our suppliers don't just work with us.

*"To harmonize carbon footprint measurement and communication, close collaboration is needed between national and European authorities, and involve industry, consumer representatives and NGOs."*

Footprint measurement means we know where in the supply chain environmental performance can be most efficiently improved: maybe new packaging, but sometimes bigger gains can be made upstream, e.g. in agricultural projects. To show the importance of environmental foot-printing, take the example of our crisps. 60% of their carbon footprint comes from outside our operations and 40% is linked to agriculture.

Consumer education is the other big SCP challenge. In a consumer-oriented business, the challenge is to make complex data meaningful to often time-pressed consumers. Labelling, including carbon labelling, might be one type of relevant consumer communication but not the only one. New communication methods need to



*"In a consumer-oriented business, the challenge is to make complex data meaningful to often time-pressed consumers."*

be explored and tested to tell us what works and what can be improved.

To be credible and clear, environmental communication should meet the same standards across European industry. Different approaches have been taken in EU countries on footprint measurement and communication. Harmonizing these will avoid supply chain inefficiencies, consumer confusion and potential trade barriers.

To do this, close collaboration is needed between national and European authorities, and involve industry, consumer representatives and NGOs. One recently created platform is the CIAA/food industry roundtable on SCP issues—e.g. whether to include food and drinks in the EU eco-label scheme, the subject of a proposed report for end-2011. It would be useful, in a similar time-frame, to study the feasibility of a consumer information system based on a common methodology. Ambitious? – Maybe, but achievable.

## TAKING A LIFE CYCLE APPROACH

Rolf Stangl, ACE member company SIG Combibloc



**Commitment to environmental sustainability is an objective incorporated into SIG Combibloc's business strategy. Applying a life cycle approach to sustainability management is key to delivering sustainable products to the final consumer.**

Partnering with other stakeholders, upstream and downstream in the chain, is needed to implement this approach in practice. Another important pillar is transparent communication - with our customers but also with stakeholders such as NGOs and public authorities.

We are taking this approach because we believe sustainable business is good business. The beverage carton sector's voluntary commitment with its upstream supply chain also illustrates this (see below). We are convinced that this commitment is an excellent example of how industry can act effectively in complementing EU policy goals, reaching out even globally.

Carbon footprint has recently emerged as a lead indicator of sustainability, particularly for food packaging. Even though beverage cartons perform very well on carbon footprint, we do not limit our evaluation to this factor only. We are intensively using full life-cycle assessments - covering a broad range of environmental impacts - to steer our product development and to communicate environmental information to our customers.

As a communication channel to consumers, packaging can heighten awareness of environmental performance. For us as a globally operating



photographe Laurent Poma

*"At ACE we believe that effective contributions to the goal of sustainable consumption and production have four core requirements: commitment, management, partnership and communication."*

Rolf Stangl,  
SIG Combibloc

company we support and apply harmonized standards or common reference points on environmental impacts wherever possible in order to make communication as credible and transparent as possible. We think there is an EU or international role to extend those standards - not only to new emerging issues such as carbon footprint, but also to rules for related environmental claims.

Business chain management does not of course stop at consumption. End-of-use management is also part of a sustainable performance. In Europe, the beverage carton industry's preferred method of recovery - recycling - depends significantly on the existence of collection schemes in the EU-27, where the situation is patchy. Anything that EU policy could do to get member states to improve collection would be welcome.

*continued from page 1*

## COMMITTED TO RESPONSIBLE WOOD SOURCING

**The chain-of-custody commitment by Elopak, SIG Combibloc and Tetra Pak on responsible wood sourcing seeks to achieve:**

- verified traceability of all wood fibres used in carton manufacture by the three companies worldwide by 2015
- chain-of-custody certification by 2018 of all the companies' packaging manufacturing plants.

"There has been some significant progress towards a credible traceability system", said Elopak CEO, Niels Petter Wright. An independent verifier ([www.proforest.net](http://www.proforest.net)) found that 47% of the fibres in the 2.5 million tons of paperboard used by the companies were certified to comply with the standards set by the Forest Stewardship Council, a scheme supported by environmental NGO WWF.

"We are aware of the efforts needed as we move ahead to our targets." remarked Jan Grönvall, Tetra Pak VP for supplier management. "Since 2007, for example, we have made further significant improvements in the number of carton manufacturing plants certified. We are confident we will reach our goals." he said.

Commenting on the plan Martijn Quinn, a senior adviser of European Environment Commissioner Stavros Dimas, said that voluntary industry initiatives were needed to help implement the FLEGT programme (the EU Action Plan on Forest Law Enforcement, Governance and Trade). ACE companies were "making a difference" he said, speaking at a debate hosted in the European Parliament by Finnish MEP Eija-Riitta Korhola.



## RECYCLING FOR A LOW CARBON SOCIETY

Recycling is essential to the development of low carbon economies as it plays its part in reducing greenhouse gas emissions generated at landfills. ACE members invest in recycling to ensure that beverage cartons are diverted from landfills and incinerators. Recycling of the beverage carton has grown steadily in recent years, reaching 32% in 2007 for the EU-27 and Norway, when 12 billion beverage cartons (330,000 tonnes) were recycled in paper mills. This amounts to avoidance of more than 280,000 tonnes of greenhouse gas emissions.

Increasing recycling rates is only possible if supported by the industry, public authorities and consumers alike. ACE affiliates across Europe develop voluntary programmes to encourage cooperation. In the UK, ACE is seeking to drive full national coverage of carton recycling by offering a new carton bring-back solution to all local authorities that do not have carton collection in place. Educating consumers is also a key driver.

ACE France (*Alliance Carton Nature*) cooperates with schools to raise awareness of recycling with children. Pupils participating in the *Ecole Nature* network programme can learn about the importance of recycling household waste through educational games.



*"Recycling for one year equals 24 million new children's books"*

Billboard from a Belgian advertising campaign encouraging people to sort packaging waste for recycling.

Campaign material courtesy of Fost Plus



Tonnes recycled in EU-27 and Norway 1992-2007

## NEWS IN BRIEF...



(Left to right) Alec Elliott, Tanya Borel, Albane Siramy and Christian Verschueren.

photographer: Laurent Poma

### YOUR NEW CONTACTS AT ACE:

Christian Verschueren has headed ACE's Brussels office since his appointment as Director General in June 2008. A Belgian national, Christian has wide experience leading business associations involved in environment, agriculture & food issues. His assistant and ACE Office Manager is Tanya Borel.

Albane Siramy joined ACE as Environmental Affairs Manager in January 2009. A French national, Albane is responsible for EU environmental policy and legislation analysis, and supports ACE's representational work with EU institutions and other relevant stakeholders.

Alec Elliott, from Ireland, joined ACE at the beginning of 2009 as Communications Manager. Alec is responsible for ACE's external public relations and communications priorities, supporting also the organisation's internal communications activities.



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

## ACE MEMBERS

