



### COMBATING ILLEGAL LOGGING TOWARDS STRONG EU LEGISLATION

Proposed EU measure requires business action to succeed.

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### FORESTS & BIODIVERSITY

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## HELPING PROTECT THE FOREST AND BIODIVERSITY

### A FOCUS ON BUSINESS INITIATIVE AND POLICY

Curbing illegal logging and biodiversity loss are two global challenges which Europe is now addressing. A new EU regulation on timber trade, being discussed by the European Parliament and scheduled to be adopted later this year, is seen as a potentially key response. It is a focus of this newsletter – as are the views on this subject of stakeholders including MEPs and NGOs.

Drawing on our experience with voluntary self commitments, the Alliance for Beverage Cartons and the Environment (ACE) believes that such a concerted practical response may be applied more generally. Our beverage carton companies committed in 2007 to achieve a medium-term target of full traceability for all wood products used in our beverage cartons worldwide. Since then, we have also been cooperating with WWF in a partnership which seeks to promote sustainable forest management practices, the fight against trade in illegal timber products, and biodiversity.

Discussed recently at a WWF/ACE workshop held at the European Parliament, the proposed EU timber regulation highlights the respective roles of policy and business in tackling these challenges. An emerging consensus appears to be that neither public rules nor private initiatives will be sufficient on their own. What is required is a combination of both - concerted and effective action by market operators in a clear policy framework.

#### 'Due diligence' needed to keep illegal timber out of the EU

At the heart of the policy framework is the tool of 'due diligence'. Accordingly, companies must



"Meeting the neighbours"

put in place systems designed to reduce the risks of putting timber and timber products from illegal sources onto the EU market. As to how far this requirement should go, and what other measures can be expected from market operators, that is a matter for debate and I invite you to read on. You will find the views of Caroline Lucas, Bas Eickhout and Gerben-Jan Gerbrandy, leading Environment Committee MEPs, and Tony Long, director of WWF's European Policy Office, as well as our own (p 1-2).

#### Biodiversity: key role for forests

Besides curbing markets for illegal timber, the new regulation is also seen as one of the few legislative tools available to the EU to stem the

drain of biodiversity, the theme of this year's EU Green Week. If so, it may help inject momentum into Europe's new 10-year strategy for biodiversity, where forests play a key role as highlighted in a new Green Paper (for this, and the views of the Commission and forest owners, see p.3, and for a sample of biodiversity projects undertaken by ACE member StoraEnso, see back page).

Christian Verschueren, Director General



**"For years the EU has preached against illegal timber but continued to provide one of the biggest markets for it - with biodiversity and forest-dependent peoples paying the price."**

**"Up to 20% of illegal wood finds its way into the EU"**

Caroline Lucas,

MEP rapporteur on the EU timber regulation until her historic election in May as the first UK Green MP

## 2 COMBATING ILLEGAL LOGGING: TOWARDS STRONG EU LEGISLATION

At an ACE/WWF workshop focusing on illegal logging participants discussed the new EU regulation on timber trade, which highlights the respective roles of policy and business in combating the illegal trade.

### **PARLIAMENT CALLS FOR TOUGH ACTION ON ILLEGAL LOGGING**

Calls for tough action against illegal logging are increasing in the European Parliament as it prepares its final vote on a new EU regulation on timber trade this summer. Caroline Lucas (UK-Greens) said the version agreed in 2009 by the Council is weak and “needs to be changed to include the principle of a ban on illegal timber and to set obligations on operators beyond those first placing timber or timber products on the market”.

### **Level playing field – no free riders**

Bas Eickhout (NL-Greens) called for strong and effective legislation applicable to all operators. “Without it, those companies who are carrying out due diligence will always be at a disadvantage in EU markets. Paradoxically, the winners will be free riders who are not doing this. And consumers will have no guarantee that timber products they buy are legal”.

Moreover, “this legislation is one of the few legal instruments the EU has for tackling biodiversity loss”, said Gerben-Jan Gerbrandy (NL-ALDE). On imports, he said “this legislation will send a clear signal that we support countries with sustainable forest practices and good governance”.

***“Instead of protecting the laggards, EU member governments should support industry front-runners because they are the leaders of tomorrow’s markets”***

Gerben-Jan Gerbrandy, MEP (NL-ALDE)  
shadow rapporteur EU timber regulation

**The European Parliament moved a step closer to adopting a strong EU timber trade regulation. MEPs in its Environment Committee voted last month to combine requirements for due diligence systems and an EU ban on illegal timber. The legislation should pave the way for recognition of existing best practices (such as ACE’s voluntary commitment).**



***“The EU must stop providing a market for illegally harvested timber and timber products. This is a clear obligation”***

Bas Eickhout, MEP (NL-Greens)

### **WE NEED THE EU TO FIX THE PROBLEM NOW**

Tony Long, Director of the European Policy Office of WWF, says “timber is a high-value industry with high-quality products aspiring to have a good reputation. For that, it requires a strong level of confidence from consumers in its products. Yet

statistics tell us that at least 16-19% of EU timber imports are illegal. This cannot continue. The need for good legislation is clear. EU legislation must require a certificate of legality not just from the first importer but throughout the supply chain”.

“A simple ban on illegal timber products must be set now. We cannot come back to the legislative table every five years to tighten the loopholes we left open last time,” he says. “There is strong evidence that European consumers want illegal timber legislation to do just what it says – make illegally sourced timber illegal. Full stop.”

### **INDUSTRY BEST PRACTICES: A WAY OF MEETING DUE DILIGENCE REQUIREMENTS**

Mario Abreu, ACE board member and Tetra Pak’s Global Environment Director, Forestry and Supply Chain, indicated that “ACE supports EU legislation against the trade of illegal timber”.

Speaking on behalf of paper & board companies Stora Enso and Korsnäs, and beverage carton manufacturers Elopak and SIG as well as Tetra Pak, Abreu stressed that “legislation has to be enforceable, workable and practical for both public administration and economic operators”. Moreover, “it should not disadvantage timber products compared to other materials”.

“Due diligence is a good approach to minimize the risk of illegal timber throughout the whole supply chain”. For the EU due diligence scheme to work, “clear and stringent requirements are needed for a reliable risk assessment procedure. Criteria for this should be worked out in detail and interested stakeholders should be consulted.”



### **WWF-ACE JOINT SUPPORT FOR EU LEGISLATION**

**WWF and ACE fully support the development of EU legislation to halt the trade in illegal timber and timber products, which should include:**

- A full due diligence system for operators placing timber and timber products for the first time onto the European market, together with
- A simple “traceability” system for subsequent operators along the supply chain.
- Strong due diligence systems, including stringent and independently verifiable criteria for a reliable EU risk assessment procedure and a thorough definition of risk.
- A clear definition of ‘legal’ timber.
- A harmonised approach to penalties and sanctions.



Styled “the year of biodiversity”, 2010 will see the EU’s new strategy to protect biodiversity as the focus of this year’s Green Week. The Commission, the European Landowners Organization (ELO) and the WWF set out their commitments and objectives.

 **MORE ENGAGEMENT FROM BUSINESS?**

Robert Flies (European Commission, DG Environment) says that “biodiversity is a key component of the *Green Paper on Forest Protection and Information in the EU* which the Commission launched in March for public consultation EU-wide. We set out the main challenges facing Europe’s forests, including the eco-system services they offer, and we outline options for an EU approach to the protection of forests and information about them on these and other related issues, e.g. climate change. The consultation, to conclude by 31 July, will guide the Commission on any additional action needed at EU level.”

“Covering about one third of EU land area, forests are clearly central to European nature and biodiversity policy. They are home to the largest number of vertebrates on the continent and provide habitat for thousands of different species of insects and invertebrates, as well as plants.



Biodiversity conservation improves forest resilience and adaptive capacity.”

“A lot more attention is now given to the benefits of biodiversity, as well as the costs incurred by its loss and eco-system degradation. European companies are becoming more aware of the strategic importance of biodiversity and of potential benefits to their business in adopting measures supporting it. Public image is becoming increasingly crucial, since corporate actions on biodiversity can help companies distinguish themselves from their competitors, while also involving retailers, investors, employees, local communities and others.”

“DG Environment is in the process of launching a new European Business & Biodiversity initiative with the aim of introducing biodiversity values into corporate governance through voluntary initiatives.”

 **MAKING SPACE FOR NATURE**

WWF believes that biodiversity must be at the heart of EU policy for this new decade. There is growing awareness that loss of biodiversity is threatening the welfare benefits which sustain Europe’s economy and society. Protection of biodiversity should therefore be mainstreamed in all EU policies.

Natural systems based on healthy biodiversity deliver eco-system services such as cooling and

filtering the air or protection from floods and soil erosion; 60% of these eco-system services have been degraded in just 50 years – more rapidly and extensively than in any comparable period in human history.

There are many causes of this. Put simply, European citizens are using more than twice the earth’s available resources per person. Without action to reverse current trends, it is predicted that land-based nature destruction alone will cost around €1.1 trillion a year by 2050, or 4% of EU GDP.

The EU 2020 biodiversity strategy must have a much stronger legal and political status than its predecessor which failed to deliver on 2010 targets. By 2020 WWF calls for:

- a halt in the loss of biodiversity and of eco-system functionality
- significant progress in their restoration
- a substantial increase in the EU’s contribution to averting global biodiversity loss.

**“European citizens are using more than twice the earth’s available resources per person”**

*Tony Long, Director of the European Policy Office of WWF*

**FOREST MANAGEMENT SUPPORT FOR BIODIVERSITY**



The European Landowners Organization (ELO) considers forests to be among the most biologically-rich terrestrial systems and to play an essential role in halting biodiversity loss in Europe. Half of them are privately owned.

Forest owners and managers carry out sustainable management, taking account of the economic viability and sustainable use of this key natural resource. They respond to forests as a large living space used for many purposes and occupied by many organisms.

Sustainable forest management helps to support the management of biodiversity, through means such as ensuring areas of light and darkness, natural regeneration and the use of mixed species, as well as enabling less competitive tree species to grow where naturally they might not.

To be effective, forest management has to think long-term. We aim towards high-quality trees, we seek to deliver a renewable resource – wood – in a way which contributes to natural systems, clean water, fresh air, soil stability, recreation and leisure services, and helps prevent natural disasters.

Broader recognition of the role played by forest owners in supporting biodiversity, through the steady growth of European forest area, would help to sustain our delivery of biodiversity and other eco-system services.



# FACTORING BIODIVERSITY INTO BUSINESS PLANNING



Stora Enso has made protecting biodiversity a key priority in all its forestry operations, from the conservation work involved in everyday tree thinning and felling to long-term ecological landscape planning. It is continually working on ways to improve its performance in this field through training and investment. Here are some highlights:

## PRESERVING WATER HABITAT IN FORESTS

Care for water and wetlands has for many years been an important factor in our "day-to-day nature conservation" work. However, water has now been given a new focus as operational methods at a particular place can also have consequences far downstream.

"Our goal is to preserve the biological diversity of aquatic systems within the forest landscape, and to minimize negative influence on aquatic systems and water quality" says Chartlotte Brodén, Communications Manager at Stora Enso Wood Supply.

Silt movement into water caused by forestry and road building is currently an area of concern. Steps to prevent carrying silt and mud into water supplies can also reduce the risk of the leakage of nutrients naturally carried by water. These measures can also counteract temperature increases and biotope changes in streams.



Bridges to protect water courses from forest vehicles

Another area identified as a key challenge has been the migration patterns of fish and other aquatic organisms. We need to monitor continuously the impact of the forest road network in order to ensure that there are no inappropriate stream crossings.

### Our day-to-day work on biodiversity protection also focuses on ensuring that:

- our vehicles avoid zones close to water edges;
- ground scarification, protective ditching and planting are not done in zones near water courses; and
- where possible, new roads & bridges are constructed so that the natural flow of water is preserved and roadside ditches don't carry silt directly into lakes and streams.

## SETTING CONTROLLED FIRES - TO CONSERVE NATURE



Imitating Nature's own disturbance patterns

Forest fires have traditionally been the main disturbance factor that regenerated the northern coniferous forests in their natural state. Today, uncontrolled forest fires are almost entirely a thing of the past, thanks to modern fire fighting which aims to protect the valuable resource that is wood.

However, a limited number of controlled fires are a good thing, enabling fire-dependent animals and plants to survive. The sootyblack wood-borer beetles, for example, track down these fires and lay their eggs in the smouldering aftermath. Similarly, plants such as geranium bohemicum only germinate in temperatures above 40°C.

This is just one of the adapted forest management methods applied today – imitating Nature's way.



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

