

## PAPER VALUE CHAIN JOINT STATEMENT ON THE NEW CIRCULAR ECONOMY ACTION PLAN

The paper value chain supports the Commission's ongoing work on the new Circular Economy Action Plan. A circular economy is fundamental in achieving the Green Deal objectives to reach climate neutrality, preserve the European natural capital and promote the competitiveness of the European economy. The new Circular Economy Action Plan is a unique opportunity to scale up the **contribution of circular products to climate neutrality**. Circularity starts with the use of **renewable materials** made from sustainably-sourced biomass that replenishes and regrows over time. By enabling the replacement of finite and fossil-based materials, renewable materials secure raw material supply for the long term. At the same time, they contribute to climate change mitigation by acting as carbon sinks and replacing carbon intensive fossil-based materials in certain applications. The **recycling of products** made from renewable material ensures that valuable resources remain in the economy for as long as possible and enables further circularity of the material.

### The role of biomass in climate change mitigation

The original raw materials for paper products are wood fibres from European forests and residues from other wood-working industries. Forests are growing every year in surface and volume due to a highly regulated framework ensuring harvesting levels do not exceed the annual increment of the forest. Today, only two thirds of the annual increment are actually harvested<sup>1</sup>. The sector valorizes forest biomass by incorporating it into biobased products thus contributing to a low carbon circular economy.

In the context of the new circular economy action plan we:

- Support a **methodology** to fully take into account the **contribution of renewable circular materials to climate neutrality**. This methodology should integrate the material substitution effect, i.e. the emissions avoided by using sustainably sourced renewable materials instead of fossil-based raw materials.<sup>2</sup>
- Support incentives for the **use of products made from sustainably sourced renewable materials** that contribute to climate neutrality, preserve biodiversity and have positive social impacts.
- Recommend the incorporation of measures encouraging **sustainable sourcing of raw materials**, based on legally binding provisions on due diligence and forest certification, such as FSC® or PEFC®. Wood-based materials must contribute to sustainable forest management to ensure forests and the forest sector continues to grow and deliver the multiple functions including climate and biodiversity benefits.
- Recommend that **information about the environmental performance of products and services** is based on a sound methodology to allow consumers to make informed choices. In that context,

---

<sup>1</sup> Forest Europe State of Europe's Forest 2015.

<sup>2</sup> A recent [report](#) published on the initiative of the Swedish Forest Industries estimate that the substitution of carbon intensive fossil-based materials with low carbon materials lead to significant GHG savings (around 42 MtCO<sub>2</sub>e/year only for Sweden).

current methodologies, such as the Product Environmental Footprint, should be further refined to ensure that all indicators are robust and that the data needed are available.

### **From waste to resources**

The paper industry is committed to speed up the transition to a circular economy. In 2018, paper reached a **recycling rate of 71,9%** (and **84,6%** for paper-based packaging) and the paper industry is working to further increase recycling. In the context of the new circular economy action plan, we suggest to:

- Improve product recyclability by building on existing recommendations on **design for recycling**, like the European “Paper-based packaging recyclability guidelines”. Design for recycling is a prerequisite for circularity. Applying these guidelines will allow the entire value chain, including retailers and brand owners, to improve the recyclability of paper packaging and contribute to circularity.
- Strengthen further the legal obligation to **separately collect** all waste and ensure consistent implementation. Separate collection is essential to achieve a circular economy, as it increases the volume and the quality of materials available for recycling<sup>3</sup>.
- Revise the **Waste Shipment Regulation** to ensure that waste and secondary raw materials can be shipped between EU countries more easily in order to close the recycling loops within Europe.
- Base all new legal measures on a **comprehensive and evidence-based impact assessment**, in line with Better Regulation principles, e.g. before setting new requirements on waste prevention and reuse. For instance, insufficient packaging could result into higher negative impact on the environment and more waste generation, particularly food waste.
- Carefully assess the specificities of each sector when considering requirements on mandatory **recycled content**. The Commission should ensure that these are only set under certain conditions, among them: it leads to positive environmental impacts, does not disturb well-established recycling systems and does not alter the recyclability and functionality of the new product.

The paper value chain offers its cooperation with the European Commission in the transition to a circular economy in order to contribute to the decarbonization of the European economy. It has already come a long way in reducing emissions through product and process innovations. **Our carbon dioxide emissions have fallen by 48% per tonne of product since 1990** (2018 data) while maintaining industry competitiveness & creating jobs in Europe. Unleashing the full potential of our sector brings Europe closer to achieve a climate neutral economy, leveraging on our strengths: competitiveness, renewability, and circularity.

---

<sup>3</sup> For example, setting an EU-wide collection target for beverage cartons will support the industry efforts to increase recycling.