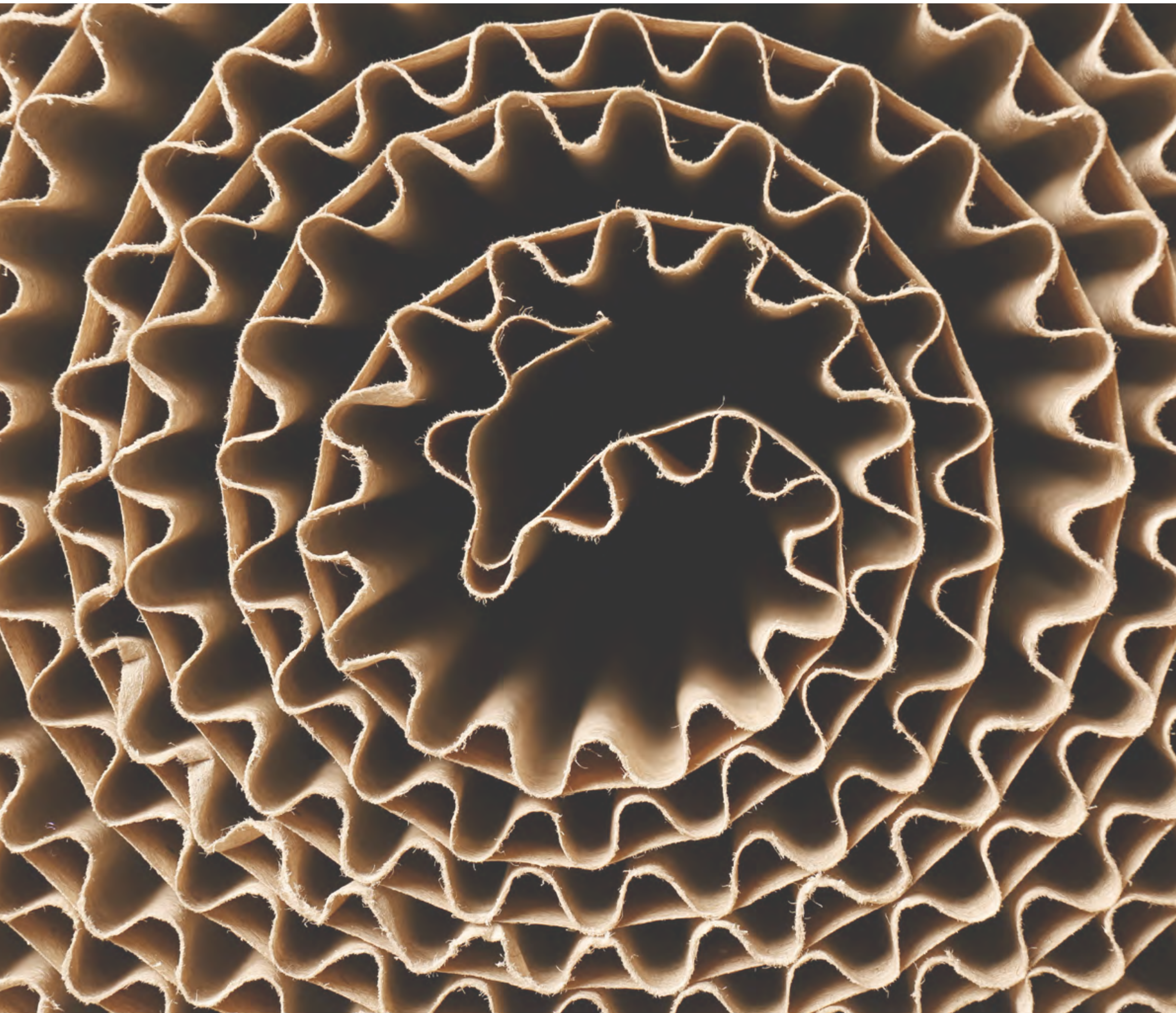
RENEWABLE
RECYCLED
RESPONSIBLE
EUROPEAN PAPER

SUSTAINABLE PRODUCT PLEDGE

Securing a true circular economy for Europe



The European paper industry **fully supports the EU ambition** of making Europe the world's **first climate-neutral continent by 2050** and building a **European circular economy**.

Through **this Sustainable Product Pledge**, the European paper industry is demonstrating **its commitment to make the green transition happen and to deliver sustainable products fit for a climate neutral, resource efficient and circular economy.**

Forest fibre-based products can be fully circular and have a central role to play in a circular economy: **they offer real alternatives to fossil-based materials, come from renewable sources** and are **recyclable**.

Cepi and its members are committed to **set the path for the pulp and paper industry** to become the most **competitive and sustainable provider of solutions** for a climate-neutral Europe in 2050.

Our Sustainable Product Pledge highlights our commitment: we want to be a **part of the solution** and demonstrate that our sector is **ready to make long-term investments** to secure a true circular economy.

Our vision is divided into three pillars: **achieving full circularity performance for paper-based products and packaging**, accelerating innovation for **the development of alternatives to replace fossil-based materials** and **ensuring responsible sourcing for paper-based product and packaging**.

The Cepi Pledge **commitments are systemic and taken by the sector collectively**, whilst individual countries, companies and product categories each have different roles and varying opportunities in contributing towards the commitments.

What we expect from the EU Green Deal is regulatory support for fibre-based solutions and the sustainable use of renewable materials across all policy areas. We also expect from the Green Deal implementation to allow for a proper accounting of the sustainability of fibre-based solutions. The synergy of circular and bioeconomy should be better taken into account throughout different EU policies. Renewable materials, if coming from healthy and growing forests, offer huge environmental, economic and social benefits.

PILLAR 1

ACHIEVE FULL CIRCULARITY PERFORMANCE FOR PAPER-BASED PRODUCTS AND PACKAGING

Our ambition is to close the loop by endorsing new guidelines on improving recyclability, separate collection, sorting and recycling systems and product design. Therefore we will:

- Further increase the **paper recycling rate to 76% by 2030**[1] e.g. by continuing cooperation projects in the value chain (including through the EPRC and 4evergreen projects where our industry intends to increase recycling further through **improved design, separate collection, sorting, reprocessing and progressive innovation).**
- **Adopt design guidelines for 100%** paper-based products and packaging to be recyclable **by 2025**, and reusable in case it is useful and possible. This includes developing a definition of what reusable product is[2].
- Further increase the European paper industry's **use of paper for recycling collected in Europe** and ensure the **addition of high-quality fresh fibre** into the European recycling loop.
- Increase the **valorisation of recycling rejects** for material uses or value-added creation through cooperation with strategic partners.
- Further **increase use of recycled fibres and residues** from other sectors which will become more available, respectively, **through improved recyclability of paper products** and increased use of wood in construction and renovation.

PILLAR 2

ACCELERATE INNOVATION TO REPLACE FOSSIL-BASED MATERIALS

Our ambition is to lower dependency on fossil-based materials and in our processes. Therefore we will:

- **Offer fibre-based solutions** to the market to enable replacing at least **25%**[3] **of current plastic packaging by 2025. Gradually phase out fossil-based plastics** in paper-based packaging and fossil-based plastics in packing our products.
- Accelerate the shift towards **a more responsible use of resources and materials** by **lean design** avoiding overspecification, over-performance of products and **by optimizing packaging design without compromising functionality.**
- **Support efforts to reduce littering** by more effective communication to consumers as well as information campaigns including on paper-based products. Even if littering of paper and board articles is limited, the industry commits to **developing a biodegradability testing scheme** to assess paper and board articles.

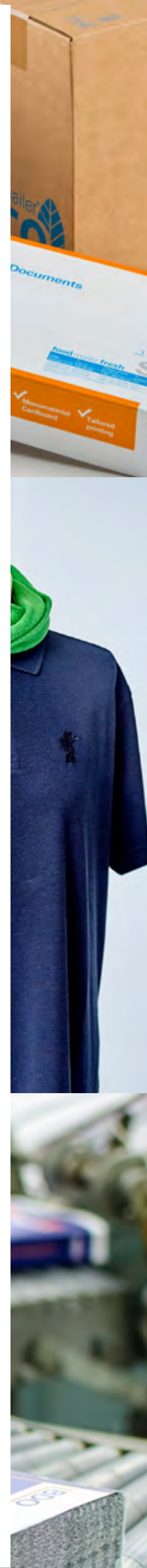
PILLAR 3

ENSURE RESPONSIBLE SOURCING FOR PAPER-BASED PRODUCT AND PACKAGING

While we continuously improve the CO_2 footprint of our products collectively, our ambition is to ensure all wood and market pulp the European pulp and paper industry uses for our products originates from sustainable sources. Therefore we will:

- **Ensure** wood and market pulp is sourced from countries in which existing national forest and nature legislation implements sustainable forest management as defined by intergovernmental processes such as Forest Europe[4]; thisshould be the basis of **a risk-based sustainability approach** for forest-related policies;
- **Embrace forest certification** and support inclusive mechanisms to engage small private forest owners. **By 2025, 80%** of the wood, chips and sawmilling by-products purchased by the industry **originate from forest management certified forests.**
- Be prepared and open to **process wood and residues from areas disturbed by natural disasters** in order to avoid additional damages and the loss of raw material, as well as to **ensure rapid regeneration of forest and forest adaptation to climate change.**

[1] The recycling rate (use of paper for recycling by the paper industry compared to paper and board consumption) was 72% in 2019 **I** [2] E.g. book or furniture vs using a cardboard transport boxes several times **I** [3] 25% of plastic packaging equals to 4.5 million tonnes of plastics consumption reduction; baseline of 2019. According to Material Economics study this can be done without significant compromises on functionality and with significant benefit for climate change mitigation. **I** [4] Forest Europe is an intergovernmental, ministerial conference on the protection of forest in Europe (https://foresteurope.org/)



Our industry is up to the challenge. The carbon neutrality objective requires the European pulp and paper industry to become even more sustainable, efficient and innovative. It demands that we continue on our transformational journey while maintaining our international competitiveness.

We deliver climate benefits for society. The European paper industry has already delivered a successful decoupling of carbon emissions from economic growth, reducing carbon emissions by 29% from 2005 to date and proved the climate friendliness of its products thanks to renewable, certified raw materials and a world class performance in recycling.

Deeply rooted in our society, we provide skilled jobs and solutions to every economic sector. In this spirit of transformation and circularity, our CEO Initiative sets the path for the pulp and paper industry to become the most competitive and sustainable provider of solutions for a climate-neutral Europe in 2050.

We are driving collaboration for solutions. A joint strategic vision with the forest sector including state and private forest owners and other forest-based industries complements our climate strategy as we share the wood raw material in a resource-efficient and responsible way. Pulp and paper industry's share is only 16.1% of the total wood removals in Europe (JRC, 2019) and, whilst less is harvested than grows, forest resources are continuously growing in Europe. Every single year forest resource increase and cool down the climate. We combine this in a unique way with an extensive use of "urban forests" in our recycling operations. Our vision is reinforced by the industrial transformation master plan with other European industries sharing need for clean energy at a cost competitive price.

We are ready to improve even where we are already best in class. Reaching climate neutrality will require acting systematically across value chains and sectors. This is why we have started a cross-industry alliance, 4evergreen, to boost the contribution of fibre-based packaging in a circular and sustainable economy that minimises climate and environmental impact. This collaboration is one more part of our comprehensive consumer-centered approach to climate mitigation, so that we can do our part in Europe's transition to climate neutrality by 2050. Europe needs a wise policy to support us and others in this transition.

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Confederation of European Paper Industries
250 Avenue Louise, Box 80
B-1050 Brussels

Tel: +32 2 627 49 11
E-mail: mail@cepi.org
twitter: @CEPI_Paper