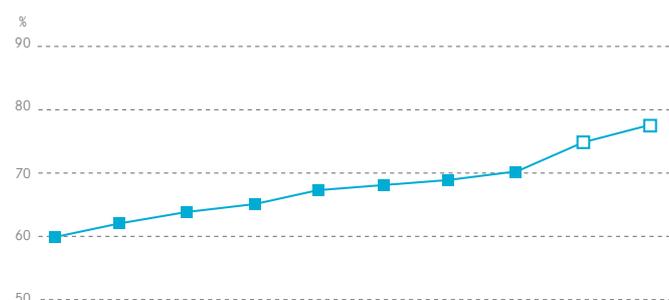


Enhancing the Sustainability of Paper Packaging

Preliminary figures from the Paper Packaging Coordination Group (PPCG) indicate that paper and board packaging in Europe reached an impressive 77% recycling rate by 2006, well beyond the 60% target set for paper in the EU's Packaging Directive¹ by end of 2008.



| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005* | 2006* |
|------------------|------|------|------|------|------|------|------|------|-------|-------|
| ■ Recycling Rate | 60% | 61% | 62% | 64% | 67% | 68% | 69% | 70% | 75%* | 77%* |

*estimates

1 Packaging and Packaging Waste Directive (Directive 94/62/EC on Packaging and Packaging Waste, as amended by Directive 2004/12/EC). For the new Member States, longer deadlines apply (Directive 2005/20/EC).

2 http://ec.europa.eu/environment/waste/packaging_index.htm

Under the Packaging Directive, the European Commission has to publish the official figures for various packaging materials. It is due to publish these figures shortly. According to the data, paper has excelled in this area for eight consecutive years.



The approved data for all packaging can be found on the Commission's website² along with the legislation that is currently in force in all EU languages. The data collected by the member states is generally subject to a two-year publication delay but the preliminary figures from the Paper Packaging Coordination Group provide a good estimate of the previous year's performance.

First European Paper Recycling Award

The European Recovered Paper Council (ERPC) has launched the first annual European Paper Recycling Award. NGOs, educational institutes, local authorities and industry are encouraged to apply with details of an innovative project that enhances paper recycling all over Europe. By promoting these initiatives and rewarding them with an award the ERPC will be recognising their efforts and hoping to inspire others to adopt similar good practices.

To be eligible projects, initiatives or campaigns must fulfil one or more of the following criteria:

- Promote or encourage paper recycling
- Facilitate or improve paper recycling operations
- Raise awareness of recycling and how to recycle paper
- Improve the quality of recovered paper.

An independent panel of experts from across Europe will judge the entries in each category. The panel includes representatives from the European Parliament, the European Commission as well as associations of regional authorities and NGOs.



European wide recognition of the winning candidate's efforts will be accompanied by an original piece of paper artwork, which will be officially handed over to the winners in an award ceremony in Brussels on 28 November 2007 during the European Paper Week.

The European Paper Recycling Award 2007 is sponsored by SCA.

The deadline for entries is 31 August 2007.

Angelika Christ Leads FEFCO

FEFCO's board of directors unanimously elected Mrs Angelika Christ to become the next Secretary General of the European Federation of Corrugated Board Manufacturers. She took up her new post on 1 June 2007. She took over from Mr Anders Hildeman of SCA, who has been acting Secretary General since Wim Hoebert left the federation on 1 February 2007. Mrs Christ (54) has been the Director General of the German Corrugated Board Association (VDW) for the past ten years. She graduated in economics from the University of Cologne in 1979 and worked for the Association of German Chemical Industries (VCI) in Frankfurt for 16 years.

Mrs Christ is closely involved in FEFCO's activities. She was appointed as Treasurer in 2003.



Angelika Christ

Anders Hildeman: New Secretary General of CITPA

Anders Hildeman has been the Secretary General of CITPA, the Federation of European Paper Converters, since February 2007. He has been based in Brussels as the SCA's Senior Vice President for Public Affairs for five years.

What are the main issues CITPA is dealing with at the moment?

Mr Hildeman: CITPA is active in regulatory affairs where we focus on issues that are close to the market in environmental and product safety legislation. The main issues in the regulatory affairs arena are the revision of the waste framework directive, the development of specific measures for food contact for paper and board and finding a common definition of the carbon footprint of paper products and packaging.

What are the benefits and challenges of working with the whole value chain in paper packaging?

Mr Hildeman: The obvious benefit is that the paper industry can speak with one voice towards the EU institutions. Another benefit is that paper manufacturers and paper converters can support each other on their respective key issues and available competence is used in an efficient way. But priorities sometimes differ and they can even conflict. The links between upstream and downstream parts of the paper, board and packaging industries are strong though. Forums like the Paper Packaging Coordination Group, the Food Contact Strategy Group and the recently established group on carbon footprints are good examples of successful cooperation.

What are your views on the "material wars" we have had in the past? Could we finally see materials working more together for common goals or benchmarking against each other?

Mr Hildeman: I believe that, as long as we have different materials that can deliver the same required performance for a certain application, there will always be competition. Even if we occasionally see initiatives where paper is under attack from other material sectors, most organisations are acting more sensibly today. We have learned that the Life-Cycle-Analysis (LCA) can only yield part of the information needed for a customer to decide on packaging solutions. Furthermore, many applications use combinations of materials, which highlights the need to focus on functionality.

Where can paper packaging improve Sustainable Development?

Mr Hildeman: Most of the environmental impact lays in the manufacturing of the base material, i.e. the paper. The most crucial aspect of packaging is to minimise the amount of material needed to perform the task it has been designed for – protecting the goods. Product loss potentially carries a much higher environmental impact than over-packaging. Another aspect in sustainability is to make use of printing inks, glue and material combinations that do not impede recycling.



Anders Hildeman

Promoting Recycling in Italy

Italy, is organising a national tour of the PalaComieco in cooperation with Assocarta and Assografici. The roadshow will focus on paper and board recycling, provide entertainment and raise awareness about environment protection and sustainable development issues.

The event provides information about the paper manufacturing process and paper and board packaging while drawing the public's attention towards the issue of separate waste collection. At each stop, the PalaComieco offers four days of entertainment and information related to the paper world, taking school classes and families through the different steps of the paper recycling process.

A 3D-video is shown inside one of three futurist inflatable spheres, using a new production technique that allows the visitors to feel the excitement of a "box's life". Children and adults, equipped with 3D-goggles, follow the adventures of the paper and board super-heroes that – if properly recycled – become invincible and come back to life.

The tour started in 2005 with more than 35,000 people in 17 cities - including Rome, Milan, Florence, Naples and Turin – taking part in that year. Fifteen more locations are scheduled to be included in the 2007 roadshow.

Explaining the different steps in paper recycling at the PalaComieco



Comieco

Visitors watching the 3D-video show



Sustainable Packaging Coalition

The Sustainable Packaging Coalition (SPC) held its annual meeting in Brussels, Belgium, from 21 to 23 March. Twenty-five speakers, including Jori Ringman from CEPI and Anders Hildeman from CITPA, addressed the audience on issues of legislation, producer responsibility, sustainability reporting, life cycle inventory and analysis (LCA) plus innovative technologies in paper recovery.

Key lessons learnt included the appropriate use of LCA to guide decision-making, the significance of the environmental footprint of product packaging and the importance of educating consumers on the role and value of packaging and materials. The meeting delivered a clear message that the path to more sustainable packaging includes effective cooperation along the entire supply chain

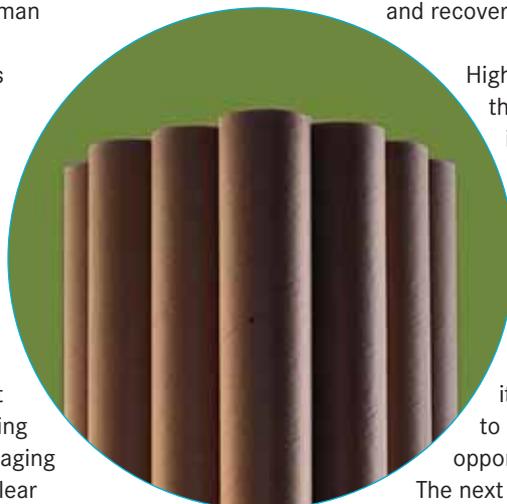
from the sourcing of materials over the design to collection and recovery.

Highlights of the conference included tours of a paper recycling mill, a 100% green electricity distribution centre and a waste-to-energy plant.

The coalition focuses on providing education, tools and resources for its members. Founded in 2004, it holds two meetings every year to provide education and networking opportunities for SPC members.

The next meeting will be limited to members only and is scheduled for 25 September 2007 in Pittsburgh, USA.

www.sustainablepackaging.org



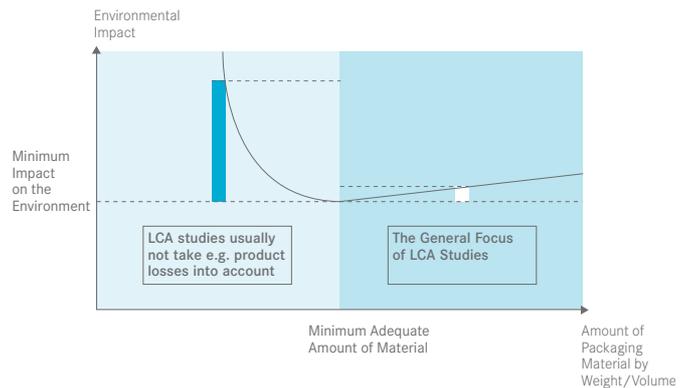
Packaging in LCA Studies

When evaluating the environmental impact of packaging systems, equal attention must be paid to packaging functionality and product losses as to the rest of the packaging value chain.

In environmental analyses of packaging, wood fibre based products must be looked at in terms of their sustainability, taking the environmental and social impact in relation to the functionality of the product into consideration. The challenge is that a few grammes of packaging material are considered an environmental problem while one kilogramme of rotten tomatoes is not. This view of packaging will make an efficient use of the most beneficial function of packaging – to protect the product – difficult.

Product losses appear throughout the whole supply chain, but many LCA studies (Life-Cycle-Analysis Studies) neglect these losses. The environmental impact related to the loss of products needs to be compared to the general environmental impact of packaging systems to obtain a balanced view on its effect on the environment.

LCA studies should balance burdens against benefits



Sustainable packaging is being further studied in the current EU project, Sustainpack, which is a 30 million euros project coordinated by STFI-Packforsk (www.sustainpack.com).

European Consumers Prefer Paper Packaging

A recent IPSOS survey reveals that nine out of ten European consumers prefer paper-based packaging or labels over other substrates. Consumers reacted very positively to the environmentally friendly aspects of paper. They know that paper is made from a renewable resource that it is biodegradable and to a large extent recycled after use.

The survey was designed and carried out by IPSOS, a global survey-based research company, who interviewed almost 8,000 individuals in seven major European countries.

Download the survey results on the PaperPlus website www.paperplus.org under “Publications”.

Paper Packaging Coordination Group

The Paper Packaging Coordination Group (PPCG) represents the whole chain of paper-based packaging. The group coordinates communications and advocacy of paper and board packaging in Europe. At the moment PPCG consists of 15 industry organisations¹.

PPCG secretariat can be reached by email at s.ashmead@cepi.org and by phone in +32-2-627 49 13

Contact for PPCG is CEPI, Avenue Louise 250, Box 80, 1050 Brussels, Belgium

¹ Currently the following organisations participate in the PPCG:

CEPI Confederation of European Paper Industries, **CEPI CARTONBOARD** Association of European Cartonboard and Carton Manufacturers, **CITPA** International Confederation of Paper & Board Converters, **ACE** Alliance for Beverage Cartons & the Environment, **ECMA** European Carton Makers Association, **ECO** European Containerboard Organisation, **EMBALPACK** European Association of Makers of Packaging Papers, **ESBO** European Solid Board Organisation, **CEPI EUROKRAFT** European Kraft Paper Producers for the Flexible Packaging Industry, **EUROSAC** Fédération Européenne des Fabricants de Sacs en Papier à Grande Contenance, **FEDES** European Flexible Packaging Federation, **FEFCO** European Federation of Corrugated Board Manufacturers, **GROUPEMENT ONDULE** European Association of Makers of Corrugated Base Papers, **PROCARTON** European Association of Carton and Cartonboard Manufacturers, **PAPERPLUS** Speciality Paper Manufacturers Association

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