This is the final report for the commitment period of the 2nd European Paper Recycling Declaration 2006-2010. Since 2004 the recycling rate has increased by 10% points due in part to the excellent work of the European Recovered Paper Council (ERPC).

The economic recession which started in late 2008 continued in 2009 and 2010. As with any other statistics, those years should not be considered representative for the European paper recycling rate. Although paper consumption in 2010 was not as low as the year before (equal to consumption level of 1997), it was still much lower than before the economic recession started. As the recycling rate is the ratio between the recycling and the consumption of paper, the abnormal fall in consumption – whereas the recycling continued at high levels – resulted in unexpectedly high recycling rates both in 2009 and 2010. This effect will even out in the coming months and years and the paper value chain will return to the normal trend.

The 2010 European paper recycling rate of 68.9% is higher than the target set by the ERPC, and the group is proud to report on impressive work completed to reach it, following the commitment it first made in 2000 to increase paper recycling in Europe.

As the 2010 Monitoring Report is being published, a new ambitious commitment for 2011-2015 is being prepared, keeping the industry on its path to meet ambitious targets of recycling paper at a steadily increasing rate in Europe.

For the commitment period of 2006 to 2010, PricewaterhouseCoopers has independently verified the calculation of the recycling rate using the International Standard on Assurance Engagements ISAE 3000 (see report on page 7). In addition to the quantitative progress, a lot of qualitative work was done to establish an eco-design towards improved recyclability and in the area of waste prevention. You can read more on pages 4 and 5, including a concise summary of the past 5-year period. The past five years gave the ERPC an opportunity to learn how to work better together, growing stronger as a value chain.

Brussels, 27 June 2011

Ulrich Höke
Chairman

Jori Ringman
Secretary
Recycling Rate 2010

The recycling rate in Europe reached 68.9%1 in 2010. The total amount of paper collected and sent to be recycled in paper mills came to 58 million tonnes, the same as the previous year, but an increase of 5.8 million tonnes since 2004, the base year for the current target the industry has set itself for increasing recycling in Europe.

A net volume of 8.4 million tonnes (or 15%) of the total 58 million tonnes was exported for recycling in third countries outside the commitment region of EU-27 plus Norway and Switzerland.

Data Quality
Progress in Qualitative Targets

By joining the European Declaration on Paper Recycling, European Recovered Paper Council (ERPC) members committed themselves to carrying out qualitative actions, in particular by using the eco-design of paper products, to improve the recycling rate by 2010. The members represent 14 sectors along the paper value chain. In 2010, as in the previous 4 years, ERPC members dedicated a substantial amount of their time to several initiatives that will facilitate the recycling process and increase recycling activity.

Collection
ERPA members have, through their national associations, organised meetings with various industry partners and, in some countries such as Hungary, competent authorities in order to improve collection systems and develop incentive programmes. Additional sorting lines, machines and equipment were invested in and quality management systems were developed in many companies to produce higher grades of recovered paper for paper recycling in EU mills and in third countries.

CEPI and ERPA were actively advocating for separate collection of paper as many countries were in the stage of transposing the Waste Directive into national legislation.

FINAT promoted, together with various partners, a European-based recycling solution in Austria as an alternative for an existing outlet overseas. This initiative came on stream in 2010. FINAT’s efforts to find partners for the collection, desiliconisation and recycling of paper release liners and to raise awareness within the market about the availability of recycling solutions continue.

Ecodesign
INGEDE was in charge of the preparation of a database about removability of adhesive applications and the development of a scoring system.

INGEDE negotiated a cooperation agreement with Digital Print Deinking Alliance (DPDA) in order to carry out at least one common project per year.

The national magazine publishers’ association in the UK, PPA, has continuously exceeded the Government’s target of a 70% recycling rate and renegotiated its agreement with Defra to better reflect the industry’s clear emphasis on environmental policy. This has enabled PPA to invest in further initiatives aimed at mitigating the environmental impact of producing magazines.

The French publisher Lagardère Active has implemented a policy of responsible management of paper throughout the chain, from the purchase of certified paper to recycling, optimising magazine sizes and weight and reducing unsold issues by adjusting the quantities supplied and recycling what is not sold.

FEICA made a second survey confirming that DIBP has by and large been phased out by the adhesives and sealants industry for use in the manufacture of all paper applications.

Most ERPC members invested a significant amount of resources to solve the problem of mineral oil hydrocarbons migrating to food from packaging. While the paper and packaging part of the paper industry is actively taking steps to eliminate mineral oils in applications that it controls directly, the entire paper industry believes that eliminating the root cause of mineral oils in the paper recycling chain is the most efficient option. The cooperation and commitment from all parties involved in the paper value chain is essential if we are to completely remove unwanted substances from the recycling system and meet our recycling goals.

Research and Development
INGEDE contracted research institutes to carry out several projects in the field of recyclability. One was the survey of the removability of adhesive applications which was co-funded by ERPC members FEICA and FINAT, as well as by the German association bvdm. Another project dealt with the simulation of the deinking process in laboratory scale, particularly for the treatment of cross-linked and cohesive inks. A third project covered the quality of the loop water in deinking plants with respect to water-based inks.

INGEDE worked on a revision of several of their methods for testing recycled pulp and recyclability and issued two new methods.

FEICA, together with other partners in an EU-funded project, “Migresives,” developed a pragmatic, science-based concept to ensure consumer safety related to adhesives used in food contact materials. A freeware multilayer modelling software was developed and is available to all stakeholders and an extensive programme of workshops and training has been carried out. CEPI, CITPA and FEICA are actively participating in a 4-year multi-sector EU project, “FACET,” which aims at producing realistic modelling of the exposure of consumers to substances present in food.
An Italian member of ETS, Lucart, has started up a €10 million line for “eco-tissue”. The first of its kind in Italy, the new line uses unbleached recycled fibres from used beverage cartons and produces comparable quality to virgin products. The technology allows the plastic and aluminium content in the containers to be recycled without the use of substances harmful to humans or the environment. This ‘Eco Natural Lucart’ project was recognised as one of the best projects for the Legambiente 2010 prize for environmentally-friendly innovation.

**Education and Information**
Awareness raising on recycling is an important tool to ensure that European citizens are informed about the necessity of recycling and become active supporters of the recycling process. Numerous magazine publishers across Europe have organised awareness campaigns and sensitisation on this topic for their readers through editorial content and for all employees of their publishing houses. The information is not limited to recycling of printed magazines but gives advice on recyclability in general. One example was in France where Lagardère Active organised public awareness campaigns in partnership with EcoFolio, the French producer responsibility organisation. Intergraf has actively supported recycling in various communications.

CEPI redesigned and revised the ERPC website at [www.paperrecovery.eu](http://www.paperrecovery.eu)
Paper Value Chain

This flowchart illustrates the different tasks involved in paper recycling, creating the paper value chain. The manifestation of the paper value chain is the European Recovered Paper Council (ERPC).

Glossary

- **Consumption of paper and board**: internal deliveries to particular countries plus imports from countries outside this list of countries.
- **Europe**: for the purposes of the Declaration, ‘Europe’ means the 27 EU member states plus Norway and Switzerland.
- **Net trade in recovered paper**: the difference between recovered paper exports to and imports from the defined area.
- **Recovered paper**: used paper and board separately collected and, in general, processed according to the European List of Standard Grades of Recovered Paper and Board (EN 643).
- **Recycling**: the reprocessing of recovered paper in a production process into new paper and board.
- **Recycled paper**: new paper and board where fibres originate from recovered paper.
- **Recycling rate**: the ratio of recovered paper utilised for recycling including recovered paper net trade, and paper and board consumption.
- **Utilisation**: the use of recovered paper in a paper mill while producing recycled paper.
To the Managing Director of CEPI

Assurance report on the calculation of the paper recycling rate in Europe for 2010 in the Monitoring Report 2010

Engagement and responsibilities
We have been engaged by the Managing Director of CEPI to issue an independent report on the calculation of the paper recycling rate in Europe over 2010 as presented on page 3 of the European Declaration on Paper Recycling 2006-2010 Monitoring Report 2010.

Management of CEPI is responsible for the preparation of the paper recycling rate over 2010 in the Monitoring Report 2010. The paper recycling rate is calculated by CEPI based on information received directly from CEPI member associations, directly from individual companies, or in specific circumstances based on estimates provided by paper industry consultants.

It is our responsibility to form an independent opinion on the accurate calculation of the paper recycling rate over 2010 as presented on page 3 of the Monitoring Report, based on the work we have performed.

Limitations in our scope
The scope of our assurance engagement as described above does not include an assessment of the reliability of the underlying data provided to CEPI – by the CEPI member associations, individual companies and industry consultants – nor does it include an assessment of the calculation of the paper recycling rates for the years 1995-2005 as presented on page 3 of the Monitoring Report.

Criteria
The paper recycling rate in Europe is defined by CEPI on page 6 of the Monitoring Report 2010. We consider the reporting criteria for the European paper recycling rate to be relevant and sufficient for our engagement.

Scope and procedures performed
We conducted our reasonable assurance engagement in accordance with Dutch Law, including Standard 3000 ‘Assurance engagements other than audits or reviews of historical financial information’. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the European paper recycling rate over 2010 on page 3 of the Monitoring Report 2010 is accurately calculated.

Our procedures included:
• interviews with CEPI management to obtain an understanding of the procedures and methods applied for data collection, estimations and calculation of the paper recycling rate;
• reconciliation of the data used for the calculation with data provided by CEPI member associations, individual companies and estimates from paper industry consultants; and
• recalculation of the paper recycling rate over 2010.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion
Our opinion has been formed on the basis of the procedures performed and is subject to the limitations outlined in this report. In our opinion, the European paper recycling rate over 2010 presented on page 3 of the Monitoring Report 2010, is accurately calculated, in all material aspects, in accordance with the CEPI reporting definition for the European paper recycling rate.

Restriction on use
This report is addressed to the Managing Director of CEPI only and was prepared on CEPI’s instructions as set out in our terms of engagement with them. Notwithstanding our consent to the inclusion of this report in the Monitoring Report 2010, our report remains addressed to the Managing Director of CEPI to whom we owe a duty of care under the terms of our engagement. Consequently, we do not accept or assume and deny any liability or duty of care to any third parties who may wish to rely on this report.

Amsterdam, 27 June 2011
PricewaterhouseCoopers Accountants N.V.
Original has been signed by J. van der Hilst RA
European Recovered Paper Council

Signatories

www.cepi.org
www.paperrecovery.eu

www.erca.info

www.ingede.org

www.fepe.org

Supporters

www.eadp.org

www.enpa.be

www.faep.org

www.finat.com

European Recovered Paper Council (ERPC)
c/o CEPI aisbl
Avenue Louise 250
Box 80
B – 1050 Brussels

Tel: +32 2 627 49 19
Fax: +32 2 646 81 37
erpc@cepi.org
www.paperrecovery.eu

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