

Cepi reaction to the Sustainable Products Initiative

The Confederation of the European Paper Industries (Cepi) and its Members welcome the European Commission's Sustainable Products Initiative, acknowledging the importance of ensuring more sustainable products can support Europe's transition towards a more circular economy and a climate neutral society, hence contributing to the achievement of the goals set under the European Green Deal.

The European paper industries are already actively supporting the development of products fit for a climate neutral, resource efficient and circular economy, while reducing waste generation and increasing resource efficiency. As the European Commission is setting a legislative framework that will allow Europe to become the first climate neutral continent by 2050, **it is important to recognize, protect and enhance the crucial role forests and forest-based products have as a natural way to reduce emissions.**

Overarching sustainability criteria: We welcome the establishment of overarching product sustainability criteria aimed at minimizing the negative environmental and social impacts of products and of the relevant processes. However, we also believe that a one size fits all approach will not be effective in delivering the systemic change the Green Deal strives for. Different products serve different purposes and have different impacts. For this reason it is of uttermost importance to recognize that overarching sustainability criteria will need to be followed up by **product specific approaches**, that need to be aligned with, or addressed by already existing legislative frameworks, such as the risk-based approach for forest biomass applied in the RED II sustainability criteria for biomass and the Packaging & Packaging Waste Directive (PPWD) for packaging. We believe compliance is more easily achieved if legislation is as clear, predictable and as easy to administer as possible. Long-term predictability also creates the conditions for industry to meet new requirements, make investments and develop new innovations. Additionally, it is important to point out that overarching sustainability criteria will only be effective and drive real change when applied to EU products that are produced in the EU, as well as imported products in order to ensure a level playing field.

Design for sustainability: Keeping in mind that 80% of all product-related environmental impacts are determined during the design phase of a product, we recognize that it is essential to strive for increased sustainability during this specific phase. However, we also believe it is important to maintain a holistic approach and ensure that more sustainable choices are taken, while also properly accounting for considerations, such as product and consumer's safety. It is important to recognize that not all products are made to be repairable or re-usable. That sometimes to increase efficiency and safety it is preferred to avoid products that can be assembled and that in some cases, comparing the overall impact of single use vs re-usable products, single use alternatives proved to have a lower overall impact on the environment. A Life Cycle Assessment (LCA) study¹, conducted by engineering consultancy Ramboll for the European Paper Packaging Alliance (EPPA) demonstrated the significant environmental benefits of single use products compared to re-use systems, particularly in saving carbon emission and freshwater consumption. Single use and re-use products made from renewable resources should be seen as complementary and not competing solutions for a more circular economy. This has been highlighted by the current pandemic, where certain single-use products played a critical role especially in the health, food and food service sector. As different products are designed for different purposes, we again reiterate the need for a product specific approach. When it comes to packaging for instance, we would support the development of fit for purpose packaging solutions, which are designed, produced and used in an optimised way, without compromising on functionality, while using a minimum amount of resources and having minimum impact on the environment during the production, the usage and end-of-life phase (reuse and recycling).

Sustainable sourcing of raw materials: Although we recognize the importance of reducing the footprint of primary raw materials consumption, we would like to encourage the Commission to differentiate between fossil based primary raw materials and renewable raw materials. **The Commission recognized that the bioeconomy can be a catalyst**

1: <https://www.cepi.org/press-release-new-study-shows-that-paper-based-single-use-packaging-can-have-a-better-environmental-impact-than-reusable-packaging/>

for systemic change, tackling the economic, social and environmental aspects of the Green Deal, seeking new ways of producing and consuming resources while respecting our planetary boundaries. This should not be forgotten while striving for more sustainable products.

The European paper industries are committed to the responsible and transparent sourcing of raw materials. To be considered sustainable, wood-based products need to come from sustainably managed forests. The sourcing of forest biomass is framed by the EU and national forest & nature policies and legislations as well as market-based certification systems (i.e. FSC and PEFC certifications) in place. European forest and forest-based industries have been striving to find equilibrium between biodiversity preservation, climate protection and economic output. Thanks to sustainable forest management, Europe can proudly claim that it currently has more forest resources than it did a century ago. The forest area in Europe expanded by 19.3 million ha over the last 30 years². Total wood harvesting in the EU accounts for less than the annual growth rate of forests, hence actively increasing the carbon stock of our forests and providing habitats for species important to biodiversity.

Principle of management for circularity: We believe that the Commission should acknowledge that materials from renewable sources, that are able to build an efficient recycling system, should be prioritized as building blocks of the new circular economy. The European pulp and paper industries have developed a “recycling environment” which allowed us to reach relevant recycling targets and to be not far from reaching the physical limit. In 2019, 57.5 million tonnes of paper and board were collected in Europe and recycled by the paper industry, reaching an overall recycling rate of 72%³.

The paper industry together with its partners in the paper recycling value chain already developed a system where there is a healthy market demand for paper for recycling and the different qualities are used in the paper industry segments where it is most efficient to use them. Additionally, to maintain the integrated paper cycle and produce safe and high-quality paper-based products made of recycled content, the need to add fresh fibres to recovered ones can arise. The paper and board value chain need both fresh fibres and recycled fibres, and a continuous flow of fresh fibres into the recycling loop. In this context, we strongly believe that the introduction of an EU-wide mandatory requirement for recycled content in specific paper fibre based products, would challenge an industry, already championing recycling, as collected material would be artificially diverted to be used to certain products and regions, leading to a lack of them in other products or regions. A mandatory recycled content requirement would only hamper the current recycling systems as North European producers, limited with small domestic population, would have to import recycled fibres from continental Europe, where larger population contribute to have more material to be collected for recycling. However, this would be a zero-sum game, only increasing transport-related costs and emissions of materials that would get fully recycled anyhow. Paper recycling could be much better supported by further developing a high-quality separate **collection system and supporting the industry in the management of unavoidable recycling residues.**

Digital Product Passport: We believe that the option of introducing a digital product passport (DPP) for products currently considered by the Commission, could be an effective tool to facilitate communication along the value chain and ensure that the value of information, materials and products does not get lost. Information gaps, as identified in the Circular Economy Action Plan, are a key negative externality that needs to be addressed to make sustainable products the norm. If properly designed and implemented, DPP could bring added value, addressing issues such as low rates of repair and maintenance, unsustainable consumption patterns or poor recycling and recovery of materials. However, before moving forward with this approach, it is essential to ensure specific product categories and a smart questioning mechanism, behind the information displayed, can be properly set up to. We believe the support of concerned stakeholders will be essential in the development of product specific information requirements. Other important elements to keep in mind are the sensitivity of information, to ensure that the disclosure does not hinder a company’s intellectual property or reveal confidential information. DPPs should not duplicate or overlap with existing initiatives, but rather build on them. This could be achieved for instance by ensuring the DPP includes product information, such as the possession of the EU Ecolabel or FSC and PEFC certifications, which already provide sustainability related information. Additionally, it is important to ensure that challenges related to data availability and digital barriers, are properly accounted for before extending the scope of the DPP itself. Additionally, it is important to highlight that if DPPs were to be applied to EU manufactured products these should equally apply to imported products. The addition of DPPs on products will inevitably create extra costs so care should be taken to manage these without jeopardizing the economic resilience of operators including SMEs. Finally, the environmental information displayed should be coordination with the Green Claims legislative proposal.

2 : https://foresteurope.org/wp-content/uploads/2016/08/SoEF_2020.pdf

3 : <https://www.cepi.org/key-statistics-2019/>

Setting performance requirements based on the use of the Product Environmental Footprint method: Cepi agrees with the Commission that currently many products related externalities and impacts are not properly accounted for, thus hindering the transition towards more circular patterns of consumption and production. To overcome such problems and effectively support the sustainability commitment of our Members, our organization launched in July 2020 a PEF SME tool, fully based on the Intermediate Paper Product PEF Category Rules (PEFCR) for intermediate paper products, which are the most complete of any EU PEF Pilot Category Rules. Being active users of the PEF, we would take the opportunity to highlight some areas that could be improved before mainstreaming its use. (1) Further development of the land use impact methodology that reflects sustainable forest management realistically and the circularity formula; (2) Setting of rules on how intermediate product footprint results will be linked to the final product calculations; (3) Updating data for several product categories; (4) Applying the same methodology for EU products and imports.

Sustainable products and hazardous substances: Considering the scope extension of the Ecodesign Directive, the Commission is considering a restriction on hazardous substances. While we firmly believe the ability to ensure consumer protection should be the sine qua non before placing any product on the internal market, we think that product safety should be assessed by the existing legislation, such as REACH, rather than overarching frameworks. Additionally, it is important to keep in mind that not every hazardous substance represents an actual risk to consumer's safety and that following a hazard-based approach will only decrease the competitiveness of European industries, whilst not providing additional benefits to European citizens.