

THE BEVERAGE CARTON INDUSTRY SUPPORTS EU ACTION TOWARDS DEFORESTATION-FREE PRODUCTS

The Alliance for Beverage Cartons and the Environment (ACE), welcomes and supports the EU Commission's proposal for a [regulation on deforestation-free products](#) and reducing the EU's impact on global deforestation and forest degradation. The proposal is part of a broader plan outlined in [the 2019 Commission Communication on Stepping up EU Action to Protect and Restore the World's Forests](#).

ACE supports the aim of the proposal, 'deforestation-free' products and reducing the EU's impact on global deforestation and forest degradation.

Due diligence should incorporate third party certification

The EU has long experience implementing regulations preventing illegally logged timber through the EU Timber Regulation. This proves that the EU is a successful player in using regulation to stimulate better forest governance in trade partner countries. We support the aim of due diligence requirements and propose that existing sustainable forest management practices (such as FSC and PEFC) can be part of the due diligence systems. This can help to minimize the risk to put a disproportionate administrative burden on forest products from within the EU, given that the main focus is on global deforestation associated with agriculture.

With that said, ACE wants to address that any legal limitations of trade secrets and competition law should be considered carefully when it comes to disclosure, publication and transparency of the data. Companies have an obligation under [Article 101 TFEU](#) not to disclose competitively sensitive information. Companies also include confidentiality clauses in their purchase/sales agreements to protecting trade secrets as recognized in the Directive (EU) 2016/943 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure and in national trade secret laws. Should the new regulation oblige companies to disclose this information, the balance between these different obligations needs further elaboration.

Focus on agriculture, the real driver of deforestation

ACE wants to underline that for this new regulation to make a real difference, it is important to focus on the real drivers of deforestation, which is mainly agriculture. A recent [international assessment](#) by the Food and Agriculture Organization of the United Nations (FAO) confirms that agricultural activities account for 90% of global deforestation and is mainly a problem outside Europe.



Endorse internationally agreed definitions

When setting requirements on the EU legal framework to tackle global deforestation and forest degradation, it is crucial to endorse internationally agreed, well-established definitions. Here we are fully supporting the European association representing the paper industry ([comments](#)). In particular, key terms such as forest, deforestation and forest plantation should be defined exactly as [in FAO Global Forest Resources Assessment Terms and Definitions](#). This approach would facilitate uniform enforcement and would ensure consistency within the large set of EU legal and policy framework. Deviation from these definitions, however partial or limited, risks to result in misalignment with international agreements and other areas of EU policy, for example the climate legislative framework, where forest plantation counts as forest land in GHG accounting categories.

Forest degradation is not defined in the FAO Forest Resources Assessment, which refers to national definitions and criteria only. The assessment of forest degradation as the reduction of the capacity of a forest to provide goods and services ultimately depends on the weighting given to different criteria (e.g. species diversity, production capacity, protection capacity), which is context- and ecosystem-dependent and should be addressed at a suitable, e.g. national level

Adding such concept opens up to different interpretations and risks addressing sustainable forest management practices, while the problem is conversion to other land uses. Therefore, the definition of “deforestation-free” should be aligned with the FAO definition of deforestation. The inclusion of forest degradation in the definition of “deforestation-free” puts a disproportionate burden on wood commodities, while the main drivers of deforestation are agriculture commodities.

Paper based packaging such as beverage cartons are:

- Crucial for using the whole tree in a resource effective way. All different types of products are produced from different parts of the same tree.
- Produced from pulpwood and by-products from the production of construction products. The circularity exists at sourcing by regrowing new trees after harvesting and end-of-life by circulate the fibers into new products. This is a unique asset of paper-based products.
- Made from fibres sourced from sustainably managed forests and are certified against globally recognized certification schemes such as FSC and PEFC. This guarantees that forests’ biodiversity is maintained notably through measures such as the preservation of areas of high conservation value and that new trees are always planted after harvesting.

In March 2021, ACE launched the industry’s 2030 Roadmap which outlined its commitment to forest and biodiversity issues amongst others: to increase carbon sequestration, enhance biodiversity and increase forest growth. To view these and the rest of the commitments and targets presented in the Roadmap, please visit ACE’s [website](#).



ABOUT ACE

ACE – The Alliance for Beverage Cartons and the Environment – provides a European platform for beverage carton manufacturers and their paperboard suppliers to benchmark and profile beverage cartons as a safe, circular, and sustainable packaging solution with low carbon benefits.

ACE members include beverage carton producers Tetra Pak, SIG Combibloc, and Elopak. They develop, manufacture, and market safe, circular, and sustainable systems for the packaging and distribution of food and beverages and produce packaging material at 20 plants in Europe. Around majority of the paperboard used by ACE members to produce beverage cartons in Europe is produced by Stora Enso in Sweden and Finland, and BillerudKorsnäs in Sweden who are also members of ACE.

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