



DEEP DIVE:

THE DRIVING FORCES BEHIND CIRCULARITY

The visions and directives that will
guide us towards a more circular economy

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FROM LINEAR TO CIRCULAR

At the rate we are going today, we need 1.75 planets to provide for the natural resources we consume and to absorb our waste. Unless we implement some dramatic changes, we will need two planets by 2030 and three in 2050. As most of us know this is not sustainable and great efforts are now being made to do something about it. This deep dive will go through the driving forces behind circular packaging strategies and why it is relevant for you as a brand.

The main reason for this unsustainable use of resources is that we today are working according to a linear “take-make-waste” industrial model. The Ellen MacArthur Foundation has been promoting the idea of a circular economy for more than a decade, playing a key role in introducing research and information to the public, governments and businesses around the world, and driving the dialogue on how we look at products and materials today. The Foundation summarises a circular economy according to three key principles:

- Design out waste and pollution
- Keep products and materials in use
- Regenerate natural systems

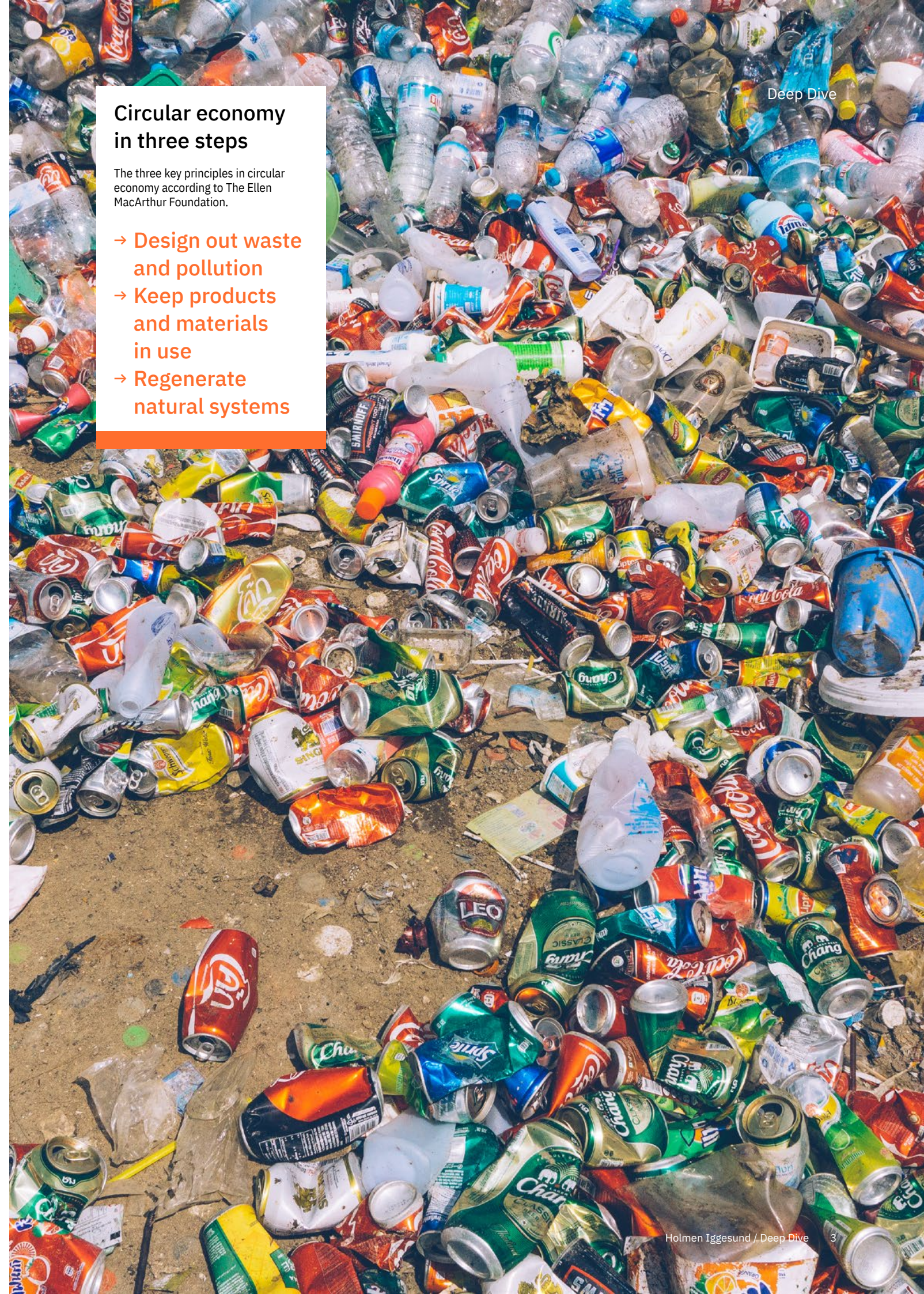
Other frameworks are Cradle to Cradle, which looks at design, production use and return. The end goal is a world without waste. The prerequisite is that all materials can be recycled or returned to the biological cycle after use.



Circular economy in three steps

The three key principles in circular economy according to The Ellen MacArthur Foundation.

- Design out waste and pollution
- Keep products and materials in use
- Regenerate natural systems



POWERFUL CLIMATE VISIONS



A EU priority

In 2020, the European Commission introduced its new agenda for sustainable growth: the European Green Deal. It is President of the European Commission, Ursula von der Leyen's number one priority. Described as the EU's 'man-on-the-moon initiative', the goal is to make the EU climate neutral by 2050, reduce emissions with 50 per cent by 2030, create new jobs and protect Europe's ecosystems and biodiversity. The Green Deal will act through a framework of action plans and regulations and is supported through a EUR 1 trillion 'war chest' budget.

USA and China has ambitious goals

Several of the bigger and influential nations have communicated climate-neutral visions. With President Biden's win, the US now aims to be climate neutral by 2050 and China, the world's biggest source of carbon dioxide, communicated that

they will be carbon neutral before 2060. President Xi Jinping's new five-year plan has been updated to include an increase in non-fossil fuel sources in its energy mix. Non-fossil fuel sources should be 20 per cent in 2021–25, up from 15 per cent in China's earlier five-year plan.

Plastic pollution free Indonesia

Indonesia has communicated plans to be entirely plastic pollution free by 2040. Indonesia is essentially an enormous archipelago and its waters represent a major strategic, economic and cultural resource for the country, so it is not surprising that President Widodo has an ambitious action plan to fight against the unsustainable level of plastic waste ending up in rivers and oceans.

The European Green Deal is EU's plan to become the first climate neutral continent by 2050.

A MUST FOR BRANDS

Pressure on a more sustainable approach is coming not only from governments and NGOs, but also from consumers and investors.

The transformation towards circularity is happening and all industry sectors and businesses are being affected by some degree.

Blackrock, one of the world's largest investment firms, communicated early in 2020 that it will put environmental and social priorities at the centre of its investment strategy. This means that Blackrock will only invest in companies that are aligned with the Paris Agreement on global warming. A global consumer study from IBM in 2020 showed that 57 per cent of all the respondents are willing to change their purchasing habits to help reduce negative impact on the environment. 71 per cent of those surveyed responded that traceability of products is important and that they are willing to pay a premium for brands that provide it. A study from BCG in July 2020 found that 70 per cent of the respondents are more aware now than prior to COVID-19 that human activity threatens the climate and that degradation of the environment, in turn, threatens humanity. 40 per cent responded that they intend to adopt more sustainable behaviour in the future.

The increased commitment to sustainability is a fact, so as a brand you cannot sit this out. Sustainability has gone from a 'nice to have' to a 'must have' and brands need to excel in it.

EU has an action plan

One of the most important blocks of the European Green deal is the new Circular Economy Action Plan (CEAP) targeting several industries including packaging. There is concern within the EU that the amount of packaging is increasing despite several initiatives, and it is estimated that we today generate 173 kg packaging waste per inhabitant and year. The following focus areas have been identified to ensure that all packaging placed on the EU market is reusable or recyclable in an economically viable way by 2030:

- Reducing (over) packaging and packaging waste
- Design for re-use and recyclability of packaging
- Reducing the complexity of packaging materials

The focus of CEAP is to make sustainable products the norm, avoiding waste altogether or transforming it into high quality secondary resources, and to create a more viable market for secondary raw materials. CEAP will have influence over several policies, legislations, and directives.

EU are willing to invest a lot of money into research and development of new biobased innovations and solutions. The EU bioeconomy strategy contributes to the European Green Deal and aims at boosting biobased sectors through unlocking investments and markets, deploying innovative biobased solutions, and developing substitutes to plastics that are biobased, recyclable and marine biodegradable. Sustainable forestry play a key role here, and have an opportunity to take the lead when it comes to enabling a move from a fossil based to a biobased economy.

Circularity is happening now and if we work smarter and more consciously with our business models, systems, and packaging value chains, we can not only make sure that we meet future requirements from legislation but also position our brands as a leading and future-proof businesses.





THE EU DIRECTIVES ALREADY IN PLACE

The EU is taking a leading position globally and will ramp up its ambition to reduce packaging waste. New directives, such as the Single-Use Plastics Directive, have already been introduced and upcoming revisions on existing directives are in the pipeline. What we can expect are more stringent rules to support the increase of waste recycling but also incements to support the creation of a circular economy.

→ Circular Economy Action Plan

Mandatory requirements on recycled plastic content and plastic waste reduction measures by 2021/2022. Guidance for a harmonised model for separate collection of waste and labelling by 2022. Policy framework for bio-based plastic and biodegradable or compostable plastics by 2021.

→ Waste framework directive 2008/98/EC

Extended producer responsibility (EPR) established in all member countries by 2025.

→ Packaging and packaging waste directive 94/62/EC

Updated in 2018 with new recycling targets year 2025 and 2030 for each packaging material. Update/strengthening of the Essential Requirements by 2021.

→ Landfill directive 1999/31/EC

→ Plastic strategy 2018

All packaging placed on the market can be reused or recycled in a cost-effective manner by 2030.

→ Single use plastic directive (start 2021 with amendments until 2026)

Delay in implementation, awaiting definitions and guidelines. EPR schemes for beverage cups and food containers in place by 2025

→ Plastic Tax (2021)

New tax on nonrecycled plastic packaging waste effective from January 1st, 2021

What exactly is a directive?

A directive is a legislative act with objectives that all members of the EU must meet within the defined timeframe. How the respective member nations achieve the targets is up to each nation, and they can also set a more ambitious target such as in the case of France when it comes to the Single-Use Plastics Directive. Simplified, the EU sets the target, and the member nations decide over the means and implementation.



Do you want more information or
discuss possible solutions?

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Want to know more about
the design aspects of circularity
or transparency in sourcing?

Go to iggesund.com/unbox
for more deep dives.

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and partners to be part of
creating the next generation
of sustainable packaging
solutions and graphical
applications together with us.

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sustainably managed forests
to ensure a renewable material
for centuries to come.

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