

DEEP DIVE:

TRANSPARENCY IN SOURCING

How to choose materials and suppliers
for more sustainable solutions

HOLMEN
IGGESUND

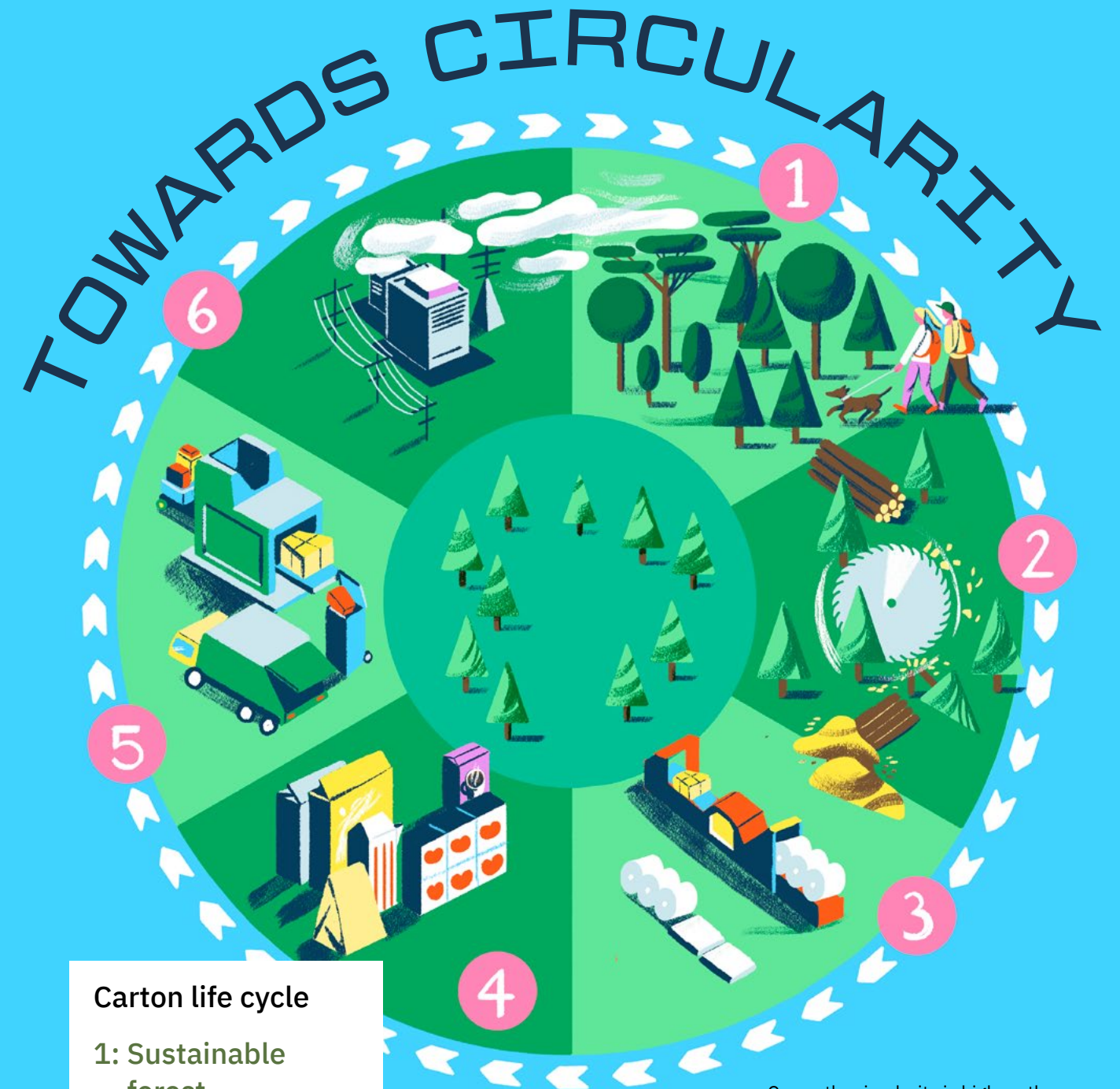
PACKAGING IS PART OF THE SOLUTION

Under the UN Agenda 2030 for Sustainable Development there is a worldwide commitment to create sustainable development. Naturally, being in the packaging industry, we can all be a part of the solutions to meeting those targets. This is the topic highest on the political agenda and at the end of the day, consumers often look to industries to help them make the right choices.

There are 17 Sustainable Development Goals in the Agenda 2030 and this guide will focus on goals 12, 13 and 15 and look into one of the more important areas when it comes to packaging creation and impact on the environment – what to look for when sourcing material and choosing the material supplier.

This guide will help you

- Get insights into packaging materials and how to improve sustainability performance.
- Find out about the fibre-based solutions available.
- Understand the importance of FSC or PEFC certified materials and ideas regarding a sustainable supply chain.



Carton life cycle

- 1: Sustainable forest management
- 2: Saw mill
- 3: Board and paper manufacturing
- 4: Packaging production and use
- 5: Recovery and recycling
- 6: Energy recovery

Currently, circularity is high on the agenda and there is no other packaging material with a better fit in circularity than sustainably sourced wood fibres. This means that paperboard made of recycled fibres also has a place in the mix of choice of paperboard, especially in tertiary packaging. The fresh fibres added to this continuous circle should, of course, come from sustainably managed forests.

Want to know more? Go to iggesund.com/unbox for more deep dives about circularity.

WHAT TO LOOK FOR WHEN CHOOSING PACKAGING MATERIAL

It all starts with the product and the knowledge that the packaging needs to encompass safety, functionality, sustainability and appeal. As an example you may need to consider taint and odour or shelf life aspects to decrease food waste. When it comes to choosing the right packaging material, the overall aspects to consider are naturally supply chain, size, design and branding, the chosen material and sustainability effects. Industrial Packaging and PKG's Guide to choosing the right packaging materials provide some good overall information.

Depending on whether it is the primary, secondary, or tertiary packaging there are various aspects to consider and they all have different jobs to fulfil from the supply chain through to the consumer. An increasing number of brands today are investigating the possibility to improve their sustainability and lower the environmental footprint from packaging. This is achieved by

questioning current solutions and looking for ways to improve not only the environmental aspects but also functionality, weight, shape, and form of expression. As a result of the UN Agenda 2030 for Sustainable Development and also the European Green Deal, a lot of focus is now on the reduction of unnecessary plastics in packaging, especially as consumers have come to a point where they are actively choosing products they perceive as more sustainable than others.

There is a plethora of pros and cons between all different materials both from environmental aspects as well as protection and form of expression towards consumer. This guide will focus on paperboard.

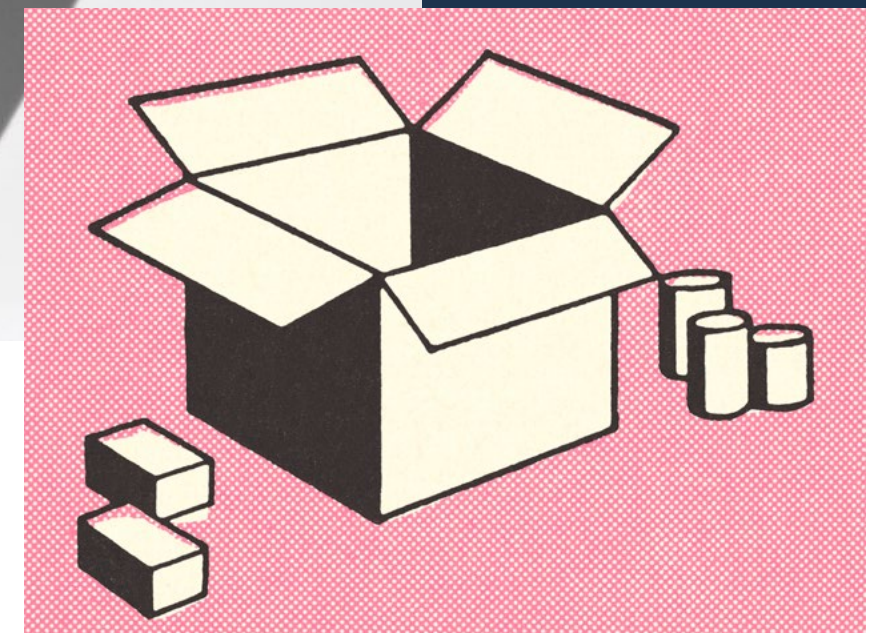
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Did you know that fresh fibre can be used up to seven times through recycling and create packaging material long after it starts the journey from the forest? To make this work, a flow of fresh fibres needs to be added to keep the process running. Without the addition of fresh fibres into the loop, the recycling process would stop within six months.

Packaging in paperboard

When it comes to sustainable packaging, there are several directives, including the EU waste directives and standards from ISO, for example. The Sustainable Packaging Coalition has set up criteria on what defines sustainable packaging and Global Vision highlights the following regarding sustainable packaging:

- Sourced from materials that each remain healthy throughout the lifecycle.
- Manufactured using clean technologies and best practices, to optimise materials and energy, thereby meeting/exceeding competitive performance and cost standards.



- Transported efficiently and via alternatives to fossil fuel transports, helping to develop renewable energy markets.
- Recycled, recovered, and utilised in closed biological/ industrial loop cycles.

Global Vision also gives some good tips on what to do and look for when taking action towards more sustainable packaging, highlighting the

Summary:

What to look for when you choose a packaging material

- Consider the environmental impact, reuse, and recyclability of the materials used in your packaging.
- Evaluate the job to be done and review alternative designs to minimise material need and find areas where you can maximise the use of sustainable materials.
- To improve balance in your fibre-based solutions, consider where your packaging can benefit from fresh fibres and where recycled solutions could be an alternative.

WHAT TO LOOK FOR WHEN YOU WANT SUSTAINABLE SOURCING

Given the UN Agenda 2030 for Sustainable Development and the ever-increasing demand from consumers for brands to choose the most sustainable materials possible, there are some general tips to consider regardless of the preferred material. Naturally all environmental data is of importance but here are some things to look for:

- **Make sure the supplier has the right accreditations and certificates in place.**
- **Choose a supplier that is open with its environmental declaration.**
- **Look for traceability in fibre sourcing for all pulp.**
- **Demand transparent CO₂ and emissions data.**

- **Choose a supplier that is accessible and can respond to your needs when it comes to more specific questions on sustainability for your solutions.**

Systems for fibre sourcing

Holmen Iggesund's forest operations are built on a long tradition of regulated forestry. The first Forest Stewardship Act in Sweden was established in 1903. As a brand owner, however, it is not always possible to source strictly from Sweden or other markets with strong regulations on forest management. When sourcing fibres from many different markets the picture therefore quickly becomes more complex to follow from a buyer's perspective. To increase the transparency and trust in sourcing fibres from different markets in the world, forest certification programmes like FSC and PEFC have been developed. The aim is to make it easier for brands and consumers to pick a product sourced from a sustainably managed forest.

FSC

The Forest Stewardship Council (FSC) has been active for more than 25 years and was started as a response to stopping deforestation. FSC is an international non-profit organisation with a market-based approach to improve forestry practices worldwide. FSC certifies sustainable forestry and the certification process is audited by a third party.

When focusing on paperboard supplies, there are two particular areas to look for: FSC Forest Management Certificates and FSC Chain of Custody Certificates. These need to be in place to enable a certification of the final product. If you choose to source from a supplier with both of these certificates, you know they are taking responsibility for the whole chain, from seedling to product and in the management of their forest for generations.

The FSC addresses social, economic and environmental considerations and is guided by 10 principles:

- Compliance with laws
- Workers' rights and employment conditions
- Indigenous peoples' rights
- Community relations
- Benefits from the forests
- Environmental values and impact
- Management planning
- Monitoring and assessment
- High conservation values
- Implementation of management activities

Read more about the ten principles of the Forest Stewardship Council at [FSC.org](https://www.fsc.org)

PEFC

The Programme for the Endorsement of Forest Certification (PEFC) is similar to the FSC and adapted to smaller-scale forest management. PEFC was founded in 1999 in Europe as an endorsement mechanism for independent, national certification systems. PEFC certification needs accreditation from a third party.

The PEFC Sustainable Forest Management standard is a benchmark standard. National forest certification systems use a benchmark standard to develop national standards. They are not used directly in the field but set out the requirements that national standards and their development processes must meet in order to achieve PEFC endorsement.

Chain of custody, trademarks and certification body requirements for chain of custody standards from PEFC, fall under the PEFC international standards. These are used by companies, and certification and accreditation bodies from around the world.

Read more at [PEFC.org](https://www.pefc.org)

Controlled Wood

In both FSC and PEFC the aim is the same – to certify and make forestry and sustainability standards high and make it easier for players in this market to make the best choices. For both certifications, participants are required to have supply chain control over fibres sourced from non-certified areas to avoid any risk of sourcing fibres from illegally harvested areas, genetically modified organisms, etc. There are some differences that could be of interest and a good overview can be found here: [Sustainable Procurement of Forest Products](#)

According to Skogsindustrierna (Swedish Forest Industries Federation), up to 70 per cent of Sweden is covered by forests and 28 out of 41 million hectares are considered forestland. The growth in the forest is consistently higher than the outtake and the amount of forests has doubled over the last 100 years.

On a global scale, however, even with well-managed certification programmes and steps to increase the sustainability in fibre sourcing, the world remains in a troubling position and according to the UN is losing millions of hectares of forestlands. The certifications mentioned above are contributing to some positive developments.

“While forest loss remains high, 2020 data show that the proportion of forests in protected areas and under long-term management plans, as well as certified forest area, increased or remained stable at the global level and in most regions of the world. Today, out of 4.06 billion hectares of forest, more than half are subject to management plans.”

The UN Sustainable Development Goals Report 2020

In the end, as participants and stakeholders in the area of packaging, we have a big opportunity to ensure sustainable sourcing of fibres and growing forests. The decisions we take by, for example, ensuring sustainably sourced fibres will have an impact on the world and help counter global climate change. There are ways to make this happen and even if the path is not always easy, it is necessary. Our end consumers are counting on us to make the right choices and have the right focus.

Summary:

What to look for in sustainable sourcing

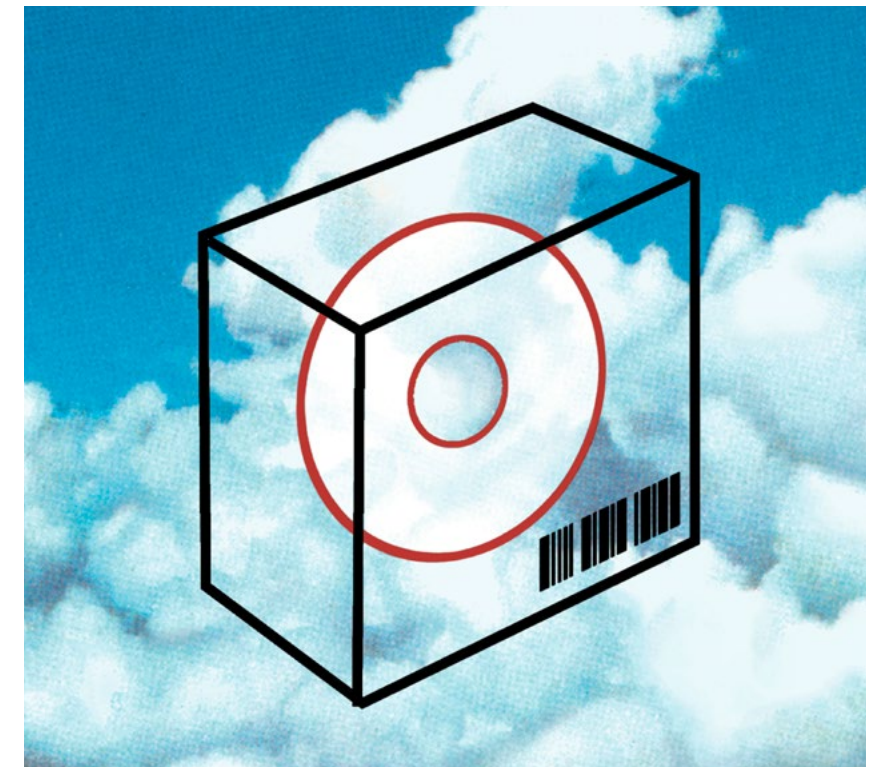
- Suppliers with own forest holdings ensuring FSC or PEFC certificates
- Double check that your converters have chain of custody certificates and practices in place
- Look for a supplier with open information on sustainability data that can support and understand your needs.
- Make an overview of your chosen packaging materials environmental footprint, including CO₂ and emissions.

WHAT TO LOOK FOR IN THE FUTURE

Certification bodies like FSC or PEFC help to reduce uncertainty and increase trust. The companies that supply fibre-based products should be able to provide a proof of their origin to customers. The next step to increase transparency in the supply chain is to increase digitalisation. Blockchain technology is starting to take hold as the technology to solve this issue.

The aim with blockchain technology is for consumers to see the origins of their products and ensure authenticity. The technology is used to increase visibility and product tracing and for some it is also implemented to increase efficiency in transactions and information flows of goods and materials. Arguably this technology, with its inherent ability to build trust in transactions, will be the future of contracts – the digital contract, where all players have access to the information with full visibility of both goods and suppliers to ensure a transparent and trustworthy system of information. Regardless of technological advances and possible future solutions, already today there are reliable players in the field of fibre sourcing and they should be able to provide the necessary information and trustworthiness to meet your needs.

If you are new to blockchain, there is a good overview and introduction from the Blockchain Research Institute and view the blockchain 101 playlist on YouTube, for example, Don Tapscott's 'How the blockchain is changing money and business'

**Want to learn more?**

From a design perspective in an omnichannel environment, you can dig deeper with the [report by Elin Li](#) to learn more about this challenge. Other guides in designing packages are, for example, [The Ultimate guide to product packaging design](#) by Kelly Morr from 99designs, which covers

the steps and questions to address when starting to design your packaging. From a more strategic supply chain angle and issues facing multinationals, [this article](#) from Harvard Business Review could be of interest.

Do you want more information or discuss possible solutions?

Contact Cavit Onur
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Want to know more about about important directives or circular design solutions?

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

Holmen Iggesund is the premium paperboard company for purposeful solutions. We invite our customers and partners to be part of creating the next generation of sustainable packaging solutions and graphical applications together with us.

We are part of the Holmen Group, relying on our own sustainably managed forests to ensure a renewable material for centuries to come.

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