
Choose FSC[®] certified wood and paper

Discover the benefits for your business



Introduction

From a good idea to a global market tool

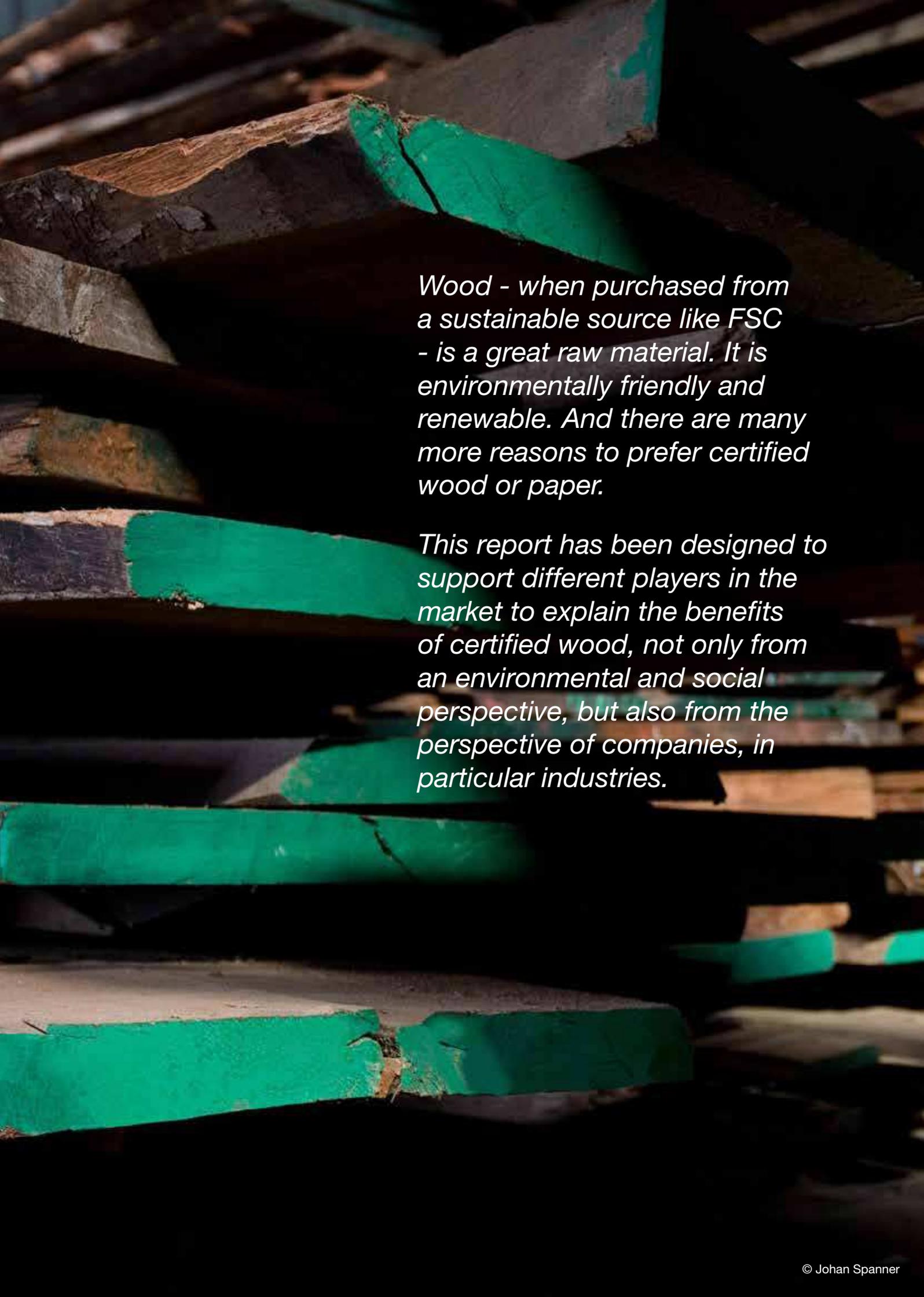
The Forest Stewardship Council® (FSC®) was formed in 1993, and the issue of the first certificates for sustainable forest management followed shortly afterwards. This ground-breaking act had a profound impact not only on the practice of commercial forestry but also on the expectations of consumers and the companies that produce and distribute forest products. Being able to buy products with an FSC label gave consumers the chance to make a positive difference around the world, allowing them to feel the connection between the product they had bought and the forest floor and the people who live and work there.

Since 1993, FSC has grown into the forest certification scheme with the most certificate holders worldwide. There are now more than 27,000 Forest Management and Chain of Custody certificate holders, and almost 180,000 million ha of forest is FSC certified worldwide. In twenty years, an ethical idea has been transformed into a globally-recognized, trusted brand in the market.

But despite this huge success, the need for certification has never been stronger. Climate change is probably the biggest threat facing life on the planet, and its impacts are being felt first and most strongly by the poorest, traditional communities.

Sustainable forestry is one of the most effective means to mitigate climate change. Trees absorb carbon dioxide (CO₂) from the atmosphere as they grow. When harvested, carbon is stored in every piece of furniture, timber-framed house and piece of paper. And FSC certification ensures responsible management of forests with new trees growing, absorbing more carbon – a prerequisite to upholding the cycle. At the same time, FSC certification requires the maintenance or enhancement of the biodiversity of forests and demands that communities depending on these forests benefit from the forestry operations.





Wood - when purchased from a sustainable source like FSC - is a great raw material. It is environmentally friendly and renewable. And there are many more reasons to prefer certified wood or paper.

This report has been designed to support different players in the market to explain the benefits of certified wood, not only from an environmental and social perspective, but also from the perspective of companies, in particular industries.

Packaging

Moving towards responsible packaging with FSC

Most packaging is disposable. The EU and many other markets have regulations and targets in place to minimize the environmental impact and increase recycling rates for waste from packaging.¹ Packaging companies therefore have to demonstrate the highest environmental credentials and show that their products are responsibly sourced, as well as renewable, reusable and recyclable. FSC certification is a valuable tool for this.

The packaging industry

The global consumer packaging market is valued at approximately US\$400 billion. A closer look at packaging consumption by region reveals that Asia, the Middle East and Africa comprise 34 percent, Europe 34 percent,

North America 27 percent and Latin America 5 percent. Russia, India, Brazil and China are estimated to be the source of about 30 percent of global demand, a proportion that will increase as their economies develop further. Packaging sales in these emerging markets are expected to continue to show strong growth because, due to a growing middle class, increased consumption and demand for consumer goods is driving the demand for more sophisticated packaging.²

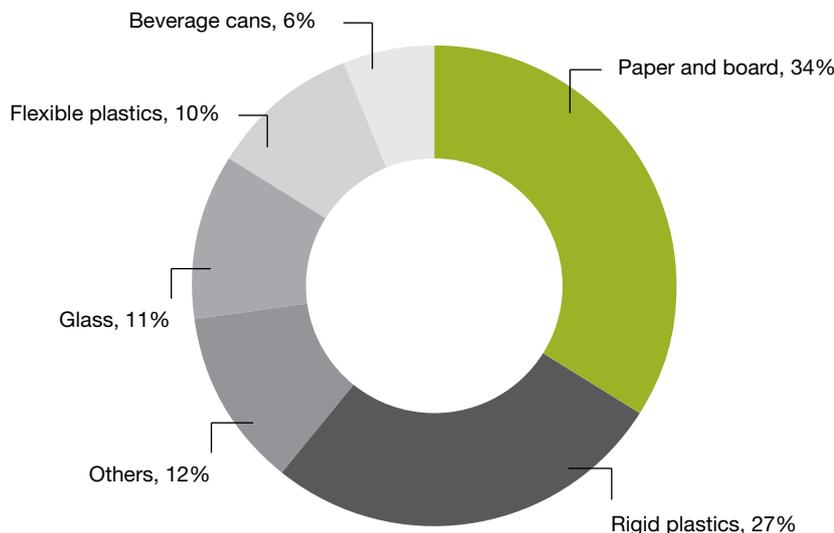
The packaging sector can be divided into six main categories. The category with the largest market share is paper and board (34 percent), followed by rigid plastics such as tubs, pots and jars (27 percent), glass (11 percent), flexible plastic (10 percent), beverage cans (6 percent) and others (12 percent).³

Paper for the environment

A large proportion of packaging – paper, board, card, sacking, and other fibrous materials – is derived from forest products. The supply chains for forest-derived packaging materials – as opposed to aluminum, steel or other sources – are less energy-intensive than their competitors, giving them a lower carbon footprint. A report by the Danish Environmental Ministry comparing the environmental impacts of different packaging materials – paper, cardboard, glass, PET plastic, PVC, steel and aluminum – concluded that the CO₂ emissions per kg of paper and cardboard packaging were much lower than those of the non-wood based packaging materials.⁴

The packaging sector

Paper and board has the largest market share in the packaging industry.³





According to a 2007 survey on packaging by PaperImpact, nine out of ten European consumers would choose paper-based packaging or labels over other materials.⁵

Beverage cartons tend to have fewer environmental impacts in terms of greenhouse gas emissions, fossil resource consumption and acidification than alternative beverage packaging such as PET plastic and glass bottles.⁶ Moreover, paper packaging, especially

Most paper and paper-based packaging are completely recyclable and biodegradable.

paper cartons, can also be characterized as the most practical choice, being strong, light and versatile.⁷

Furthermore, most paper and paper-based packaging are completely recyclable and biodegradable. Paper is the most recycled material in Europe,⁸ while in the US nearly 80 percent of paper mills depend on paper recycling programs to supply the raw materials to make new paper.⁹ Not only does

recycling reduce greenhouse gas emissions and conserve natural resources, it also saves landfill space.¹⁰

When it comes to the consumer, paper is regarded as being more environmentally friendly than competing materials. According to a 2007 survey on packaging by PaperImpact, nine out of ten European consumers would choose paper-based packaging or labels over other materials. At the same time, 87 percent of the respondents agreed that paper packaging was more convenient and environmentally friendly than other types of packaging. For this reason, 93 percent thought that manufacturers should use more paper-based packaging and labels.¹¹

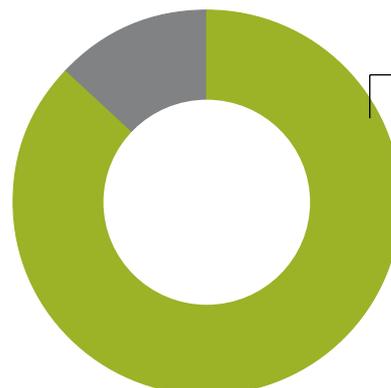
Many large retailers are now banning plastic bags at their outlets, while countries such as Ireland have introduced a plastic bag tax. In Italy, non-biodegradable plastic bags have been prohibited, and Bangladesh, Taiwan and Singapore are taking steps to minimize plastic bag use.¹² Paper and paper-based packaging does not come under this kind of pressure.

Why choose FSC?

As the packaging industry faces a worldwide demand for paper and board, and because the number of times paper can be recycled is limited, wood is constantly needed as a source for the production of packaging. This makes sustainable management of forests an essential requirement for the packaging industry. Through its high standards of responsible forestry, FSC ensures an economically viable and constant flow of timber for the industry, while maintaining forest biodiversity and securing the rights of forest communities and indigenous people.

The FSC label is a clearly recognizable logo that packaging producers can pass on to their customers – often large retailers – and ultimately, to the consumer. It demonstrates that the original material has not come from illegally logged or environmentally destructive sources. While paper items can easily be recycled, FSC also has a specific label to show when they have been made from already recycled content.

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Case study:
Klabin SA

Doing more with less

Klabin SA is the largest producer and exporter of packaging paper in Brazil. The company has seen the advantage of environmental best practice in its own processes. In 1998, it was the first company from the paper and pulp sectors in the Americas to have its forests certified by FSC, making it more competitive across all of its product ranges in national and international markets which are becoming increasingly demanding about the origin of the forest products they consume.

As one of the biggest producers and exporters of cartonboard in the country, all of Klabin's cartonboard mills have FSC chain of custody certification, and the company was the first in Latin America to be granted certification for the chain of

custody of its industrial sacks, which are biodegradable, recyclable and produced from forests planted specifically for this purpose.

"FSC recognition, along with the quality and technology employed in its production process, lends added protection to the products and brands of its customers," a company spokesperson said.

Klabin was the first company from the paper and pulp sectors in the Americas to have its forests certified by FSC.

The success of this program means that Klabin has an interest in expanding its forest base, aligning its interests with small and medium-sized farmers, with whom it works in its forestry incentive program.

"Our ongoing pledge is to do more with less, aware that gains in efficiency are a significant advantage for a company committed to sustainable development."



Case study:
The LEGO
Group

The shift to FSC certified packaging

The LEGO Group is the world's third largest manufacturer of play materials and it has always focused on producing safe

of 88 percent of its waste in 2012, the LEGO Group is serious about reducing its environmental impact.

and print materials. Although these numbers imply complex sourcing models and production chains, in 2011 the LEGO Group decided that from 2015 the company would exclusively use FSC certified mix paper. This was the last step in a three point plan that included the following:

1. Overall reduction of the size of product packaging;
2. Use a high amount of recycled paper; and
3. Increased use of FSC certified paper.

“We decided on FSC through a cautious selection process, and we believe it to be the right decision for us as it matches our company values.”

Jes Faltum, Director, Environmental Sustainability, the LEGO Group

and high quality products. To minimize its environmental impact the company constantly works to find new and better ways to reduce, reuse and recycle always from its manufacturing process. With a recycling rate

Three steps for a better planet

Annually, the LEGO Group uses more than 80,000 tons of paper-based products for packaging

The three stage policy covers all of the LEGO Group's products worldwide, including pulp-based materials used for the packages and their contents or the building instructions enclosed



in the boxes. At the same time, the company also requires their licensed partners to use FSC certified paper. "It is our intent that we will only source material from suppliers that do not contribute to deforestation," says Tim Brooks, Senior Director, Environmental Sustainability.

Smaller boxes easier on the environment

In 2011, the LEGO Group conducted consumer study to learn more about consumers' reactions to reduced box sizes. In selected stores in Germany and the US, customers were presented with two different box sizes with exactly the same content and design on the box. More than 400,000 boxes of LEGO® products were involved, and the result was clear: consumers did not change purchase preference or behavior based on the shift in size, and the LEGO Group decided to move forward and reduce the sizes of

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Jørgen Vig Knudstrop, CEO, the LEGO Group

the boxes. In 2013, most new products launched are packed in smaller boxes, and by 2015 all LEGO products on the market will be packed in the smaller boxes. The change will reduce the CO² impact from packaging by about

10 percent, and the smaller boxes will make it possible to save approximately 18 percent of the cardboard used for LEGO boxes.

"We are introducing the smaller boxes to reduce our impact on the environment and we hope that consumers will like the visible change. We think it makes sense to consumers, for our business and because we have an ambition to affect our planet positively. We have a responsibility towards our planet, our surroundings and the generations to come," says Jørgen Vig Knudstrop, CEO of the LEGO Group.

The LEGO Group addresses deforestation

For the LEGO Group, FSC certification was chosen after much investigation of certification schemes.

"FSC is one of the most widely recognized initiatives to prevent deforestation. One of the

founders of FSC is Greenpeace, and the World Wide Fund for Nature recommends FSC. We decided on FSC through a cautious selection process, and we currently believe it to be the right decision for us as it matches

The LEGO Group's three step policy:

- 1 Overall reduction of the size of product packaging
- 2 Use a high amount of recycled paper
- 3 Increase the use of FSC certified paper

our company values. For other companies the solution might be a different one," says Jes Faltum, Director, Environmental Sustainability.

FSC labeled boxes on the shelves

However, such a policy change had to be implemented in the production chain and the LEGO Group needed time to work with its suppliers to realize its new policy. In the second year after the decision was taken, the company was firmly on its way to achieve the targets with most of its packaging already being certified. By the end of 2014, the LEGO Group expects the first FSC-labeled boxes of toys to appear in stores around the world.



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Forest Stewardship Council®

FSC Global Development GmbH
Charles de Gaulle Straße 5
53113 Bonn, Germany

T +49 (0) 228 367 660
F +49 (0) 228 367 66 30
www.fsc.org

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