

ISSUE #4
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STEEL FOR PACKAGING UPDATE

Interview with
Chris Homfray, MPE

Interpack 2011

Recycling in Spain

National Newsbrief

 ProgRess



Acting on behalf of the Federal Cabinet, the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety has drawn up a proposal for a National Resource Efficiency Programme – known as ProgRess for short. This was presented to the Cabinet in October for discussion and approval. The programme includes a wide range of measures to promote more efficient use of natural resources and raw materials. ProgRess aims to reduce the impact on the environment associated with the use of raw materials. Another goal is to improve the supply security of commodities and to help business enterprises to increase their competitiveness. The rationale behind the programme derives from the fact that a large part of the world’s natural resources are finite and not renewable. This is compounded by price volatility and price increases on commodities markets, coupled with raw material supply problems.

The collective responsibility towards future generations demands that natural resources be conserved and protected. ProgRess will therefore aim to raise awareness among consumers, encouraging them to use resource-efficient products and return materials for recycling. By facilitating the development and design of easily recyclable products, it also addresses the need on the manufacturing side to increase value added while consuming less resources.

In the packaging steel industry, closing material loops is already a core element of corporate strategy. In 2009, 72% of steel packaging was recycled EU-wide. The packaging steel industry therefore makes an essential contribution to this political initiative.

For more information, visit www.bmu.de

 Life Cycle Inventory (LCI) preview

APEAL previewed the first results of its LCI last September at the “Steel Packaging: Green Solutions for Central Europe” summit in the Slovak Republic.

The results show a 3% decrease of primary energy demand per kg of tinplate and a 9% decrease in global warming potential (GWP100) per kg of tinplate, when compared to the WorldSteel 2005 data.

APEAL commissioned this Life Cycle Inventory with its 4 members. The study quantifies resources use, energy and environmental emissions associated with the processing of tinplate from the extraction of raw materials in the ground through to the steel factory gate. This data set was compiled with 2008 data, covers over 95% in volume of the European steel for packaging manufacture of that year and was conducted in line with the WorldSteel Association methodology.

More news on the LCI data and the Summit in the next edition of Steel for Packaging Update...



Editorial

Welcome to a new edition of “Steel for Packaging Update” - your insight into the issues impacting packaging today, brought to you by APEAL, the representative voice of the major Steel for Packaging producers in Europe.

Earlier this year, INTERPACK 2011 in Dusseldorf was the scene of two important events for packaging: the launch of Metal Packaging Europe (MPE), and APEAL's Steel Day at the Metal Packaging Plaza, a special platform created for the international metal packaging industry and its supplier industries.

Steel for Packaging in the Market Place section brings you highlights from the Steel Day, while The Interview focuses on MPE's president, Chris Homfray.

In the second article of our series about how APEAL members support their local communities, we hear about the CSR initiatives taken by Tata Steel in the United Kingdom and the Netherlands.

Finally, our Case Study focuses on the recent campaign waged against the implementation of a national deposit system in Spain.

We take this opportunity to thank Hugo Loudon for his contribution over the last 2 years as President of APEAL. Robert Beltz of U.S. Steel Košice will be taking over this position for the next 2 years and we look forward to his active collaboration within APEAL.

This edition also welcomes more new faces at APEAL, including my own. All our contact details are at the end of this issue. Thanks to you all for your continued support of Steel for Packaging.

Patricia Mobbs
Editor



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www.metalpackagingeurope.com

Chris Homfray, Chairman Metal Packaging Europe (MPE)

The Interview

Chris Homfray, Metal Packaging Europe

Metal packaging Europe, “MPE”, was created end 2010. By whom and why?

Metal Packaging Europe has been formed by a group of senior executives to take a lead in the metal packaging chain. It is an umbrella organisation that brings together the metal producers, the metal packaging manufacturers and four trade associations – APEAL, EAA, BCME, EMPAC.

The structure of Metal Packaging Europe is unique. Horizontally it covers all sectors of rigid metal packaging (beverage, food, general line and speciality, closures) and vertically it brings the support of the two major metals, aluminium and steel. This powerful combination provides a united voice for the industry and is a force for combined action across the whole chain.

What are the target audiences of MPE?

Our target audiences are clearly defined. On the one hand, policy makers and key influencers at both European and national levels. On the other hand, the supply chain, our customers and retailers.

Our aim is to establish metal packaging as a recognized and valuable contributor to sustainability in public policy and throughout the supply chain.

Our industry has established track record of sustainable materials management. Once metal is extracted from the earth's crust and refined, the application may vary but the permanent nature of the material allows for an infinite sustainable use in new products and applications, which is what differentiates it from other materials.

“Metal Packaging Europe has the knowledge to make a real difference. We must and will play our part and communicate the benefits of the metal material loop”.

MPE promotes metal as a permanent material that should be considered as a permanently available resource. What is meant by a permanent material?

Metals are elemental and as such are permanent.

Conventional thinking in public policy regards the extraction of metal ores as depletion of the earth’s resources and therefore sometimes compares metals unfavourably with “renewable resources”. Such thinking ignores the fact that metals, once produced, are not lost. They merely move location and appear in different forms.

Let me put that another way. Metals are formed into packaging or other product applications. Once these product applications reach the end of their useful life, the metal from which the product applications were formed, can be recycled and used again to make another product application. This cycle can be performed an infinite number of times while always retaining the metal properties. This is the permanent nature of metal.

Conversely, other materials go through one or more recycling spirals but ultimately they reach the point of final disposal and are either landfilled or incinerated for energy recovery.

Metal Packaging Europe’s members have agreed upon a “sustainability manifesto.” Can you tell us more about that?

We have an agreed strategy to use our resources in the most efficient and accountable way possible.

Because of the permanent nature of our metal materials we have a vision that no metal packaging should go to landfill. We will strive to keep all metal packaging in the material-to-material loop and have already established significant projects to ensure the availability of metal as a permanent resource.

We have an average European recycling rate of 70% for metal cans (steel and aluminium) and have committed to a target of 80% by 2020.

Do you think that is achievable?

We produce over 100bn metal packs annually across all of the industry. Our European recycling rate target under EU legislation is currently set at 50%. We have already exceeded that, which is why we feel we can and should aim much higher.

Do you think that is sustainable?

We have researched this exhaustively and the environmental and economic levers are unequivocal. By keeping all metal packaging in the material loop up to 95% of energy is saved. Real scalability is possible.

Much of the infrastructure is in place and we know what we have to do to go further. Consumers are generally motivated to recycle because they feel they are playing a positive role. We are engaged in a number of projects that help to make recycling easy for consumers, both in the home and out of home.

This brings me to our second goal.

We believe there is a need to raise awareness of responsible material management and to educate all stakeholders to provide greater coherence for action and impact across the whole of Europe.

packaging and what action is required. There is real and present danger that policy is being set based upon unsustainable principles that do not play to the relative inherent strengths of materials and responsible resource and materials management.

Metal Packaging Europe has the knowledge to make a real difference. We must and will play our part and communicate the benefits of the metal material loop so that they are fully understood and exploited. We will engage policy makers, retailers, brand owners and consumers in our mission so we make the right decisions for all our futures.

A final word?

Steel is a permanent material. Our ambition is to provide a united voice to establish metal packaging as a recognized and valuable contributor to sustainability. We believe that the common strength of the Metal Packaging Europe membership, a real first across the packaging industry, will lay a strong foundation for engaging retailers, policy makers and the consumer to make the right decisions for a sustainable future.



There is, in our view, widespread confusion about the properties of different pack types, materials and resources used to produce

A long history of community involvement: Tata Steel and CSR

TATA STEEL

Corporate social responsibility is a modern term. But some companies have been practising it for a very long time. Tata Steel is one of them.



Over 100 years ago the Group's founder Jamsetji Tata wrote that "the community is not another stakeholder in the business, but is the very purpose of its existence." The principles of this man, who pioneered India's first steel company and built the garden city of Jamshedpur for its employees, live on. Today, two-thirds of the Tata Group's holding company's equity belongs to a philanthropic trust that benefits major medical, academic and social projects.

When Tata Steel expanded into Europe with the takeover of Corus in 2007, it declared that it had acquired a company that held similar values. The history of community involvement is similar for both companies.

The European company today employs around 40,000 people. It has deep roots in the communities surrounding its three main integrated sites at IJmuiden in the Netherlands, and Port Talbot and Scunthorpe in the UK. At its other locations, including the packaging steel plants at Trostre in Wales and Duffel in Belgium, there are also long and proud histories in steelmaking.

Many community engagement initiatives are led by employees. The company supports those who volunteer their time to local hospices, hospitals, children's homes and many other health projects. Involvement ranges from enabling free wi-fi for children in hospital in the Netherlands to raising money through fun runs.

With much of the focus on young people and education, Tata Steel supports future generations. In Scunthorpe, employees act as education ambassadors, working with local

schools to encourage an interest in science and engineering, inspiring youngsters with practical demonstrations and competitions. In the Netherlands the company is a sponsor of the Techno Challenge, a long-term project to encourage children to see technology as an attractive career choice.

The contribution of the packaging business to educational initiatives is particularly strong. In the UK this is led by Tata Steel's Packaging Recycling based in South Wales. It is an organisation which manages the aspects of the EU Packaging Directive in the UK and is involved in a number of national campaigns to encourage recycling. It gives free workshops to schools – 19 last year alone – to educate the next generation of recyclers. Nicola Bennett, who last year led 19 school workshops, says, "We have been working with schools for a number of years and our courses tie in with the national curriculum." In the Netherlands the company is an active member of Stichting Kringloop Blik, championing metal packaging recycling. In 2010, a joint project with the anti-littering organization Nederlands-Schoon and the Hague University looked into drinks can improvements to combat litter.

Further recent environmental community projects range from participating in a light pollution reduction initiative in the Netherlands, to restoring public footpaths in the hills above Stocksbridge, UK, to planting trees along with local school children in Newport and at Port Talbot in Wales.

In Port Talbot the health initiative goes very deeply into the community via a drugs and alcohol awareness campaign that Tata Steel



“Tata Steel believes that a company should contribute to the communities in which it operates. As such Tata Steel spends 5-7% of its profit after tax on CSR initiatives, such as environmental sustainability and social development.”

has jointly co-ordinated with local authorities and charities, offering information and counselling to employees and local citizens affected by these issues. The area has a 30 per cent higher incidence of alcohol and drug abuse than the rest of Wales.

Corporate level sponsorship initiatives must strongly benefit the community. In the Netherlands, the IJmuiden site has supported the annual chess tournament at the nearby seaside resort of Wijk-aan-Zee for 73 years. The Tata Steel Chess Tournament is a major

international event, attracting international chess grand masters, chess fans, and hundreds of amateur enthusiasts including employees. The annual influx of visitors in January each year benefits the local economy hugely.

In the UK, sponsorship involvement with British Triathlon, the country's fastest-growing sport, has since 2007 included running a series of children's events known as Kids of Steel. This has given over 25,000 children all around Britain the opportunity to experience triathlon in a fun, safe environment. In July this year the

The Tata Group has always been driven by five core values:

- **Integrity.** We must conduct our business fairly, with honesty and transparency. Everything we do must stand the test of public scrutiny.
- **Understanding.** We must be caring, show respect, compassion and humanity for our colleagues and customers around the world, and always work for the benefit of the communities we serve.
- **Excellence.** We must constantly strive to achieve the highest possible standards in our day-to-day work and in the quality of the goods and services we provide.
- **Unity.** We must work cohesively with our colleagues across the group and with our customers and partners around the world, building strong relationships based on tolerance, understanding and mutual cooperation.
- **Responsibility.** We must be responsible and responsive to the countries, communities and environments in which we work, always ensuring that what comes from the people goes back to the people many times over.

event was extended to the Netherlands for the first time. All events are supported by employee volunteers. Tata Steel has committed to provide at least 50,000 8-13 year olds with a positive experience of triathlon by 2012.

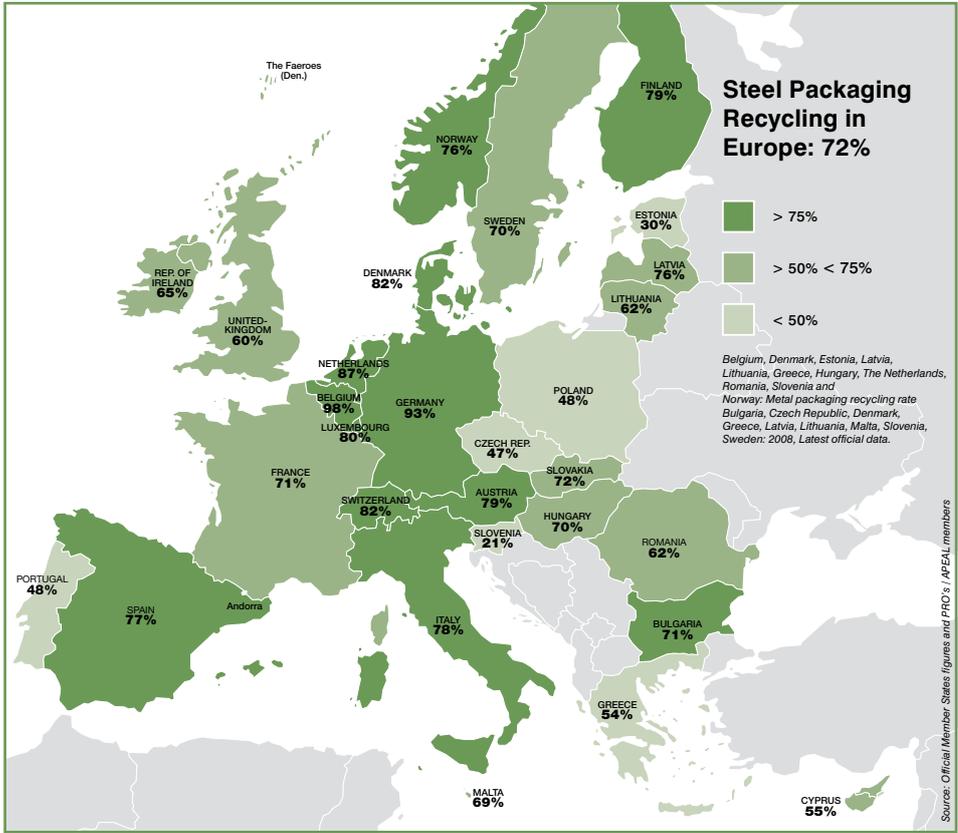
“Tata Steel believes that the primary purpose of a business is to improve the quality of life of people. Tata Steel will volunteer its resources, to the extent that it can reasonably afford, to sustain and improve a healthy and prosperous environment and to improve the quality of life of the people of the areas in which it operates.” - B. Muthuraman, Vice Chairman, Tata Steel.

Tata Steel believes that a company should contribute to the communities in which it operates. As such Tata Steel spends 5-7% of its profit after tax on CSR initiatives, such as environmental sustainability and social development.

Tata Steel's CSR policy focuses on social sustainability, healthcare initiatives, environmental sustainability, and inclusive growth.

Steel: Latest figures confirm steel is still the most recycled packaging material in Europe

Steel proves yet again that it is indeed the most recycled packaging material, underlining an upward trend that has existed now since 2002. When the 2009 recycling figures were revealed in Dusseldorf at Interpack 2011, Hugo Loudon, Chairman of APEAL, confirmed the industry focus – to be the best.



incremental and hard won. Indeed, in countries such as Belgium or Germany recycling rates are already 98% and 93% respectively. Every country in Europe should have the capacity to deliver these percentages” said Hugo Loudon in Dusseldorf. Indeed, what sets these countries apart is their efficient national collection systems which are without doubt a major enabler of the success of recycling initiatives.

The case of Poland illustrates this. The recycling rate almost doubled over one year, a huge step which can be largely attributed to the introduction of ferromagnetic sorting methods in a number of waste-sorting facilities in 2009. Indeed, the continued expansion of such methods over 2010 means that we should see further increases in recycling rates in Poland for 2010.

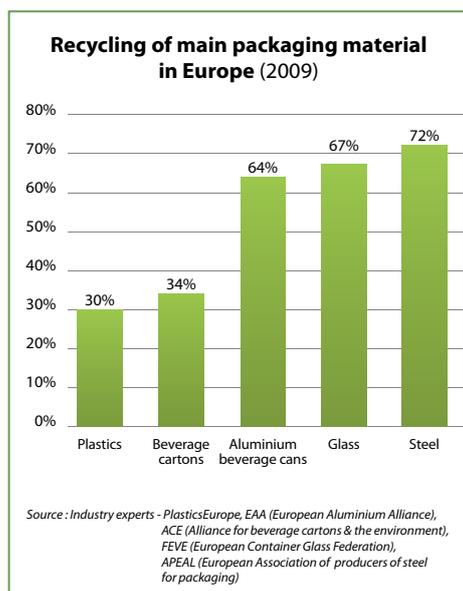
This recycling rate of 72%, once again places steel far ahead of other packaging materials such as plastic, cartons and glass, which demonstrate rates of 30%, 34% and 67% respectively. In addition, and as pointed out by Hugo Loudon to the audience in Dusseldorf, steel guarantee the same level of quality every time.

Steel’s intrinsic material properties make it a natural recycling champion.

Recycling rates for steel in Europe increased to 72% in 2009, from 70% in 2008 maintaining steel’s position as the most recycled packaging material.

A 72% recycling rate is extremely good compared to other packaging materials. “We are recognized as having a mature and highly efficient process that already performs excellently - gains for improvement are

“Each item of recycled steel packaging saves almost twice its weight in CO₂. So the more steel is recycled, the more CO₂ emissions are reduced.”



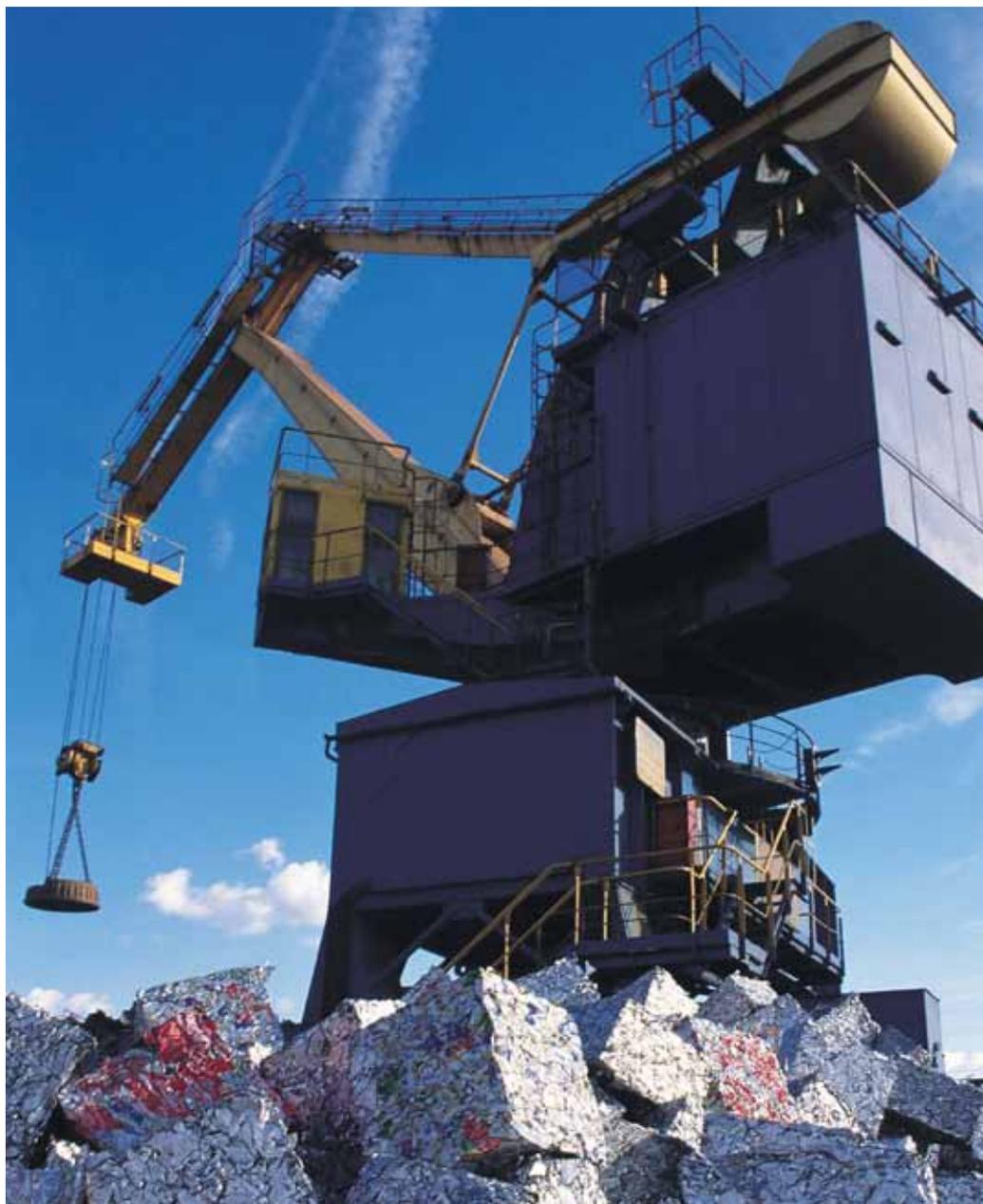
Steel is magnetic

Which means that unlike all other packaging materials it can be simply and economically separated from other household waste and put back into the recyclable loop. Steel is continuously recyclable. Which means it can be used again and again with no loss of strength or quality. Steel is efficient, so steel scrap can be easily integrated into the manufacturing process. Indeed steel scrap is an essential ingredient in the production of steel – both from a technical point of view and because it saves tremendous amounts of raw material.

Steel recyclability, good news for the environment

Iron is the fourth most abundant resource in the Earth's crust, and is infinitely available. However, by recycling used material the steel industry not only saves virgin steel resources but also reduces its energy use and emissions.

Every tonne of recycled steel packaging saves 75% of the energy needed to make steel from virgin material. In addition, each item of recycled steel packaging saves almost twice its weight



in CO₂. So the more steel is recycled, the more CO₂ emissions are reduced. Around 2.5 million tonnes of steel beverage and food packaging is recycled in Europe, which corresponds to a 49% reduction of CO₂ emissions into the atmosphere.

Interpack 2011:

See the films discussing the new 2009 recycling rates online at www.apeal.org



Recycling in Spain

APEAL supports the campaign against a Spanish deposit system

The adoption of the Waste Framework Directive (2008/98/EC) into the Spanish legal system required profound changes to the 1998 Spanish Waste Act.

One of the issues represented by the new legislation was the eventual mandatory establishment of a deposit-refund scheme for one-way drinks packaging. This was an issue that would directly affect cans, and Spain is the second biggest consumer of cans in Europe.

“Previous deposit-refund schemes have had negative effects on the environment, the cost of waste management, consumer finances and also on the markets.”

Ecoacero (the Spanish steel recycling organisation) and Latas de Bebidas (the Spanish association of beverage canmakers), in partnership with APEAL and other organisations in the industry such as AME (the Spanish canmakers association) defended the positive performance of steel regarding sustainable development and specifically cited the high levels of recycling achieved in the country. At the same time, they disputed the results of such plans in other countries, notably Germany. None of the proposed goals of such schemes - a marked increase in recycling, promotion of reusable packaging, reduction of littering - have ever been achieved; in fact, previous deposit-refund schemes have had negative effects on the environment, the cost of waste management, consumer finances and also on

the markets, as they create hindrances to the proper functioning of the internal market.

Whilst canvassing to the Spanish Congress of Deputies and the Senate, Ecoacero contacted various parliamentary groups and presented their amendments calling for the renunciation of the articles regarding returnable materials.

Packaging and retailer organisations, the food and drinks federation FIAB, and both waste integrated management systems ECOEMBES and ECOVIDRIO have taken similar action, highlighting the voluntary nature of recycling and stating that the scheme should only be made compulsory if the legally established recycling targets are not met.

The Environment Ministry declared itself “very surprised” by the reaction of the industry in response to the scheme. However it clearly recognised the investments and successes of recycling in Spain during recent years. 65.9% of household waste was recycled in 2010.

In the approved law, known as Law 22/2011 on Waste and Contaminated Soils, the implementation of a deposit-refund scheme is now dependent on approval by the Congress of Deputies, but only following an evaluation of its technical, economic, social and environmental viability. A significant win for the industrial sector is that consultation with industry bodies in an ad-hoc Waste Committee would also be mandatory before implementation.

Pack Metal
Facing
Future



Interpack 2011

Steeling the show at Interpack 2011

The Metal Packaging Plaza, newly created at the Interpack show in Dusseldorf, hosted the panel debates and meetings of the APEAL Interpack 2011 Steel Day.

Visitors came from all over Europe to listen to the debates, meet with representatives of APEAL and its members, gather more information about the sustainable performance of steel packaging.



Highlights of the event were the two debates with the panel, composed of the three keynote speakers: Julian Carroll, Managing Director of Europen, Hugo Loudon, President of APEAL and Gordon Shade, C.E.O. of Empac. The well known British journalist Mike Hewitt acted as moderator, introducing the panel members and chairing the debate.

The first panel debate addressed the environmental need for sustainable packaging solutions. Julian Carroll explained how packaging in general contributes to every aspect of sustainability. Gordon Shade underlined that steel is made from the element iron (FE) and can be recycled an infinite number of times without loss of quality, making it the most sustainable packaging material by far.

Hugo Loudon revealed the official new (2009)¹ recycling rates for steel packaging and explained how, with an average of 72%, steel continues to be the most recycled packaging material in Europe.

The second debate approached the supply chain demands in terms of sustainable packaging solutions. Gordon Shade opened by challenging the audience and the other panel members with the requirements set forth by the supply chain, notably less packaging (less weight and volume), more recycled content, low energy and CO₂ costs. Julian Carroll covered the challenge every packaging material faces to reduce the material cost per unit, reducing the use of virgin material per unit, which in turn reduces the CO₂ footprint.



¹ Due to Section 6 of EC Regulation 2150/2002 of the EU Parliament and of the Council on waste statistics, the Member States have to transmit the results of waste recycling within 18 months of the end of the reference year to Eurostat. For some Member States, these results are therefore not available until 15-18 months after the reference year.

STEEL FOR PACKAGING IN THE MARKET PLACE



Regarding steel for packaging, Hugo Loudon pointed out how steel grades and the material thickness of steel containers have decreased over the past years, yet with no loss in the performance of barrier capacities. The high recycling rate of steel means even more scrap is included into primary steel making. This has considerably reduced CO₂ emissions. But the industry goes further and is actively

participating in the EU ULCOS program (which stands for “Ultra-Low Carbon Dioxide Steelmaking”)² aiming to reduce CO₂ output by a further 50%!

Steel packaging helps to avoid food waste and spoilage, optimize filling lines, guarantees a long average shelf life and makes storage both easy and energy free. Finally, Steel's

intrinsic material properties make it a natural recycling champion – it can be simply and economically separated from other household waste and put back into the recycling loop.

The Steel Day and both debates attracted a large number of industry partners interested in the advantages steel can offer for sustainable packaging solutions.

²ULCOS is a consortium of 48 European companies and organisations from 15 European countries that have launched a research & development initiative to enable drastic reduction in Carbon dioxide (CO₂) emissions from steel production. The consortium consists of all major EU steel companies, of energy and engineering partners, research institutes and universities and is supported by the European commission. The aim of the ULCOS programme is to reduce the Carbon dioxide (CO₂) emissions of today's best routes by at least 50%.



Even the stand design incorporated the infinite loop metaphor, representing the permanent recycling of metal packaging.

After the debates, participants fired up by the debate stayed on to continue the discussion

with panel members and APEAL staff members. Topics such as recycling rates and recycled content, CO₂ footprint and the supply chain advantages of steel packaging were covered over lunch where delicious healthy snacks were served in elegant steel cans – putting

steel into the hands of those who attended the event. A clear indication of the relevance of steel not only as an efficient, reliable and high performing packaging material but also, and far more importantly, because of its remarkable sustainability performance.



New APEAL team

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LIST OF FORTHCOMING PACKAGING EVENTS AND EUROPEAN PARLIAMENTARY SESSIONS.

DATE	EVENT		LOCATION
30 November - 1 December	European Parliament Plenary		Brussels, Belgium
30 November - 1 December	Packaging Innovations	www.easyfairs.com	Amsterdam, The Netherlands
12 - 15 December	European Parliament Plenary		Strasbourg, France
16 - 19 January	European Parliament Plenary		Strasbourg, France
24 - 27 January	Upakovka	www.upakovka.messe-duesseldorf.de	Moscow, Russia
01 - 2 February	European Parliament Plenary		Brussels, Belgium
13 - 16 February	European Parliament Plenary		Strasbourg, France
28 February - 3 March	Ipack-ima	www.ipack-ima.it	Milan, Italy
29 February - 1 March	Ecopack	www.easyfairs.com	Birmingham, UK

Languages available: English, French, German, Spanish.

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