

TATA STEEL



UK Packaging Recycling
2010 Annual Report





2010 ANNUAL REPORT

One year

Welcome to our annual report and review of activities. In 2010 the UK achieved a national steel recycling rate of just over 59 per cent, comfortably surpassing the European target of 50 per cent.

Each year we give an account, according to Government requirements, on how we allocated funds in the UK to enhance the recycling profile and tonnage for steel.

We can say that 2010 was the year that we re-established our position as the major end-user of recovered steel packaging in the UK. It followed a difficult period in 2008/9 when demand fell sharply as a result of the economic downturn.

In 2010, thanks to the increased intake by UK steelmakers and the combined efforts of the UK collection system, the UK achieved a national steel recycling rate of just over 59 per cent. The country's combined metal packaging recycling rate was just under 56 per cent, comfortably surpassing the European Union target of 50 per cent.

It was, however, a year of relatively low steel PRN prices. As a result of the Government set business target of 71 per cent for steel recycling for the next two years, it is likely that we will be faced with these low prices up to the end of 2012.

One of the major issues facing UK reprocessors of all materials is the EU's recent adoption of the End of Waste Regulation for ferrous and aluminium scrap. This has to be incorporated into the UK legislature by 9 October 2011. The possible impact will be to move the point of issue for PRNs further down the supply chain. Many traditional reprocessors will be excluded from issuing PRNs. This will mean a fundamental change for the whole PRN system.

There is currently much confusion in the packaging recycling sector over the potential effect of this legislation and we continue to monitor it closely.

Garvin Freeman
Packaging Recycling

FINANCE AND COMPLIANCE

One approach

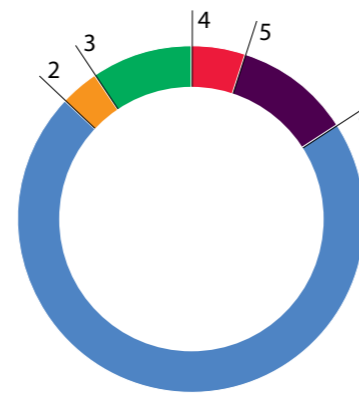
As in previous years our planned activities for 2010 were reliant on the income from the sale of Packaging Recovery Notes (PRNs). Things looked promising at the start of 2010, with steel PRNs trading at prices above £22. However, as the year progressed, the price slumped and in the end PRNs were trading at around the 70 pence mark*. Despite this, we continued to invest PRN funds into UK-wide recycling initiatives and helped to keep the cost of compliance for our customers at a competitive level.

*Data source: T2E regulated marketplace operator providing data on PRNs.

In November 2010, amendments to the packaging regulations changed how we report our revenue to the Environment Agency. One of the key changes is in the level of transparency required for how reprocessors use the income derived from the sale of PRNs.

This is how we spent our PRN revenue in 2010, reported according to the new guidelines.

Along with our compliance scheme, we maintained our commitment to continuous improvement. We arranged a series of seminars designed to help our colleagues throughout Tata Steel calculate the data we require for our annual UK Packaging Obligation.



Key

Cost of complying with regulations	71.19%
Retained for future investment	3.49%
Developing communication strategies	9.4%
Infrastructure	5.16%
Reduction in price and developing new markets for recycle	10.76%

We now report utilising the Environment Agency criteria as set out in the chart shown above.



BOOSTING RECYCLING UK-WIDE

One goal

At Tata Steel, we are determined to increase metal packaging recycling rates in line with our producer responsibility commitments. We work on initiatives which are vital in changing consumer behaviour.

This year we concentrated on metal matters, Every Can Counts and Aerofoil as they all share the common objective of raising recycling rates for metal packaging. We understand that working with our counterparts in the aluminum packaging industry is essential to ensure that the sustainable credentials of all metal packaging is recognised.



metalmatters

Together with The Beverage Can Makers Europe (BCME) and Novelis Recycling, we have created 'metalmatters', a pilot programme to encourage greater participation in recycling through the local authority domestic kerbside collection system.

New research conducted by the group looked at how recycling behaviour has helped our understanding of the typical barriers to consumer participation. It found that beyond food and beverage cans, the awareness of metals recyclability proved low amongst consumers.

The findings resulted in a leaflet showing the transformation of the metal can through its life cycle. It was distributed to over 60,000 households demonstrating the benefits of recycling metal for society.

The pilot programme delivered excellent results with consumers changing their behaviour which resulted in an overall increase of 12.9% in metal packaging capture.

Every Can Counts

2010 saw the second year of our support for Every Can Counts. This is a national recycling programme established in 2008 by Alupro, the Aluminium Packaging Recycling Organisation, aimed at increasing the collection of metal packaging 'away from home'. By the end of 2010, Every Can Counts had successfully recruited over 470 organisations to the recycling scheme and has over 3,250 recycling boxes in nearly 1,000 sites. www.everycancounts.co.uk

Aerofoil

Another UK-wide initiative we supported in 2010 was Aerofoil, a major programme to increase the collection of steel & aluminium aerosols and aluminium trays.

Aerofoil has been working with local authorities, waste management contractors and material recovery facilities (MRF) operators since September 2009 to help them realise the potential of the valuable materials in the domestic waste stream.

Twelve months after launch, the programme reports that two million households can now recycle aerosols and that the number of households able to recycle aluminium trays as part of their kerbside recycling scheme has increased by almost one million.

Alupro, working with the British Aerosol Manufacturers Association (BAMA) and the Waste and Resources Action Programme (WRAP), conducted a number of studies. These enabled the development of 'best practice' guides as well as case studies to demonstrate that both aerosols and aluminium trays can be collected safely at the kerbside, mixed with food and drinks cans and without contaminating other material streams. www.aerofoil.org.uk



Together with our industry-wide partners, we work on initiatives which are vital in changing consumer behaviour.

OUT AND ABOUT IN THE COMMUNITY

One world

We at Tata Steel see our responsibilities of supporting communities reaching out wider than the sites where we manufacture packaging steel.

The community recycling sector, operating within 20 local authorities in the UK and with over 120 members in Scotland, plays a valuable part in today's recycling infrastructure and we continue to work together.

An example of this is our support for the conference and awards held by Scottish and Welsh community recycling organisations CRNS (Community Recycling Network for Scotland) and Cylch (Wales Community Recycling Network). Both organisations work within their respective communities to improve resource management.

We were highly visible at the Project Start launch in Wales in September. Start is new initiative to help people across the UK lead more sustainable lives and to show what a more energy efficient, cleaner and healthier future could look like. We had the opportunity to meet the project's patron Prince Charles and hear his views on steel packaging recycling. As Prince of Wales he was very encouraged to learn that Tata Steel was very active within our community in South Wales, supporting employment, development and education in recycling.

Some of our colleagues at Port Talbot steelworks underwent training to provide lessons to various organisations and schools throughout the South Wales community. This is consistent with the Tata Steel philosophy of engaging with communities near our plants.

We teamed up with Magnet, Tata Steel's graduate committee, and introduced them to the training on the life cycle of steel packaging.

Along with the Tata Steel initiative 'Kids of Steel', we have reached out to much wider audiences.



SUPPORTING LEARNING

The future

As part of our ongoing commitment to championing steel for the future, we at Tata believe education has an important place within our communities. Our Involvement with SCRIB (Steel Can Recycling Information Bureau) provides the additional resources to complement syllabus requirements for environment recycling and sustainability at a primary school level.

Its school workshop campaign offers children a valuable insight into recycling. It continues to prove popular, giving teachers and children alike a mix of academic, vocational and hands-on learning techniques. This year a further 19 schools throughout the UK benefitted from a visit by a SCRIB member.

The SCRIB SMART campaign continued its momentum during 2010, with more schools being awarded a certificate in recognition of their hard work in implementing environmental practices that have a positive outcome on their local community and surrounding areas.

Yes You Can added more partners to its campaign. Yes You Can interacts with the community and gives recycling challenges which in turn promotes sustainability within schools and in the community.

Another exciting education project was the SCRIB Storymash, launched in September 2010. The first collaborative writing project of its kind, it is led by Doctor Who author Daniel Blythe. The aim of this project was to deliver the topic of recycling through new and interesting concepts that engage with the recyclers of the future.

Daniel wrote the first chapter of the story of Darkridge, a tale of mystery in a sleepy town in the Peak District. The novel is being completed by children aged 8-12 in schools across the UK, who compete to win the chance to write further chapters, while Daniel continues to provide guidance. The project has provided a fun and interesting way to weave recycling and the environment into contemporary literature.
www.scrib.org

If you would like to find out more about our schools programmes or any other of our initiatives please contact Nicola Bennett at Tata Steel on +44 (0)1554 712516 or email nicola.bennett@tatasteel.com



www.tatasteel.com

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