

RESOURCE MANAGEMENT

thinking outside the box

As a packaging company, Tetra Pak UK is subject to consumer and regulatory pressure on its environmental record. It has therefore put in place measures to reduce its overall impact on the environment, among them a carbon management plan that is already paying dividends

Betsi Nsigverewo doesn't have much occasion to eat food from hermetically-sealed containers. Most of what ends up on his dinner table is freshly picked from his own farm or the surrounding area.

Yet Betsi, a farmer in Uganda's banana-producing Bushenyi region, is indirectly reliant on the millions of us who do buy well-packed produce.

He is one of 65 local farmers who sell 'carbon credits' to Tetra Pak UK, a subsidiary of the Swedish-owned packaging giant Tetra Pak. Every year, the Wales-based company buys credits for more than 9000 tonnes of carbon from the Ugandan tree-planting programme. Investing in Betsi's trees enables Tetra Pak UK to compensate for the carbon dioxide emissions that result from its manufacture of packaging. Trees absorb carbon dioxide, which is the major cause of global warming.

The company's factory in Wrexham churns out 2.3 billion cartons per year. In 2004 the Ugandan project offset four-fifths of all the carbon emissions created during the manufacturing process. The remaining fifth was compensated for by small biomass and solar energy projects in India. 'We like the idea of investing in growing trees because it links back to our everyday business of producing packaging, which is largely tree-based,' says Tetra Pak UK's environment officer, Samantha Edgar.

Betsi likes the idea too. What seemed to him like a hare-brained scheme when environmental charity Ecotrust first approached him has since turned into a regular source of income for his family. 'These trees will help to pay for my children's school fees,' he says, with an eye on the future.

The project also provides additional employment and a source of sustainable timber for the local area, as well as helping to combat soil erosion. In addition, participants are set to gain considerably from greater access to national markets for timber, poles, fuel wood and fruit and fodder, according to project partner Ecotrust, which spends much of its time promoting forest management that encourages biodiversity.

However, Edgar concedes that carbon offsetting can only ever be 'complementary' to the core challenge of reducing the company's carbon emissions. Three years ago Tetra Pak UK began working with the Edinburgh Centre for Carbon Management, a specialist consultancy, to do just that, and set itself an initial target of reducing overall carbon dioxide emissions by 12 per cent by the end of 2004.

To achieve that goal, the company drew up a carbon management plan that takes account of every aspect of

the company

Tetra Pak UK is a subsidiary of Swedish-based packaging company Tetra Pak, which is one of the world's biggest suppliers of packaging systems, with carton products sold in more than 165 countries around the world. Tetra Pak UK employs 320 people and has an annual turnover of £131million (\$230m). It:

- n aims to reduce its worldwide carbon footprint by 10 per cent by 2010, on 2005 levels
- n has a 'health promise' programme, set up in 2004, that provides support on healthy living for staff – including activity sessions and advice on eating habits
- n works with the charity Arts & Business Cymru to run educational activities for young people in Wales, including the use of recycled material for public art
- n launched a £300,000 fund in April 2006 to help local authorities establish carton recycling schemes
- n reported a 70 per cent reduction in the number of days lost to serious accidents in 2004 and a 46 per cent drop in the total number of accidents – attributed largely to a new health and safety programme

n Tetra Pak UK aims to increase carton recycling in the UK to 10 per cent by 2008. It has increased investment in recycling banks and has helped set up a specialized carton recycling facility in Scotland



Tetra Pak UK's manufacturing operations – from production of packaging material to its delivery to UK customer sites.

At a global level, the packaging company took a look at the origins of the paperboard it was buying, and decided to increase the amount purchased from certified environment-friendlier sources. Now, more than half the paperboard that goes into Tetra Pak's cartons is sourced from independently-certified forests. Large gains have also been made in waste reduction. More than 96 per cent of all solid waste at its Welsh factory is now recycled, and levels of discarded polyethylene have fallen by more than two-thirds as a result.

Rubbish trucks also need to make fewer trips to the Wrexham plant these days. Tetra Pak UK's total waste going to landfill is down by more than a quarter (26 per cent) on 2001 levels. Nor do the company's ambitions end at the factory gates: it has invested a large amount of money in a specialized carton recycling facility in Scotland. The Smith Anderson Mill in Fife has the capacity to recycle a fifth of all the beverage cartons used in the UK and, as such,

stands to play a critical role in the industry's self-imposed 2008 target of recycling at least one in every ten cartons used in the UK. Friends of the Earth, which keeps a close eye on proceedings, says further improvements in waste reduction and recycling are needed. 'Tetra Pak needs to

phase out the amount of material that cannot be reused or recycled,' says FoE's senior campaigner on resource reduction, Michael Warhurst. 'Although it has increased its recycling capacity and targets, its actual recycling rates at present are not good. One of its biggest problems is the use of multi-layered materials in its cartons, which makes recycling difficult and means you have to have special operations to deal with the stuff.'

Not everyone, however, agrees with this focus. Jane Bickerstaffe, director of the UK-based Industry Council for Packaging and the Environment, of which Tetra Pak UK is a member, says: 'It's certainly not easy for Tetra Pak to recycle cartons, but recyclability should not be an aim in itself. A company should be going for overall resource efficiency'. In other words, while critics such as FoE argue that the way Tetra Pak makes cartons, with several layers of different material, renders them more difficult to recycle than they might otherwise be, it's important to keep the big picture in view. Overall the company is 'ahead of the game' in its sector, Bickerstaffe says.

Aside from recycling and waste reduction, the second main theme of the company's plan is cutting energy use, which it has reduced by 25 per cent over the period 2001-4. By altering production processes and training staff, Tetra Pak UK has also cut its water consumption by a fifth. 'These savings add digits

straight to our bottom line,' says Edgar. She pulls out a spreadsheet and reels off an impressive list of results. From 14,385 tonnes in 2001, the company's greenhouse gas emissions were reduced to 11,782 tonnes by 2004 – a fall of 18 per cent, well ahead of its 12 per cent target. Per-unit figures have also fallen. The amount of carbon produced per standard pack or carton is down by a fifth compared with five years ago.

'Sustainability is part of Tetra Pak's competitive strategy and thus a key driver in the way the company conducts its business – sustainability ensures profitability,' says Edgar, who argues that the environmental programme has significantly increased competitiveness by reducing production costs. However, the bottom line is not the whole story. Edgar has noticed more of a buzz on the factory floor since the programme began. 'People really like to see the company is doing something to help the environment. They want to be part of it,' she says.

Closely managing its environmental impacts may also keep the company ahead of regulation. Official figures show the food industry alone accounts for around 14 per cent of all the energy consumed by British businesses. 'That is roughly seven million tonnes of carbon dioxide. Naturally the industry has come under scrutiny and faces potential future obligations,' Edgar observes. With the British government looking for a 60 per cent reduction in UK carbon emissions by 2050, Tetra Pak UK is putting itself in a position to lead from the front.

Edgar acknowledges that the company still has far to go. 'We're not claiming to have everything right, but we're certainly making progress, and the more progress we make, the more enthusiastic our employees become about taking things further,' she says. 'If we can prove we're taking a socially and environmentally responsible attitude to what we do, then we should make our business more sustainable in the long run.'

n Further information: www.tetrapak.com/uk and Samantha Edgar, environment officer, Tetra Pak UK, at samantha.edgar@tetrapak.com

people like to see us doing something for the environment and want to be part of it

ibe comment **TETRA PAK UK**

This Wales-based plant of a Swedish multinational company employing 320 people clearly takes its environmental responsibility seriously. Not only is it covering its 'carbon footprint' with, among other things, tree planting in Uganda, but it also has targets to reduce waste and encourage recycling of the materials that it uses in manufacture. The programme extends well beyond the factory gates, so that whoever uses Tetra Pak products is encouraged to recycle them.

what impresses about this approach is:

- n the strong commitment to carbon dioxide reduction and compensation
- n the way that many raw materials are sourced from producers that are eco-friendly
- n how Tetra Pak UK has often exceeded its own targets for waste and energy reduction
- n recycling schemes cover more than just the company's own plant

SIMON WEBLEY, INSTITUTE OF BUSINESS ETHICS