

Zotefoams plc and our Environment

Our Aim

Zotefoams plc considers environmental issues seriously and is committed to minimising the effects of its operations on the environment whilst ensuring that competitiveness remains unaffected.

The Company was one of the first two hundred businesses in the UK to be accredited to ISO 14001, the International Standard for Environmental Management Systems (EMS). This commitment to ensuring best practice is consistent with other operational duties such as Quality Management, Occupational Health and Safety where the Company has also reached accreditation to recognised international standards.

Environmental Performance

The Board considers the processes used by Zotefoams to be among the most, if not most, environmentally friendly way to manufacture cross-linked polymer foams. Our processes use pure nitrogen or carbon dioxide to expand the foams. The common peroxide cross-linking agent, which enhances foam properties, is completely utilised during the processing and, importantly, no other chemical additives are present in our basic foam products. The result is that our basic foam products have no toxic or volatile chemicals (such as solid chemical residues, CFC, HCFC or volatile hydrocarbons) remaining in the material structure. Such substances are present in competitive products.

During 2010 the Group had 15 internally recorded incidents (2009:13). Five of these were noise complaints (2009:7). All were investigated and actions taken. Five were minor oil/chemical spills (2009:2) which were dealt with appropriately and had no significant environmental impact. Five were releases of nitrogen gas into the air from bursting disks which are an essential part of our statutory equipment safety regime (2009:4). While Zotefoams record this as an environmental incident principally on the grounds of utility loss and noise, we consider that the safety of our plant is of primary importance and regard these incidents as evidence that our safety procedures are functioning as designed.

The vast majority of all waste produced by Zotefoams plc is either solid or foamed polyolefins. Neither are easily melt-processed (the major recycling route for most plastics) due to our essential step of cross-linking our polymers during manufacture.

In 2010 the waste sent to landfill from our main site in Croydon was 687 tonnes, higher than 2009 (432 tonnes), reflecting both higher production volumes and the impact of our site-wide clean-up under our lean manufacturing initiative.

The Company is fully compliant with the requirements of the Producer Responsibility Obligations (Packaging Waste) Regulations 2007 (as amended) - more commonly referred to as the Packaging Waste Regulations (PWR). Zotefoams plc continue to monitor with interest UK government approaches to compliance with EU directives on packaging waste as well as the many other environmental issues being considered.

Energy consumption is monitored and reviewed regularly. There are continuing efforts across the site to improve energy efficiency and in 2010 we improved our energy consumption per kg produced by 9%. In October 2009 Zotefoams entered into a Climate Change Levy (CCL) agreement. This involves the Company meeting specific targets to reduce energy consumption. Providing Zotefoams meets the requirements of the CCL agreement it receives a rebate on its electricity bills and is also exempt from the Carbon Reduction Commitment Scheme.

Croydon Site	2010	2009	2008
Internally recorded environmental incidents	15	13	4
Waste sent to landfill (tonnes)	687	432	337
Water consumption (000's m ³)	48	57	92
Energy consumption (kWhr/kg)	12.5	13.8	13.2

Environmental Policy

The **Company Environmental Policy** (*Appendix 1*) is reviewed annually to ensure its' continued relevance to the business, best practice and current standards.

The Managing Director has ultimate responsibility for environmental issues. The Director of Operations is responsible at an operational level and reports directly to the Board on environmental performance, he is supported by the Environmental Advisor. The Environmental Steering Committee, which is chaired by the Managing Director and includes the Finance Director, Director of Operations, Director of Technology and Development, Director of Sales and Marketing, Head of Engineering and Maintenance and the Environmental Advisor, meets quarterly to review environmental performance.

Environmental Aspects and Impacts

The Company quantifies the impact of its activities that can interact with the environment using the weighted risk model described in the Environmental Agency's Envirowise web site. This enables the Company to identify the most significant aspects and target resources for continual improvement. The current major aspects which are considered to be priorities are waste generation and disposal plus the consumption of raw materials and utilities. Performance on improvement is monitored by the Environmental Steering Committee. A summary of the **Company's Principal Assignable Environmental Aspects** is given in *Appendix 2*.

The Site Safety, Health and Environmental Committee which comprises of employees from all departments and levels within the Company also meets quarterly or more frequently to discuss these matters as well as health and safety issues. This forum is also used to raise awareness.

Awareness and Training

The Company supports environmental awareness in the local community through, for instance, Croydon council and other local initiatives. Internally, the Company raises environmental awareness through site meetings and other forums.

Audit

Internal environmental audits follow a schedule covering all departments / operations each year. Zotefoams plc has biannual external audits conducted by the BSI to continue accreditation to ISO 14001:2004.

Trends

Usage trends are monitored in all areas and corrective action taken on any negative trends highlighted.

Environmental Objectives

In 2010 the Company completed the following key objective:-

- The Company just missed the SEC (Specific Energy Consumption) target specified in the CCL agreement but was able to buy carbon credits to ensure continuing participation in its CCL agreement.
- The required bi-annual Legionella risk assessment was carried out successfully

The following key objectives have been set for 2011:-

- To reduce energy consumption by 5%.
- To reduce water consumption.

Appendix 1

Zotefoams plc Environmental Policy

Zotefoams plc recognises that its operations have an effect on the local, regional and global environment.

The Company is committed to:-

- Continual improvement of its environmental performance and prevention of pollution.
- Complying with all relevant environmental legislation and regulatory controls.
- Identifying its significant environmental impacts, reviewing these at regular, prescribed intervals then setting objectives and targets for improvement.
- Reviewing, monitoring and improving the Company's environmental performance against established targets and objectives at regular prescribed intervals.
- Making this policy freely available to employees, customers, suppliers, stakeholders and the general public on request.
- Encouraging all employees to be proactive in the maintenance and continual improvement of the Company's environmental management system and practices.
- Minimising waste, optimising use of resources and preventing pollution in all parts of the business wherever reasonably practicable.

Appendix 2

Zotefoams Principal Process Stages and Assignable Environmental Aspects

