

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 polymer foams. Our process uses pure nitrogen 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 chemical residues, CFC, HCFC or volatile hydrocarbons) remaining in the material structure. Such substances are present in competitive products.

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 Finance Director 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 to discuss these matters as well as health and safety issues. This forum is also used to raise awareness.

Process Waste

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

The Company remains committed to reducing the impact of its' process waste material. We continue to investigate new solutions to waste management issues and actively seek secondary outlets for our waste products.

Utilities Usage

Energy usage is monitored on the basis of volume of foam manufactured per unit of energy. This is reviewed regularly during the year and there are continuing efforts across the site to improve energy efficiency.

Heating energy, gas and electricity is used throughout site. The company is committed to improving its energy efficiency.

Climate Change Levy (CCL)

As a 'plastics processor', Zotefoams plc falls within the category of a facility manufacturing certain plastic products as defined within the 2009 Finance Bill which enables it to participate in a voluntary agreement to reduce energy consumption in return for a discount on the CCL . The Company is expecting to join this scheme in the last quarter of 2009.

Environmental Incidents

In 2008, 4 minor incidents were recorded on site compared to 13 in 2007, 1 of these incidents was for a bursting disc failure and 3 for noise.

While discharges from bursting discs are an environmental concern, the bursting discs are an essential part of our statutory equipment safety regime and as such the safety requirement is considered to have a significantly higher priority than the environmental impact.

All noise complaints were investigated and where appropriate action taken.

Our site is close to residential areas and the Company maintains close contact with local residents. The Company takes its' social responsibility seriously and where possible will act to prevent the cause of any complaint from occurring and where unavoidable, will consult with residents to pre-warn or inform.

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. During the last audit they made 3 observations which are being reviewed.

Trends

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

Producer Responsibility Obligations (Packaging Waste) Regulations 1997

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.

In 2008, the Company was obligated and did show evidence for recycling of 15 tonnes of plastic, 16 tonnes of wood and 57 of general recycling, with a recovery obligation of a further 8 tonnes of any material.

Environmental Objectives

In 2008 the Company completed the following objectives:-

- The completion of its Legionella risk assessment.
- The completion of an environmental noise survey.
- The Company started work to quantify its carbon footprint

The following key objectives have been set for 2009:-

- To set up an energy management committee, then agree and implement an energy efficiency programme to reduce energy usage.
- To review how the Company reports on waste and reduce the material sent to landfill.

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

