The Confederation of Paper Industries (CPI) aims to unify the UK’s Paper and Paper-Related Industries with a single purpose in fiercely defending their interests and promoting paper’s intrinsic value as a renewable and sustainable material.

With 72 Members, CPI represents recovered paper merchants, paper and board manufacturers and converters, corrugated packaging producers, and tissue makers.

CPI is working to promote:

- a positive image for paper
- secure energy supplies at competitive prices
- resource efficiency within a coherent waste strategy
- the benefits of packaging
- a sustainable UK paper industry
- manufacturing as a vital part of a balanced economy

Paper - the sustainable choice
Another busy year for the staff at CPI!

Des, Andrew, Andy, Steve, Paul, Emma, Nick and Christine remain the backbone of the organisation. We also welcome aboard the new recruits, Annabel, Debbie and Stuart.

The agenda for 2010 has centred around us telling our environmental and sustainability story to policy makers and to the new coalition Government.

We have continued our work with numerous bodies, both in the UK and in Continental Europe, to ensure that we can influence the ease with which we are able to do business.

We have worked in close cooperation with both the European Association for Corrugated Packaging (FEFCO) and the Confederation of European Paper Industries (CEPI), and see the benefits of having core messages on issues which are of mutual interest and benefit to our industry.

The skills gap within UK manufacturing continues to be a concern and the Government has now acknowledged that this an area where partnership with industry is critical, and it is an area where our own industry needs to play a bigger part. This is now recognised and we will work closer with Proskills to help its progress.

The pressures on raw material prices, and their effect on paper packaging and tissue, has continued to be significant. The tragedy of the natural calamities in Japan will add to these pressures - through shortages, in particular on Old Corrugated Cardboard (OCC).

The coming year is going to be an exceptionally busy one. New consultations and policies on energy and environmental matters are awaited. A revised waste strategy is being developed, not just for the UK as a whole, but through each of the devolved administrations as well, so quadrupling CPI’s workload!! A new health and safety strategy will be developed through The Paper and Board Industry Advisory Committee (PABIAC), and we will be devoting more time and effort in promoting corrugated packaging.

In spite of all the pressures and responsibilities on our industry, we continue to innovate and deliver great products to our customers. We must never lose sight of our end users and the product which we make, and its important part in modern society. Along with our customers, we perform a valuable service to consumers – a service which is sometimes undervalued!

I would urge you all to continue to support our industry and your individual sectors. There cannot be any “free riders” – everyone must do their bit to ensure that we continue to thrive as an industry.

Bob McLellan
We have deliberately set out in this Review to emphasise the positive aspects of the Paper Industry’s performance over the last decade. All too often we, and other well established manufacturing sectors, get a bad press, which is simply not justified by the facts. We can demonstrate significant improvements in energy efficiency and carbon reduction. The recycling rate of paper and board has risen to a level which means that it has the highest recycling rate of all materials. Our health and safety record is also very impressive with a significant reduction in accidents, thanks in part to the work of PABIAC and the sector committees. In addition, our industry continues to invest in the UK, so creating jobs. Paper is a modern, highly innovative, technologically advanced industry with a very impressive environmental record. Paper itself is a truly renewable material – perhaps the only one.

My message therefore is quite clear – we need to keep telling the “good news story” at every opportunity. Politicians and civil servants seem to be hung up on the idea that it is only SMEs in hi-tech niche markets that are worth supporting. It needs to be borne in mind that together the energy intensive sectors directly and indirectly employ one million people in this country, and we also supply the essential raw materials for most of the other downstream manufacturing sectors.

Government also needs to be constantly reminded that sustainability is a three legged stool and any assessments need to include in equal measure, the social and economic legs as well as the environmental one. This is particularly true today as the UK economy struggles through a turbulent period of deficit reduction, while engaged in energy market reform and the imposition of even tighter environmental tolerances. Indeed, it must be of concern to us all that the UK seems so determined to lead the world on climate change policy when the outcomes from Copenhagen and Cancun lacked any form of global agreement.

It is essential that the CPI’s team of experts keeps up the pressure on government to ensure that our industry is not to be burdened in future with costs that make us uncompetitive with the rest of the world.

We also need to ensure that government is held to account over its promises to undertake impact assessments on policy initiatives. In fact we need to go further and impress on it that it is the cumulative effects of all measures that need to be assessed. Paper is a renewable and sustainable resource produced by an industry with an enviable track record of mitigating its effects.
on the environment and investing in innovation and new technologies. Furthermore, paper should be regarded as contributing significantly to a world where resource efficiency is going to become as important as climate change in shaping future government thinking.

There have been some significant personnel changes at CPI over the last twelve months. In April 2010 Martin Oldman, my predecessor as Director General, stepped down to enjoy his retirement. His departure was followed by that of David Morgan, who emigrated to New Zealand, and latterly Catherine Waterfield and Peter Seggie also left, to pursue their careers elsewhere. All will be missed and I would like to take this opportunity of thanking them for the considerable contribution that they have made to the work of CPI over many years.

We have, however, been very fortunate to have engaged three very high calibre people to assist us in taking CPI forward. Firstly, Debbie Stringer came in to support Steve Freeman on energy and environment. Annabel Acton has joined Emma Punchard in our communications department and latterly Stuart Pohler has joined CPI as Recovered Paper Sector Manager. I welcome them all.
Energy Issues

Producing pulp and paper intrinsically requires energy. With the high cost of energy being such a key industry factor, mills continue to focus on increasing the energy efficiency of production – both by incremental improvements to process efficiency and, in some cases, major investments to fundamentally change the source of energy used.

Climate Change Agreements

In 2001, the Government introduced a new tax - the Climate Change Levy (CCL) - on the use of energy in the commercial sector. The Paper Industry successfully persuaded Government that energy intensive users could not remain competitive if paying the new tax. This led to the development of Climate Change Agreements (CCAs) through which sector wide energy efficiency targets were agreed, and an 80% discount to the CCL tax is applied upon achievement of the targets.

CPI continues to manage the paper sector CCA, involving all UK paper mills. To date the CCL discount has saved the industry £150,000,000 helping it to remain competitive in the global marketplace for paper.

CCAs have biennial targets, which require full reporting to the Department of Energy and Climate Change (DECC), of energy use for each participating installation. 2010 saw the end of Milestone Period 5 (M5 – October 2009 to September 2010). As in all previous milestone periods, the sector passed the energy efficiency target through the direct energy performance of mills. However, DECC link performance of both mills and third party Combined Heat and Power (CHP) sites to the CCA target, with any over achievement in the European Union Emissions Trading System (EU ETS) being counted back to tighten the CCA target. This ‘double counting’ adjustment drove the sector into a net failure for the first time, though over-achievements in previous milestones have been used to ensure the sector remains compliant. This ensures mills continue to receive the CCL discount through 2011. However, Treasury has decided the entire CCL discount for CCA compliance will fall to 65% for all participants from April 2011.

CPI has succeeded in persuading Government that CCAs should continue. It has been recently announced they will be extended through to 2023 subject to agreement of a further set of energy efficiency targets.

CCA Performance

The sector has energy efficiency targets based on the amount of energy required to generate one tonne of produce, expressed in kilowatt hours.

Baseline figures calculated for 1990 were used for target setting, and percentage improvements in energy efficiency are quoted against this (1990) baseline.
To date the CCL discount has saved the industry £150,000,000 helping it to remain competitive in a global marketplace for paper.

**Facts**

**Low Carbon Paper Production**

Combining the production of heat with electricity uses less overall energy than generating electricity and heat separately.

As well as incremental energy efficiency improvements, the use of large amounts of heat in papermaking makes paper mills potential sites to utilise CHP technology. Indeed, a number of European and UK strategies encourage the use of CHP, and the sector has responded by becoming one of the largest users of CHP. Almost half of UK paper mills have installed their own CHP, or are working with a third party to use the heat from an adjacent CHP operation.

Most of the sector CHP installations use natural gas, but in a number of cases, the CHP plant is powered by renewable energy sources.

This usually comprises different types of biomass, making use of wood and other wastes that would otherwise not be used. As carbon omitted from such sites is generally accepted to be recaptured by the continued growth of the woodland, biomass powered CHP is commonly regarded to be carbon neutral.

**Working with the Carbon Trust**

CPI has been working closely with the Carbon Trust to develop an understanding of the opportunities for carbon saving, through improved awareness of energy use in papermaking. Several CPI members have benefited from Carbon Trust funding towards the installation of new monitoring equipment in certain parts of the papermaking process. The information from this monitoring will be collated into a report which will help identify the potential for further carbon savings in the sector. CPI will be working alongside the Carbon Trust to use the report to seek additional funding to help install new technology in mills.

**Government Policies**

The election of a new Government in 2010 provided the opportunity for a review of energy related policies; a number of new proposals can be expected in 2011 together with continued implementation of policies originating from the European Commission. The new Government is still determined that the UK should continue to play a global lead in addressing climate change by driving down the emissions of fossil carbon in the UK.

CPI will continue to lobby that such policies should be in the context of European Union wide rules, working towards global agreements. CPI sees no benefit in driving down UK emissions, by making energy costs so uncompetitive as to drive out UK manufacturing, only to import emissions embedded in imported goods.

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**Does 200kg of paper, the average amount each of us use every year, sound a lot?**

It’s the equivalent of:

- Powering one computer continuously for five months;
- Burning a 60w light bulb continuously for one year;
- The energy consumed by a typical household leaving its electronic equipment on stand-by for one year.

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Paper & The Environment, ATS Consulting August 2007
Defra Sustainability Report

Earlier in 2010, the Department of Environment, Food and Rural Affairs (Defra) requested data from CPI for a report titled “How can paper be made more sustainable”. CPI understands that this report will feed into the waste review by advising Government on areas of focus for any new or revised Responsibility Deals (Voluntary Agreements) with the Paper Industry. The report is also intended to inform where to focus policy intervention and which sub-sectors of the Paper Industry should be targeted, with the aim of increasing the environmental, social and economic sustainability of the Paper Industry. CPI supplied aggregated data along with a UK fibre flow diagram which helped to clarify that the UK manufactured element of the total UK consumption of paper and board is about 30%.

A draft report was reviewed by an Industry Group after which CPI met with Defra to review the comments and concerns in detail. The comments were well received. A second draft issued in January 2011 has also been reviewed by the Industry Group which will feed back to Defra ahead of publication of the much improved report.

Defra is keen to explore the potential for an overarching Responsibility Deal with the Paper Industry and is looking for input from the industry. Indications are, at this stage, that it will be a two way deal with offers on Defra’s part. This will be the challenge for 2011.

The Environment

Revision to the Pulp and Paper Sector BREF

The BREF for the Pulp and Paper Sector, first completed in 2001, is currently being revised. This significant undertaking has taken some time - started in 2007 and due for completion in 2011. The BREF provides information on the Best Available Techniques for the sector, and feeds into the control measures and standards set in Environmental Permits as required by the Integrated Pollution Prevention and Control (IPPC) Directive (now superseded by the Industrial Emissions Directive – see below). The Confederation of European Paper Industries (CEPI) is handling the content of the BREF Revision centrally, with input from CPI. Once published, CPI will work closely with the Environment Agency (EA) to ensure a balanced approach as it looks to implement the revised standards.

As a result of the delays to the BREF, the EA is to carry out a Permit Review of Paper Sector Environmental Permits ahead of the BREF publication. This Permit Review will focus on effluent treatment, and will bring all permits in line with the Environmental Permitting Regulations format.

Recast Directive on Industrial Emissions

The European Commission has brought together under one recast Industrial Emissions Directive (IED), a number of policies including the Large Combustion Plant Directive (LCPD), the Integrated Pollution Prevention and Control Directive (IPPCD) and the Waste Incineration Directive (WID). The recast Directive was finalised in December 2010 and came into force on 6 January 2011.

The timetable for implementation is as follows:

Transposition into UK law by 6 January 2013.
- Implementation from 6 January 2013 in respect of any new installation after that date.
- Implementation by 6 January 2014 in respect of installations already in existence before 6 January 2013 (except large combustion plants).
- Implementation by 6 July 2015 in respect of industrial activities not subject to the current IPPC Directive.
- Implementation from 1 January 2016 in respect of large combustion plants already in existence before 6 January 2013.

There will be consultations on the draft regulations in early 2012.
**Facts**

- Water used for paper production is either returned to source or recycled.
- The Paper Industry has steadily reduced its water usage.
- The Paper Industry uses high-end water purification.

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## Water

Water scarcity has been identified as one of the key challenges of the 21st century. Water scarcity on a global scale is impacted by water management at a local level. Secure access to clean water and links to climate change are driving the water issue up the political agenda in Europe. The key is to develop a measure of the risks to water scarcity, identify the hotspots for reducing the risk and establish water management at a local level. The Water Footprint concept is being developed as a tool to measure these risks.

Developing standards in water stewardship will, along with water footprinting, undoubtedly influence future legislation. CEPI is taking a lead in Europe, engaging with NGOs and Governments in the development of water footprint and water stewardship standards. CPI is similarly engaged in the UK.

Water footprint and water stewardship standards are due for launch in 2011, and a Water White Paper is being developed for June 2011, aimed at securing a sustainable water supply. The Paper Industry is well placed having long recognised water as a key resource for targeted efficiency management. Although a water intensive industry, very little is actually consumed in the production process, with most water used in cooling and as a carrier before being either returned to source or recycled.

The challenge for 2011 and beyond, is to work with the emerging standards to establish effective local water management to minimise the risks of water scarcity, and secure a sustainable water supply.

## Maintaining the Relationship with the EA and Scottish Environment Protection Agency (SEPA)

CPI maintains a good working relationship with the EA in England and Wales, and SEPA in Scotland, holding regular meetings to address issues of industry-wide relevance, thus avoiding unnecessary repetition of issues at an installation level. This relationship has brought benefits to both parties in the past, and will continue to be an ongoing focus for 2011 and beyond.

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## Paper Sludge

In 2010 landspreading of paper sludge was successfully transitioned to a permitted operation in line with the Environmental Permitting Regulations. This followed intense liaison with the EA policy developers, to ensure the permitting regime was no more onerous than the old “exemption” regime. The EA went on to consult on a Guidance Note on complying with a landspread permit, which is very much in line with the Paper Industry practice. 2011 will see a revised CPI Code of Practice for the landspreading of paper sludge. This will bring together the industry best practice and the EA Guidance Note, thus working to ensure landspreading as a sustainable outlet for paper sludge.
Papemaking is mainly based on wood fibre, and it is in the interests of the Paper Industry to support sustainable forestry. No other major product enjoys such strong sustainability criteria, and with increasing use of renewable resources to produce the energy used in mills, sustainability in energy use is being added to sustainability in fibre use.

Clearly these issues are critical to the future of the industry and all paper mills have environmental policies and management systems to ensure the fibres they use originate from reputable and legal sources. Indeed an increasing amount of UK manufactured paper is produced under independent environmental certification – mostly Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC).

CPI and its members are parties to the CEPI Code of Forestry Conduct which provides a commitment to conduct all operations in compliance with several key principles regarding legality and sustainability of supply.

**Pulp Production**

Timber is an intrinsically sustainable resource and the use of lower grade timber for wood pulp helps enhance the economic value of forests, supporting their proper management and offering long term viability.

Pulp manufacture uses mostly woodchips produced from sawmill residues, or thinnings from trees cleared to allow a smaller number of more valuable trees to grow on to maturity.

The UK as a nation is not a major location for the production of woodpulp, with 73% of the fibre used for UK manufactured paper being produced from recovered paper. Only two paper mills in the UK make ‘mechanical’ pulp drawing on lower grades of timber from well-managed forests, both around the mills and further afield. All other virgin woodpulp used by the UK Paper Industry is imported.

**Sustainable Forests**

During 2010, CPI continued to tackle the misconceptions and myths surrounding forestry, and the wider perception that the Pulp and Paper Industry is responsible for the destruction of trees and forests.

Wood and recovered paper are amongst the most sustainable
raw materials in the world because they are renewable and recyclable. These unique qualities are central to the sustainable nature of the Paper Industry, but their benefits are not always recognised.

Trees use water and energy from the sun to grow, taking in carbon dioxide and capturing carbon, with oxygen being released back into the atmosphere – forests often being called “the lungs of the world”. Indeed harvested timber and wood based products lock up carbon released from the burning of fossil fuels, providing an important counterbalance to climate change. Harvesting of timber makes space in the forest for new growth, with growing trees being a net absorber of carbon dioxide.

**Energy Use**
Increasing attention and investment is leading to a big growth in the production of energy from biomass, including forestry and other wastes.

With expertise in forest management, paper companies are well placed to lead the way and already a number of UK paper mills have invested in biomass fired Combined Heat and Power (CHP)plants to serve the mill’s heat needs and much of its electrical demand. These mills use both forest residues (such as brash) that would otherwise be unused, as well as waste wood taken from commercial waste streams. During 2010, CPI lobbied that wood chips used for energy generation should only be from sustainable sources. It makes no sense for the paper industry to show responsibility in sourcing its woodchips, while similar chips used for a different purpose are not subject to the same rules.

**A Growing Forestry Resource**
The managed area of forest in Europe is estimated to have grown by over 30% since 1950, increasing by an area equivalent to 1.5 million football pitches every year.

It is estimated that forests cover around 12% of the UK (compared with a European average of 44%); an increase of around 2% in the last 15 years. The amount of forested area continues to increase, with annual fellings around half the annual rate of tree growth (www.forestry.gov.uk).

“The paper industry is a relatively small user of wood. Of the wood extracted from the world’s forests, 53% is used for energy production, 28% is used by sawmills and only 11% is used by the paper industry” (FAO Statistics).

**The International Year of Forests**
The United Nations has declared 2011 as the International Year of Forests, with the overall objectives of raising awareness of forests and strengthening the sustainable management, conservation and development of all types of forests for the benefit of current and future generations. CPI warmly welcomes and supports this initiative.
2010: UK paper and board use and recovery stabilises

2010 was a year of stabilisation for the UK Paper Industry with paper and board consumption and UK recovery levels similar to those of 2009. This is a welcome outcome given the turbulence of 2008 and the contraction in paper and board use through 2009. This is also a reflection of the general economic conditions prevailing in the UK through 2010, and the highly effective paper recovery industry that now operates across the UK waste stream.

Results for 2010 indicate that a little less paper and board was collected for recycling in comparison to 2009, but with slightly more paper and board products being consumed; meaning the overall recycling rate dropped slightly to 65% from 67% in 2009. This drop in the recycling rate is however, associated with a lag factor of the paper and board recycling industry, where (higher) levels of recovery take a few months to reflect increasing consumption.

Collection of used recovered paper and board for recycling in 2010, came in at just over 8 million tonnes, about 150,000 tonnes less than that recorded in 2009. As we go forward, paper and board recovery and recycling levels are likely to climb; reflecting the higher consumption levels.

Export dependence continues but dynamics change
Throughout 2010, the UK continued to rely heavily on export markets, particularly the Far East, for paper and board recycling. However, the dynamics changed slightly as UK domestic and European demand rose, reducing...
exports to the Far East. 2010 saw 54% of used paper and board collected in the UK sent overseas for recycling, with 77% of exports sent to the Far East, including 61% to China alone. This though, is significantly down on the 2009 numbers which saw 85% of exports go to the Far East, including 62% to China. This change is a result of increased European demand for UK recovered paper and board with Europe increasing its imports from 14% in 2009 to 22% for 2010. Dependence on export markets will continue to be a key feature of the UK paper and board recycling industry as growth in the UK domestic reprocessing capacity will be very slow.

**Going forward**

Figures for 2010 show that export markets remain key to the future of recovered paper and board collection in the UK, even during times of economic turbulence. Development of overseas markets must continue if more waste paper and board is to be driven out of the UK waste stream, in line with EU and UK waste strategies. UK domestic legislation in the area of waste and recycling will be driven by the completed transposition of the revised EU Waste Framework Directive into national laws and national waste strategies for each of the UK administrations. England, under the new coalition Government, is reviewing all waste policies and this may change the dynamics of waste management in England. Scotland, Wales and Northern Ireland are currently at the implementation stage of their new waste strategies and unfortunately, there appears little sign of cooperation at a UK level, which may lead to significant UK cross border issues. Changes to the UK Packaging Regulations will have an impact on packaging recycling but, with recycling targets for the next two years held at 2010 levels, there will be little short-term impact on paper packaging recycling. The critical element in all future legislation will be to ensure that not only all new material driven out of the UK waste stream is of a sufficient quality to remain competitive in the global recovered paper markets, but also that increased recovery does not negatively affect the quality of material currently extracted.

Subdued levels of paper and board consumption in Western economies have reduced the availability and supply of recovered paper and board to the Far East, but continued strong demand from these markets has led to higher prices for material in the global market. Without increased recovery levels in Western, as well as Far Eastern, domestic economies, prices are expected to remain high. However, demand for paper and board products, and thus recovered paper and board as a raw material, is still very

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**Facts**

- **Europe recycles more paper than any other region in the world with a recycling rate of 64.5%**.

- **To keep the recycling process going, virgin fibres are needed.**

- **Around 19% of the paper we use in Europe cannot be recycled.**

- **Paper recycling is crucial in the UK due to the lack of forests (only 12% of the land base is forested).**
dependent on global economic activity. It is difficult to gauge exactly where this is heading, and this could lead to significant price volatility.

The European share of the recovered paper and board market in China, excluding the UK share, fell through 2010 to 18% from 23%, while the UK share actually rose from 10% to 11%. This indicates that the UK has well established trading relationships with China, which may stand us in good stead going forward. To continue its success in export markets, particularly Far East markets, the UK must remain competitive on the key buying criteria of quality and price. This can only be achieved by reducing the complexity of UK waste polices for collection, sorting and exporting, whilst maintaining the integrity of the material for effective and efficient recycling; wherever in the world this takes place. On behalf of the UK paper and board recycling industry, CPI will continue to send this message to all UK stakeholders.

Opportunities
The UK transposition of the revised EU Waste Framework Directive through 2010 provided a real opportunity to develop waste management, along the lines of product supply chains, with quality at its heart. CPI was heavily involved in this process and we await the outcome of the transposition, which has been delayed into 2011. If effectively transposed and enforced by UK governments and regulators, CPI believes we can all look to a future “recycling society” where everyone realises the value of secondary raw materials, and everyone benefits from the subsequent economic, environmental and social opportunities. The fact that the UK has seen significant domestic investment in the full paper and board recycling process over the last few years (with further investment still to be completed) indicates that these benefits are being fully realised in the UK, rather than overseas, and this bodes well for the future. Through the European Commission’s current “end of waste” project, 2012 may be the year when recovered paper and board is finally accepted as a product, rather than a waste. CPI will continue to engage in this process to ensure proposed criteria for waste declassification is in line with industry practice, and is achievable for the majority of high quality material.
Health & Safety seldom moves quickly and consequently it might appear that little is changing. However, while recognising that we still have a way to go, the Paper Industry has a good story to tell and in recent years the industry has achieved a great deal.

Accident Performance
Over the past 12 months, the Paper Industry continued to make substantial improvements in its accident performance. The industry’s overall accident rate was down 20% to 795 per 100,000 employees at December 2010, down from 1,016 per 100,000 at December 2009. It is a testament to the industry’s commitment that its accident rate is now on a par with UK manufacturing, having trailed behind it for many years.

Over the 10 years to 2010, the Corrugated Packaging Sector has reduced its injury rate from 2,322 to 662 per 100,000 employees. Within this figure, the sector has seen a significant reduction in ‘machinery accidents’ from 432 per 100,000 employees in 2008/9 to 154 per 100,000 employees in 2009/10 - an improvement of 64%. As a proportion of accidents within the sector, this has decreased from 42% to 16%; the average for manufacturing is 17%.

Similarly, the Papermaking Sector has taken great strides in improving its image and accident performance. For anyone working in the sector in the mid-1990s, you will recall that it was ‘shocking’ reading. The major accident incidence rate in the Paper Industry exceeded that of the construction industry, and as a result the initiative Making Paper Safely was imposed on the sector. At the time, the sector said that guarding a paper machine couldn’t be done. Fifteen years later, without question the sector has improved significantly, our injury rates have reduced from 2,287 to 992 per 100,000 employees, full guarding on paper machines is common and we have a more open approach with the Health and Safety Executive (HSE).

In 2005, the Recovered Paper Sector had an injury rate of 1,978 per 100,000 employees; five years on, the rate has reduced to 647. A remarkable achievement in a short time, and one that bucks the trend in the Recycling Waste Sector, which has an overall accident rate four times greater than the UK average, and a fatal accident rate around nine times the average for all industries.

Just like other UK manufacturers, the Paper Industry has suffered with closures and poor trading conditions in recent years. However, even during these challenging economic times, the support for Health & Safety by so many companies in 2010 illustrates the commitment, at all levels, to secure

As a result of the ongoing work of the very proactive CPI Health & Safety committees, the industry saw in 2010 significant areas of development and improvement, which included:

- Sharing of information on industry specific hazards, to enable industry to challenge the status quo and drive improvements;
- Huge reductions of nearly 53% in machine related accidents in the Corrugated Sector through a combination of company activities and the support of CPI;
- Unite the Union and CPI working together on the industry ‘Say No, Say Yes’ campaign;
- On a separate transport issue, the Recovered Paper Sector Health & Safety committee identified solutions for securing “rider” bales on forklift trucks. Further to this, simple industry specific guidance was written setting out the nature of the problem and a number of alternative solutions for companies to follow.

Fact

The total injury rates for both the Corrugated and Recovered Paper Sectors individually are better than the rate for UK Manufacturing as a whole.

HSE All total injury manufacturing figures 2009/2010

‘Say No, Say Yes’ Campaign

Unite the Union and CPI’s joint initiative to encourage workers not to take risks.

ALL SECTOR PABIAC INDUSTRY TRENDS

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<th>Sector and Industry Rates</th>
<th>Corrugated</th>
<th>Paper and Tissue</th>
<th>Recovered Paper</th>
<th>CPI All Sections</th>
<th>HSE All Manufacturing</th>
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Source: CPI Injury Data 2010
Occupational Health

While awaiting a report by Nancy Hamilton, HSE Health and Hygiene Specialist, into health provision within the Paper Industry, CPI produced a number of tools to assist the industry in moving forward. Through the Paper and Board Industry Advisory Committee (PABIAC), we developed an industry Occupational Health (OH) benchmarking tool. In addition, a model OH policy and procurement checklist were devised to help industry improve OH management and provision.

By the end of 2010, a large number of companies had completed the benchmarking tool to establish a baseline for OH provision. Companies had used the report by Nancy Hamilton, in conjunction with the CPI procurement checklist, to select competent OH providers, relative to their needs. It is clear that although much work has been done in a short period of time, Occupational Health is more prominent on the industry’s agenda, and we will be looking to develop this area further in 2011.

PABIAC

Of the many changes within the industry in recent years, there is one aspect that remains intact “The Paper and Board Industry Advisory Committee” (PABIAC).

It is a great credit to the Paper Industry that through its achievements over a number of years, PABIAC continues to be a leading Industry Advisory Committee, at a time of public sector cuts and spending reviews.

In the 6 years since CPI developed PABIAC into a ‘Strategic Delivery Board’, the industry has reduced significantly the number of work related injuries. The key to PABIAC’s continued success is its ability to change with the times whilst retaining its trusted tripartite constitution comprising HSE, Trade Union and CPI - all working towards a common goal.

The biennial Health & Safety conference in November 2011 will see the launch of ‘PABIAC Strategy 2011-2014 Phase 3’, forming part of the industry’s continuous improvement plan, building on the achievements of previous years.
Employment Affairs provides CPI member companies with guidance on generalist HR, information on Employment Legislation and assistance with Disputes Resolution. In addition to this, Employment Affairs has responsibility for the National Agreements in the Corrugated Packaging and Papermaking sectors.

Both National Agreements allow for annual pay settlements to be negotiated with the recognised Unions and Industry representatives. Over the years this has provided stability within the Industry and is a valued aspect of the National Agreements.

The Papermaking Employment Committee and National Negotiating Committee would like to formally acknowledge and thank Paul Hirst for the significant contribution that he has made to the Industry whilst being in the position of Chairperson. Paul has completed his 3-year term of office and handed over his Chairperson position to Lee Glover, with Roger McKenna retaining the position of Deputy Chairperson.

The Employment Committee has delegated powers to conduct collective bargaining with the recognised trade unions on behalf of conforming members of the Papermaking Sector. A National Negotiating Committee (NNC) is appointed by the Employment Committee from among its members to conduct, where appropriate, detailed negotiations with the Trade Unions.

The Corrugated sector National Negotiating Committee has representatives from DS Smith Packaging, Smurfit Kappa Corrugated Division and SAICA Pack UK who negotiate with National Union officials from Unite and the GMB. Brian Wark is the Chairperson and Keith Sutcliffe Deputy Chairperson.

Another valued service that the CPI provides to both the Corrugated and Papermaking sectors is dispute resolution; this allows for the Head of Employment Affairs to represent member companies at formal Industry Conference meetings with the recognised Unions. An excellent track record in securing acceptable resolutions has been achieved.

Members of the CPI can be assured that Employment Affairs will respond to your needs in a professional and where required, confidential way.
Lobbying

In July 2010, CPI wrote to MPs with paper or paper-related installations in their constituencies to highlight what it saw as the key priorities for the UK Paper Industry. The MPs, many of whom had been newly elected, were invited to visit Member plants to see industry first hand. As a result, a number of visits were set up during the second half of the year.

Recognising the importance of the 2010 General Election, the Corrugated Packaging Industry united with one voice to engage in a pre and post election campaign, urging MPs to encourage the healthy growth of manufacturing in the UK. The central message was that decline in UK manufacturing is not inevitable, and that policy-makers need to create more advantageous conditions for investment.

Naturally proud of its own investment record and the ability of corrugated packaging to help companies reduce costs and carbon footprints, the Corrugated Packaging Industry has sought to open up its factories to more visits from MPs, to show them British manufacturing at its best.

The MPs Newsletter was compiled and distributed by CPI ensuring that MPs are kept up to date with news affecting the Paper Industry.

Dods Manufacturing Dialogue

In 2011, the Corrugated Packaging Industry, represented by CPI, will be taking part in the Dods Manufacturing Dialogue - a concerted programme to influence government policy on the future of UK manufacturing.

Co-ordinated by Dods, the UK’s leading public affairs and policy communication specialist, the programme aims to pinpoint the policies that UK manufacturing wants to see implemented to secure its future competitiveness in the global arena. The final report and recommendations will be presented to government and key stakeholders.

Involvement in this initiative enables the Corrugated Packaging Industry to have a significant input into future policy on UK manufacturing. Over the past few years, CPI has established a regular dialogue with key political figures, showing them how the Corrugated Packaging Industry acts as a barometer of the pressures on UK manufacturing as a whole. Now CPI is taking the next logical step, which will see us fully engaged in helping to promote the policies that will secure the long term future of UK manufacturing.
Consultations
CPI responded to a number of Government consultations, having sought and incorporated the views of CPI Members. Some of the consultations during 2010 included:

- Defra Waste Policy Review in England
- DECC consultation on red tape
- Introduction of restrictions on the landfilling of certain wastes
- Climate Change Agreements: Draft Revised Agreements and Scheme Rules
- UK packaging waste regulatory developments
- Renewable Heat Incentive
- Consultation on Draft Guidance on the Legal Definition of Waste and its Application

Press & Media Coverage
CPI continued to build its relationship with the media through 2010, with coverage in the trade press including press releases, editorial features and expert comments.

CPI monitors the trade and national press for articles of relevance and any coverage that CPI itself received, in order to keep members up-to-date with issues likely to affect them. Of the many press releases issued in 2010, CPI received over 200 mentions in the trade press.

We will continue to build on this in 2011 as part of a renewed focus on external communications to further raise the profile of CPI.

Member Communications
As well as keeping Members fully informed through regular direct contact, CPI issues a number of regular communications to all Members.

CPI News, containing the latest, most pertinent news and issues was sent out regularly throughout the year, as well as a number of Member Circulars, Health & Safety Alerts, and Statistics Reports.
In 2010, the Corrugated Packaging Industry was pleased to announce a 12% reduction in its carbon footprint. This achievement demonstrates that, once again, the Paper Industry leads the way on environmental matters. This means that the Corrugated Packaging Industry has already exceeded, ahead of schedule, the 10% target currently being called for by Courtauld Commitment 2. This is important because CPI feels the focus on packaging in Courtauld Commitment 2 is excessive, when the real problem lies elsewhere. Packaging is designed to prevent damage to products – damage which is ten times more environmentally significant. CPI believes that, with the help of the Waste & Resources Action Programme (WRAP), the way is open to move the Courtauld Commitment in a more progressive direction as far as packaging is concerned. Everybody agrees that it is essential to use packaging to minimise product damage and wastage. Everybody also agrees that we need to optimise the use of packaging to achieve that objective.

We are calling for ‘rightweighting not lightweighting’. What we want to do now is move the debate on in such a way that everyone begins to understand that the right corrugated packaging can create huge environmental savings through its overall performance (such as making better use of space to take lorries off the road), and not to mention its superb record on recycling rates and recycled content.

Events

Throughout 2010, a number of CPI events were held, including:

CRC (Carbon Reduction Commitment) Energy Efficiency Scheme Seminar

On 10 February, CPI held a seminar in Birmingham to inform Members about the Government’s CRC Energy Efficiency Scheme. High levels of attendance by CPI Members ensured the event was a resounding success. Member feedback was very positive.

Representatives from the Environment Agency, Carbon Trust, Camco Energy Consultants and SKM Enviros attended and gave presentations alongside CPI staff.

Senior Management Symposium
The Next Decade - Challenges and Opportunities

CPI held its third Senior Management Symposium on 13 October at Stationers’ Hall, London. For the first time, CPI opened the event to CEOs and Senior Managers of both Members and Non-Members, resulting in record levels of attendance.

Tony Smurfit, Group Chief Operations Officer of Smurfit Kappa Group, gave the keynote speech, followed by speakers from the Energy Intensive Users Group (EIUG), The Green Alliance, CEPI, Coutts & Co, INCPEN, Defra and Two Sides. Speakers contributed to delegates’ understanding of the key issues the UK Paper Industry faces over the next ten years. These include...
the growing economic uncertainty both at home and abroad, the growing impact of environmental regulations on energy costs, and the need to maintain and secure competitive and affordable power supplies.

**Corrugated Packaging Industry Parliamentary Reception**

At the House of Commons on 30 November, representatives from all parts of the Corrugated Packaging Industry met with Members of Parliament to put the case for packaging’s essential role in business and society. This was the third CPI Corrugated Reception, demonstrating clear signs that CPI and the Corrugated Sector are building close links with Parliamentarians.

**Student Starpack**

During 2010, CPI sponsored the Institute of Material’s Student Starpack Awards. An open brief was set, encouraging design students to find novel ways of using corrugated packaging, suitable for the 21st Century, whilst recognising its versatility and environmental credentials.

**CPI Senior Management Symposium**

**Secondment**

Throughout 2010, CPI worked closely with the European Association for Corrugated Packaging (FEFCO), on a new project to unite the separate communications programmes of its national association Members, with the aim of raising awareness across Europe of the benefits of corrugated packaging.

This process of listening to FEFCO Members led to a clear way forward, and an understanding of the subtle but important differences between colleagues across Europe. It became clear that we are already in a strong position, with good communications in many countries, much agreement on target groups and key messages, but with clear cultural differences in approach.

A united programme of activity – emphasising the environmental credentials, promotional opportunities, versatility and space efficiency of corrugated packaging – has now been prepared and will be put into effect starting in 2011. This programme aims to unite the communications work of member countries while recognising their autonomous role within their national borders.

**Promotion of Corrugated – increased activity in 2011**

Throughout 2011, the Corrugated Sector will be building on the success of its past media relations activity with an enhanced programme of promotional and communications activities, including press releases and features to a wider range of trade press, round table discussions, and face-to-face meetings with packaging development managers of UK retailers.
Paper was invented nearly two thousand years ago and today it is an integral part of our daily life – just imagine life without it! Paper is the medium by which information is recorded and distributed. It is used for a variety of applications, from packaging to banknotes, napkins to playing cards. It can be read and worn as a garment. It may be made tough enough to withstand acid, or soft enough for a baby’s skin. The range of possible uses of paper seems almost limitless. Paper can be re-used and recycled, and it is made from a renewable source.

So why is it that paper is still the subject of so many misconceptions? For an industry that leads in recycling, and one that depends on a renewable resource as its raw material, the environmental story the industry has to tell is actually a good one.

**MYTH**

The Paper Industry is destroying forests

Around 11% of the timber felled throughout the world is used to make paper¹. Papermaking uses mainly forest thinnings and sawmill waste, thus utilising a product that would otherwise go to waste. The bulk of the tree goes to commercial industries such as furniture and construction. In the UK only 12% of land is forested and there are only 2 mills that use home-grown woodpulp. The rest is imported pulp sourced from predominantly fast growing species from well managed forests mostly within Europe. With responsible forest management, European forests have grown by over 30% since 1950² and are increasing by an area equivalent to 1.5 million football pitches every year - an area four times the size of London!³

In fact, 73% of the fibre used in the UK to manufacture paper is recovered paper. Recovered paper is known as the UK’s ‘Urban Forest’. No forests will have perished at the hands of the papermaker.

1  FAO Statistics 2007
2  UNECE, FAO, The Development of Forest Resources
3  CEPI

**MYTH**

Paper is bad for the environment

Paper boasts some exceptional environmental credentials. It is natural, biodegradable, recyclable, comes from a renewable resource
and is manufactured in a sustainable manner. The Paper Industry has managed to break the link between increased production and increased emissions and environmental impacts. Through the Paper Sector’s Climate Change Agreement, all mills have to report their production and energy use figures to Government every two years. This continued focus on energy efficiency means that compared to 1990, an impressive 42% less energy is required to make each tonne of paper produced in 2010.

Energy efficiency remains at the top of the Paper Industry’s agenda. Without exception, every UK paper mill has an energy efficiency plan. The efficient use of energy has always been a key issue for the Paper Industry as this is one of its main production costs. Mills are always looking for incremental ways to reduce energy use – better control of processes, reducing waste, better product design, using new technologies and sharing best practice and lessons.

Major investment decisions provide an opportunity to improve energy efficiency, and UK paper mills have invested heavily in the development of Combined Heat and Power (CHP), with well over half of production now coming from sites using this technology, resulting in lower emissions. CHP uses heat that would otherwise be wasted in conventional generation, meaning an overall saving as heat no longer needs to be generated by stand alone boilers. Indeed, a number of sites have gone to the next step in saving by installing biomass fired CHP using waste materials and fibres that can no longer be recycled.

It goes without saying that all human activities have an environmental footprint. We have used paper for thousands of years and whilst the efficiency of electronic communication is clear, the carbon footprint of this medium is clear too.

To put things in perspective:
- Users of e-mail for business purposes generate 131 kg CO$_2$ per year, of which 22% results from spam.
- 1,000 Google queries generate 200g CO$_2$, the same amount as a mid-size car travelling 1 km.
- Each printed Stern Review uses 85g CO$_2$ in total per paper copy, while the same report read online generates 226g of CO$_2$ emissions every time it’s read.
- The production of a CD or DVD alone causes 300 or 350g of CO$_2$ respectively.

Paper is a renewable and recyclable product and is environmentally sustainable.

1 Stern review, 2 calculation based on intel dual core, CRT monitor and wireless router, energy costs sourced from choice Australia, 3 study in 2007 by Dr Tony Wilkins for News Ltd.
A year of retrenchment for the UK Paper Industry with most key indices showing some positive growth compared to the recessionary year 2009, but the gains have been slight and the levels of output and consumption seen in 2007 and 2008 have yet to be regained.

**Apparent Consumption of Paper and Board**

2010 saw a modest return to growth for paper and board consumption as a whole with demand rising by 1.2% to 10.6 million tonnes compared to 10.4 million in 2009, but well below the 11.4 million tonnes consumed in 2008. The publication papers sector continues to struggle with demand showing a small increase of 0.4% for Newsprint and a significant fall of 2.4% in Uncoated Mechanicals. The Printings & Writings (P&W) sector as a whole posted an improvement of 0.6% but with much variation between the various sub-sectors: Coated Woodfree papers also fell by about 5.5% perhaps reflecting reduced spending on marketing but Uncoated Woodfree rose 4.6% as business demand for office papers picked up. The Corrugated Case Materials (CCM) sector showed a marked move away from the virgin-fibre based grades towards recycled grades, with Kraftliner and Semi-chemical fluting consumption both falling whilst Testliners and Waste-based Flutings both rising (4.6% and 7.7% respectively). Otherwise, Cartonboard demand improved by a satisfactory 2.7%; the only other packaging sector to show some improvement. Parent reels of tissue remained stable with just 0.4% of growth.

**Production and Deliveries of Paper and Board**

With just one mill closing during 2010, UK paper and board production was relatively stable adding 7,000 tonnes (0.2%) to the 2009 total, finishing at 4.3 million tonnes. The large capacity lost in the P&W and CCM sectors during 2009 continued to have an impact on UK output. The closure of the Bridgewater Paper Co. newsprint mill at Ellesmere Port was more than offset by the new capacity established at Kings Lynn by Palm Paper, now at full operating capacity. The Newsprint sector therefore saw output rise by a considerable 8.3% to 1.2 million tonnes. Unfortunately, as noted above, the impact of closures on what were historically the UK's two largest sectors, P&W and CCM, makes it difficult to comment on the data in detail. Production in the P&W sector fell by a further 12.5% and the Case Materials sector, whilst thriving, is now reduced to just two large companies: output here fell by 1.5%. Output of parent reels in the UK's large tissue sector declined slightly by 1.0% to 729,000 tonnes.
The UK’s increase in output was by far the smallest in Europe as CEPI reported double digit growth in some of the larger European producers (Germany, 11.1%, Finland, 11.2%), and significant recovery of output in other major producers such as France and Italy. Overall, CEPI estimates European production of paper and board to have increased by about 8.5% to 94 million tonnes, compared to 86 million tonnes produced in 2009. It is apparent however that European output is stabilising at monthly levels considerably lower than the pre-recessionary period (an average of approx. 7.9 million tonnes per month compared to about 8.4 million tonnes) reflecting large capacity losses across Europe.

Demand for imports increased once more during 2010. Imports rose by 1.5% and would have been higher were it not for the displacement of Newsprint imports by the new Palm Paper capacity which saw Newsprint imports fall by nearly 13.0%. Otherwise, all the other sectors, except P&W, are showing import growth of more than 5.0% compared to 2009. Meanwhile, domestic deliveries, while showing a small growth of 0.8%, were almost entirely dependent on the Newsprint sector for this improvement for reasons noted above. The small speciality sector also reported growth in domestic deliveries but otherwise domestic demand declined, especially in the P&W sector which lost a further 20% of domestic market share. On the other hand, export deliveries fared much better with total growth in exports of 3.4% compared to 2009 with even the tissue sector, not generally a large exporter, seeing export sales rise by 43% to 14,000 tonnes of parent reels sold abroad.

Production of Corrugated Board
Production of corrugated board increased by 2.2% to 3,603,000 ksm compared to 2009, but still below the 2008 total of 3,686,000 ksm. Average weekly production was 72,000 ksm (2009 = 70,000, 2008 = 73,000). Production of die-cut products rose to a high of 1.1 million ksm, an increase of 10% on 2009 and well above 2008 levels as well. This was also a high of 34% of the output of die-cut producing companies. Sheet feeding, despite the closure of specialist Western Corrugated at the end of 2009, recovered to 1,079,000 ksm, an increase of 2.5% on 2009 and just below the 2008 total. This total excludes the output of the newly installed sheet-feeder of Prowell on Merseyside.

Papermaking Raw Materials
Domestic usage of recovered paper fell in 2010 by a further 1.5% or a further 55,000 tonnes to 3.762 million tonnes, but not so significant a fall as in the previous year. Despite increased production in the Newsprint sector, usage of News and Pams grade fell slightly by 0.1% reflecting perhaps both improved technology in the new capacity and/or switching by some UK newsprint mills to Mixed Papers grade, sorted for their News & Pams content. However, use of this grade fell as output by the major user, the packaging sector, continued to reflect lost capacity and demand. Mill stocks, having spent most of 2010 at much lower levels than 2009, ended the year on 82,000 tonnes, down 12% and at coverage of 1.2 weeks of usage. The recovered paper utilisation rate by the UK industry fell back to 87.5% from the historic high of 89% achieved in the previous year. Usage of virgin fibre, except for the two integrated mechanical pulp mills, now something of a speciality in the UK, fell by a further 8% to a little over 1 million tonnes (including usage of integrated pulps).
# Members

**Full Members**

- Arjo Wiggins Chartham Ltd
- Arjo Wiggins Fine Papers Ltd
- Arjo Wiggins Carbonless Papers Ltd
- Aylesford Newsprint Ltd
- BCP Fluted Packaging Ltd
- Berridge Waste Paper Ltd
- Billerud Beetham Ltd
- Board24 Ltd
- Bolton Brothers Ltd
- Caledonian Packaging Ltd
- Centrol Recycling Group Ltd
- Chas Storer Ltd
- Connect Hygiene Ltd
- CRP Print & Packaging Ltd
- Cutts Brothers (Doncaster) Ltd
- De La Rue Currency
- Disley Tissue Ltd
- DS Smith Packaging Ltd
- Durham Box Company Ltd
- Faspak (Containers) Ltd
- Fourstones Paper Mill Company Ltd
- G.R. Advanced Materials Ltd
- Glatfelter Lydney Ltd
- Gordano Packaging Ltd
- Heath Recycling
- Hollingsworth & Vose Company Ltd
- Iggesund Paperboard (Workington) Ltd
- Intertissue Ltd
- James Cropper plc
- John Roberts Holdings Ltd
- Marshall Langston Ltd
- McLaren Packaging Ltd
- Middleton Paper Company Ltd
- Mondi Packaging (UK) Ltd
- Nordic Recycling Ltd
- Northern Packaging Ltd
- NTG (Papermill) Ltd
- Packaging Products Ltd
- Pearce Recycling Company Ltd
- Perrys Recycling
- Peter Grant Papers Ltd
- Pulp Friction Ltd
- R. H. Fibreboard Containers Ltd
- Recycling UK Ltd
- Rigid Containers Ltd
- Robert Hough Ltd
- Romiley Board Mill
- Roydon Packaging Ltd
- S H Fiske Ltd
- SAICA Pack UK Ltd
- SCA Hygiene Products UK Ltd
- SCA Packaging Ltd
- SCA Recycling UK Ltd
- Severnside Recycling
- SITA UK Ltd
- Slater Harrison & Co. Ltd
- Smurfit Kappa UK - Corrugated Division
- Smurfit Kappa UK - Paper Division
- Smurfit Kappa Recycling UK
- Sonoco Board Mills
- Sonoco Recycling
- St. Regis Paper Company Ltd
- Stirling Fibre Ltd
- Sundeala Ltd
- TRM Packaging Ltd
- Tyne Tees Packaging Ltd
- UPM-Kymmene (UK) Ltd
- Vernacare Ltd
- W E Roberts (Corrugated) Ltd
- W J Lambert & Co
- Wastepack Ltd
- Weidmann Whiteley Ltd

**Associate Members**

- ACN Europe
- Avanti Conveyors Ltd
- Bobst Group (UK & Ireland) Ltd
- Bollegraaf UK Ltd
- Cargill plc
- Dicom Ltd
- The Environment Exchange
- European Packaging Distributors Ltd
- GTS (Europe) Ltd
- ITW Signode Containers UK
- Jointine Products (Lincoln) Ltd
- KCP Environmental Services Ltd
- Know It All Ltd
- Mark Lyndon Paper Enterprises (UK) Ltd
- Materials Recycling Week
- Middleton Engineering Ltd
- M-real
- Pulp Friction
- Ralegh Ltd
- Recycle Direct Ltd
- Sun Source Europe LLC
- Swanline Print Ltd
- Systematic Servicing (Equipment) Ltd

**Affiliate Members**

- Paper Agents Association
## CPI MEMBERSHIP

For further information on how to become a member of CPI please contact:

Company Secretary, Confederation of Paper Industries, 1 Rivenhall Road, Swindon, Wiltshire SN5 7BD
Tel: 01793 889600. Email: cpi@paper.org.uk or download a membership pack at www.paper.org.uk

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Company</th>
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<tbody>
<tr>
<td>Chris Allen</td>
<td>Chief Executive - Paper Division</td>
<td>Smurfit Kappa UK</td>
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<tr>
<td>Bengt Blomberg</td>
<td>Chief Executive</td>
<td>Aylesford Newsprint Ltd</td>
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<tr>
<td>Richard Coward</td>
<td>Managing Director</td>
<td>Rigid Containers Ltd</td>
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<tr>
<td>John Denman (Honorary Treasurer)</td>
<td>Group Finance Director</td>
<td>James Cropper plc</td>
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<tr>
<td>John Gaunt</td>
<td>Industrial Director</td>
<td>ArjoWiggins Fine Papers Ltd</td>
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<tr>
<td>Pascal Giraud</td>
<td>Business Development Director</td>
<td>SAICA Pack UK Ltd</td>
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<tr>
<td>Ian Loggie</td>
<td>Chief Executive</td>
<td>Board24 Ltd</td>
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<tr>
<td>Bob McLellan (President)</td>
<td>Deputy CEO Packaging (UK &amp; Continental Europe)</td>
<td>DS Smith plc</td>
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<tr>
<td>Giuseppe Munari</td>
<td>UK Operations Manager</td>
<td>Intertissue Ltd</td>
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<tr>
<td>Will Oldham</td>
<td>Managing Director</td>
<td>UPM-Kymmene (UK) Ltd</td>
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<tr>
<td>Martin Oldman</td>
<td>Director General</td>
<td>CPI</td>
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<tr>
<td>To March 2010</td>
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<td>Iggesund Paperboard (Workington) Ltd</td>
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<tr>
<td>Ola Schultz-Eklund</td>
<td>Managing Director</td>
<td>SCA Recycling UK Ltd</td>
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<tr>
<td>Ken Stevens</td>
<td>Managing Director</td>
<td>CPI</td>
</tr>
<tr>
<td>David Workman</td>
<td>Director General</td>
<td>CPI</td>
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<tr>
<td>From April 2010</td>
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<td>CPI</td>
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KEY INDUSTRY STATISTICS

INDUSTRY FACTS 2010

- CPI Member Companies: 72
- CPI Member Employees: 19,600
- PAPER AND BOARD Production* (’000 Tonnes): 4,300
- CORRUGATED Production (Million Sq. Metres): 3,603
- RECOVERED PAPER Collection (’000 Tonnes): 8,003
- TISSUE Parent Reel Production (’000 Tonnes): 729

* includes parent reel production

PAPER AND BOARD Consumption

- Million Tonnes

PAPER AND BOARD Production

- Million Tonnes

PAPER AND BOARD Woodpulp Usage

- Million Tonnes

PAPER AND BOARD Mills and Employees

- ’000 Employees

RECOVERED PAPER Collection

- Million Tonnes
**RECOVERED PAPER**

*Domestic Usage*

- Million Tonnes

*Exports*

- Million Tonnes

**RECOVERED PAPER**

*Markets 2010*

- China: 33.4%
- EU: 12.1%
- India: 3.5%
- Indonesia: 3.2%
- Rest of Asia: 1.8%
- Rest of World: 0.4%
- UK: 45.6%

*Sources: CPI, HM Revenue & Customs*

**CORRUGATED**

*Consumption of Paper*

- Million Tonnes

**CORRUGATED**

*Production of Corrugated Boxes*

- Million sq. m.

*Sources: 2000 – 2003 FEFCO; 2004 – 2010 CPI*

**TISSUE**

*Parent Reel Production*

- kTonnes