



Roeselare Management Team, From left to right: Ian Saiz (FM Global); Simon Robertson (BPI); Peter De Craemer (BPI); Michael Huyghe (BPI); Filip De Cock (BPI); Maria Ameye (BPI); Vincent Vanderheyden (FM Global); Dirk Deweer (BPI).

BPI has a long record of leadership in understanding the sector's environmental responsibilities and ensuring that our industry's products and processes deliver environmental solutions whilst meeting the practical needs of customers, consumers and society.

## Health & Safety

### Policy

The Group's policy on Health & Safety states:

"We firmly believe that the prevention of accidents involving personal injury or damage to property is essential to the successful operation of our business and we regard the health & safety of our employees as paramount.

We, therefore, through this statement of intent, affirm our commitment to achieving the highest possible standard of health & safety for all our employees and any others whose health & safety may be affected by our work activities."

The Board of Directors for BPI:

- Accept their individual and collective responsibility in providing health & safety leadership within BPI.
- Will ensure that all business decisions reflect its health & safety intentions as set out in this statement.
- Will provide a working environment that is both safe and which has the lowest possible risk to health.
- Will provide sufficient information, instruction, training and supervision to enable all employees to contribute to their own health & safety at work.

The Managing Director of each business through their reporting Directors is responsible for ensuring that suitable and sufficient organisation and arrangements are employed for achieving the defined objectives.

Health & Safety is as important an issue as all other commercial considerations. No task is so important that a person's health or safety is put at risk. The Board of Directors will, therefore, pursue this policy with the utmost diligence.

We do stress, however, the need for all of our employees to co-operate in our aim to provide a working environment that is safe and which has the lowest possible risk to health. This is not simply because of our legal obligations, but because it is in all our interests that we should work together to achieve this end.

The Group Health & Safety Director and Manager are independent of the individual Business Directors and report directly to the Chief Executive.

### Performance

There was a slight increase in the accident rate in 2007 but still broadly in line with the significant improvement seen in 2006. We are pleased to report this continued improvement which demonstrates that the BP "EYES" behavioural safety campaign, which has now been running for 2½ years, has achieved a significant culture change within the organisation. Lost time accidents increased to 0.5 (2006: 0.4) accidents/100,000 hours worked. Minor injury rates increased slightly to 7.8 (2006: 7.6) accidents/100,000 hours.

The accident severity rate, which measures the days lost as a result of all accidents as a percentage of the total hours worked, increased due to affected employees being absent from work for longer periods. Despite this increase for the year as a whole, there was evidence in the second half of the year of an improving trend in this indicator.

Thorough investigations are carried out of all accidents and near miss situations, to ensure that we learn from these incidents and prevent recurrence. Such information on safety matters is always shared between the Group's operating sites.

The Group has made significant progress in improving its safety performance and is determined to reduce accidents further and continually seek new ways to achieve this. The Group places a strong emphasis on communicating with our people about the importance of safety at work. The range and quality of health & safety training provided to our employees continually improves with focused training being carried out at all levels and areas of the organisation.

Safety at work remains a top priority and its importance is reflected in it being a key agenda item at all Main Board, Management Board and Business review meetings.

In 2007 the Group revised its Asbestos Control and Management Standard. This Standard provides a detailed framework to ensure that operating sites comply with current asbestos legislation, codes of practice and guidance notes. All sites have up to date registers of asbestos containing materials and have specified controls to ensure that such materials do not present harm to employees, contractors or visitors to sites.

Workplace transport safety remains a target area for the Health & Safety Executive (HSE). In 2007 our operating sites carried out thorough reviews of workplace transport arrangements with significant improvements being made in a number of areas. Improved pedestrian and vehicle separation, including the addition of new walkways and barriers, has created safer work environments.

Our site in Roeselare, Belgium was awarded the Highly Protected Risk Award (HPR) by our property insurers, FM Global. This award was in recognition of the site's ongoing commitment to Property Loss Prevention. A Highly Protected Risk is a facility at which there is a very low exposure to loss. To achieve HPR, the site has successfully removed all of the large exposures on the site, and sustains a very high standard of safety management control.

# Corporate Social Responsibility Review

Our site at Stockton on Tees received a Silver Award from the Royal Society for the Prevention of Accidents for achieving a high level of performance underpinned by good management systems.

## LTA frequency rate

Accidents/100,000 hours worked

Year	Frequency Rate
2007	0.5
2006	0.4
2005	0.8
2004	0.9
2003	0.8

Lost time accidents – Accidents that cause employees to be unavailable for normal duties for more than three consecutive days.

## Minor accident frequency rate

Minor accidents/100,000 hours worked

Year	Frequency Rate
2007	7.8
2006	7.6
2005	8.2
2004	9.2
2003	8.7

Minor accidents – All reported minor injuries.

## Severity rate

Number of days

Year	Severity Rate
2007	0.013
2006	0.010
2005	0.019
2004	0.013

Severity rate – Number of days lost as a result of accidents/number of hours worked.

## Energy

	2007	2006	2005	2004	2003
CO <sub>2</sub> output (kgs/tonne)	304	303	306	308	309
Electricity (kWh/tonne)	675	677	682	682	681
Gas (kWh/tonne)	58.2	59.5	59.3	58.2	58.1
Oil (kWh/tonne)	4.3	5.6	5.8	5.3	5.6
Water (litres/tonne)	0.31	0.33	0.32	0.37	0.41

In calculating the CO<sub>2</sub> output/tonne of production we have used national average electricity CO<sub>2</sub> emissions for each country in which we manufacture, as provided by the International Energy Agency. Although our average electricity usage/tonne has reduced, the CO<sub>2</sub> emissions increased as there was higher production in our plant in China, where electricity CO<sub>2</sub> emissions/tonne are much higher than Europe.

Our UK electricity supplier for 2006 and 2007 has confirmed that its CO<sub>2</sub> emissions for electricity supply are substantially below the UK national average as it uses a mixture of nuclear and coal generation. This would suggest a reduction of 77% (2006: 77%) in the actual CO<sub>2</sub> emissions associated with our UK electricity use. This is not reflected in the above table which is based on national averages. The adjusted CO<sub>2</sub> output figure for 2007 would have been 125 kgs/tonne (2006: 125).

Electricity usage/tonne of finished goods has continued to reduce. There is an ongoing improvement programme in place to purchase more efficient equipment and fit energy saving devices, especially motors, compressors and lighting schemes.

Energy audits have been undertaken at all of our UK sites to ensure efficient use of energy in manufacturing, storage and administrative areas. The audits will be extended to our non UK sites in 2008.

Thirteen of our UK sites, representing 88% of UK electricity usage, are in Climate Change Agreements with the Department for Environment Food and Rural Affairs. In order to remain in the Agreement and secure abatement of the Climate Change Levy they are under an obligation to achieve agreed energy reductions.

Gas usage/tonne has reduced, despite the increased need to incinerate Volatile Organic Compounds (VOC's) which are used in our printing processes where water based inks are not technically viable.

The closure of a site using oil heating and a milder winter accounts for the reductions in oil usage. One of our larger continental European sites continues to use oil and accounts for 79% of group usage in 2007.

Water re-circulating systems are used extensively to provide cooling water and in wash recycling systems. A significant increase in our wash recycling capabilities during the year has not increased our usage per tonne.



Three stage Multi-Life bags are used to carry home fresh produce, collect food waste and are then 100% compostable

### Volatile Organic Compound (VOC) Emissions

In 2007 our largest sites advanced towards further compliance with IPPC (Integrated Pollution Prevention & Control of Emissions) in the handling and use of solvents which is a major factor in VOC emissions. There were thirteen compliant print sites with five sites using VOC abatement (the process of changing these potentially environmentally unfriendly substances before controlled emission into the atmosphere) techniques to comply. The remainder used water based inks to achieve compliance.

VOC solvent purchases for our print sites were:

	2007 Tonnes	2006 Tonnes	2005 Tonnes	2004 Tonnes
Non-abated sites	28	144	287	335
Abated sites	1,810	1,703	1,550	1,539
<b>Total</b>	<b>1,838</b>	<b>1,847</b>	<b>1,837</b>	<b>1,874</b>

In July 2006 a regenerative oxidising unit was installed at our largest site which reduced VOC emissions by 114 tonnes in the second half of 2006 and by 236 tonnes in 2007.

Whilst we remain dependent on solvent based inks for many of our current customers' print requirements, we will use water based product where the application allows.

Promopack, our pre-press operation, produces photopolymer printing plates for our major flexo printing locations. During 2007 we became the first manufacturer in Europe, supplying printing plates to wide width flexo printers, to eliminate completely the use of solvent from our plate manufacturing process. With the installation of DuPont FAST thermal plate making, we have reduced fugitive emissions to zero, eliminated the use of landfill for hazardous waste, and reduced electricity consumption by 75%. This represents a saving of 110,000 kwh per annum.

### Environmental Policy

As a leading manufacturer and supplier of polythene film and other products we recognise our responsibility to operate with due concern for the environment in which we live and work and to minimise the impact of our activities on that environment. Through close contact with national governments and industry regulators we are at the forefront of legislative developments. We continue to develop our processes and working practices to meet, as a minimum standard, both our legal and social obligations. We seek continually to improve our environmental performance by setting objectives and targets combined with clear management programmes and initiatives to minimise our impact on the environment.

Specifically we are committed to:

- manufacture all of our products to meet the relevant legislative standards in all the countries and regions in which we operate
- minimise the use of resources and to work with our customers to minimise their use of resources through environmentally responsible packaging systems
- promote the re-use, recycling and recovery of our materials and to assist in this recovery wherever it is practical and environmentally beneficial to do so
- improve the environmental performance of our processes by reducing emissions and energy use, minimising waste and controlling noise
- be a responsible employer and a good neighbour
- provide suitable and unambiguous environmental information for our employees, customers and the local community
- maintain leadership in the development of new products and processes using recycled materials and support initiatives which benefit the environment

The Group Environmental Director, Andrew Green, is a member of the Group Management Board and reports to the Chief Executive. With the increasing focus on environmental issues, and the enhanced interest in packaging and recycling, it is important that the Group has an experienced representative and spokesman on these topics. Andrew is also on the Board of Valpak, the UK's largest compliance scheme for packaging waste regulations and is a member of the UK Government Advisory Committee on Packaging.

### Packaging and the Environment

There has been considerable media focus on packaging and the environment in 2007 but there is a danger that, without proper balanced information, supposedly well intentioned choices can result in more environmentally damaging consequences.

BPI supports packaging minimisation where it does not result in increased product damage or spoilage, thereby creating a more significant environmental problem. Indeed, we have reduced the weight of our packaging products on like for like volumes by over 6,000 tonnes in the last few years.

However, consumers need to recognise that lightweight plastic packaging is there for a very good reason, namely to protect and preserve the goods they buy throughout the supply chain.

- In the developing world 30-50% of food is wasted before it reaches the consumer due to lack of packaging compared with 2% in the developed world

- A recent study by Environment Resources Management has shown that 27% more fruit was wasted from orchard to home when supplied loose compared with fruit supplied in a shrink-wrapped tray
- A study by the Cucumber Growers' Association has shown that a 1.5 gram shrink-wrapping extends the life of the cucumber from 3 to 14 days, yet most consumers would think shrink-wrapping around cucumbers was unnecessary
- Just under 25% of all plastic packaging is currently recycled, the remainder represents 4.1% by weight of the UK municipal waste stream.

### Biodegradable Plastics

BPI welcomes the recent advances made in the technical characteristics of biopolymers manufactured from renewable resources. However, we caution that the most important and valuable environmental credential of plastic films is their ability to perform a packaging, industrial or agricultural requirement using the most lightweight materials available for the task. The integrity and resource efficiency of this primary purpose of protection is of far greater environmental impact than the speed at which the plastic will eventually biodegrade. Above all, our overriding commitment is to offer biodegradable products to our customers only where we can guarantee the integrity of our product.

### Recycling and Packaging Waste Legislation

We are the UK's largest recycler of polythene films reprocessing over 70,000 tonnes in 2007. Since the Packaging Waste Regulations were introduced in the UK we have invested £18m in state of the art plastic reprocessing equipment at our Environment Agency and Scottish Environment Protection Agency accredited sites. During 2007 we purchased an additional farm and plastic recycling plant from the administrators of a company in South Wales. This acquisition complemented our existing farm plastic recycling activities in Dumfries by increasing both our volume as well as the range of farm plastics we can now recycle. This will allow us to develop a second farm plastic recycling facility at our Rhydney plant thereby reducing the distance much of the farm plastic waste will have to travel before being recycled. During 2007 we made additional investments in our Dumfries plant to uprate further its capacity to handle highly contaminated farm plastics.

In 2007 we continued to work with the Department of Environment, Food and Rural Affairs via its Advisory Group on Farm Plastics and the Business Resource Efficiency and Waste Project Management Board to support the introduction of farm plastic Producer Responsibility legislation in the near future.

# Corporate Social Responsibility Review

The Group's packaging waste recovery and recycling obligation for 2007 was 12,036 tonnes, an increase of 1,116 tonnes from the previous year, due predominantly to the increase in EU targets. We continue to discharge our obligations through membership of the national compliance scheme Valpak and satisfied our plastic recycling obligation through our own recycling plants. Our cost of compliance was broadly in line with 2006.

The Group limits the amount of material which goes to landfill by ensuring that virtually all scrap arising from polymer used in the manufacturing process is reprocessed or recycled within the Group.

## Employment Policies

Our people continue to be central to the development of the business. We strive to reach the highest standards in all aspects of employment and health & safety policy and practice in our UK, mainland European, Chinese and North American operations.

## Ethics

The Group has an ethical policy which sets out specific provisions to ensure that employees deal with the Company, its customers, suppliers and fellow employees in a fair manner with honesty and integrity, observing high standards of personal and business ethics.

## Recruitment & Retention

We operate an equal opportunities policy and recruit people for any vacancies regardless of sex, colour, religion, age or disability. We recruit graduates from universities and young workers as modern apprentices. We employ a large number of workers over the age of 50 and have fully complied with age discrimination legislation. We increased our normal retirement age from age 60 to age 65 in 2006. Our retention rates have improved and have now stabilised with employee turnover at 18% (21% in 2006). Our employee turnover tends to occur with shorter serving employees in lower skilled jobs. We, therefore, consistently retain longer serving, higher skilled employees and we will continue to endeavour to improve our performance in this area in 2008 and beyond. The difficulty in recruiting and retaining UK employees for certain positions has led to an increase in the employment of Eastern European labour and we currently employ over 120 Polish workers across many of our UK sites.

## Disabled Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged.

## Training & Development

Our employees are among the most skilled in the industry. We invest in a range of development activities including NVQ's and MBA's, and support other professional and technical training. Our capital investment programme is supported by training in the use of new machinery. Seven sites have achieved the Investors in People award. Training in health & safety (in conjunction with the trade unions) is a particular Group strength. We increasingly appraise our workforce annually in order to identify their training needs. Members of the Group Personnel Department regularly train our managers and supervisors in a variety of employment matters to ensure best practice people management. The Group Health & Safety department also actively trains our managers, supervisors and employees to maximise their health and well being at work.

## Attendance

Our absenteeism rate for all Group sites is currently 3.2% (3.6% in 2006). This is a significant improvement from an already favourable comparison with other manufacturing business in the UK and mainland Europe. We continue to train managers in absenteeism management techniques and operate attendance bonus schemes across many sites.

## Communications

We recognise trade unions across eleven sites in the Group for separate collective bargaining purposes including two in North America. We provide information, consult and negotiate with the trade unions on a range of subjects including pay, hours and holidays. We have Works Councils in mainland Europe and at a number of our non unionised sites in the UK. We have local site Communication Forums at some sites. Our Managing Directors and senior site Directors also deliver regular business updates directly to the workforce.

The Group's Employee Information & Communication Body (EICB) was established in 2005 and meets twice per year. The EICB brings together employee representatives from across our UK business to discuss business issues with senior Directors within the Group including main Board members. This involves the provision of information, consultation and discussions with a view to reaching agreement regarding decisions that are likely to lead to substantial changes in work organisation or in contractual relations prior to any action being taken. The annual European Communication Forum (ECF) discusses trans-national issues that may affect our employees in the UK, Netherlands, Belgium and Ireland. Employees regularly receive written communications explaining issues discussed at these meetings.

We have a 'Whistle Blowing Policy' in place which seeks to encourage employee participation in the identification of any wrong doing within the organisation. We have a 'Grievance Policy' which operates at all of our sites allowing employees to communicate any employment dissatisfaction which they may have.



Blown extrusion line



Prestretched hand roll for wrapping pallets



Starpack Design Awards

### Pay and Benefits

Terms and conditions (including pay) are set at local site level. We have a range of benefits including competitive pay rates, a number of bonus schemes for employees at all levels and final salary and other pension schemes with employer contributions and a range of health care benefits. Senior employees' pay and rewards are formally benchmarked against market data. We voluntarily operate enhanced maternity and paternity pay schemes and regularly consider and agree requests for flexible working. We have introduced a childcare voucher scheme to support employees who are working parents.

### China

We have a highly committed and skilled workforce which has worked to build this business over the past twelve years. The same standards of health & safety, fairness, equality and merit applied in our European businesses are replicated in China. Senior UK Directors are responsible for this business. We do not employ child labour. Employees are recruited from the local area, do not live at the work premises and return home at the end of their shift. Rates of pay are competitive for the region and are negotiated by elected representatives.

### Education

We are active in supporting education, working with schools, universities and other institutions. We operate a range of activities from providing advice and resources for teaching as well as sponsorship of educational projects aimed at increasing the awareness of plastics, packaging and the environment. We continued to support the Schools Starpack Design Awards and, in 2007, offered a prize to the team who designed and produced the most environmentally friendly "Instant Picnic Pack". We again partnered Valpak in their prestigious European Youth Eco-Parliament project which selected five pupils from Walton High School in Milton Keynes to represent Great Britain in debating environmental issues, with a particular focus on managing waste and resources, at the Third Youth Eco-Parliament in Prague in 2008. We also took part in the Children Challenging Industry annual review which is a joint venture between the University of York and the Chemical Industries Association. Its aim is to enhance effective science teaching, create enthusiasm for science in children and improve understanding between schools and the chemical industry.

### Charitable Support and Sponsorship

Charitable donations made during the year amounted to £54,000 (2006: £54,000). No donations were given for political purposes.

The Group supports national and international charities involved in relieving suffering. We also support a number of wildlife funds, ecological projects and other good causes. This support is in both products donated and financial contributions. Most of our businesses sent out electronic Christmas cards, rather than traditional cards, and donated the money saved to local charities. Unclaimed dividends after a period of twelve years are donated to charity.

The Group encourages each site to donate a percentage of its turnover to local charities and many of our sites are regularly involved in fund-raising for local charities. For instance, our Stockton site has, over many years, contributed to an endowment fund administered by Tees Valley Community Foundation. The value of the fund now exceeds £50,000 and makes annual grants to support local organisations providing help to disadvantaged groups in the local community.

We sponsor a number of bodies relevant to our industry and our customers' activities. In particular, we are regular sponsors of the Farmers Weekly Awards, which recognise the achievements of British Farmers.