



Corus Steel Packaging Recycling

Leading in Recycling

2006 PRN Annual Report



Leading in Recycling

For Corus Steel Packaging Recycling, 2006 has been a dynamic year. In the last 12 months, we have experienced challenges, changes and many successes. This report sets out how Corus has invested PRN revenue during 2006 and what our achievements have been in terms of increasing the UK's steel packaging recycling rate.



There is no question that significant improvements have been made in 2006. As this report goes to press, we are expecting confirmation at any moment of the fact

that, in 2006, the UK will have surpassed the 2008 Packaging Regulation target for steel of 54%. With the achievement of more than 90% coverage for the kerbside collection of steel packaging we have been working hard to increase public participation in these schemes through a variety of avenues, which are also detailed within this report.

In addition, more than 32 projects and 53 local authorities have benefited from Corus' investment of PRN funding in 2006, ensuring that local recycling efforts are supported wherever possible.

PRN funds have also been invested within Corus to great effect.

In 2006, trials and research were undertaken at the Port Talbot plant with a view to using more can scrap in the BOS (Basic Oxygen Steelmaking) process, meaning that more can scrap could be collected for recycling purposes. Initial findings demonstrated that Corus could increase the recycling capacity of can scrap to around 175,000 tonnes per year.

Another of our key priorities for 2006 was to ensure that steel cans were being recycled to the highest quality. Corus has worked extremely hard over the last seven years to put in place the necessary infrastructure throughout the country to make this happen. CanRoute centres are now an integral part of the steel packaging recycling process and are invaluable in helping to ensure that high quality steel is recovered and sent on to Corus to be reprocessed into new steel products.

Communication has been a major focus in 2006 and we have detailed the investment we have made in this area

in the following pages. The materials produced have been both impactful and well-targeted, with the re-launch of our educational website, www.scrib.org, being particularly effective.

Internally, 2006 has been a year of positive change for Corus with the restructuring of our recycling team and new appointments. Whereas before, the team was more regionally based, it is now wholly based at Corus' Trostre plant - all part of our ongoing strategic progress.

Moving forward, our priorities are to maintain record recycling levels for steel, and to ensure that as many people as possible recognise that steel is a safe, sustainable and successful packaging medium. The strategic application of PRN funds will help to ensure that our previous achievements in this field continue and, for my part, I look forward to leading the team to further successes in the future.

David Williams, Manager
Corus Steel Packaging Recycling



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Leading in Collection

Celebrating seven years of CanRoute success

In 2006, CanRoute celebrated its seventh anniversary.

CanRoute is a well established network of regional centres designed specifically to increase the collection of steel packaging from the domestic waste stream.

CanRoute centres receive, quality check, store and bale steel cans before delivering them to Corus to be recycled at one of Corus' steel reprocessing sites.

Since it was established in June 1999, CanRoute has diverted more than 145,000 tonnes of domestic steel packaging from landfill - the equivalent of more than 3.5 billion cans.

Local authorities, waste management companies and other steel collectors are encouraged to identify their nearest CanRoute centre where they can sell their collected steel packaging at a competitive rate.

In 2006 alone, 47,000 tonnes of steel were recovered via CanRoute - a 31% increase on 2005.



'Canny' Facts about CanRoute

1

CanRoute was established in direct response to the UK Packaging Regulations as a way of delivering on-spec steel cans to Corus for reprocessing

2

It initially took six months to set up the CanRoute network

3

Corus identified suitable CanRoute centres by choosing existing reliable suppliers; leading steel processing companies who had the equipment and expertise to handle the material and deliver it in the correct form to Corus

4

In its first year, CanRoute delivered around 3,300 tonnes of steel packaging, compared to more than 45,000 annually nowadays

5

Since 1999, CanRoute has saved 272,600 tonnes of CO₂ - equivalent to the amount of CO₂ generated by 48,679 households in just one year

6

CanRoute centres bale steel packaging to make the material easier to transport - the average bale weighs 1,500kg and contains approximately 37,500 steel cans

7

Since 1999, by recycling 145,000 tonnes of CanRoute material, Corus CanRoute centres have saved 217,500 tonnes of iron ore and 72,500 tonnes of coal



7 Reasons for Success

CanRoute is widely recognised as the steel can collection network for the UK. Here are seven reasons why Corus believes CanRoute is such a success:

- 1** Local authorities and other collectors benefit from being able to deliver their cans to a convenient location
- 2** Delivery distance and transport costs are reduced
- 3** There is less need for additional storage areas locally
- 4** Collectors benefit from prompt payment for their steel cans at a very competitive rate
- 5** There are 14 centres located throughout the UK so collectors can identify their nearest centre
- 6** The centres receive the cans and check their quality before storing and baling them
- 7** Cans are then delivered to Corus in the correct physical and metallurgical form for them to be recycled into new steel products at one of Corus' steel reprocessing sites

UK CanRoute Locations



Leading through Events

Events present the perfect opportunity for Corus to reach out to a range of different audiences.



Recycling and packaging events provide excellent forums for meeting with industry partners and discussing topical issues, problems and solutions.

However, other events not directly relating to the recycling industry are just as crucial for Corus in terms of

encouraging the nation to recycle its steel packaging.

Participation in regional and national events, school visits and support for local authority events play a key role in ensuring that all sectors of society are targeted with the right messages.



The BIG Recycle - a chance for schoolchildren to shine

For the second year running, Corus allocated PRN funds to the BIG Recycle, a national week-long initiative organised by WRAP (Waste & Resources Action Programme), to encourage people to reduce, reuse and recycle.

As part of a programme of educational activity for the week in June, Corus launched a poetry and short story competition for young people in four areas near to Corus plants - Rotherham, Scunthorpe, Teesside and South Wales. The competition was designed to encourage young people to recycle their steel packaging by writing a poem or short story about how different their lives would be without steel.

Individuals or schools could enter the competition, which was judged in three age categories: 5 - 7, 8 - 11 and 12 - 14.

Corus awarded £50 of book tokens to the best individual entry in each age category and an overall prize of £200 of book tokens was awarded to Riddings Junior School in Scunthorpe as it submitted the best selection of poems.

Many of the schoolchildren had taken the time to illustrate their poems and stories and all the entries demonstrated an excellent understanding of the vast range of recyclable products that are made from steel.



Generating industry debate on Alternate Weekly Collections

In September, Corus hosted a seminar on the topical issue of Alternate Weekly Collections (AWC) at the leading recycling industry exhibition, RWM 2006. The seminar proved to be very popular and attracted a record number of attendees, demonstrating that AWC remains a 'hot topic' in the recycling industry.

Presentations were delivered by Linda Crichton, Manager of WRAP's ROTATE

team, Jonas Grist, Waste Technical Officer at Babergh District Council, and Dave Williams, Manager of Corus Steel Packaging Recycling.

The presentations and the question and answer session afterwards provided an ideal forum to discuss some of the many issues that local authorities need to take into consideration when deciding whether or not to switch to AWC.

"We have seen at first hand the positive impact alternate weekly collections can have on increasing recycling rates and improving collection efficiency."



Some of the main factors behind the successful implementation of AWC which were raised at the seminar included:

- The need for good service provision to begin with
- Strong officer and cross-party political support
- Good partnership working
- Effective bids for government funding
- Good planning and project management
- High quality education and publicity material
- Keeping the media informed
- Clear and firm collection policies

Leading in Education

Education is a priority for Corus and has always been fundamental to its work.

By targeting children from a young age and ensuring that learning about steel packaging recycling is fun, interactive and stimulating, Corus' aim is that the young people of today will become the committed recyclers of the future.

As well as raising awareness of steel packaging recycling in schools and colleges today, education will also help to further boost steel packaging recycling rates in the years ahead.



"We recognise how vital education and awareness are in increasing recycling rates, so in all of our educational material, we aim to make learning about steel packaging fun."



SCRIB re-launch

In June 2006, Corus re-launched its educational online resource, the Steel Can Recycling Information Bureau - www.scrib.org. The website, which was launched to coincide with the national recycling initiative the BIG Recycle (5th - 9th June), contains updated information on steel packaging recycling and new consumer and educational resources.

Aimed primarily at members of the public, children, and teachers, the revamped website is packed with interesting facts and figures on steel packaging recycling, lesson plans and bi-lingual teachers' notes, as well as an interactive quiz and an animated film describing the recycling process.

Since its launch, the new website has been hailed a great success by local authorities, teachers, recycling and packaging industry representatives, and the wider public. The interactive quiz 'A Tale of Two Cans' and the 'Kids in Charge' recycling DVD are proving to be the most popular areas of the site.

The site has welcomed thousands of visitors and has generated a lot of media interest in both the education and recycling press. In September, www.scrib.org was awarded 'Great Website' in The Independent.

As well as the SCRIB website, Corus uses PRN funds to operate a SCRIB hotline and online enquiry form to respond to requests for information from teachers, local authorities, businesses, students, community groups and members of the public.

Visit www.scrib.org to find out more.

Spreading the steel recycling message in Scotland

Earlier in the year, Corus joined forces with Moray Council in the North East of Scotland to help spread the recycling message by using PRN funds to sponsor the Council's educational play, 'It's A Wasteful Life'.

The play, which toured 30 schools throughout Moray in spring 2006, was developed as a means of getting the 'reduce, reuse, recycle' message across to schoolchildren in a fun and memorable manner. Corus was delighted to support Moray Council by helping to meet some of the play's costs.

Taking the message to a European level

In 2006, Corus once again worked with Valpak to sponsor the second Youth Eco-Parliament. Four schools from across the UK were chosen to carry out environmental projects and put forward pupils to meet an assembly of other Europeans aged between 14 and 17 in Paris.

The parliament ran during European Environment Week in October 2006. Students from schools across Europe were asked to produce localised environmental projects, providing an ideal opportunity for them to put forward their own ideas and take a pro-active approach to the ways in which the environment can be protected.

Leading in Recovery

The development of recycling infrastructure is at the forefront of Corus' investment strategy.

Corus works closely with local authorities, waste management companies and other collectors to allocate PRN funding. This may be where there is the greatest potential in terms of recovery, where opportunities exist to expand existing schemes to recover steel cans or where financial support would not otherwise be available.

Here are a few of the organisations that have benefited from Corus' support in 2006.



Blaenau Gwent

Thanks to a new conveyor and can flattener from Corus, Blaenau Gwent County Borough Council has been able to increase the volume of steel packaging it recycles and employ a further six staff with special needs at its Materials Recycling Facility (MRF) in Brynmawr. The new staff will help to recycle the 150 tonnes of steel packaging that the Council collects each year from its multi-material kerbside collection scheme, which covers 30,000 households.

Cheshire

In 2006, Corus joined forces with Cheshire County Council to launch a 12-month trial to boost recycling rates of steel cans used in school kitchens. Corus provided a free collection service to five Cheshire secondary schools and supplied industrial can crushers in the kitchens and a large can bank at each school to store all the steel cans before being collected by local recycling company, Dobbins.

Premier Waste

Corus supplied Durham-based waste management company Premier Waste with a can flattener and funding to upgrade its kerbside sorter, enabling the company to process the 50 tonnes of steel packaging it collects weekly from kerbside collection schemes in South Tyneside, Gateshead, Sunderland, Durham, Chester le Street, Easington and Sedgfield. These schemes cover 500,000 homes, making Premier Waste one of the largest kerbside providers in the UK. Steel packaging collected by Premier Waste is delivered to the Corus steelplant in Teesside to be recycled.



Amgen Cymru

Corus supplied an overband magnet to waste management company Amgen Cymru which handles the material collected through the kerbside collection scheme in Rhondda Cynon Taff. The company processes almost 20,000 tonnes of recyclables every year, including steel packaging, paper, glass, plastic, cardboard and green waste from 104,000 households.



Cardiff

Corus provided Cardiff Council with new baling equipment to help process more than 700 tonnes of steel it collects each year from some 60,000 households. The new equipment will enable the Council to increase the speed of its recycling process and therefore recycle a much higher volume of steel packaging.

Greenwood Services

Corus provided an overhead magnet to Greenwood Services Ltd, a recycling company based near Bridgend. The company recently built a new Materials Recycling Facility (MRF) to process the material collected from can banks across South Wales, as well as mixed materials collected through a number of local authority kerbside schemes. With the new equipment in place, Greenwood Services now has the capacity to recycle more than 400 tonnes of steel packaging per year - equivalent to 10 million steel cans - which will be recycled in the Corus steelplant in Port Talbot.

Leading in the Community

In 2006, Corus invested in a number of community based steel packaging recycling initiatives.

Corus understands the valuable role that community recycling schemes can play in enhancing steel packaging recycling rates and, at the same time, providing opportunities for members of local communities. Benefits can extend far beyond enhancing recycling capacity and, in some cases, community recycling schemes offer a stepping stone into employment for local residents.



Creation Recycling

Rotherham-based Creation Recycling Ltd, a not-for-profit community recycling organisation in South Yorkshire, benefited from Corus' support in improving the reliability of its operations.

Creation Recycling Ltd collects recyclables from 13,000 households, is contracted to process the material collected by Rotherham Metropolitan Borough Council from a further 88,000 households, and also operates a commercial collection service for local businesses.

The organisation's existing equipment was working extremely poorly so, using PRN funds, Corus provided new machinery including a hopper, feed conveyor, overband sorter and steel baler, ensuring that the 600 tonnes of steel per annum handled by Creation Recycling - equivalent to 15 million steel cans - can be recovered efficiently and recycled.



Paignton Links to Work

A community-based recycling scheme is helping to boost steel packaging recycling in Paignton, Devon, while also providing valuable training opportunities for adults with learning difficulties. The scheme, run jointly by Links to Work and Hollacombe Community Resource Centre - services provided by Torbay Care Trust - enables individuals to experience a work environment within the local community and aims to equip them with the knowledge and skills to progress on to employment opportunities.

Corus provided the scheme with a large-scale can crusher and wheelie bin to support its efforts to recycle steel packaging.

Steel cans, as well as aluminium, ink cartridges and plastics, are collected weekly from Paignton Zoo, Paignton Model Village, South Devon College and participating council buildings. The collected steel cans are sent to Torbay Council then on to the Sims Newport CanRoute Centre before being sent back to Corus to be recycled.

Sheffield Reclamation

Community recycling organisation Sheffield Reclamation employs adults with learning difficulties to collect, sort and process the cans and plastics from 12,000 households and more than 40 bring sites across the city. Following an increase in kerbside collection, the company moved to new premises and installed a new processing line to handle the material collected.

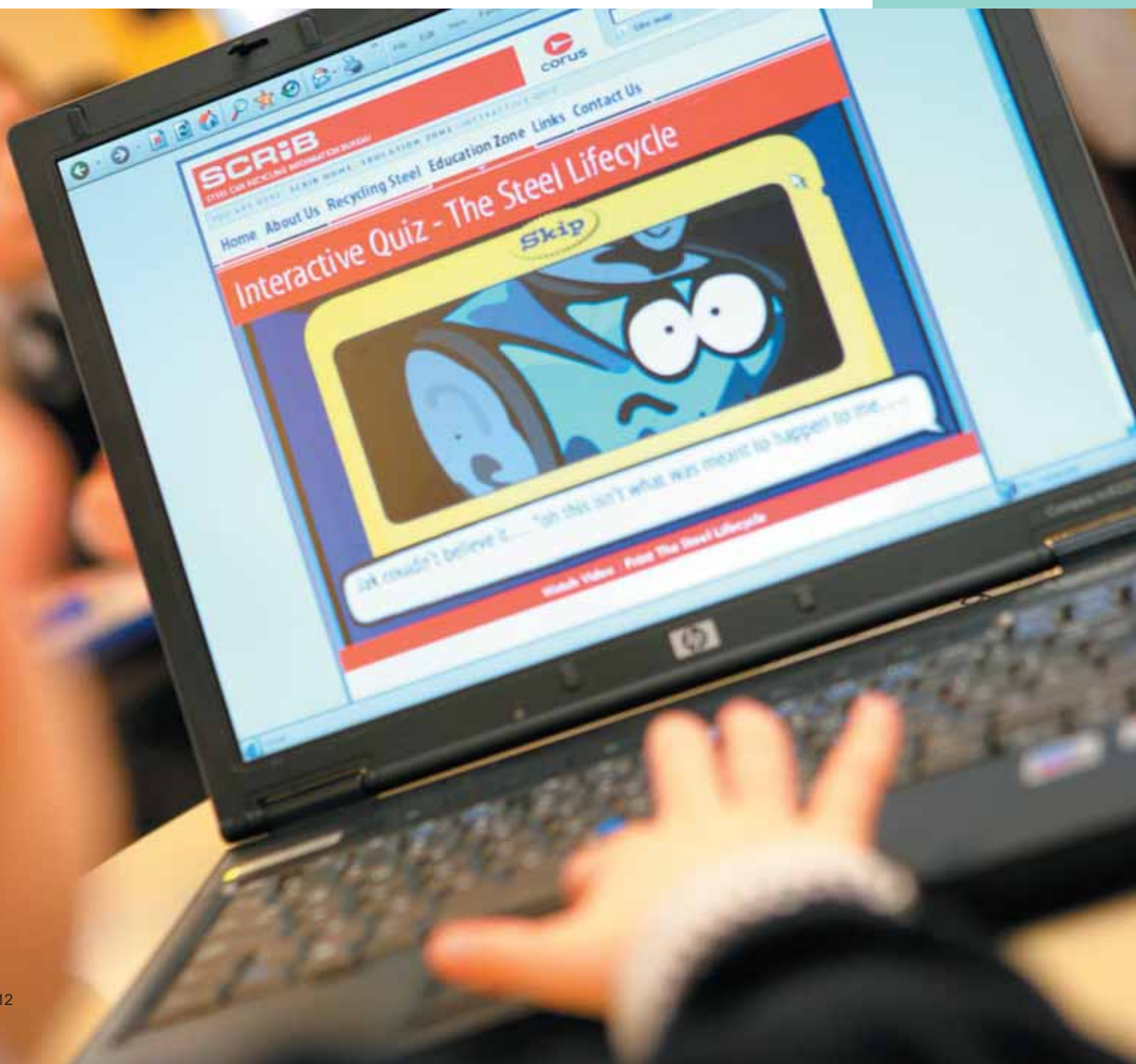
This new line made the processing of steel cans more efficient; however Sheffield Reclamation required new baling equipment to complete the process. The company approached Corus for assistance, who responded by providing a new baler to bale the steel cans for easy storage and transportation to Corus to be recycled into new steel products.



Leading in Communication

Communication has always been a top priority for Corus and plays a fundamental role in spreading the positive message about the recyclability of steel packaging.

In 2006, PRN funds were allocated to a variety of communications resources.



Keeping steel packaging recycling in the headlines

In the press

Corus communicates with a wide range of audiences - recycling and packaging industry partners, customers, Government, local authorities and waste management companies as well as the general public.

Corus recognises that a 'one size fits all' approach to communications simply won't be effective and instead strives to communicate tailored messages to each of its audiences through different channels.

In 2006, Corus secured a significant volume of positive media coverage in recycling titles such as *MRW*, *Recycling & Waste World* and *CIWM*, and in packaging titles such as *The Packaging Professional*, *International Bottler & Packer* and *Retail Packaging*. Consumers were also kept informed of initiatives such as 'the BIG Recycle' through articles in the local and regional press.

Teachers were also a key audience for the re-launch of the SCRIB website in 2006, generating another opportunity for positive media coverage in the education press.

Another successful communications tool which was developed using PRN funds in 2006 was a news reel featuring footage of the different stages of the steel recycling process as well as can

making and filling, recycling centres and the steel plant. Available online, this footage has already been picked up and used by the BBC, Channel 4, Associated Press, CNBC, and Sky News in the UK. It has even been used as far afield as Italy and Greece.

In print

As well as securing media coverage, Corus invested in communication tools such as a new consumer-focused fact sheet. The fact sheet is designed for local authorities to encourage householders to recycle their steel packaging and help them recognise the wide range of steel packaging that can be recycled. Corus has since received many positive comments from local authorities who have used the fact sheet on their websites or as an e-marketing tool.

On the Web

In 2006, both the Corus Steel Packaging Recycling www.cspr.co.uk and Steel Can Recycling Information Bureau www.scrib.org websites were redesigned and relaunched, providing more user friendly and updated information portals for local authorities, consumers, industry partners and education providers.



Leading through Teamwork

2006 has been a year of positive transformation for Corus Steel Packaging Recycling. With a number of important appointments, as well as a significant departure, the Corus team has developed considerably in the last 12 months.

The new-look team reflects a number of changes both in the recycling industry and within Corus' overall strategy.



David Williams, Manager

In September 2006, David Williams became Manager of Corus Steel Packaging Recycling. David joined British Steel's Packaging Recycling Unit (now Corus Steel Packaging Recycling) in 1997 as regional representative for the North and Scotland.

In 2000, David was promoted to Commercial Manager and was responsible for Corus' recycling development team covering the UK.

In his role as Manager, David provides detailed expert knowledge of the

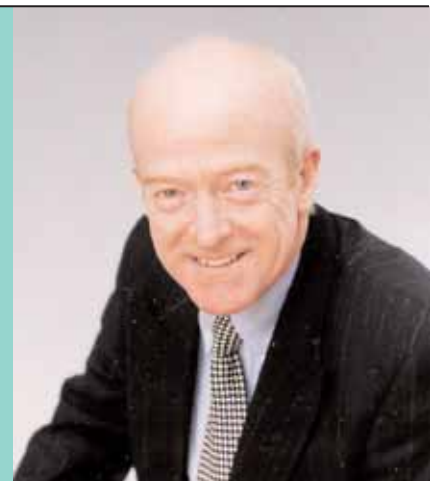
complex UK packaging legislation to a range of audiences. He is responsible for executing the recycling development plan for steel packaging in the UK, identifying the most cost-effective means of increasing the recycling rate for steel packaging to meet legislated targets, and liaising with local authorities, waste management companies and Government agencies nationally to implement the plan.

David is pictured opposite (second from left) with the team.

John May retires

2006 marked the end of an era when John May retired from Corus Steel Packaging Recycling. John worked in the steel industry for more than 30 years, 26 of which were in the packaging sector where he worked with all areas of the packaging chain.

The Corus team and everyone in the industry who knows John wish him all the best for his retirement.



Introducing the team

Naomi Pope Communications Manager

Naomi Pope joined Corus in July 2005. She is responsible for devising and managing the promotional and communications programme.

Naomi works closely with customers, fillers, retailers, local authorities and Government to raise general awareness of the need to recycle steel packaging.

Garvin Freeman Commercial Manager

Garvin Freeman joined British Steel in September 1987. In July 2006, he was promoted from Recycling Development Representative for the South and South West to Commercial Manager.

In his new role, Garvin plans and manages the strategy for increasing the UK's recycling rate for all types of steel packaging.

Nicola Bennett Systems Development and Communications Executive

Nicola Bennett joined British Steel in September 1999. In her current role, Nicola is responsible for developing business systems, providing an efficient administrative, communications and information management service to the team and supporting the achievement of the organisation's objectives.

Nicola works closely with Naomi in a range of communications activities.



Robert Jenkins Recycling Projects Manager

Robert Jenkins joined British Steel in 1987 as a production trainee and joined the Corus Steel Packaging Recycling team in July 2006 as Recycling Projects Manager.

Robert is responsible for identifying projects which will increase the recycling rate of steel packaging by developing external partnerships.

Jeff Clarke Accounts and Administration Manager

Jeff Clarke is the longest standing member of the team, having originally joined British Steel in 1972.

Jeff manages the accounting and administration function for Corus Steel Packaging Recycling in relation to the organisation's PRN funds. He also manages Corus' obligations relating to the UK's "Producer Responsibility" packaging waste regulations.

Gemma Stapleton Accounts and Administration Officer

Gemma Stapleton joined the Corus Steel Packaging Recycling team in July 2006 as Accounts and Administration Officer.

She provides support to all team members but in particular to Jeff as the Accounts and Admin Manager. Gemma joined Corus in October 2005.

www.corusgroup.com

Care has been taken to ensure that this information is accurate, but Corus Group plc, and its subsidiaries, do not accept responsibility or liability for errors or information which are found to be misleading.

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