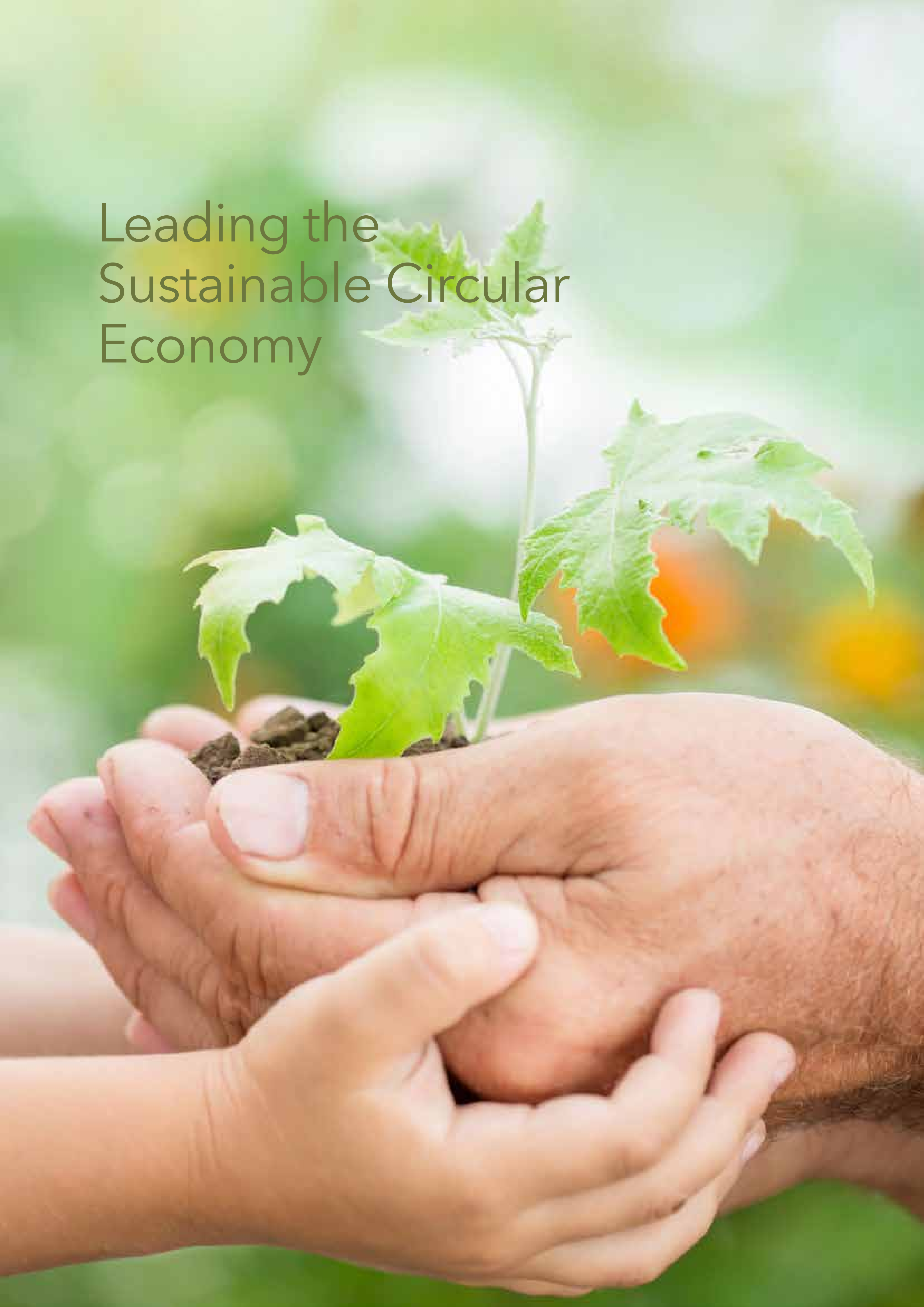
Leading the Sustainable Circular Economy

Annual Review 2023-2024

Paper – the sustainable, renewable choice

Leading the Sustainable Circular Economy



Confederation of Paper Industries

The voice and face of the UK's Paper-based Industries

The Confederation of Paper Industries (CPI) is the leading organisation working on behalf of the UK's Paper-based Industries. CPI's membership includes the overwhelming majority of the supply chain for paper, comprising paper and board manufacturers and converters, corrugated packaging producers, makers of soft tissue papers, and collectors and processors of paper for recycling.

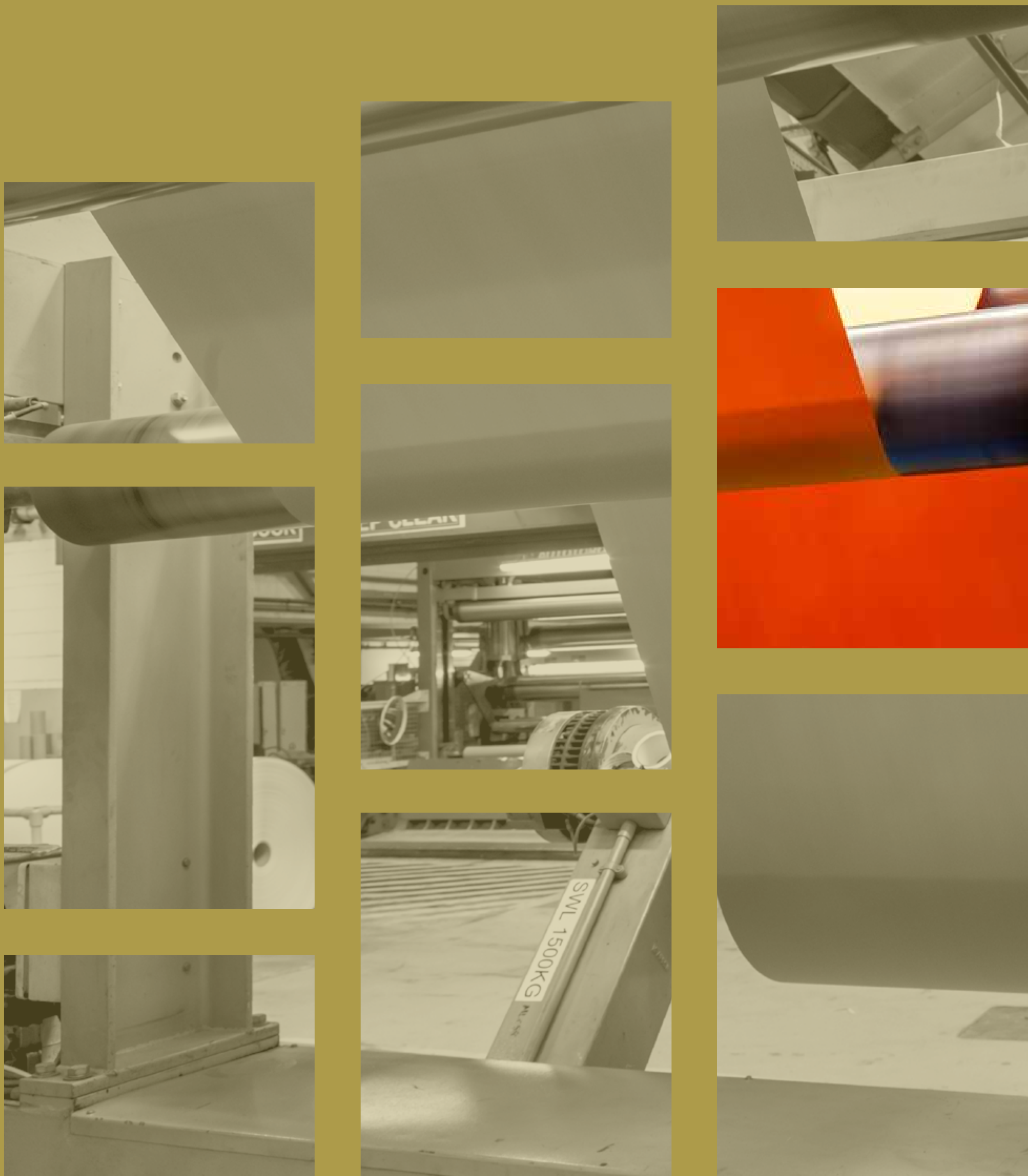
CPI represents an industry with an aggregate annual turnover of £13 billion, with 56,000 direct and a further 59,000 indirect employees. Members range in size from large multi-national organisations with multiple sites in the UK, to single site SMEs.

CPI unites the UK's Paper-based Industries with the purpose of promoting paper's intrinsic value as a renewable and sustainable fibre-based material, enhancing its competitiveness through seeking appropriate legislation and regulation for the industry and in spreading best practice.

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
- a competitive, level playing field for the UK's Paper-based Industries

1. Introduction



As we reflect on the past year, we are pleased to present an overview of our achievements, challenges, and the significant milestones that have shaped the UK's Paper-based Industries. This review provides insights into the industry's performance, advancements in technology and sustainability, as well as our commitment to driving innovation and promoting best practices.

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President's Foreword

Kevin Bussey,
CPI President

As I write this President's Foreword, the global situation is little improved since last year. The war in Ukraine has been followed by the war in Gaza and by other military actions in the Red Sea. Beyond the suffering of the countries directly involved, these wars are polarising opinion in Europe and the US, and their economic effects remain with us, and look set to continue for the foreseeable future.

In the UK, while inflation is slowly receding, interest rates remain high, affecting both housing costs and the ability of business to borrow to invest. The UK economic recession predicted by the IMF last year has come to pass, and it is of little comfort that the recession is expected to be short and shallow, and that other European countries have similar, or worse economic outlooks.

This then is the backdrop to the forthcoming UK General Election, now widely expected to be in the autumn of 2024, although an earlier date remains a possibility. This is a once in every few years opportunity to influence policy at a strategic level, and CPI has drafted and distributed a manifesto to key policy stakeholders. All elections are important, but this one brings together a disrupted geopolitical context with the energy transition and an economy which has been sluggish since 2008. These are massive challenges for whichever party is in Government after the election, and CPI is engaging with stakeholders widely to seek to influence the debate.

One area where in 2023 CPI has brought significant change for the industry is through our work on health and safety and the Paper and Board Industry Advisory Committee (PABIAC). 2023 has seen both the launch of the new PABIAC Strategy, entitled **"Health and Safety - it's in our hands"**, and the leadership of PABIAC's work pass to CPI from the HSE. PABIAC remains importantly a tripartite process, with CPI, the trade unions and HSE all engaged, but CPI's new leadership has invigorated the work of PABIAC. The communications to industry have increased substantially and the new strategy itself was a result of a collaborative process with the membership to determine key strategic health and safety priorities. I look forward to representing Papermaking on the PABIAC Strategy Group in 2024, together with my colleagues from the other sectors, and to driving forward this vital agenda.

As we approach the election, the long-term challenges for the UK's Paper-based Industries, in common with those of manufacturing in general, need to see realistic proposals for long term solutions from all political parties. It would be extremely concerning for the future of UK manufacturing, if the political campaign were to lead to a downward spiral of unfunded promises and unrealistic targets, all of which discourage continued investment in UK manufacturing. I call upon all political parties to publicly support the growth of UK manufacturing as a percentage of GDP and to ensure that UK decarbonisation strategy drives the expansion of industry, not deindustrialisation. Government needs to work collaboratively with business to attract investment in the future manufacturing sector that the UK needs.

In November 2023, I was delighted to be elected as CPI President for a second time by the members of CPI's Council. I am deeply indebted to Stew Begg, the retiring CPI President, for his assistance during the transition, and to my colleagues on both the CPI Board and Council for their unwavering support. CPI is completely dependent on the input from its members. Their engagement with the Councils and Committees of CPI, both in shaping policy and in feeding back the views of industry is vital to ensuring that CPI can serve the needs of the industry at large. I would also like to thank the CPI Team for their work over the year. The volatile business and economic environment of the UK, and indeed globally, has tested their ability to support members, and I am pleased to say that they you will read of their substantial achievements throughout this report.

Director General's Overview

Andrew Large, *CPI Director General*

After the upheavals of 2022, 2023 was a year of greater political stability in the UK, even though the economic environment remained difficult. 2023 saw inflation fall from its peak of 11.1%, but interest rates rose strongly to 5.25%, and both business and consumer borrowing were challenged. As of the end of 2023, the UK is technically in economic recession, which is further evidence of what is rapidly becoming a lost 20 years of economic growth since 2008 financial crisis. In this context, two further paper mills closed in 2023, with more job losses, personal pain for those affected, and lost industrial ecosystems.

As we move into 2024, the long election campaign has started, and the parties are all setting out their stall to convince the electorate of their views. What is striking is the combination of the rhetoric on the need for economic growth, coupled with the business-as-usual policy prescriptions being proposed, across the political spectrum. The collapse of the Truss Administration seems to have frightened the entire political class away from consideration of significant reform. Instead, we have cautious, business-as-usual policies caveated by "headroom" and "fiscal rules". Those who create wealth in the UK are entitled to ask if what is being proposed is commensurate with the size of the task ahead.

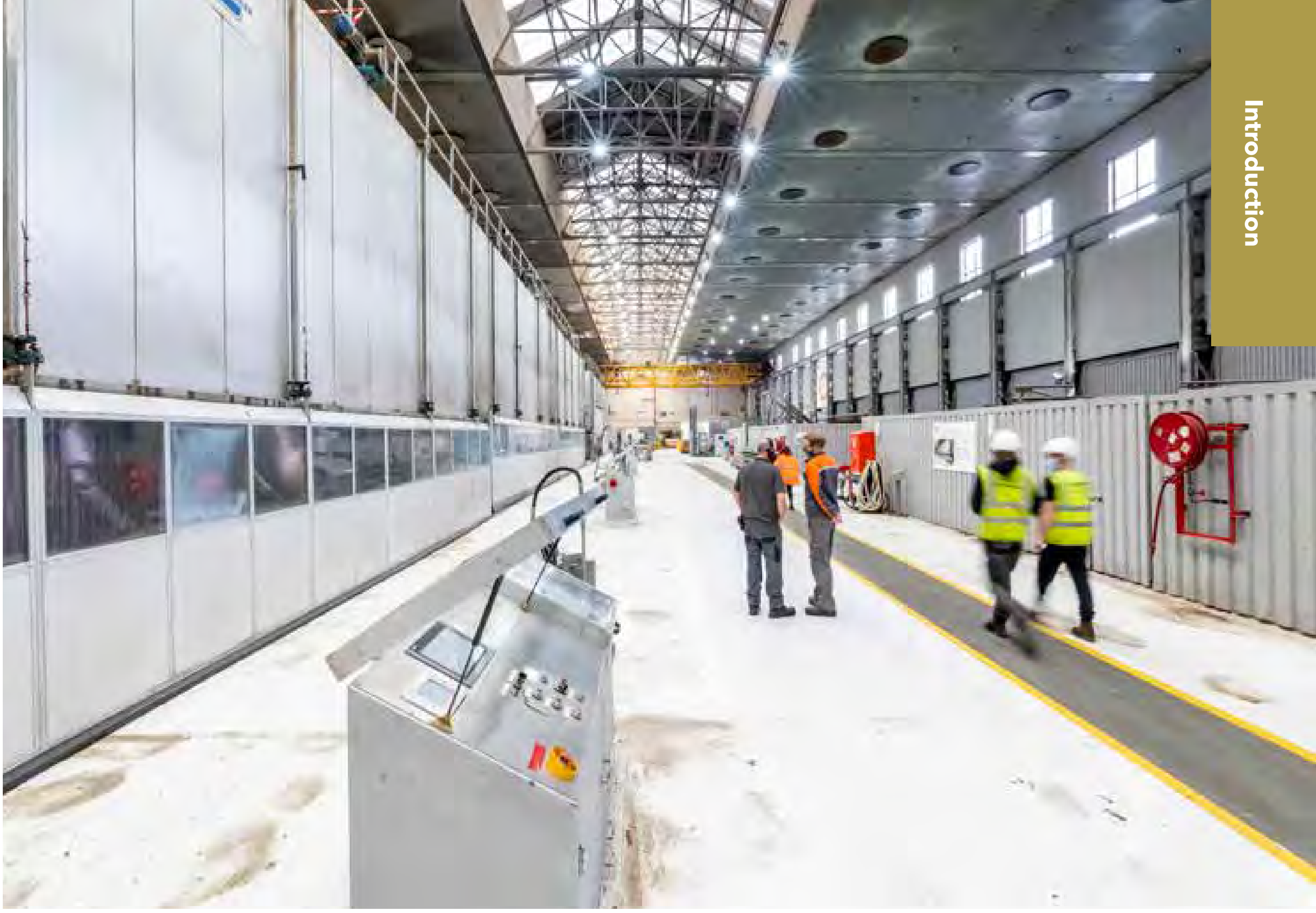
CPI has proposed, in its manifesto, a three-pronged approach to support the economic growth of the UK's Paper-based Industries. We support the establishment of a long-term Green Industrial Growth Strategy that would drive UK industrial investment and lower global carbon emissions. CPI also urges the next Government to review and reform the Resources and Waste Strategy so that it incentivises a high-quality circular economy for materials, and ensures that fossil oil-based products are minimised. Finally, CPI seeks policies that would underpin industrial competitiveness, including long-term investment support, to create a UK-wide skills framework and trade policies that support UK industry. All of these are necessary, but not sufficient, conditions for the UK to pull itself out of its low growth trough, and the next Government, regardless of which party it comes from, must reorientate the country towards economic growth. Without it, none of the other priorities, be they Net Zero, a better NHS, reform of social care, a bigger army, or anything else, will happen.

In 2023, I reported to the CPI membership that CPI Council had decided, in the light of the deteriorating economic situation, to delay CPI's strategic plan by a year. I am pleased to say that the go-ahead has been given and a process is now underway to develop CPI's strategy to 2030, with the aim of building our service offering to existing members and attracting new members where possible. Already, CPI has restructured to place greater focus on competitiveness and communications work, and the new team members are bedding in and taking their responsibilities forward.

Despite the ongoing political, economic and policy challenges, 2023 was again a year in which CPI had considerable achievements in support of member needs. You will read about many of these in this report, but there are some I would like to highlight below.

On the energy side, the introduction of the British Energy Supercharger may reduce electricity bills by up to £30 MW/h from their expected levels. This Government initiative is a first step in bringing UK energy prices down to more competitive levels, and it is to be welcomed. CPI also welcomes the extension of the Climate Change Levy/Agreement process to 2033. The ability to reduce levy payments through real reductions in carbon emissions is a key incentive to continue investment.

On the recycling side of CPI's work, the progress of Papercycle as the arbiter of the recyclability of fibre-based packaging products is a significant achievement. This agile business, focused on delivering services to FMCG companies, is leading the way in the development of the UK's circular economy. Further growth in 2024 will



show that there is a market-based solution to the challenge of recyclability. Sadly, the Defra led Resources and Waste Strategy continues to miss the mark, imposing significant burdens on business without a clear case for how they will improve environmental outcomes.

The relaunch of the CPI's apprenticeship scheme, in partnership with Cogent Skills, is a major advance in the support CPI offers to members in recruiting and retaining skilled workers. CPI looks forward to expanding the scheme to include all sectors of the industry in the coming years.

CPI is pleased to have assumed the chairmanship of the Paper and Board Industrial Advisory Committee (PABIAC) and to be leading the implementation of its 2023 – 2027 health and safety strategy "It's in our hands". We have dedicated greater resource to health and safety for this strategy and look forward to working with our members on the implementation.

I am very conscious of the competitive environment in which CPI, as a trade association, operates. It is incumbent on us to demonstrate to members how we provide value for money. Every year, we report on the value we have secured to CPI's members, and we welcome all of the feedback and engagement that we have from members in that process.

CPI would not exist without the support and engagement from the UK's Paper-based Industries and from their representatives who volunteer to support our work. This year has seen a refreshed CPI Board move forward with the development of a new strategy for the Confederation to take the industry to 2030. I would like to thank the new CPI President, Kevin Bussey (Smurfit Kappa), Senior Vice President Brian Lister (Saica), and Vice Presidents Ulf Lofgren (Holmen) and Patrick Willink (James Cropper) for their guidance and advice. Alongside CPI Chief Operating Officer Neil Fishburne, CPI has a strong management team for the future, and I am indebted to them all.

I would also like to give my wholehearted thanks to the CPI Team. The Confederation benefits from the work of an experienced team, who are constantly seeking to enhance the service we offer to members. They deserve a huge vote of thanks for the work they have done in the past year to advance the issues that are important to members, into the teeth of strong economic and policy headwinds. I would particularly like to welcome Phil Fenton and Elisse Hare who have both recently joined CPI and will be outstanding new assets to the industry in their fields of packaging and communications respectively.

2. Energy and Climate Change

The UK stands as a pioneering force, having established legally binding Net Zero targets and implementing policies to drive progress toward achieving this goal. This commitment aligns with the global coalition of 197 countries participating in the 'Conference of the Parties' (COP), an initiative led by the United Nations to address climate change on a worldwide scale.

Energy Overview

Making paper is an intrinsically energy intensive process, and so the efficient use and overall cost of energy is a key issue for Paper-based Industries. With the country in the midst of a transformation to a Net Zero economy, the long-term source and supply of energy is in flux, with a huge change underway in the way energy is used and where it comes from. The overall Net Zero target, together with challenging interim targets, set the context for UK energy policy, with a series of carrot and stick policies to drive change.

UK papermaking supplies product into an open economy, both in domestic and export markets, where price is a key consideration. With energy being a major input cost, if the cost of energy in the UK is higher than elsewhere, then UK made product is put at a competitive disadvantage.

Energy challenges in 2023

Notwithstanding these strategic changes, the daily challenge of managing and operating energy intensive businesses in the UK continues.

After a number of years dominated by energy crises and price volatility, prices in 2023 have shown relative stability, although prices are considerably higher than historic norms. However, the risk of market disruption remains, with parties to ongoing armed conflict in Eastern Europe and the Middle East seeing disruption to energy markets as a legitimate weapon to deploy. The UK played an important role in steadying markets, with UK LNG import terminals allowing gas to bridge across to Europe, reducing the reliance on gas from Russia. A relatively mild winter together with energy saving measures ensured security of supply, but there is always the potential for more disruptive events to cause new price spikes and shortages.

2023 also saw the anticipated long-term fall in the deployment cost of renewable energy generation questioned, as inflation and global demand impacted on equipment supply chains at the same time as increased energy use post COVID-19 pushed up demand for new equipment. These higher costs were starkly illustrated when the latest allocation round of finance to support new UK offshore wind production, 'Contracts for Difference', failed to attract any bids, while several projects previously fixed at low prices were also cancelled.

Politically, the consensus underpinning UK Net Zero planning has largely held together, though the timing of some policy measures changed. UK carbon budgets, setting milestones on the Net Zero journey, mandate that many projects are delivered in the next few years, with increasing concerns over their affordability. Indeed, they may be the start of the political consensus cracking, as the ban on new internal combustion cars was delayed, a coal mine in Cumbria was approved, and a new round of North Sea oil and gas exploration licences were issued. It is an open question as to how much these issues will feature during the forthcoming general election campaign.

Reshaping and decarbonising the UK electricity industry is a huge challenge with the national grid essentially needing to be rebuilt and reinforced to supply increased amounts of electricity to replace gas in a number of sectors. 2023 saw policymakers increasingly realise that if electrification is to deliver on its potential, then the grid needs to deliver greater volumes to consumers, generated in new, and often remote, areas. The existing grid taking electricity from a network of centrally located coal-fired power stations is no longer fit for purpose.

A new report from the Network Commissioner highlighted the huge challenge implicit in rewiring and upgrading the network. As well as being expensive, new energy infrastructure is politically unpopular. This was demonstrated by the powerful, local, opposition to new high-voltage overhead power cables needed to take offshore wind generated electricity from remote sites off the east and west coasts to distant areas of demand.

Added to this is the difficulty of operating a system increasingly dominated by renewables that do not necessarily generate at times when power is most needed. Managing this type of network is difficult as dependable baseload is lost and replaced by intermittent renewables. Realistically, part of the answer is that such a network can only be delivered by smarter and more flexible use of energy – a potential role for industry.

Decarbonising the UK Paper Industry

As a bio-based and easy to recycle material, paper has huge attractions for a circular low-carbon economy. UK national targets already require a Net Zero economy by 2050, with interim targets, including a 68% reduction by 2030 and 78% by 2035 from levels in 1990, driving early action.

The sector is working closely with Government to explore how papermaking, the energy intensive part of the paper cycle, can decarbonise while remaining internationally competitive and accepting that not all countries will be decarbonising at the same pace.

UK paper mills have moved away from coal as an energy source, ahead of most other countries, to a combination of grid supplied electricity, natural gas, and biomass. The next challenge, currently almost unique to the UK, is to move away from using natural gas to using low carbon alternatives.

At a national scale the Committee on Climate Change (CCC) believes the changes will encompass:

- resource and energy efficiency improvements to reduce energy demand across the economy;
- societal choices that lead to a lower demand for carbon-intensive activities;
- extensive electrification, particularly of transport and heating, supported by a major expansion of renewable and other low-carbon power generation;
- development of a hydrogen economy to service demands for some industrial processes, for energy-dense applications in long-distance HGVs and ships, and for electricity and heating in peak periods; and
- carbon capture and storage (CCS) in industry, with bioenergy (for GHG removal from the atmosphere), and very likely also for hydrogen and electricity production.

The challenge

At its simplest, papermaking needs electricity to drive machinery and heat to dry the product. Most heat is provided by steam, with the balance used as hot air for direct drying, or as radiant heat. Unlike some sectors, this steam is relatively low temperature and pressure with the heat being made remotely from the paper machine meaning that different sources of energy can be explored.

Combined Heat & Power

Because papermaking requires both electricity and heat, combined heat & power technology (CHP) is a good fit for the sector, delivering energy savings compared to separate generation of power and heat. Mills have been encouraged to invest in this technology, and almost 80% of all paper produced in the UK is manufactured at mills having on-site electricity generation using CHP plant. These plants are either powered by sustainable biomass or, in the majority of cases, by natural gas. They are expensive, long-lived assets built with regulatory support and many are currently only part-way through their operational life. Policy makers need to think carefully about the future of these plants as they provide dependable support for the national grid, and if they no longer existed there would be increased demand for grid supplied power and even more grid changes needed to reflect the altered patterns of electricity flows.

The routes to decarbonisation

Resource efficiency

Resource efficiency is fundamental to the industry, with high levels of recycling already providing the key raw material for new paper. Lightweighting continues to use less material to deliver the same functionality, while research continues to reduce input materials and reduce process waste. Other research is seeking new uses for by-products such as paper crumble and carbon dioxide, as well as increasing the recyclability of new products put onto the market.

Bricks produced using paper mill sludge

Energy efficiency

Paper machines are long-lived assets, and this, together with financial constraints, mean that different installations are at different points in their investment cycle. Accordingly, continued investment is needed so that mills operate with the most energy efficient equipment and take advantage of more efficient equipment as it reaches the market. With continued support, incremental changes to energy efficiency can be delivered.

Biomass generation

Solid biomass is a proven, reliable, and sustainable source of energy for the paper industry, with most mills in heavily forested countries already powered by forest residues. The UK already has three mills using biomass as their energy source, and with relatively low levels of forest cover, it is not widely expected that biomass will greatly expand from its current pattern of use, although there may be some local opportunities.

Biogas

Biogas can either be directly used by a site adjacent to the production plant, or blended into existing natural gas supplies. Indeed, there are already several anaerobic digestion (AD) plants at paper mills with the generated biogas either injected into the national gas grid or fed to a gas engine to generate electricity and useful heat. Paper mill AD plants, using site process waste from processing recycled paper, are of a size that generate only a fraction of mill energy and the scope for expansion is limited.

Hydrogen

Hydrogen is generating a huge amount of interest as an alternative to natural gas, either blending into existing supplies, or supplied via new pipelines. A key advantage of hydrogen is that existing equipment can operate with minimal changes on a blended supply, while equipment supplies are quickly developing 100% hydrogen compatible equipment.

Of course the source of the hydrogen is critical, with hydrogen being classed as green only if made by electrolysis using 100% zero carbon electricity, or classed as blue if made from natural gas, with the carbon being captured for permanent storage at the point of generation. A number of mills are active in local projects potentially acting as point source users to anchor new projects.

Electrification

Electricity is already used to power the paper machine drives, motors, vacuum systems, and other equipment, being imported from the local grid or generated on site.

However, electrification is also a good fit to provide the heat supply. Electric boilers are already available in a range of relevant voltages and steam production rates, while electric Infra-red dryers can potentially replace gas dryers. Electric heat pump technology is also quickly developing, and is now capable of raising temperatures to around those needed for drying, and at a lower level of electricity use than boilers.

If electrification of heat production is to be a widespread answer, then grid capacity, grid connections, and operational cost will all need to be addressed.

With a number of different sectors all seeking to electrify at around the same time, with transport and domestic heating being key, then the overall amount of electricity used nationally is likely to substantially increase at the same time as gas use falls. Research indicates that all mill grid connections would need to be reinforced to allow the site to import more electricity. Both of these issues represent huge challenges. Additionally, the cost of grid supplied industrial electricity also needs to be addressed with current prices making electrification simply uneconomic, an issue well understood by policy makers.

Carbon Capture Utilisation and Storage (CCUS)

The investment to provide CCUS at scale is large and likely beyond the means of most paper companies in the UK whose sites are, on the whole, relatively small emitters of carbon dioxide compared to the likes of steel, cement, or chemical plants. The likelihood is that any on-site carbon capture projects will be linked to usage projects or regional permanent storage.

Possible approach to sector decarbonisation

- It would be possible to completely electrify sector fossil heat but at considerable expense, mainly incurred for grid reinforcement and connection to site. Further development of heat pumps could reduce the need for grid reinforcement. However, from an OPEX perspective, electricity is not currently an affordable option.
- Biogas and hydrogen could supply a limited percentage of the sector heat requirement, but hydrogen is likely to be very expensive and would need revenue support.
- CCUS has limited opportunities.
- Resource and energy efficiency will continue to incrementally improve performance, especially with grant support.

Making a number of assumptions, then the sector future fuel mix might comprise:

- some biogas from mill AD plants;
- some biogas blended via the existing gas grid; and
- some hydrogen blended via the existing gas grid or from direct new supply.

The balance is likely to be electrification with, depending on technology development, between a doubling or quadrupling of grid supplied electricity (plus a margin for peak demand) being required.

The UK needs:

- a plan to reduce energy policy costs to levels competitive with competitor nations;
- reform of Ofgem to act as a better regulator to large energy users and drive lower costs;
- a gas competitive decarbonisation strategy to fill the void between today's policy mix and the desired 2030+ position in which competitive alternatives to gas are available;
- continued biomass carbon neutrality to enable additional support for biomass CHP, linked to a growing UK sustainable forest resource; and
- a decarbonisation investment strategy that recognises the need for the UK to be an attractive location for both incoming investment from new investors and continuing investment from existing investors.

Sector energy imports in 2023 comprised:

- **6.7 TWh** of natural gas (used in CHP or boilers)
- **3.5 TWh** of solid biomass (used in CHP)
- **0.13 TWh** of other fuels
- (This "gas + biomass" provided **1.8 TWh** of electricity and **6.5 TWh** of heat)
- **1.2 TWh** of electricity (imported from the grid)

CHP plant also operate to support the national grid, and the sector exported **0.48 TWh** of electricity in 2021.

Sector Carbon Reductions since 1990

For 2023, using Defra national carbon factors, and assuming a credit for electricity exported, the sector's fossil GHG emissions were:

- **1.27 MtCO_2** direct emissions - with a specific figure of **0.39 tCO_2/t**
- **0.16 MtCO_2** indirect emissions

Compared with a base year of 1990:

- Direct fuel CO_2 emissions were **69%** lower.
- Specific fuel CO_2 emissions from direct fuel use were **52%** lower.

These reductions have been brought about by fuel switching (from coal and oil to natural gas and biomass), huge investment in CHP (both gas-fired and biomass-fired), and progressive energy efficiency improvements over the years.

Furthermore, reductions in the carbon content of grid electricity have helped reduce total CO_2 emissions attributable to consumption of both direct fuel and electricity:

- Direct and indirect fuel CO_2 emissions were in total **78%** lower in 2023 than in 1990.
- Specific CO_2 emissions from direct and indirect fuel use were **66%** lower.

TWh (Terawatt hours)

Forestry

Paper products are based on fibres that lock together and form sheets when dried, so any source of long fibres is a potential raw material. The largest source of fibre is harvested from well-managed forests, though agricultural crops such as cotton or abaca are also used for specific purposes, with agricultural wastes such as straw seeing increased interest. Recycling is integral to the paper cycle, with UK papermaking sourcing almost three quarters of fibres used from recycling collections, overwhelmingly from paper and card collected for recycling from UK homes and businesses. But, of course, a certain amount of new (virgin) wood fibre always needs to be added to the cycle, both to replace damaged fibres lost to the process after repeated recycling cycles, and also paper lost to the system, for example as tissue paper or as boxes used for long-term storage.

Sustainable forests

Wood sourced virgin fibre is either made at UK mills or imported. The UK has two mills (Holmen in Cumbria and UPM Caledonian in Ayrshire) that process UK harvested low grade conifer timber, largely from Scotland and the north of England, to make mechanically produced pulp used in their own papermaking. Other UK mills use virgin fibre imported as pulp, predominantly conifer pulps from Scandinavia and North America or eucalyptus pulp from plantations in South America and southern Europe. The types of pulp used depend on the characteristics needed in the paper, such as softness or strength.

Income from the sale of sustainably harvested material is an important element of encouraging land owners to keep their land as forest rather than be cleared for other uses. The amount of forested area in Europe continues to increase, and the UK is planning a large increase in woodland cover as new agricultural policies are developed. New forests are increasingly multi-purpose, balancing nature conservation with amenity, carbon storage, and productive uses – all elements that can be delivered through good quality forest management.

Timber legality and sustainability

Companies handling timber and timber derived products (including wood pulp) made or processed within the UK must prove it has been legally harvested through the UK Timber Regulations, an initiative strongly supported by CPI members, and CPI continues to call for the scope of the Regulations to be widened.

The focus of Timber Regulation is on legality, but most pulp used in the UK goes further than the legal minimum and is also certified to ensure that environmental concerns are also properly addressed. Consumers can support this initiative by buying product marked as independently certified, with FSC and PEFC being the most widely used schemes.

The European Commission is also developing a new Deforestation Regulation that applies to a number of agricultural commodities, including cattle, cocoa, soy, palm oil, coffee, rubber, and timber products (including pulp and paper). These new rules go further than the existing timber regulations, requiring proof that production is not from illegally harvested forest areas and that production has not degraded the overall forest area.

3. Sustainable Products

From initiatives focused on renewable sourcing to those aimed at waste reduction, we examine how CPI and its members are spearheading positive change, in alignment with global sustainability objectives, to foster a more sustainable future for generations to come.

Policy

The Collection and Packaging Reforms, led by the Department for the Environment, Food and Rural Affairs (Defra), is a programme of policy actions intended to reform the way packaging is handled in the UK. The three key pillars of the reforms are:

- a standardised collection system for packaging recycling for both households and businesses, formerly known as Consistency in Household and Business Recycling in England, this has now been rebranded as Simpler Recycling;
- a deposit return system for drinks containers; and
- a producer responsibility scheme where producers cover the “full net costs” of collection and recycling packaging from households.

Consistency in Household and Business Recycling in England/ Simpler Recycling

CPI has been advocating for separate collections for paper and card as the key to attracting investment in paper manufacturing to the UK, and providing reassurance to packaging producers who will be funding recycling collection systems and expect that optimum collection systems are implemented to ensure high recycling rates and high-quality output. The reforms, if properly designed and implemented effectively, have the ability to create a well-designed system for high-volume and high-quality recycling systems based on circular economy principles.

In October 2023, soon after the Government announcement that proposals which would see every household have “seven bins” will be scrapped, Defra announced that a ‘Simpler Recycling’ scheme will replace ‘Consistency in Recycling’. Failing to address the issue of quality, a key policy proposal put forward was that recyclable materials would not need to be separated at home. While we are still waiting for the Government response to the consultation on exemptions that followed the announcements, the secondary legislation, and the publication of statutory guidance, the uncertainty remains. There are still questions on how Simpler Recycling is going to work together with other reforms, and how the Government will support the Paper Industry to achieve an 89% recycling rate by 2030, whilst ensuring high quality recyclate.

Extended Producer Responsibility

2023 was a challenging year for Defra as they continued to grapple with the implementation of Extended Producer Responsibility (EPR). Defra’s aim for EPR is to make packaging producers pay the full cost of managing packaging once it becomes waste. This is to encourage producers to use less packaging and use more recyclable materials, reducing the amount of hard to recycle packaging used in the material. In practice, the costs of household collection of packaging will be transferred from local authorities onto the ‘producer’, typically the brand owner, packer/filler, or importer. Collectively, the packaging value chain is expected to pay upwards of £1.7 billion to cover kerbside collection of packaging and bin litter.

EPR data reporting requirements for organisations that handle packaging have been live since January 2023. The reporting requirements are highly complex, and CPI has been assisting our members in understanding their obligations under these new regulations. Whilst the introduction of EPR fees have been delayed to October 2025, there will be a significant obligation falling on our tissue members as brand owners, as well as many packaging converters who sell packaging to customers that are not packer/fillers.

Deposit Return Scheme

Although paper and board will be outside of scope of the upcoming Deposit Return Scheme (DRS), it will likely have implications for the wider collection and sorting system and therefore is of significant interest to CPI. In the first half of 2023, we saw a battle over the future of the Scottish DRS between the Scottish and UK governments. An exemption to the UK Internal Markets Act was required as the Scottish scheme would have created barriers to trade within the internal market. The UK Government offered a temporary exclusion, covering the period between the Scottish scheme launching and the planned UK wide DRS, on the proviso that the Scottish scheme aligned with the UK scheme on material scope, only including plastic bottles and aluminium and steel cans – no glass. The Scottish Government ultimately conceded to the UK Government and announced a delay to align with the wider UK scheme, currently expected to go live in October 2027.

A key question CPI is asking is what the impact of the DRS on kerbside collections will be. With many moving parts and uncertainties, it's difficult to identify. However, with valuable aluminium cans and PET bottles outside the scope of kerbside collections, it will likely increase the cost burden on materials remaining at the kerbside, including paper and board which will, by volume, be the most material found in the kerbside recycling bin. The decision to exclude glass from the scope of the UK wide DRS will also be detrimental to the quality of paper and card collected for recycling.

Over the coming year, CPI will remain engaged with Defra and other stakeholders on key aspects of the Collection and Packaging Reforms, including data reporting, base fees, recyclability assessments, modulated fees and the development of the Scheme Administrator. CPI will continue to advocate for measures such as separate collections for paper and card that will enhance the quality of recyclable materials.

Packaging Recovery Note system

Since 1997, the UK has relied on the Packaging Recovery Note (PRN) system for its packaging and packaging waste producer responsibility regime. In the face of impending Extended Producer Responsibility (EPR) reforms, the PRN system is crucial, and it is essential that it continues to operate effectively. In Spring 2022, Defra sought industry input on potential amendments to the PRN system. CPI supported the introduction of a credible and robust PRN/PERN system until an EPR scheme is fully implemented. However, despite industry consensus on the need for measures that reduce volatility, the Government response was a missed an opportunity for comprehensive system improvement. CPI continues to engage with Government and other stakeholders on the matter advocating for reforms that will improve transparency and reduce volatility.

End of Waste

End of Waste (EoW) is becoming a point of focus at a national and EU level. The industry's position is clear - End of Waste for paper and board occurs at the point of actual recycling, i.e., the pulping stage. To reiterate the industry position, CPI published a position paper in June to outline how standards set by the Paper Industry achieve low levels of contamination and ensure PfR is turned into a valuable resource, and the adverse environmental and economic effects if the EoW point was to be moved at an earlier point.

Climate change adaptation

During 2023, the Environment Agency (EA) targeted its efforts on climate change adaptation, which will continue over the next few years. Permitted sites are required to have a Climate Change Risk Assessment in place by April 2024, with an additional requirement to have climate change adaptation integrated into Environmental Management Systems by 2026.

For the Paper Industry, resilience to extreme weather and climate change is important; paper mills should prepare for extreme weather and climate change because:

- access to sufficient quantities of clean water could be affected during drought;
- reduced river flows mean reduced dilution available for effluent discharge in the river;
- flooding can interrupt operations and prevent staff access;
- extreme weather could affect the supply chain and infrastructure on which mills rely;
- extremes in temperature could affect the operation of effluent treatment plants which could cause reduced performance and odours; and
- some types of extreme weather increase the risk of breaching environmental permits.

Paper sector review

The EA undertook a review of the Paper Industry during 2023. Overall, the sector is seen as a good sector, and a largely compliant industry with the majority of sites in compliance bands A and B. A few sites are classified in compliance band C with minor monitoring breaches. Sites in compliance bands A and B demonstrated an expected level of permit compliance. Sites in compliance bands C and D must improve in order to achieve permit compliance.

During 2023 the EA undertook audits against the waste Classification technical guidance (WM3). These audits were part of a national campaign aimed at focussing more on waste movements from cradle to grave. Assessing compliance with existing requirements under hazardous waste and duty of care requirements, the primary focus was ensuring sites were correctly assessing incoming and outgoing wastes for hazardous properties. There were one or two specialist officers assessing per area, and every sector.

Per-and Polyfluoroalkyl Substances project

The EA funded a Per-and Polyfluoroalkyl Substances (PFAS) project which included a sampling regime that involved five CPI members including one tissue mill, a recycled fibre mill, a graphic paper mill, and two speciality paper mills. A total of 65 samples were taken from the paper mills between November and December 2022 representing a variety of operational scales, type of input paper, and geographic locations in England. The samples included input paper, crumb, input water, effluent, and output product samples in order to provide data on both the inputs and outputs of the processes.

The key message is that the sector is not likely to be a significant source of PFAS in the environment. The project confirmed that the concentrations of PFAS are a magnitude lower than previously thought. The next step for the EA is to produce a questionnaire to build up a better picture especially around historical uses such as in fire fighting foams.

We have some significant challenges ahead; the abstraction reform of transfer of licences into environmental permits has been delayed till 2024. The development of UK BAT documents Is likely to commence before the end of 2024. Additionally, in the EU, the Industrial Emissions Directive (IED) is in its final stages before being approved by the European Commission. Following the IED the EU BREF documents will also be reviewed.

In October 2023, Defra announced changes to waste policies, including a tightening up of the waste carriers and brokers regime to tackle waste crime, and a new mandatory digital waste tracking system, going live in 2025. For 2024, the EA intends to commence a reinvigorated programme of Resource Efficiency & Energy Efficiency audits. This includes a programme of audits for new EA inspectors sharing existing knowledge with a focus on supporting Net Zero planning.

Packaging and Packaging Waste Regulation

Within the European Union, our colleagues have been working diligently as the Packaging and Packaging Waste Regulation (PPWR) makes its way through the legislative process. The PPWR shifts the focus away from single use plastic and recycling to reducing all packaging waste (by 15% by 2040 per capita) and to foster reuse and refillable packaging systems. PPWR is intended to bring about significant changes in the legislative framework for packaging waste in the EU by defining ambitious targets and objectives on recycling, reuse, packaging minimisation, restrictions on certain packaging formats (such as on fruit and vegetable packaging), specific design requirements, labelling, and recycled content for plastic.

Initial Commission proposals on reuse were viewed by our sector as potentially an existential issue given a 90% reuse target for transport packaging by 2040 and a 90% reuse target on large household appliances by 2030. However, the text approved by the European Parliament retains several cardboard exemptions and sets more achievable targets. The final text will be available after the European elections in June 2024. CPI congratulates FEFCO, the European Association for the Corrugated Packaging Industry, for its studious efforts in navigating the industry to this more positive position.

Despite the UK no longer being bound by EU legislation, many CPI members continue to trade across EU borders and, therefore, may be impacted by the upcoming PPWR. In addition, CPI is concerned by the acceleration of the reuse debate, both in the EU and UK, where there is a widespread assumption amongst NGOs and decisionmakers that reuse is always best for the environment.

Over the coming year CPI will continue to champion the sustainability of recyclable paper and board-based packaging and highlight, using an evidence-based approach, that reuse is complementary, rather than superior, to recycling.

Over the last few years, CPI has researched local and European industry standards and collaborated extensively with stakeholders across the Paper Industry to refine Papercycle. Papercycle, a tool for evaluating the recyclability of fibre-based products and materials, is a fully automated tool and a robust system for assessing recyclability consistently and credibly. If, for more complex formats, a laboratory test is required, the testing is carried out in line with the Cepi recyclability laboratory testing method.

Following a soft launch in 2022, efforts were intensified in 2023, responding to increasing demand from brands and packaging designers seeking guidance on recyclability. Papercycle was reconfigured to allow brands and retailers to conduct recyclability assessments not only for finished products, but also materials under development. Additionally, after a laboratory test has been conducted, Papercycle offers a technical review service to evaluate product behaviour, identify critical components, and signpost to potential material modifications.

In May 2023, CPI reached a significant milestone with the launch of Papercycle. With Papercycle, CPI reinforced the position of the UK's Paper-based Industries as the authority on fibre-based packaging, serving member interests on paper-related matters more effectively. This work, combined with the CPI Design for Recyclability Guidelines which point the way towards resource efficient recycling and make fibre-based products recyclable by design, put the Paper-based Industries in a leading role in defining standards.

Recyclability assessment criteria are continuously under review, with CPI and the Recyclability Technical Expert Committee defining key parameters and thresholds for fibre-based products to be deemed "recyclable." Given the dynamic nature of recyclability, ongoing work will evolve, particularly following policy reforms under EPR.

Papercycle assessments underscore the need for guidance and assurance among packaging designers, retailers, and brand owners regarding recyclability criteria in the UK market. While recyclability assessment methodologies locally and internationally are still under development, Papercycle solidifies the industry's position.

In essence, Papercycle marks a pivotal advancement in enhancing the recyclability and sustainability of fibre-based packaging materials, providing a solution to meet evolving regulatory standards and consumer expectations, both domestically and internationally.

Looking ahead, Papercycle's strategic objective is to maintain its status as the most credible operational entity for recyclability assessments of fibre-based packaging products and materials in the UK. It aims not only to align with the demands of the operational EPR scheme, but also to serve as a valuable preparatory mechanism for forthcoming reforms.

Design for Recyclability Guidelines

The Design for Recyclability Guidelines continue to play a leading role by setting standards and shaping the future of fibre-based packaging products. Following a comprehensive review led by the Recyclability Technical Expert Committee, the fourth edition was published in February 2024 and reaffirmed CPI's commitment to enhancing the recyclability of fibre-based packaging products.

This fourth edition encourages packaging designers and specifiers to limit non-paper components in new products to 5% of the pack weight. It aims to inspire the next generation of packaging products and assist future technological developments in packaging materials, whilst optimising recyclate entering the supply chain. The section on policy was reviewed in line with the current developments, whilst a new section on contamination makes a clear distinction across the different types and their impact on recyclability, including:

- contamination due to product design
- contamination due to collection methods
- contamination due to harmful substances
- food contamination

The latest edition provides sufficient guidance for packaging designers and specifiers to make appropriate decisions about the recyclability of products, and drive developments in design and technology. It encourages the use of removable components to reduce the potential for contamination and a strong call to action on the packaging on how this should be done effectively.

The new publication has already attracted press interest and prompted more in-depth discussions with UK and pan-European associations.

External Relations

The Sustainable Products team engages with a wide range of organisations in the UK and Europe and is a member of several committees and working groups.

Within the UK, these include:

- Defra (Waste Strategy Stakeholder Advisory Group, Advisory Committee on Packaging)
- WRAP Steering Group for the development of a post-2025 successor agreement
- CIWM (Producer Responsibility Strategic Expert Group)
- Environment Agency (Technical Advisory Group - Resource framework for paper)
- Environment Agency (EPR External Advisory Group)
- Packaging Federation
- All Party Parliamentary Group (Packaging)
- BSI (SCP/1/4 Sustainable Resource Management, PKW/0 – Packaging)
- The Sheet Plant Association (SPA)
- Industry Council for Packaging and the Environment (Incpen)

To retain a level of influence outside the UK, CPI is an active member of several committees and working groups at an EU level:

- Cepi Recyclability Test Methods Group
- Cepi Recycling Committee
- Cepi Food Contact Group
- Cepi Environment and Safety Committee
- Cepi Clean Processes and Products forum
- Cepi Chemical Issues Group
- FEFCO National Directors Committee
- FEFCO Recyclability Guidelines Review Group
- FEFCO Regulatory Affairs Committee

Over the last year a significant amount of effort was placed on communication and information to members and to wider audiences. CPI's positions were promoted to media outlets and policy positions were presented at external debates.

In March 2023, CPI published two position papers on:

- How the quality of Paper for Recycling can be improved through separate collections of paper and card, urging the Government to act, and
- Determining recyclability to clarify CPI's position on how fibre-based products need to be assessed and evaluated to determine their recyclability.

A third position paper followed in June 2023, setting out the industry's position that End of Waste for paper and board occurs at the point of actual recycling, i.e., the pulping stage.

Over the course of 2023, CPI issued a number of press releases relating specifically to sustainable products including:

- End of waste
- Papercycle
- Quality of collections
- Recycling rate in WMS report
- CPI Design for recyclability guidelines
- Response to Defra FOI request
- BBC article on wishcycling
- Cardboard exemption changes to EU PPWR

4. Health and Safety

In this section, we explore the paramount importance placed on ensuring the health, safety, and wellbeing of all individuals within the UK's Paper-based Industries. CPI and its members have implemented rigorous protocols, innovative strategies, and comprehensive training initiatives to mitigate risks and promote a safe working environment.

Liquid Propane Gas

Forklift truck explosions

The production of Liquid Propane Gas (LPG) is something that you would not normally associate with the UK Paper Industry. But throughout 2023, issues with blocked fuel vaporisers, and daily exposure to potential fires and explosions while operators are attempting to start LPG-powered forklift trucks, in addition to thousands of potential near misses relating to this issue, have dominated the Industry's health and safety agenda.

As an industry, one of our core values is 'help the prevention of death, injury, and ill health to those that work within the UK's Paper-based Industries'. CPI's role, and that of the industry in all of the above, has not been one of instigators but the complete opposite - as innocent victims. Following the first reported FLT explosion in October 2022 at a corrugated plant, where miraculously no one was injured, we recognised this event went beyond the Paper-based Industry. If left to quietly disappear as an unanswered 'industry incident', there was the possibility of similar occurrences being repeated over and over again, not just in the Paper Industry, but at any site that operates LPG-powered FLTs.

It is widely accepted in the industry that health and safety should not be considered a competitive advantage. We learn from each other by being open and transparent and sharing information. With fingers being pointed at LPG suppliers and distributors, and FLT manufacturers as to the cause, it was incumbent upon CPI as the sector where this incident occurred, to take the lead and inform the Health and Safety Executive (HSE) of the incident and request an immediate independent investigation. HSE opened its investigation as a level one priority in January, three months after the first incident, and that was only after repeated requests from CPI.

Less than six months after the first explosion, in March 2023, the industry suffered a second FLT explosion, and again, miraculously, no one was injured. In the meantime, the only advice to come out from HSE during this interim period was a safety notice which placed all the responsibility for avoiding future explosions on the individual FLT drivers and their employers, and placed no obligations on any other organisations in the supply chain.

Frustrated by HSE's lack of progress in identifying the causal factors in this serious issue, CPI took the unprecedented decision to raise our concerns with HSE's CEO Sarah Albon. At the same time, we encouraged all our members to contact their local MP, with a request for them to write to the Secretary of State for Work and Pensions, The Rt Hon Mel Stride MP, to ask him to engage with HSE to expedite its investigation into the causal factors behind these incidents.

At the time of writing, and 16 months since the first incident, HSE continues to investigate the causal factors and the UK's Paper-based Industries, and all other sectors that operate LPG-powered FLTs and their employees who drive these vehicles, are left at risk of serious injury and in limbo.

PABIAC Strategy 2019 – 2023 *'Hearts, minds and people'*

It has been four years since the launch of the PABIAC strategy 'Hearts, Minds and People'. The strategy ended in July 2023. As is customary, the industry is reviewing its achievements during the four-year period and reflecting on what it could do differently next time. With regards to the achievements, firstly, it is important to remember that within seven months of launching the strategy, COVID-19 was declared a pandemic by the World Health Organisation and on 26th March 2020 the UK Government announced a national lockdown for all but essential workers and services. And, while the industry continued to support the UK with essential provisions, the UK didn't come out of lockdown until July the following year.

PABIAC Strategy

Given these exceptional circumstances, it is understandable that the industry was focused on protecting people from COVID-19, and the objectives in the strategy were temporarily put on the back burner. With that in mind, on the whole, sites across the UK did remarkably well by completing some, if not all, of the objectives. But for 69 sites, it was an unbelievable achievement to complete all five objectives. Of all the objectives completed and now in place across most of the industry, two stand out. Leadership, engagement, and collaboration, and addressing psychosocial issues in the same way as we do safety. We will continue to develop both of these in future strategies.

PABIAC Strategy 2023 – 2027: *Health and Safety – It's in our hands*

In 2023, we celebrated 25 years of delivering PABIAC strategies. The first strategy was launched in 1998 and during this time the industry has gone through many health and safety evolutions. In 1998, the main motivation for improving health and safety was one of high injury rates and targeted interventions by the Health and Safety Executive. Back then the industry was 'regulation' led, but move forward 25 years, and through commitment and a different mindset to what was acceptable back then, we have improved significantly to an industry that today is now more 'people' led.

The work of PABIAC is valued highly by each of the representative partners, and since the mid-70s when Industry Advisory Committees (IACs) were introduced, HSE has been the central figurehead in the tripartite partnership. But to make the best use of our resources to achieve our strategic aims and priority programmes, and to satisfy ourselves that the PABIAC structure is still appropriate to deliver the task 50 years later, it is timely and appropriate, that the UK's Paper-based Industries should now be that figurehead. Reconstitution presents a good opportunity to set our own health safety agenda and to focus on the issues that industry has chosen as its priorities for the future. It is also a reflection on the industry's maturity and HSE's confidence in our ability to set and manage own health and safety agenda for the next four years.

In October 2023, over 80 invited industry leaders attended the official launch of the new PABIAC *Strategy Health and Safety – it's in our hands*.

This is the 6th PABIAC strategy to be launched since 1998 and sets out the priorities for the UK's Paper-based Industries over the next four years. Building on the foundations of each of the previous strategies, this new strategy focuses on key health, safety, and psychosocial issues identified for improvement by the industry. These are:

Objective 1: Understanding and integrating human factors into health and safety.

Objective 2: Accident and Incident Investigation.

Objective 3: Proactive and reactive mental health and wellbeing measures.

Over the years, significant investment and improvements have been made in physical safeguards, but incidents continue to occur. Objectives 1 and 2 were specifically chosen to challenge the industry to review safety critical tasks, with an emphasis on taking account of human error.

Objective 3 was chosen to reflect an increase across the industry in psychosocial work-related issues which was born out of the data that CPI collated under the previous strategy and supports HSE's ten-year strategy 'Protecting people and places', *"to reduce work-related ill health, with a focus on mental health and stress"*.

The CPI Biennial Health and Safety Conference will be held on 2 July 2024 in Kenilworth. The theme of this year's event will focus on the three objectives within the strategy.

Looking ahead

As we look ahead, the primary objective must be resolving the LPG issue. Until HSE identify the causal factors and implements the necessary corrective actions on those who are culpable, our genuine fear is that someone will be seriously, if not fatally, injured.

5. Competitiveness

CPI is seeking to improve the competitiveness of the UK's Paper-based Industries. Through strategic investments and initiatives, such as apprenticeship schemes and trade advocacy, the industry aims to strengthen its position in the market while promoting its positive contributions to society and the environment.

A New Direction for CPI

An investment in competitiveness brings a novel direction for CPI, with greater resource now available in areas that will benefit from more attention and focus, leading to a broader service offering for the membership across all sectors.

Competitiveness will bring together a number of themes:

- The existing **apprenticeships programme** for papermaking will build momentum and prove itself as a viable and sustainable option in the long term. It is planned that the apprenticeships offering will be broadened to include other sectors beyond papermaking in due course.
- **Trade issues** are rising in importance, both because the UK operates its own trade policy post-Brexit, and also because of the economic moves that we are seeing around the globe.
- **Promotion of the Paper Industry**, both to communicate the positive benefits compared to other fossil fuel based alternatives, and as an attractive industry in which to work. We will build on an existing campaign developed for the corrugated cardboard industry, identifying how to widen the approach to cover the whole paper industry.

By bringing new resource to address these matters, CPI is seeking to improve the competitiveness of the UK's Paper-based Industries overall. Bringing together a diverse range of activities that affect competitiveness within the CPI portfolio, we give them a focus and drive that these issues have previously not had. Expanding this work into a comprehensive and unified strategy that sits alongside the work on energy and sustainable products, we can make a step change in the work of CPI to present paper to a variety of audiences as the material of the 21st century.

There is much to be done and the development has already proved popular with other trade associations that recognise and respect this approach. It will take flexibility throughout 2024 to find the right balance of activity, taking our lead from member companies regarding their expectations and ambitions for the industry, as well as 'breaking new ground' under our own initiative.

Apprenticeships

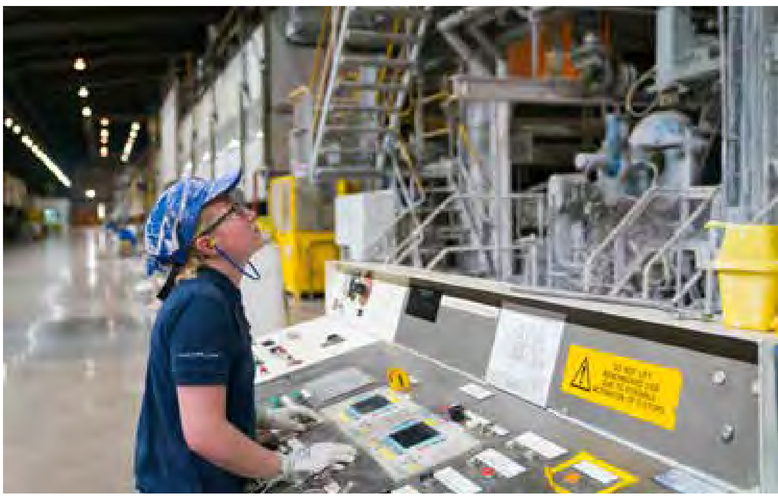
Along with many other established industries, the Paper sector has an aging workforce, and we risk losing a range of unique knowledge and skills. There is a real need to attract new talent to replace those workers that are approaching retirement.

The Papermaking Apprenticeships Scheme trains employees to become competent process industry manufacturing technicians (PIMT), a qualification that can prepare them for a range of process industries. We are working with CATCH, a nationally recognised training provider in Lincolnshire and leader in skills & apprenticeships.

Apprentices are trained to address hazards and follow high-level safety systems as they work on a large scale using a continuous process, often in a shift system with operations that are 24 hours per day, seven days per week.

They learn to run and maintain the process, conducting quality assurance, resolving or escalating any issues, and keeping accurate records. Maintaining workplace safety by following environmental risk and management systems is a vital part of the role, as is preparing equipment for maintenance and bringing equipment back online.

Already in its second year (from September 2023) the comprehensive process industry apprenticeship scheme has been developed for the UK's Paper-based Industries, bringing paper specific training modules in addition to the core PIMT approach.



We are seeing increased interest from mills that have not previously been involved in the apprenticeship scheme, and action is in hand to understand the requirements and intentions of those papermakers that are already involved, to ensure that we have good numbers for Cohort Three (September 2024).

As we build on the current programme for papermaking, developing the opportunities for other sectors, we have been pleased to see that there already appears to be significant interest from the packaging sector, though any scheme will not start before September 2025 at the earliest.

The apprenticeships scheme is intended for employees who are going to work directly in the paper production process, but there are other employment opportunities beyond this scheme which we will develop. CPI will consider establishing and managing an academic sponsorship programme, working with a high-profile university to identify UK undergraduate and postgraduate students who might seek a career in the paper industry in areas other than the paper production process.

In addition to new employees, we will also look at established employees who may benefit from new skills or retraining. As we seek to understand the skills requirements of our member companies, we will be working with stakeholders to evaluate how we can meet those needs to meet the challenges that lie ahead.

Employment Affairs

A well-established element of the employment affairs offering is the provision of information and guidance on working arrangements, dispute resolution, annual hours, organisational change, and other HR matters. We provide advice on the interpretation and application of the National Agreement for the papermaking sector and lead the annual negotiations between the industry and unions on pay and conditions.

The dispute resolution procedures within the National Agreement continue to provide a significant benefit for the conforming sites in securing resolution to impasses, maintaining good working relationships with the unions' national and local representatives. Working in partnership with members and the unions, and

within the framework of the National Agreements, Employment Affairs plays an important role in resolving members' industrial relations issues, so helping to maintain the industry's good industrial relations record.

Trade

Since Brexit, the UK has had responsibility for its own trade remedies regime. In the aftermath of both Brexit and COVID, trade protection has not been a priority for the UK Government as trade flows have been prioritised over compliance. However, in recent months, trade remedies have resurfaced as an issue for several primary materials, and attention is focusing on the changing trade flows within paper and paper-based products.

CPI will build its capacity to support members with trade remedies, in cooperation with, and modelled on, the services that our European colleagues provide to countries covered by EU trade policy.

CPI will:

- track relevant imports with the aim of identifying trends that can impact the UK market;
- identify market access barriers for the export business of the UK's paper-based industries;
- follow the development of global (WTO) and regional trade negotiations; and
- work with members to develop a strategy to address these, developing the ability to bring UK trade defence cases as needed.

CPI is engaging with the Trade Remedies Authority (TRA), which was established post-Brexit to defend the UK against unfair international trade practices, investigating where new trade remedies are needed to prevent injury to UK industries. Together we will work with members and the TRA to identify where the UK import situation might merit UK trade remedies, acting as facilitator for members wishing to pursue such a trade case.

We are also active in the Manufacturing Trade Remedies Alliance (MTRA), a coalition of several trade associations and trade unions that are directly involved or connected with UK manufacturing, bringing a united voice from industry to the TRA. Together, we are working to ensure that future developments in UK are beneficial for the economy and wider society, seeking a fair and level playing field, so that our Members are able to successfully compete in the international marketplace. UK trade policy must enable that level playing field with a robust and efficient trade remedies regime.

In the early months of 2024, we have already been alerted to a number of paper-related cases within the EU, which we are following to various degrees:

- The European Tissue Symposium (ETS) is considering the import of various tissue grades at low cost and the opportunity for pursuing anti-dumping measures. ETS is following the matter closely, building evidence, determining whether action should be pursued.
- The European Commission is embarking on an anti-dumping investigation into the imports of titanium dioxide (an additive for many industries including paper) to EU, which may lead to increased duties. European colleagues are undertaking action to seek an exemption for grades used in paper applications.
- Turkey has initiated a safeguard investigation into the import of 'containerboard' (packaging paper) grades. Our European colleagues are submitting evidence to the Turkish investigation. While CPI is following developments, since the UK is not a significant exporter to Turkey, we are not taking direct action for the UK.

These cases have already required CPI to develop our existing links with Civil Servants in the Department of Business and Trade.

Improved communications with personnel in the Tariff Suspensions team have already proved constructive and we thank them for their prompt and positive engagement. We look forward to further opportunities for cooperation.

Industry promotion

Our approach to raising awareness of the Paper-based Industries will cover two broad areas: firstly, addressing consumer opinion of paper compared to other materials, and secondly, the many and varied career options that our industry can offer.

The first of these objectives will build on the existing 'Beyond the Box' campaign, which has run successfully for corrugated cardboard over a number of years, informing consumers of the superb environmental credentials of paper packaging, and going on to develop an industry-wide promotional programme to promote similar awareness for the whole of the Paper Industry.

CPI is committed to introducing a wider ranging promotional programme to promote the benefits and qualities of paper as a material. Attention in 2024 will be devoted to developing the long-term strategy for industry and material promotion and the additional resources required to deliver a strategy and resource plan for a wider promotional programme for paper.

We are pleased to have joined TwoSides (www.twosides.info) as a member, providing an opportunity to participate in their governance and to benefit from their specific expertise. We look forward to working with them to broaden promotion of paper as a material.

In our second objective, separate work will start to build the profile of the industry itself as a career, seeking to educate children of different school ages, and building an understanding of how to make the industry more attractive as a career option. Linked to the existing apprenticeship scheme, we will build a comprehensive and connected educational package.

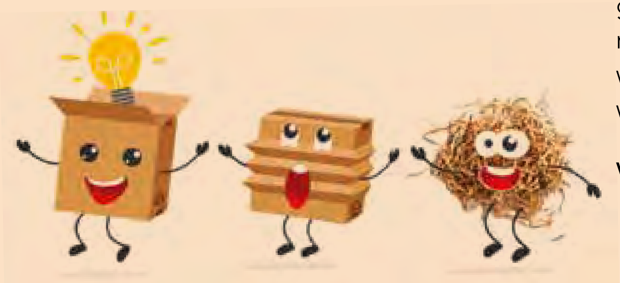
There are many opportunities for new and increased cooperation across the paper sector. In addition to Two Sides, we are working with Frogmore Paper Mill, The Printing Charity, and the Trade Association Forum.

Industry Promotion

Beyond the Box – a consumer awareness campaign for cardboard

Now established for some years, this campaign is seeking to inform the general public about the benefits of cardboard compared to other, fossil fuel based, alternatives. After several successful years with one agency that saw a reach averaging in the hundreds of millions each year, through national media coverage and consumer Vox Pop videos, a decision was taken to move to a new agency in 2023, focussing more on social media to provide an effective, low cost, means of reaching the consumer audience.

We have developed a broad theme of creativity and reuse of cardboard around the home, which has provided the hook to grab consumer attention, allowing us them to remind them of the key environmental messages. We now have an engaged audience that routinely returns to our online platforms.



In addition to our 'always on', or 'heartbeat' social media activity, we ran two specific 'hero' projects, which put us in front of a youth audience.

For the first project of the year, 'Choose Cardboard', we partnered with The Creation Station (www.thecreationstation.co.uk) which exists to enable creativity within children, seeking to inspire imagination and nurture potential. Art and crafts classes, parties, and events are run across the UK through their team of over a hundred franchise owners. It yielded some very promising results with sixty workshops hosted across England to 14,650 children.

Following the success of 'Choose Cardboard', later in the year our cardboard ambassadors went into primary schools to deliver an interactive presentation to educate 5-8 years old, timed to coincide with Recycle Week. 'Beanie the Box' told her recycling story making for an accessible and enjoyable topic for primary school students. We had good geographical coverage across the UK and reached one thousand children, combined with a national media outreach programme, we reached nearly three million people.

www.cardboard.org.uk

Bringing everything together – a unified approach for the 21st century

As we develop each of the above themes, we can identify how they complement each other. Building on the educational programmes for young school children, linking into design competitions and other opportunities for older students, leading onto the apprenticeships scheme and the academic sponsorship programme for new employees. Expanding this work into a comprehensive and unified strategy that sits alongside the work on energy and sustainable products, we can make a step change in the work of CPI to present paper to a variety of audiences as the material of the 21st century.

6. Public Affairs and Communications

In 2023, there was a semblance of normality in UK politics. Despite political stability, the UK economy faced challenges, leading to the closure of two paper mills. CPI remains vigilant in advocating for the UK's Paper-based Industries, particularly regarding energy costs, sustainability, and promoting the benefits of paper-based products.

Public Affairs

2023 saw something of a return to normality following the turmoil of 2022. Rishi Sunak MP served as Prime Minister for the whole year and looks set to lead the Conservatives into the 2024 General Election. On the Labour side, Sir Kier Starmer MP continued the reform of his party, and UK wide politics returned to the more normal Government/Opposition rhythm. In Scotland and Wales, both First Ministers changed, and devolved Government returned to Stormont in Northern Ireland, but across the UK the main political driver is the election to come.

Despite the outbreak of political routine, the UK economy continued to struggle in 2023, and sadly two further paper mills closed. CPI is fully aware of the challenges that the industry faces and continues to lead advocacy efforts to Government as well as interpreting Government policies to members and briefing them on the implications for their businesses. Energy costs and long-term sustainability remain at the top of the agenda, as well as recycling and explaining the merits of easily recyclable paper-based products.

As we approach the election, all political parties are setting out their positions and engaging with industry to secure endorsements and support. CPI is scrupulously apolitical. We do not and will not endorse any particular party. However, this is no bar to CPI engaging on the substance of policies, and our manifesto, which we published in the Spring, sets out very clearly our priorities for the next Government, regardless of which party is in power.

Political engagement

In recent years CPI has continued to grow its political engagement.

In June 2023, Andrew Large (CPI Director General) was invited to Number 10 to meet the Prime Minister's Special Advisor on environmental issues and brief him on issues related to the paper industry. This was a valuable opportunity to present industry issues and especially to focus on the importance of recycling. In January 2024, Andrew was also invited to attend Sir Kier Starmer MP's New Year Speech and engage with Shadow Ministers on the development of Labour's manifesto on industrial issues.

CPI has held meetings this year with the Industry Minister Nus Ghani MP, the Exchequer Secretary to the Treasury Gareth Davies MP, and with a number of MPs from constituencies with paper industry facilities or policy interests that support the industry. We also met Sarah Jones MP, the recently appointed Shadow Business Minister. Our visit programme took officials from the Department for Business and Trade, The Committee on Climate Change, and the Department for Energy Security and Net Zero to see paper mills and converting sites, together with Gareth Davies MP who visited a tissue mill.

CPI engaged fully with the Commission on Carbon Competitiveness, led by John Penrose MP, Jo Gideon MP, and Stephen Kinnock MP. We gave both written and oral evidence to that group and worked with them to develop policy on the competitive decarbonisation of UK industry. CPI also attended many All Party Parliamentary Group meetings on issues such as energy, environment, and packaging. CPI remains a member of groups such as the Energy Intensive Users' Group and the Packaging Federation, which enable us to leverage a shared position with other industries to expand our advocacy reach.

CPI continues to meet regularly with officials from a number of Government departments, and last year we met the Conservative Environment Network to open discussions on sustainability policy and recycling.

Overseas, CPI has engaged with both the United Nations Food and Agriculture Organization to promote recycling of forest fibres as a key aspect of sustainable, resource efficient forest management. We have also worked alongside the European industry associations and their public affairs advisors in support of their work on the Packaging and Packaging Waste Regulations.

Governance and strategy

In 2023 CPI established a Public Affairs Group, with membership from across the CPI footprint, with the specific role of developing CPI's Manifesto and communications strategy in the run up to the election. This Group will advise and guide the CPI team in making sure that our engagements with politicians at this sensitive time are apolitical and, in the long run, will support the development of a wider raging public affairs strategy to go through the early period of the next Government.

The Manifesto focuses on the three key issues for the industry:

- A Green Industrial Growth Strategy
- A Revised Resources and Waste Strategy
- A Competitive Business Environment

Our key priorities in each of these issues are:

- Government should establish a **Green Industrial Growth Strategy**, with cross-party support and committed funding.
    - Recycle funds from UK Emissions Trading Scheme auctions (and in due course any Carbon Border Adjustment Mechanism) to support UK investment in decarbonisation of industry. CBAMs should only be progressed after a proper impact assessment is concluded.
- Establish deals with individual companies or sectors tying support to deliverables in emissions, investment, growth, and jobs.
- The **Government's Resources and Waste Strategy** should be reformed to support high quality recycling of paper and the minimisation of unsustainable packaging materials and formats.
- Extended Producer Responsibility (EPR) must be introduced in a way that does not act like a packaging tax, increasing inflation during a cost-of-living crisis. EPR fees must be channelled towards sorting and reprocessing of recycling only, and not subsidise other activities.
- Reform "Simpler Recycling" and build a collection and recycling system that delivers the best outcomes, which for paper and fibre-based products requires separate collection from households.

- CPI has created the Papercycle process to determine and certify the recyclability of fibre-based packaging. The Government should work with Papercycle to ensure that any recyclability assessments under EPR will be scientifically rigorous and act against "wishcycling".
- To **create a more Competitive Business Environment**, CPI urges the new Government to:
  - Support decarbonisation investments with a tax super-deduction
  - Introduce a UK Internal Market for skills funding to enable UK wide companies to have a single training strategy
  - Support the PABIAC 2023 to 2027 Strategy
  - Reform UK trade policy to give greater support to UK foundation industries, such as paper, that are essential to UK economic security.

Equality and Diversity

CPI continues to drive forwards on Equality, Diversity, and Inclusion Issues.

We held a webinar in January 2024 with a wide range of members to introduce the key issues to them and support them with a toolkit for practical actions in the workplace.

The CPI EDI Group has a new Chair this year and will develop a work plan for this important topic, together with our wider work on promoting the industry and its products.

Communications

Open and transparent communication channels with our members and external stakeholders are at the forefront of everything we do as an organisation.

Our first preference will always be paper, but we understand the need to collaborate with the digital world to effectively communicate the significant messages of the UK's Paper-based Industries. Our communications team now benefits from an additional staff member, who will help us communicate and deliver these key messages more effectively across multiple platforms.

Our members

CPI maintains regular, consistent communication with its members through multiple channels. Members are kept informed via direct emails, detailed reports, and meetings where they can participate on various committees and councils. Additionally, CPI members receive a comprehensive fortnightly newsletter 'CPI News', as well as 'Web Updates' emails, which keep them up-to-date with the latest news and developments in the industry. The aim is to ensure that members are always well-informed and in the loop.

Online

The CPI website (www.paper.org.uk) is our main platform for sharing information with both members and non-members. The website has a broad range of information available, such as fact sheets, position papers, industry statistics, and other relevant information. Additionally, the Members Only section provides access to more detailed statistics and committee meeting papers.

Social media

CPI has established its presence on various social media platforms such as Twitter/X, LinkedIn, Facebook, and Instagram. We are pleased to share that we have a growing number of followers across all channels, with over 2,100 on Twitter and more than 1,200 on LinkedIn and Facebook. Currently, CPI is working on revising its social media strategy and is determined to strengthen its online presence across all platforms. We have also created a new social presence for Papercycle and we will be working hard to raise awareness of the Papercycle brand and to build strong connections across all platforms.

Publications

We regularly publish and update a range of materials, including online and print publications, many of which are mentioned throughout this review. We will also be working closely with PABIAC to produce promotional material to promote the strategy across the industry.

Moreover, we continue to regularly revise our Position Papers, Members Briefings, and Fact Sheets, ensuring that the information we provide is current and accurate. You can easily access all of these materials on our website and stay informed about the latest trends and developments in our industry.

Press

CPI continues to issue press statements and press releases on various topics.

CPI staff also make regular contributions to opinion pieces and features, both online and in printed trade press. We have good relationships with our trade media, and we will be working hard to improve CPI's visibility in the press by increasing reach and coverage.

Events

There has been a significant increase in the number of webinars and in-person events during 2023 and the first quarter of 2024. We held the EDI webinar, the PABIAC Strategy Launch in-person, and several PABIAC webinars. Many events are scheduled to take place throughout the remainder of 2024 which include a series of PABIAC webinars and in-person workshops, the Paper Industry Gold Awards, presence at trade shows and exhibitions, and the Biennial Health and Safety Conference. More details on these events are outlined throughout this review.

CPI has recently introduced a new events platform to simplify the event registration process for both CPI staff and delegates. The platform also offers the convenience of online payments for applicable events. Additionally, we can provide an 'attendee hub' for certain events, which allows both in-person and online attendees to create personalised event journeys. Attendee Hub keeps the attendees connected by providing access to essential event content and delegates if desired. This feature will enhance and expand participant engagement.

Paper Industry Gold Awards

CPI launched the Paper Industry Gold Awards in 2022 in partnership with the Paper Gold Medal Association (PGMA), to celebrate and recognise the achievements of the UK's Paper-based Industries.

On Wednesday 22nd March 2023 over 100 representatives from across the UK's Paper-based Industries gathered on the House of Commons Terrace to celebrate the achievements of the industry for the second awards.

The event was hosted by Mark Pawsey MP, who chairs the APPG on Packaging, and attended by a number of Parliamentarians from across the chamber, including Shadow Cabinet Members and Constituency Members of Parliament.

The awards recognised success across five categories: Recycling, Sustainable innovation, Community Engagement, Health and Safety, and Skills.

2023 Winners

The six winners, with two winners in the Sustainable Innovation category, listed below were recognised with a glass trophy.

Recycling Award

VPK UK and Ireland

Sustainable Innovation Award

JOINT WINNER - Swanline Group (EzeE-comm pack)

Community Engagement Award

Smurfit Kappa Inspirepac, Chesterfield

Sustainable Innovation Award

JOINT WINNER - DS Smith Plc

HIGHLY COMMENDED - Fourstones Paper Mill Company Limited

Health and Safety Award

Saica Group

Skills Award

Essity UK Ltd

The Paper Gold Medal

At the ceremony, the Paper Gold Medal was presented to Bud Hudspith, formerly of the Trade Union Unite. This is a prestigious career achievement, and the recipient automatically gains membership of the exclusive Gold Medal Association, receiving a solid gold presentation medal. Bud has devoted his career to improving the health and safety of the Paper Industry, and indeed other industries.

Congratulations to all the winners.

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7. Review of Data

The Economic Value of the UK's Paper-based Industries reflects a challenging year, with a decline in productivity growth and consumption across the industry. Despite this, the industry remains a significant employer, with 56,000 jobs across 1470 enterprises.

Review of Data

The Economic Value of the UK's Paper-based Industries – 2024

This year, CPI has merged its Annual Review and Economic Value Report into this single, comprehensive section. The review of data below summarises the challenging year that the industry has had and notes the forthcoming investment that gives some grounds for future optimism.

Overall industry picture

The UK's Paper-based Industries remain a substantial employer with 56,000 jobs recorded in the industry. These jobs remain widely distributed across the UK and come from 1470 enterprises with a collective turnover of nearly £13 billion per annum and a gross value added to the UK economy of some £4 billion. Consumption per capita, at 145.6 kg, remains close to the European average, although it has declined a little in recent years.

Productivity

In 2023, industry productivity growth, in common with that of UK industry as a whole, stalled. The causes of this are complex but relate largely to short term factors including the timing and impact of new investments, and the retention of employment in anticipation of future growth, which has negatively impacted output per worker this year. Nevertheless, the industry continues to be highly productive, with significant use of automation and digital controls to manage manufacturing operations.

Decarbonisation

During 2023, continued progress was made in the decarbonisation of the industry. Site emissions from UK papermaking have now declined by 78% from 1990 levels. At the same time, energy consumption per tonne of production has fallen to 3.8 MWh per tonne, more than 36% lower than the 1990 figure.

Detailed Review of Data 2023

The continuing slump in consumer demand profoundly affected demand and output across the UK's Paper-based Industries. Production and consumption of papers and boards both fell to new 40-year lows, whilst the UK's Corrugated sector saw a further 7% erosion of demand for corrugated products. Looking forward, notwithstanding the continuing geopolitical uncertainties in the Middle East and Ukraine, a rapidly improving macroeconomic climate together with the long-anticipated commissioning of considerable new capacities should help reverse some of the decline.

Apparent consumption of paper and board

Apparent consumption of paper and board suffered its deepest contraction in recent memory, falling by over 9% from 7.1 million tonnes in 2022 to 6.4 million tonnes in 2023.

The steepest falls occurred in the Printings & Writings sector, already struggling from years of decline. Here a further one-fifth of consumption was lost, led by plunging demand in both the Coated and Uncoated woodfree sectors. In total, demand in the sector fell by 21% to 1.26 million tonnes. A rather mixed set of outcomes for the Packaging sector saw demand for other packaging boards and papers fall sharply whereas the Corrugated Case Materials sector, although declining for the second year running, did so only slightly (-3.2%) and with a marked improvement towards the end of the year. And with demand for household materials largely unaffected, consumption in the Tissue sector was more or less stable, seeing a slight drop caused by the decline in demand from the industrial and commercial sectors.

Net imports of converted papers and boards declined sharply after last year's increase, to 0.9 million tonnes. And with net imports of paper-based transit packaging also falling, CPI estimates the UK's total paper and board arisings to be just over 9 million tonnes, a considerable loss of volume from the 10 million tonnes placed on UK markets as recently as 2021.

Production and deliveries of paper and board

The UK's paper and board mills produced 3.22 million tonnes, a 6.7% decline compared to 2022 and just above the 3.2 million tonnes the industry made at its lowest ebb in 1982. Besides the ongoing drop in demand, there were two further mill closures during the year on top of the lasting effects of the previous year's three closures. With Corrugated Case Materials falling by 7% year-on-year, and all other papers and boards by over 10%, it was left to the Tissue sector to ameliorate the decline, although posting a modest 0.3% fall itself. The UK has now fallen to 23rd largest paperboard producer globally, having regularly appeared in the Top 10 either side of the millennium.

Export sales of materials produced fell sharply by 12%, reflecting struggling demand in Europe, even more severely affected than the UK, and the recipient of almost 60% of paper products exported from the UK. But imports appear to have endured the worst of plummeting demand, falling by almost 12% to 3.9 million tonnes, a loss of over 400,000 tonnes; as noted above, most of this was in the Printings & Writings sector, the UK having little capacity left for these products. Domestic sales fared less poorly, falling by about 5% to just above 2.5 million tonnes. Despite falling imports, the UK-produced share of primary demand remained just below 40%, the historic average.

Papermaking raw materials

With the UK's paperboard production being largely based on recovered paper, as production has fallen so has domestic demand for secondary fibre. Paper and board mills at home used 2.54 million tonnes, the lowest volume since the late 1980s and an 8% decline compared to 2022. Demand for Mixed Papers declined furthest, dropping below a million tonnes with a 15.6% fall year-on-year as the cost-of-living crisis curtailed throughput from this domestic waste stream. Consumption of Old Corrugated Containers was relatively steady, suggesting substitution for Mixed Papers. Demand for Woodfree grades fell to a new low of 0.38 million tonnes.

Exports of recovered paper remained relatively healthy, with total volumes dipping just below 4 million tonnes after a decline of 3.1%. Again, Mixed Papers fell sharply, posting a 13% decline to 1.55 million tonnes. Sluggish demand at home left plenty of OCC for export with volumes increasing by 6% to 2.34 million tonnes.

And whilst demand for UK paper and board from the struggling European industry collapsed by almost 50%, good demand from India and other parts of Asia more or less compensated, with both posting double digit growth. Export demand now accounts for 62% of UK collections, a little above the recent average.

Collection of recovered paper totalled 6.4 million tonnes, a 4.2% decline and well below recent totals. However, with arisings having declined at twice the rate of collections during 2023, the UK's recycling rate has actually increased, climbing back up to 71% from 67% in the previous year.

As most recent capacity losses have been virgin fibre-based, consumption of woodpulps has necessarily fallen. And with lower production demand, use of imported woodpulps fell by 8% to a little under 900,000 tonnes in total. Prices of woodpulps were on the rise again towards the end of last year, with the price for the benchmark NBSK grade climbing towards recent peaks of $1,400/tonne, not having fallen below the $1,000 mark since the recent pandemic.

Production of corrugated board

Corrugated board production by CPI members fell by a further 6.3% during 2023, ending just above the 4 million ksm mark. Sheet-feeders fared better and produced just 1.9% less sheets with a total volume of 1.1 million ksm at year-end. Average board weights remained the same last year as the previous year at 447 gsm. CPI calculates demand for boxes and other corrugated products to have decreased by 6.5% compared to 2022 with a total of 4.73 million ksm, the lowest total in at least the last eight years.

Key Statistics 2023

Highlights of the UK's Paper-based Industries

56,000

people are directly **employed** in the UK manufacturing paper and paper products

1,470

UK enterprises are engaged in the **manufacture** of paper products

£13b

UK companies manufacturing paper **turnover** of £12,686 million

£4b

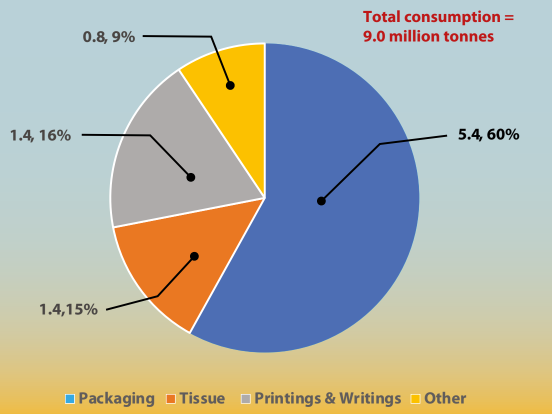
UK manufacture of paper has a **Gross Value Added** of £4,045 million

KEY FIGURES OF THE UK'S PAPER-BASED INDUSTRIES

56,000	*56,000 people are employed in the UK manufacturing paper and paper products*	**Jobs**
1,470	*1,470 UK enterprises are engaged in the manufacture of paper products*	**Companies**
£13 billion	*UK companies manufacturing paper have a turnover of £12,686 million*	**Turnover**
£4 billion	*UK manufacture of paper has a Gross Value Added of £4,045 million*	**GVA**

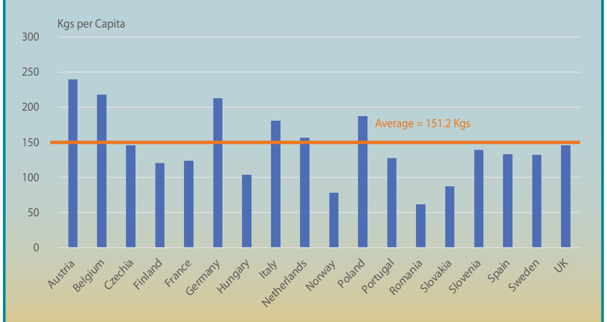
Sources: ONS, Annual Business Survey 2023, SIC 17 2021 data; employees: ONS BRES plus CPI estimates, 2022 data

UK CONSUMPTION OF PAPERS AND BOARDS 2023



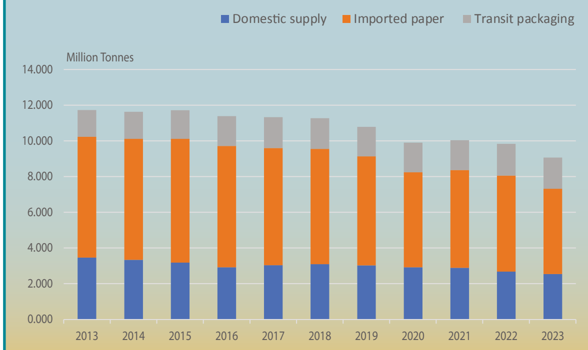
Sources: CPI, HM Revenue & Customs, NPWD

EUROPEAN PER CAPITA CONSUMPTION OF PAPER AND BOARD 2022



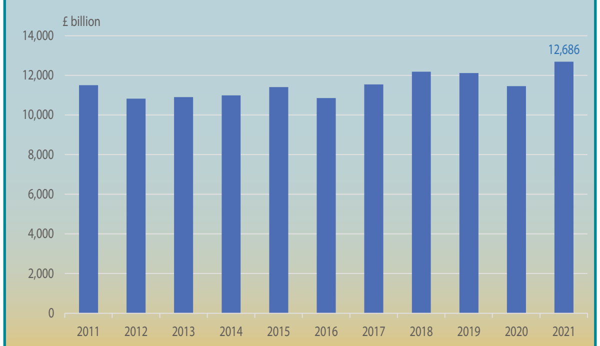
Sources: CPI; CEPI

UK CONSUMPTION OF PAPER AND BOARD BY ORIGIN



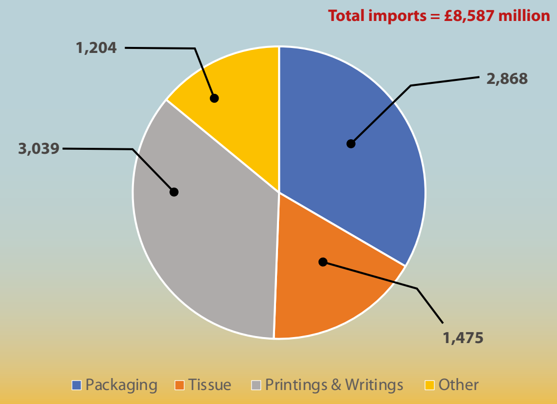
Sources: CPI, HM Revenue & Customs, NPWD

PAPER SECTOR TURNOVER



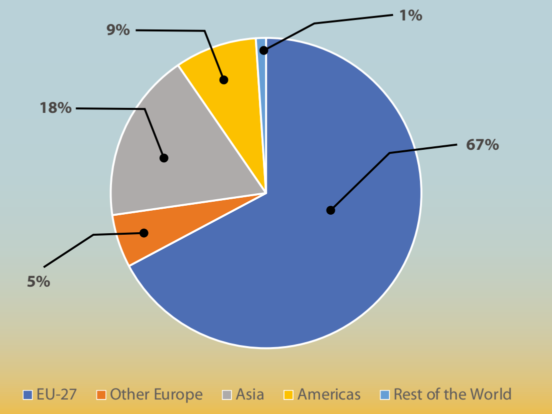
Source: ONS, Annual Business Survey 2023, SIC 17

PAPER AND BOARD IMPORTS BY VALUE 2023



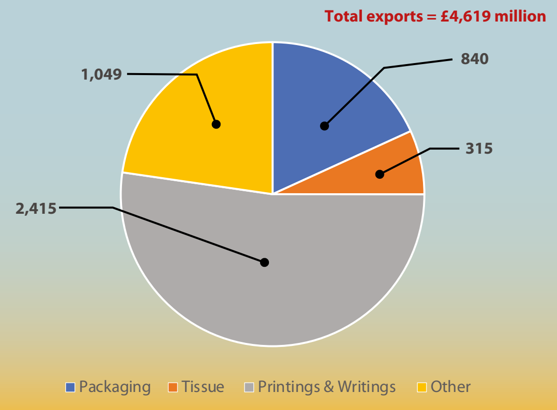
Source: HM Revenue & Customs

IMPORTS OF PAPERS AND BOARDS BY ORIGIN 2023



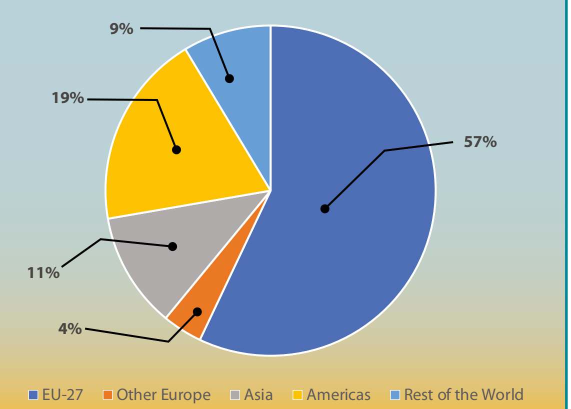
Source: HM Revenue & Customs

PAPER AND BOARD EXPORTS BY VALUE 2023



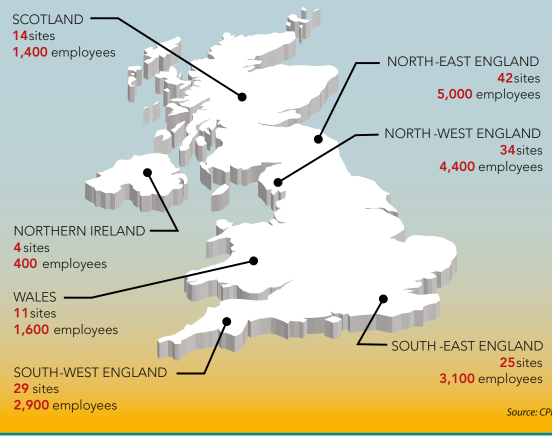
Source: HM Revenue & Customs

EXPORTS OF PAPERS AND BOARDS BY DESTINATION 2023



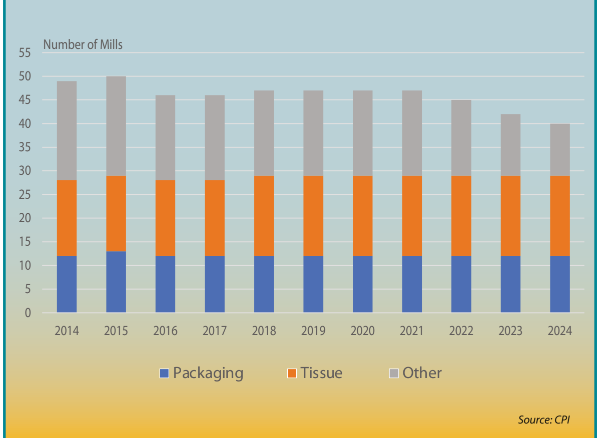
Source: HM Revenue & Customs

INTEGRATED PAPER, PACKAGING AND TISSUE IN THE UK 2023

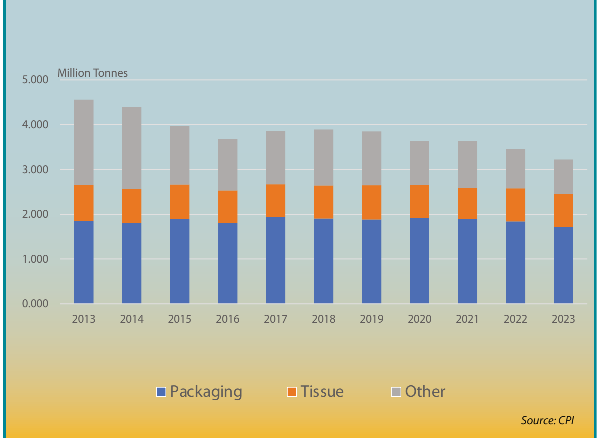


Source: CPI

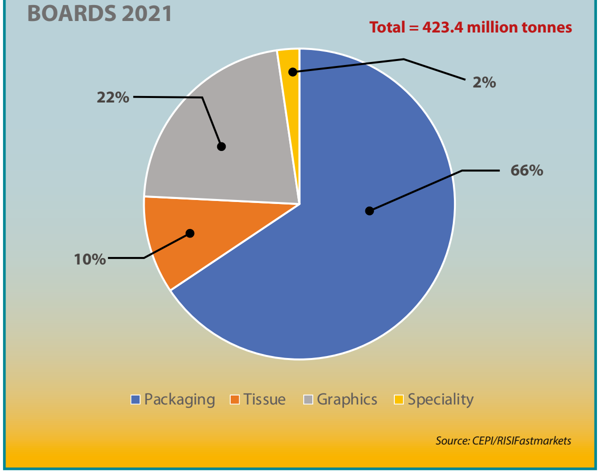
PAPER AND BOARD MILLS OPERATING IN THE UK



UK PRODUCTION OF PAPERS AND BOARDS



GLOBAL PRODUCTION OF PAPERS AND BOARDS 2021



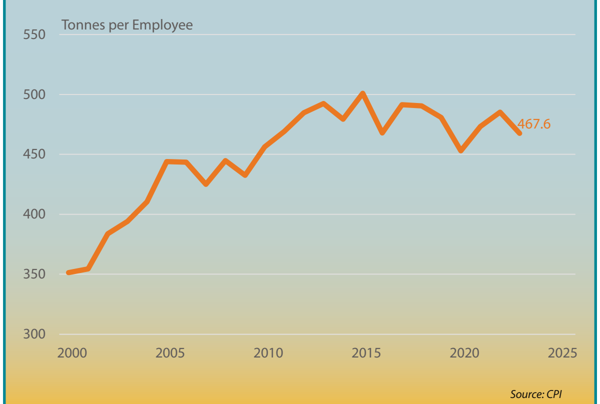
GLOBAL TOP 10 PAPER AND BOARD PRODUCERS

2021 (Tonnes)

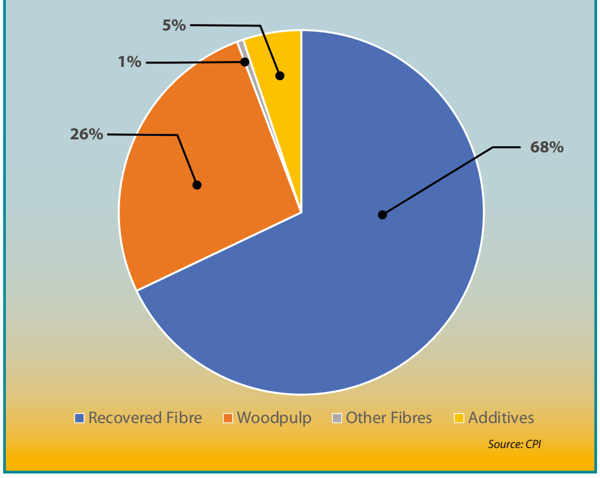
		PRODUCTION
1	China	115.5 million
2	USA	69.1 million
3	Japan	24.0 million
4	Germany	23.1 million
5	India	16.3 million
6	Indonesia	12.6 million
7	South Korea	11.6 million
8	Brazil	10.8 million
9	Russia	10.1 million
10	Italy	9.7 million
…		
23	UK	3.6 million

Source: CEPI/RISI Fastmarkets

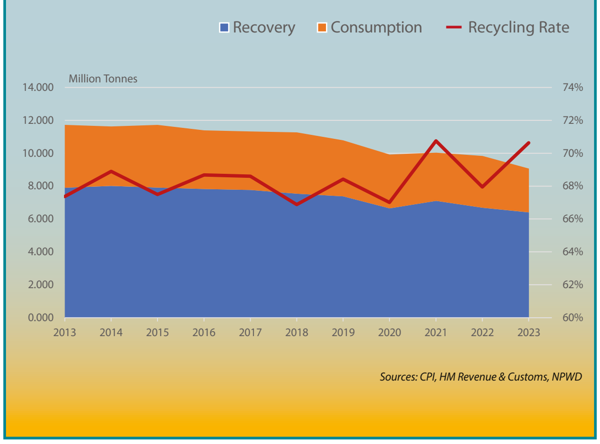
PAPERMAKING PRODUCTIVITY



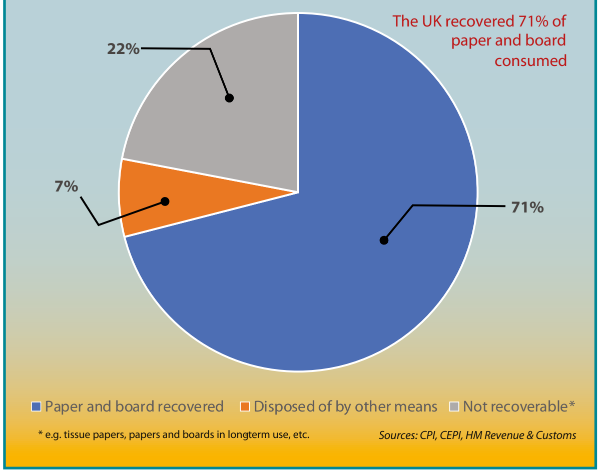
PAPERMAKING RAW MATERIALS 2023



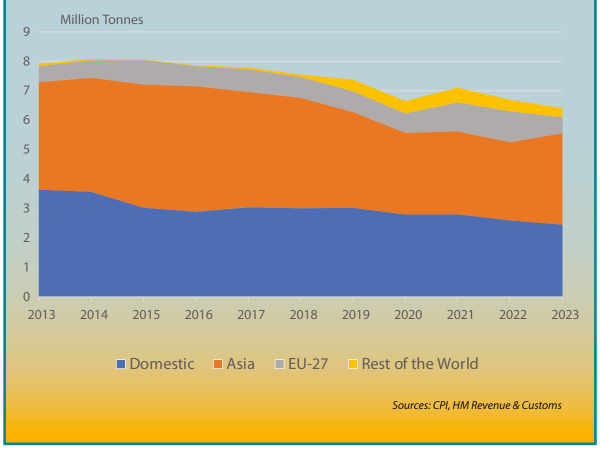
CONSUMPTION AND RECOVERY OF PAPER AND BOARD



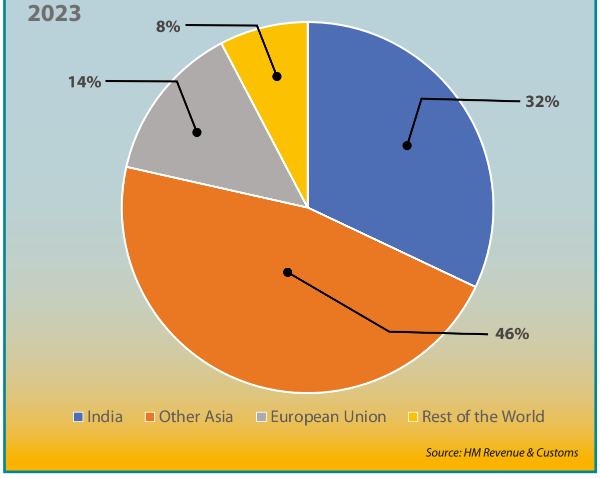
UK RECOVERY OF PAPER AND BOARD 2023



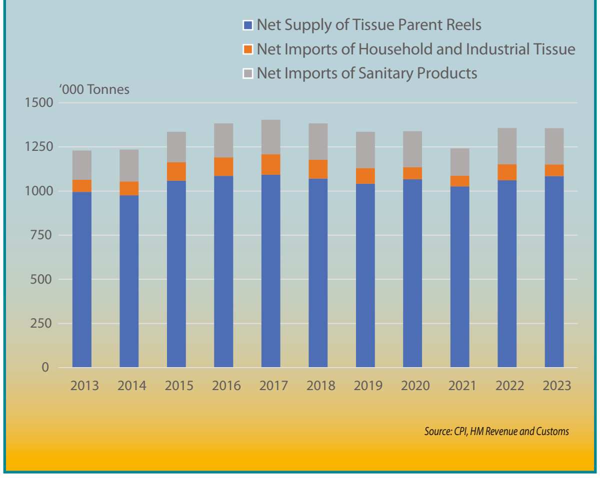
HOW UK PAPER AND BOARD IS RECYCLED



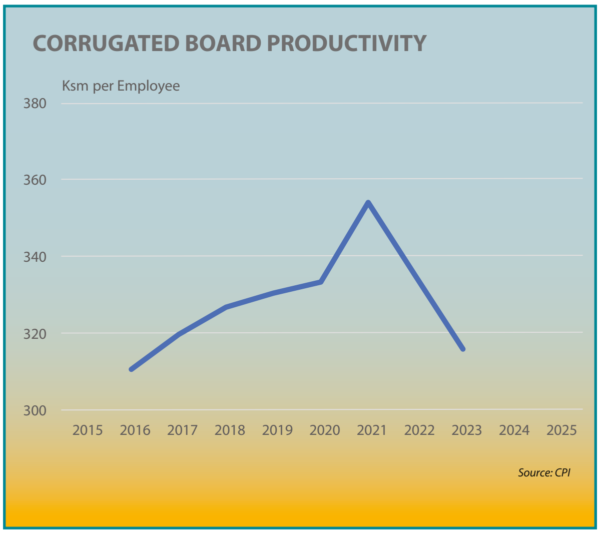
RECOVERED PAPER EXPORTS BY DESTINATION 2023



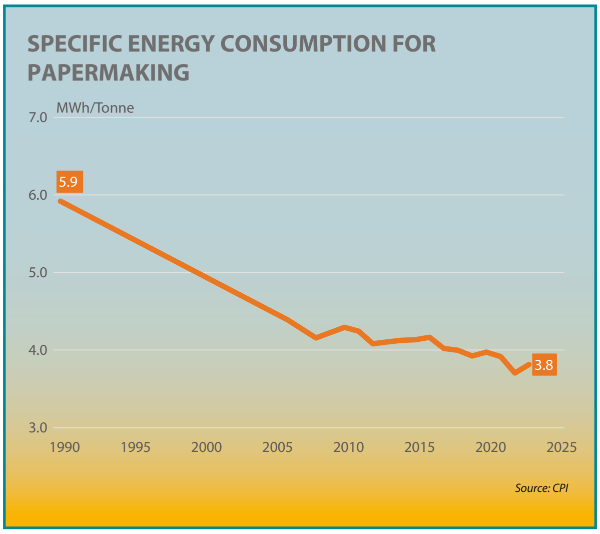
UK CONSUMPTION OF TISSUE

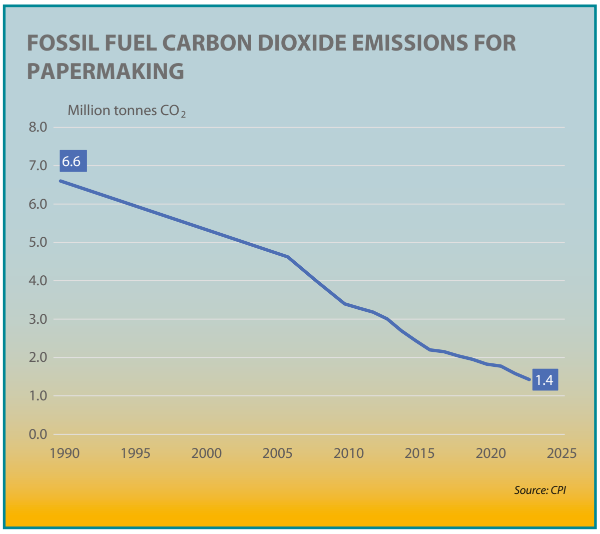


UK CONSUMPTION OF NEW CORRUGATED BOXES*


CORRUGATED BOARD PRODUCTIVITY
Ksm per Employee
380
360
340
320
300
2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
Source: CPI


SAFETY IN THE PAPER-BASED INDUSTRIES
Reportable Injuries (Left-hand axis)
Injury Rate (Right-hand axis)
12 month rolling total of reportable injuries
Injury rate per 100,000 employees
150 125 100 75 50 25 0
600 500 400 300 200 100 0
426
412
Jan 2013 Jan 2014 Jan 2015 Jan 2016 Jan 2017 Jan 2018 Jan 2019 Jan 2020 Jan 2021 Jan 2022 Jan 2023
Source: CPI


SPECIFIC ENERGY CONSUMPTION FOR PAPERMAKING
MWh/Tonne
7.0 6.0 5.0 4.0 3.0
5.9
3.8
1990 1995 2000 2005 2010 2015 2020 2025
Source: CPI


FOSSIL FUEL CARBON DIOXIDE EMISSIONS FOR PAPERMAKING
Million tonnes CO_2
8.0 7.0 6.0 5.0 4.0 3.0 2.0 1.0 0.0
6.6
1.4
1990 1995 2000 2005 2010 2015 2020 2025
Source: CPI

CPI Team

Andy Barnetson
Executive Director – Competitiveness

Andrew Braund
Director of Health and Safety

Neil Fishburne
Chief Operating Officer

Steve Freeman
Executive Director – Energy

Ken Holroyd
Energy Data Manager

Nick Langdon
Statistics Manager

Andrew Large
Director General

Emma Punchard
Director of Communications

Elisse Hare
Communications & Marketing Officer

Dimitra Rappou
Executive Director – Sustainable Products

Jo Scott
Director of Sustainability

Phillip Fenton
Director of Packaging

Leonie Williams
Accounts and Office Manager

CPI Council/Members

Officers

Kevin Bussey	President	Smurfit Kappa UK Ltd
Brian Lister	Senior Vice President	Saica Pack UK Ltd
Ulf Lofgren	Vice President	Holmen Iggesund Paperboard Ltd
Patrick Willink	Vice President	James Cropper PLC
Andrew Large	Director General	Confederation of Paper Industries Ltd

Council Members

Andres Calle	Kimberly-Clark Ltd
Eddie Fellows	Smurfit Kappa UK Ltd
Niels Flierman	DS Smith Paper Ltd
Ulf Lofgren	Holmen Iggesund Paperboard Ltd
John Melia	DS Smith Recycling UK Ltd
Simon Morris	Palm Paper Ltd
Giuseppe Munari	Sofidel UK Ltd
Tony Richards	Essity UK Ltd
David Richardson	Logson Holdings Ltd

Full Members

Ahlstrom Chirnside Ltd
Boxway Packaging Group Ltd
Chas Storer Ltd
Caledonian Packaging Ltd
Cepac Ltd
De Jong Packaging Ltd
Devon Valley Ltd
DS Smith Packaging Ltd
DS Smith Paper Ltd
DS Smith Recycling Ltd
Dufaylite Developments Ltd
Essity UK Ltd
Faspak (Containers) Ltd
Fencor Packaging Group Ltd
Fourstones Paper Mill Company Ltd
Glatfelter Lydney Ltd
Gordano Support Group Ltd
Higher Kings Mill Ltd
Hollingsworth & Vose Company Ltd
Holmen Iggesund Paperboard Ltd
Industrie Cartarie Tronchetti UK Ltd
James Cropper PLC
John Roberts Holdings Ltd
Kimberly-Clark Ltd
Logson Holdings Ltd
Macfarlane Group PLC
McLaren Packaging Ltd
Metsa Tissue Ltd
Northwood Tissue (Lancaster) Ltd
Packaging Products Ltd
Palm Paper Ltd
Palm Recycling Ltd
Pearce Recycling Company Ltd
Pelta Medical Papers Ltd
Portals Paper Ltd
Preston Board & Packaging Ltd
Recycling UK Ltd
Ribble Packaging Ltd
Roydon Packaging Ltd
Saica Natur UK Ltd
Saica Pack UK Ltd
Saica Paper UK Ltd

S Sheard & Son Ltd
Shotton Mill Ltd
Slater Harrison & Co. Ltd
Smurfit Kappa - Corrugated
Smurfit Kappa - Papermaking
Smurfit Kappa - Recycling
Sofidel UK Ltd
Sonoco Cores and Paper Ltd
Southern Cross Packaging Ltd
Swanline Group Ltd
UPM-Kymmene (UK) Ltd
Vernacare Ltd
VPK Packaging Ltd
W E Roberts (Corrugated) Ltd
Weedon Holdings Ltd
Weidmann Whiteley Ltd
WEPA UK Ltd

Associate Members

Avanti Conveyors Ltd
BIM UK Ltd
Cargill PLC
EMAP Publishing Limited
Envirosystems (UK) Ltd
Euchner (UK) Ltd
Genus Trading Ltd
Jointine Ltd
Mosca Direct Ltd
OMYA UK Ltd
Pilz Automation Technology UK Ltd
Recarton UK Ltd
Sedamyl UK Ltd
Sun Automation Group
The Environment Exchange Ltd

Affiliate Members

Combustion Engineering Association (CEA)
Paper and Board Association (P&BA)
Paper Industry Technical Association (PITA)

cpi confederation of paper industries

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instagram.com/paper.uk_/

Rydal Pure White 120 and 350gsm, kindly supplied by James Cropper
Photograph credits: Dr. Saurav Goel, DS Smith, Essity, James Cropper, Holmen Iggesund, UPM-Kymmene
Designed and produced by: Yelo Creative
Printed by: Orchard Press - www.orchard-press.co.uk