



Filtrona plc

Filtrona plc and the Carbon Reduction Commitment Energy Efficiency Scheme

While recognising that the Carbon Reduction Commitment ("CRC") is a UK initiative, Filtrona plc ("Filtrona" or "the Group") has taken a global approach to reducing the impact of our use of energy in terms of CO₂ emissions and financial cost since the Group entered the FTSE 250 index in 2005. Our first priority was the establishment of a Group Health, Safety & Environment ("HS&E") Council, responsible to the Chief Executive, whose membership includes the senior operations directors from each division. At the same time, a group data reporting portal was set up within the company intranet to collate reliable and verifiable statistics.

Below are some of the achievements which have enabled Filtrona to be listed at 30th in the 2010 FTSE CDP Carbon Strategy 350 Index and to achieve the top ranking in the 2011 CRC league table.

- 1) **Achievement of the Carbon Trust Standard.** All UK manufacturing sites were set the target of reaching the Carbon Trust Standard by 2010, which has been achieved. The benefits include employee awareness and buy-in to the Group's energy reduction targets and wider environmental aims.
- 2) **Energy audits and energy mapping.** These are no/low cost exercises which have enabled our manufacturing sites to identify waste energy, including the introduction of various procedures to eliminate or reduce waste to more acceptable levels. Such examples include compressed air leaks, water leaks, and weekend and out-of-hours energy control.
- 3) **Reduction of compressed air leaks.** This is a utility most of our manufacturing depends on and waste through leaks is common (as mentioned above): it costs nothing to prevent, but uses large amounts of energy. Good management now reduces this wastage to a minimum and, although difficult to quantify, a conservative estimate would be below 5%. Additionally, by investing in variable speed compressors and associated chilling equipment, our Filters factory in Jarrow is saving 22% on energy, with a payback time in the region of 10 months.
- 4) **Use of fast-acting doors to control heat loss/gain.** Wasted heat is a great loss in the winter months in many parts of our operating regions - as is heat gain when sites are air-conditioned. Coupled with careful control of temperature expectations, fast-acting doors achieve in excess of a 15% reduction in the use of energy. Heating above 19°C, and air-condition below 22-24°C, are wasteful and expensive. Little investment is required to achieve this reduction, although communication and training has to be stepped up. Setting the Carbon Trust Standard (in the UK) has been a great help with this objective, as the same principles are now being rolled out Group-wide.
- 5) **New technology lighting.** New technology and designs have produced a T5 light fitting that runs on approximately 65% less power than current 400W high bay lamps. Our Payne Nottingham

Avebury House, 201-249 Avebury Boulevard, Milton Keynes MK9 1AU, UK.
Telephone: +44 (0)1908 359100 Fax: +44 (0)1908 359120.
e-mail: enquiries@filtrona.com website: www.filtrona.com

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facility invested in 175 of these units, which have resulted in savings of £24,000 per year at current utility prices, a reduction of 97,000 kWh and a reduction of 52 tonnes of carbon.

- 6) **Recycling.** Recycling occurs in many locations, with various projects aimed at re-using waste product. This reduces, and in some cases eliminates, landfill and the associated costs and greenhouse gases. Filtrona's plastic manufacturing facility has continually reduced waste plastic by various engineering methods and through recycling over the past 5 years.

Filtrona will continue to make efficient use of energy by investigating, and investing in, current and future technology, and apply the principles of good environmental stewardship globally.

John Harbron
Group HS&E Manager

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About Filtrona plc:

Filtrona plc is a leading international supplier of speciality plastic and fibre products. Listed on the London Stock Exchange and headquartered in the UK, Filtrona has 29 principal manufacturing facilities, 46 sales and distribution operations and 5 research and development facilities worldwide.

Protection & Finishing Products

A global market leading provider of product protection and finishing products, manufacturing and distributing plastic injection moulded, dip moulded, adhesive-coated foam and metal products. The division has 42 operating units in 14 countries serving a very broad industrial base of over 115,000 customers with a rapid supply of primarily plastic products for protection and finishing applications in industries such as hydraulics, pneumatics, oil and gas, electrical controls, point of purchase and tubular metal products.

Porous Technologies

The leading global technology developer and manufacturer of custom bonded fibre and hydrophilic foam components. Its components handle fluid and vapour and deliver high value and precision performance to many of the most well-known healthcare, consumer and industrial brand owners in the world. These components are used in a wide range of product applications including medical diagnostics and wound care, inkjet printer cartridges, writing instruments and air fresheners.

Coated & Security Products

The global market leading producer of high quality self-adhesive tear tape and a growing supplier of labels, products and technologies for brand protection, document authentication and personal identification. Customers in over 100 countries are served from facilities operating in seven countries. The division also includes plastic profile extrusion activities in The Netherlands.

Filter Products

The division is the only global independent cigarette filter supplier. The 9 worldwide locations, including a UK-based research facility and three regional development centres provide a flexible infrastructure strategically positioned to serve the tobacco industry. The division supplies a wide range of value adding high quality innovative filters from monoacetate to multi-segment speciality filters with sophisticated adsorbent materials.

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