



British Glass
Manufacturers' Confederation

ANNUAL REVIEW | 2004



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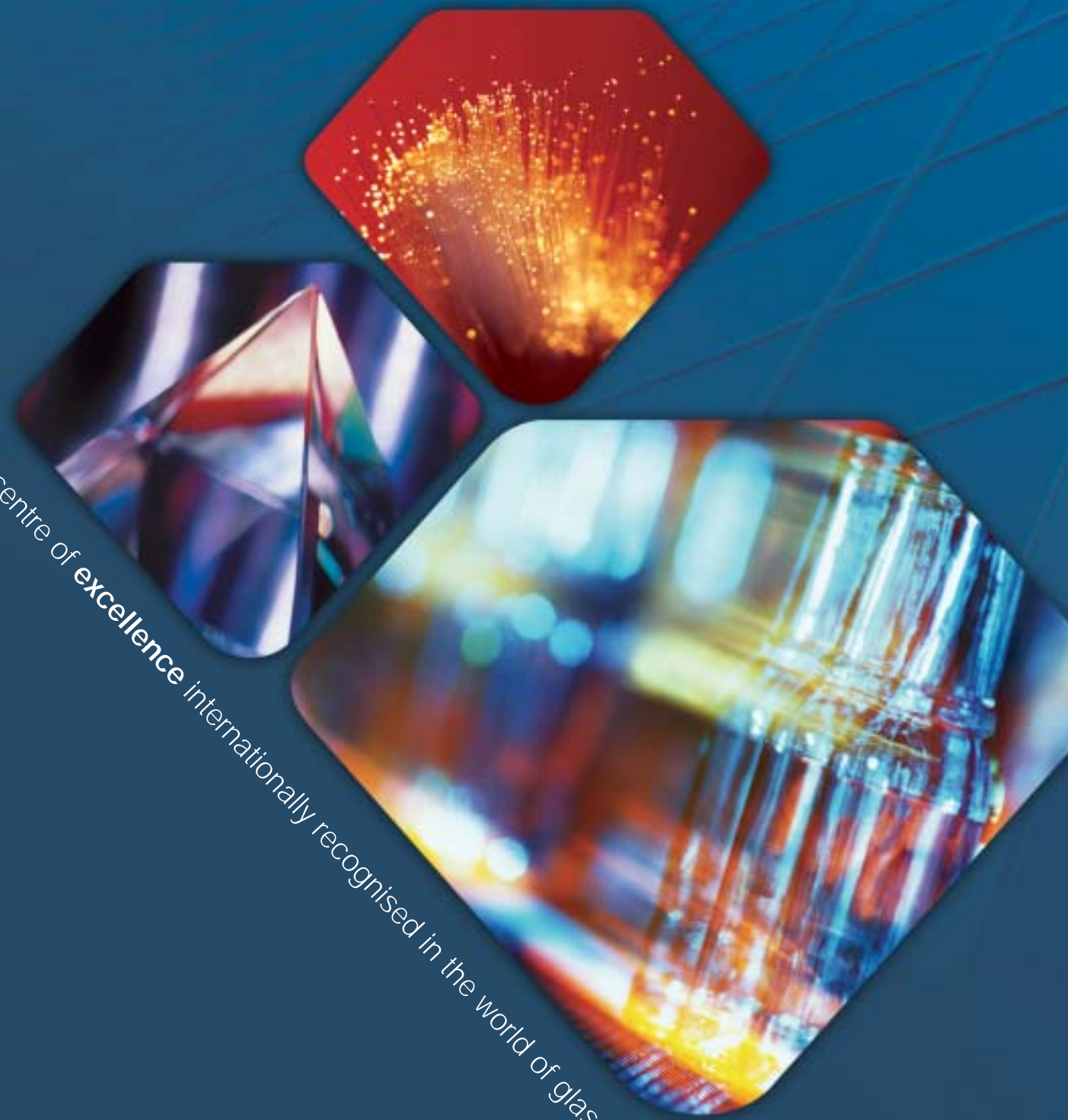
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A centre of excellence internationally recognised in the world of glass





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CONTENTS

- 2 FOREWORD BY THE PRESIDENT
- 3 STATEMENT BY THE DIRECTOR GENERAL
- 5 ENVIRONMENT
- 8 HEALTH, SAFETY AND EMPLOYMENT
- 9 THE GLASS CHARTER
- 10 ANNUAL GLASS HEALTH AND SAFETY CONFERENCE
- 11 PACKAGING
- 13 SHINE AWARDS
- 14 WASTE AND RECYCLING
- 15 TECHNICAL
- 16 GLASS TECHNOLOGY SERVICES
- 20 COMMUNICATIONS
- 22 COMMITTEES



It was a great honour to have been nominated and elected as the President of British Glass at November's Annual General Meeting.

FOREWORD BY THE PRESIDENT

I take over from Bill Pardoe of Pilkington and I wish to thank him for his support and encouragement of the confederation during his tenure of office. He will be a hard act to follow.

It is unfortunate that the timing of my first annual review coincides with a commercially challenging period for the glass industry as a whole. In common with all energy-intensive sectors we face mounting costs for the fuel that we use for production and transport. Raw materials prices have also hardened as a result and, on top of that, we are facing the growing cost of compliance with environmental legislation.

These issues threaten the longer term sustainability of our whole industry and Government needs to wake up to the damage that the demise of an important manufacturing sector like glass would have on the UK economy.

Both the flat and container glass sectors also face the challenge of increased UK capacity. For container it is on a scale similar to that experienced in the early eighties, this time as a result of the introduction of new capacity rather than changes in the market itself.

As always, glass continues to play an important part in our everyday lives and demand for it in most sectors is still rising. Our cities' skylines bear witness to its versatility and appeal. Its intrinsic qualities make it an essential material for the packaging and presentation of food and drink. In the scientific field it is often the only prescribed material for use in analysis and experimentation. Through innovation in the glazing and fibreglass sectors we can boast of products that truly benefit the environment and make a positive contribution towards addressing climate change.

We must continue to promote the positive contribution that our products make towards the UK's sustainable future.

Our industry also has a proud record of reducing its impact on the environment. Over the last 20 years energy consumption and associated emissions have been halved and we continue to drive for further efficiencies in order that we can fully comply with the legislative obligations that Government deems appropriate.

This is where British Glass has such an important role to play as the legislative burden continues to become more onerous. EU Emissions Trading is now a reality, although as I write many details have yet to be ironed out.

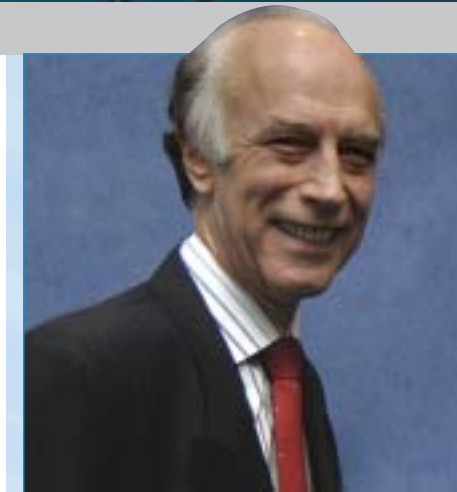
It is unfortunate that this scheme will be operated in the UK in conjunction with Climate Change Agreements, the Energy Tax and duplicate IPPC (Integrated Pollution Prevention and Control) permitting. It is unlikely that our competitors in other EU states will have to operate with the same array of complexity, thereby gaining a competitive advantage and obviously imports from outside the EU will, for the most part, be completely free from the cost of compliance with such legislation.

With REACH (Registration and Evaluation and Authorisation of Chemicals), CAFÉ (Clean Air for Europe), the Thematic Strategies and the renegotiation of the glass BREF (Best Available Techniques Reference Document) for IPPC all in the offing, our industry will need to ensure that it continues to give its full support to the endeavours being made on its behalf by the British Glass team.

I am also pleased to acknowledge the continued success of our Health and Safety Charter which has contributed significantly to a reduction in reportable accidents across all sectors and to the launch of our Employment Charter for SMEs. These initiatives are to be welcomed as they help to spread best practice across our industry.

I am very conscious of the pressures facing all our businesses but remain confident that with continued investment in productivity and innovation, coupled with continued positive action to contain increases in costs, we shall enjoy a sustainable future. British Glass has a significant role to play in this process.

*Eddie Kilty
President*



I am pleased to report substantial progress here at British Glass (BG) over the last year towards achieving the two mainstays of our strategic plan.

STATEMENT BY THE DIRECTOR GENERAL

Firstly, continued financial stability; and secondly, increased influence in government. By achieving these two objectives we hope to demonstrate that as an organisation we deliver real value to our Members.

Our financial performance over the past 12 months has been encouraging in that we have managed to stay in the black now for four consecutive years, reversing the trend of the late 1990s.

The main reason for our continued financial stability is the growth in Glass Technology Services (GTS) business activity, achieved by concentrating on what we are good at and pricing our activities to make a reasonable return for our efforts. I would particularly highlight the contribution made by the Product Performance team who now count Tesco, Marks and Spencer, Next, Diageo and Allied Distillers amongst a very satisfied and growing customer base.

With newly acquired MCERTS accreditation, our stack monitoring team is one of the best qualified in the country and able to demonstrate a very high level of competence both to its customers and to the regulators. It is now an integral part of our total environmental service and puts the industry in a good position to handle the increased impact of environmental legislation.

GTS has built excellent relationships with WRAP, the Carbon Trust, the local Regional Development Agency and other Government funding bodies which now means that we have a very full order book with regard to projects and consultancy work.

We have achieved full accreditation under ISO 9001 and are working towards 14001, bringing real benefit to the organisation and helping to instil confidence in those who deal with us.

We have enhanced our external communications with the publication of our much praised 2003 Annual Report and the revitalised Looking Glass magazine, both of which go to MPs and MEPs. We have launched a members section of our revamped website and adopted a house style to all our communications which reflects a more modern identity for our organisation. A new GTS brochure has been produced – all of which means we project a positive, innovative image of our industry but then we actually have a very good story to tell.

Our information office now produces sector-specific e-Bulletins which have received universal praise. Over 4,000 e-mail enquiries and 1,200 telephone enquiries are received each year by this office, and of all the activities that we undertake this is the one that receives the most positive feedback from members and non-members alike.

With regard to Health and Safety, our Charter work has had a profoundly beneficial impact on the industry – witness the resounding success of the 2004 conference held at the Aston Villa football ground and the fact that since the Glass Charter's launch in 2001 we have seen a 21 per cent reduction in reportable accidents. It is now held up by the Health & Safety Executive as an exemplary benchmark for other sectors.



Paul Warchol Photography, Inc

Our lobbying activity on emissions trading - and latterly on energy prices - has been extensive and exhaustive with numerous ministerial and MP briefings.



We were successful in applying for funding under the WSA Challenge Fund and the Department for Trade & Industry (DTI) Partnership Fund: the former is designed to help SMEs to come to terms with health and safety issues; the latter to help amplify the industry's understanding of employment regulation.

We continue to manage health and safety programmes on behalf of the Glass and Glazing Federation (GGF).

To try to summarise the work undertaken by our Environment Team in a few short paragraphs is an almost impossible task. Their positive contribution to lessening the impact of environmental legislation and ensuring the accurate and timely reporting of data has been the result of some very hard and diligent work and a great deal of behind the scenes lobbying in the Department for the Environment, Food and Rural Affairs (DEFRA) and at the DTI.

We may not like the outcome of negotiations over the EUETS (European Emissions Trading Scheme) but if you look at where we ended up, compared to DEFRA's starting point, you will realise that the savings achieved for our industry run into several million pounds.

We remain the custodians of the industry's Climate Change Agreement and with it the £12million per annum rebate. To date we are the only sector not to have had its data questioned by the authorities - a considerable achievement.

Together with NetConstruct we have developed a widely recognised and acclaimed web-based system designed to ease the extraordinarily complex data capture and reporting required by DEFRA to support the rebate.

John Stockdale, in addition to his membership of the Government's IPPC 'sounding board' has been appointed as a Director of another important government advisory body - the Emissions Trading Group. We were also approached to take part in a high level DTI advisory board on the future development of the UK's climate change programme - an invitation which I accepted.



Our lobbying activity on emissions trading - and latterly on energy prices - has been extensive and exhaustive with numerous ministerial and MP briefings. We continue to work with others, the EIUG (Energy-Intensive Users Group) for instance, as well as AMICUS and the GMB. BG has made headline news in the Yorkshire Post, had a letter published in the Financial Times and has contributed to numerous radio programs both locally and on Radio 4.

Andrew Hartley's arrival at British Glass has brought with it a new impetus behind the work required to achieve the overall recycling rate for container glass of 60 per cent by 2008. He has been the prime mover behind the recent advertising campaign, 'The Big Recycle' and recently hosted a major workshop for glass reprocessors here at BG attended by no other than Sheila McKinley, head of DEFRA's waste strategy unit. She was fulsome in her praise for the work that Andrew has already undertaken in improving the accuracy and flow of data.

Peter Grayhurst has had another hectic year finalising no less than 18 EN and ISO standards relating to glass containers as well as representing the industry in its dealings with the British Retail Consortium (BRC) Standards. We recently hosted the CETIE (Centre Technique International de l'Embouteillage) Plenary in Scotland - a highly successful meeting attended by representatives from around Europe.

In Europe itself we have continued to support the work undertaken by CPIV (Standing Committee of the European Glass Industries) on behalf of the industry. Joint lobbying positions have been developed with other sector associations both on emissions trading, REACH and silica. CPIV is also contributing to the debate on the future of climate change legislation within the wider EU.

Following on from a highly successful conference organised by the Commission in January for the

Glass and Ceramics Industries a forum was set up to debate the issues arising. An initial report has already been produced and we are hoping for the production of a further report early in 2005 which will detail an action plan for future joint work to be undertaken by the Commission and the industries. BG has been a part of the European glass industry's three-man delegation to this forum.

CPIV has tremendous potential to act on behalf of and in the interests of the wider glass industry in Europe and as I have been invited to become its President in 2005, I intend to devote much of my time and efforts to raising its profile within the Glass industry across the whole of Europe and within the Commission and Parliament in Brussels.

We have, I believe, worked exceptionally hard on the industry's behalf over the past year, firstly, by taking advantage of funding opportunities and, secondly, on the wider lobbying front in both the UK and in Brussels to the extent that I believe that we punch well above our weight.

2005 will bring with it even more challenges than we have seen to date. I believe that British Glass, with the active support of its Members, is well placed to face up to these challenges and ensure that glass manufacturing retains a sustainable future in the UK.

David Workman
Director General

ENVIRONMENT

2004 saw the Environment section involved in a positive and successful strategic approach to the management of environmental issues which were - and still are - potentially damaging to the long term sustainability of the UK industry.

British Glass (BG) has dramatically increased its political and, with the help of Glass Technology Services (GTS), its technical profile. It has forged stronger links with Government to take advantage of senior representational opportunities. Well evidenced argument was presented at functions in the House of Commons, Portcullis House and at Regulatory Conferences.

In parallel BG representatives sat on governmental and regulatory IPPC Committees, Industry Forums and Climate Change Think Tanks. The result is that BG's skills and opinions are now actively sought by external working groups and regulatory bodies who have come to recognise the sector's ability to respond knowledgeably and in time to highly complex issues. Examples of these have been the consultation on the New Entrants, Closures and Double Accounting issues under carbon dioxide emissions trading.

ISSUES

Working with the broader manufacturing industry, BG has helped alert Government to the swingeing energy price rises and spoken through the Energy Intensive Users Group to the subsequent Trade and Industry Select Committee enquiry. It has supported the development through CPIV (Standing

Committee of European Glass Industries) of a common position with the EU Alliance on REACH, helping to shape the position and guidelines for members. Working with BG committees, it has developed positions and responses and, as appropriate, taken common stances with sectors similarly affected by the UK National Allocation Plan.

All this has taken place against the continuous pressure not only of the completion of the Climate Change Agreement (CCA) Milestone Year but also the successful completion of the mandatory review of the 2006, 2008 and 2010 CCA targets and the development and completion - on time and within budget - of a brand new data collection system which has already attracted considerable external attention.

Integrated Pollution Prevention and Control issues have certainly not gone away and members were

heavily involved with their regulators in the IPPC permitting process. Lobbying and the presentation of the combined environmental cost burdens to the industry, especially in the light of increasing Climate Change pressures, has reopened discussion on the applicability of the existing regulatory guidance.

SERVICES TO MEMBERS

Closer to home, new support from Chris Holcroft improved environmental services to members making committee and working group information readily available and shedding multiple emails for weekly alerts. Some 50 member passwords have so far been issued. New software in 2005 will see continued improvement including the revamping of the members' website by Chris and Jan-Marie Knights.

The exceptional workload has not gone unnoticed and senior members acknowledged this by

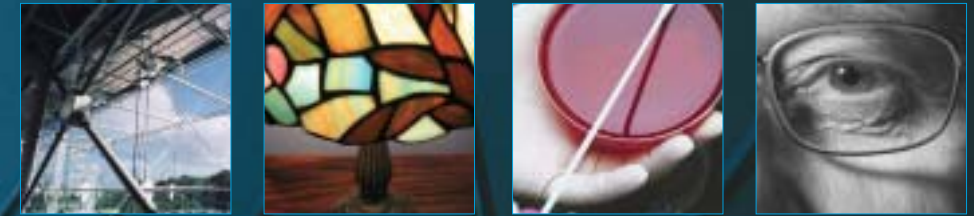
permitting resource changes which allowed BG to respond quickly and effectively to reduce the potential legislative financial impacts on the sector without disadvantaging GTS. Even so some environmental work has had to be outsourced.



John Stockdale, Environmental Manager in Alaska



BG continued to lobby and call upon the Government to end the growth of the ever more complex mishmash of conflicting UK and EU Climate Change policies...



CLIMATE CHANGE AND POLLUTION

In 1989 one economist said

"We're finally going to get the bill for the Industrial Age. If the projections are right, it's going to be a big one: the ecological collapse of the planet."

Whilst many saw this as scaremongering, it cannot be denied that the latest environmental news from around the world and press releases about collapsing ice-shelves, thawing tundra and potential catastrophic changes to the Gulf Stream have, if nothing else, kept the environment - and specifically Climate Change - right in the forefront of the Government's and the nation's psyche in 2004. He went on to say that the European Dream focuses ... "on sustainable development, quality of life, and the nurturing of community" as opposed to "unrestrained economic growth" and this seems to have foretold the regulatory approach under which UK industry now functions - careful and precautionary.



Looking to the future, the Government has made Climate Change a focus of its G8 presidency and we expect Climate Change issues to dominate environmental thinking. We expect another busy year as: negotiations start on Phase 2 of the EU trading scheme; the EU Chemicals Policy develops; industry submits its upgrading plans to the regulators under IPPC and other Directives concerned with waste and recycling; and a thematic approach gathers momentum. BG will be lobbying for integration and sustainability in all aspects, whether environmental, social or economic.

Finally, following ratification by Russia on 18 November, the Kyoto Protocol triggered its 90 day countdown to enforcement on 16 February 2005. As the bells tolled and we raised our glasses on 31 December 2004, much European industry including glass, emitted its last uncapped, uncapped, tonne of carbon dioxide.

REACH - THE EU CHEMICALS POLICY

Following its adoption by the Commission in October 2003 a new proposal for an EU regulatory framework for chemicals - REACH (Registration, Evaluation and Authorisation of CHemicals) exists. Manufacturers or importers of more than one tonne of a chemical substance per annum will be required to register it in a central database. The aims of the new Regulation are to improve the protection of human health and the environment while maintaining competitiveness and innovation. REACH will give industry greater responsibility to manage risks and provide safety information.

The glass industry quickly realised that, whilst fully in support of the principle, side effects of inappropriately written legislation might lead not only to the phasing out of relatively low volume speciality chemicals used by glass manufacturers but also the unnecessary capture by the system of quite inert glass products, intermediates or by-products depending upon how terms were defined i.e. were they "substances or "articles"? Memories of the discussions of the implementation of the Aggregates Tax sprang to

mind and it was essential to get the approach correct from the start. Inappropriate definitions could have consequences for glass recycling and confidentiality. BG has worked with UK and EU organisations, especially CPIV, to minimize any unnecessary impact on the industry. BG supports the Government's stance on a "One Substance One Registration", OSOR, approach and its associated efficiency, cost reduction and minimisation of animal testing.



SUSTAINABLE CONSUMPTION AND PRODUCTION

In 2004 BG with 50:50 DTI funding carried out a project using consultants Future Perfect to examine Sustainable Consumption and Production (SCP) in the glass industry with particular attention to container and flat.

This was under the auspices of the Government's Changing Patterns initiative, following UK commitment at the World Summit on Sustainable Development in Johannesburg. Key objectives included breaking the link between economic growth and environmental pollution; improving resource efficiency, focussing on areas where environmental damage is greatest; examining the whole life-cycle of a product, through design, production, use and disposal, to help reduce its impact on the environment and enabling consumers to receive more information on products and services. It looked at how Government utilises taxes, voluntary agreements, subsidies, regulation and information campaigns, to stimulate innovation and investment to improve technology.

The SCP team participated successfully in the Environment Agency Environment 2004 conference at Birmingham and is due to report in 2005.



EU EMISSIONS TRADING

Following on from 2003 the UK Government continued to develop its National Allocation Plan which would allocate carbon dioxide allowances to the glass sector and each individual installation in 2005. It went through four main consultations and numerous smaller specific ones. On 19 January, Government published its first figures, which on average left glass installations with a catastrophic average shortfall of 9.8 per cent as identified by GTS staff Andy Hartley and Gordon Watts. This effective cap on production left the sector at a severe competitive disadvantage.

Ironically, it also seemed at odds with the Government's own projections for thermally efficient glazing, wind farm products and insulation.

Intense work on many fronts including: analysis of the allocation methodology, negotiations under the mandatory Climate Change Agreement review, and calling for a more realistic projection of subsector growth, led to initial improvements in the allocations worth over £1m at the current market as opposed to penalty prices. Latest figures still gave a 6-7 per cent shortfall despite impressions from Government that it was supposed to be less than half of that. Work continues.

Baseline data verification of carbon dioxide emissions effectively became mandatory in 2004 and GTS swiftly organised a collective group verification scheme to save members money and meet stringent deadlines.

John Stockdale accepted a Directorship of the UK Emissions Trading Group Ltd in order to represent Negotiated Agreement Companies on its Board. As DEFRA "rules" developed, and despite much debate, it became increasingly clear that some glass installations were being heavily penalized by the developing "rules" on new entrants, closures, rationalisation and commissioning. Every effort was made to support these "special cases" whilst continuing to deliver the wider sector concerns at burgeoning DEFRA, DTI, Treasury and parliamentary meetings. Some staff seemed to see more of Victoria and Westminster than they did of Sheffield.

Work on specific issues such as permitting and monitoring and reporting continued to grow beyond the resources of BG and GTS staff and a small

working group was set up, chaired by John Osborn of Beatson Clark. The Environment Agency also liaised with BG to tap into the work that it and CPIV had done on data collection methodology and templates. Of great concern were the rules needed by Government to prevent "double accounting" of the same carbon under the mutually incompatible UK and EU schemes.

As the year closed members awaited their final allocation. BG continued to lobby and call upon the Government to end the growth of the ever more complex mishmash of conflicting UK and EU Climate Change policies and lay to rest the now overtaken Climate Change Levy.



British Glass
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The Glass Charter has continued to expand, helping the glass industry achieve a 21 per cent reduction in the overall accident rate.

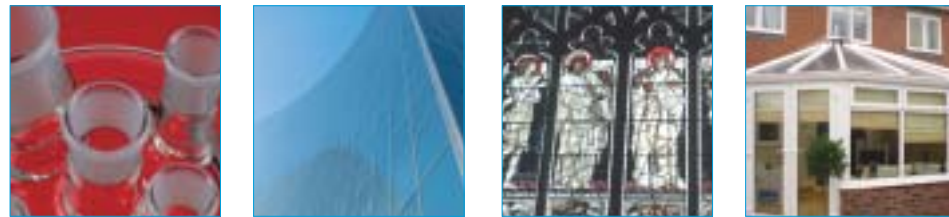


HEALTH, SAFETY & EMPLOYMENT

The last 12 months have been eventful with regards to activities and initiatives undertaken within the areas of Health, Safety and Employment, and which have enjoyed much wider engagement from the industry. This has enabled the confederation to bring added value to the membership in terms of both member support and negotiations with Government bodies, such as the Health & Safety Executive (HSE) and the Department for Trade & Industry (DTI). This has also led to British Glass being successful in its application for funding to run the Worker Safety Advisor Project, which has provided industry SMEs with much needed advice and support in the health and safety arena.

WORKER SAFETY ADVISOR PROJECT

HSE awarded British Glass £93,000 funding to lead the health and safety improvement programme for SMEs in the glass sector, which focuses on providing "Worker Safety Advisors" to individual organisations. The advisors will work in partnership with management and employee teams to drive forward health and safety improvements.



HEALTH & SAFETY COMMITTEE

This committee continues to be proactive, with best practice sharing still the priority with many industry members as this has been significantly beneficial in contributing to the improvement of individual company health and safety performance.

Areas of networking have addressed methods for the provision of PPE and the improvements in PPE available to the glass industry. As an industry we have

been able to influence this market significantly by working together to achieve our goals.

Legislation and lobbying have covered REACH this year and Respirable Crystalline Silica issues. Further data gathering is expected to continue well into 2005 to enable the industry to fully establish a position in these areas. The Physical Agents Directive has also been firmly on the agenda along with the expected changes to the Noise Regulations and consultation on Optical Radiation and Vibration.

THE HR FORUM

British Glass launched the HR Forum with funding received through the DTI Project in 2003. The success of this HR Forum has continued into 2004 despite funding coming to an end in this area.

This forum has now dealt with many issues including Rehabilitation and Absence Management, Discipline & Grievance, Performance Management and Information & Consultation.

It is hoped that this area is to be developed over time to enhance the services to British Glass membership.



Mick Young, National Secretary, CATU; Andrew Smith, Secretary of State; with Alison Bellac - Rodgers, Health, Safety and Employment Manager and David Workman Director General receiving the award

THE GLASS CHARTER

The Glass Charter has continued to expand, helping the glass industry achieve a 21 per cent reduction in the overall accident rate. This downward trend is expected to carry on in 2005. The industry continues to address specific health and safety issues through the dedicated Charter Working Groups. During 2004 two of these groups successfully produced and released guidance aimed at the use of Stillages from both a Flat Glass Supplier's and Contractor's perspective. These publications have provided the flat glass industry support in improving safety in these areas.

Stress in the Workplace has been very much on the agenda and a unique support package has been produced by another working group, together with a glass industry specific DVD to enable glass companies of all sizes to successfully tackle this topic: *Solving Stress Is Simple* is a DVD package and toolkit developed by British Glass and is designed to help companies manage stress in the workplace.

The working groups will continue their efforts in 2005 and are hoping to address and successfully produce guidance in the following areas :

- Personal Protective Equipment Standards in the Glass Manufacturing & Processing Industries
- Glass Forming Machines in the Container Sector
- Heat Stress in the Glass Industry
- Working at Heights in the Glazing Industry
- Engaging Employees in Health & Safety

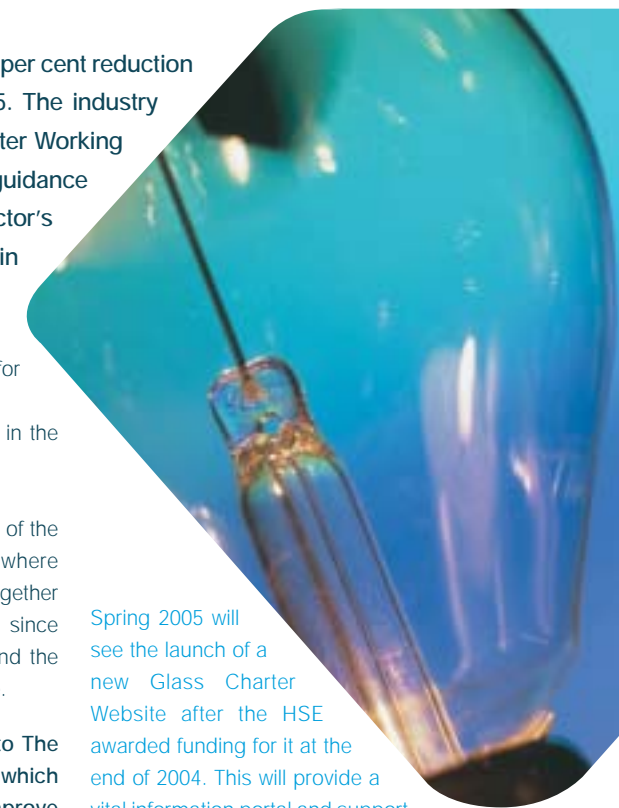
- Health & Safety Training Standards for the Glass Industry
- Reducing Musculoskeletal Disorders in the Glass Industry

The end of 2004 saw the inaugural meeting of the Glass Charter Executive Board where representatives of the industry gathered together to review The Glass Charter's progress since 2002. New sign up criteria were agreed and the beginning of 2005 sees the launch of these.

One of the latest compulsory additions to The Charter is the Charter Merit Scheme, which enables members to continuously improve their health and safety performance through the achievement of various levels of health and safety. The addition of this will enable the Scheme to be registered with the Association of British Insurers; this will allow the industry to obtain more favourable insurance premiums.



Image stills from the DVD 'Solving Stress is Simple'



Spring 2005 will see the launch of a new Glass Charter Website after the HSE awarded funding for it at the end of 2004. This will provide a vital information portal and support tool for all glass industry organisations.

CHARGE

(Ceramics and Glass Industry Advisory Board)

The glass sector continues to be a proactive partner of this government body, chaired by the HSE. This sector body helps set policy across its included industry sectors and British Glass has played an influential part in the highlighting of its industry's issues at government level.

British Glass has also been the lead influencer in setting up the Revitalising Committee which enables other industries to share best practice with each other on target regimes such as The Glass Charter. A website has been developed that provides resources and outcomes posted by these other industries. This has been extremely useful in progressing improving the resources available within The Glass Charter.

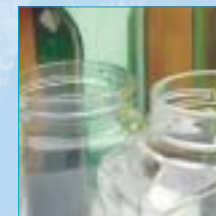


THE ANNUAL GLASS HEALTH & SAFETY CONFERENCE 2004

Hugh Robertson, Health and Safety Commissioner for the HSC joined us this year to help us deliver the Health and Safety Message to over 250 delegates at the Aston Villa Football Ground. The day, with its theme "Communicating Health & Safety: getting the message across", was a resounding success and delegates had the opportunity to access specialist speakers on PPE, Behavioural Safety, NLP, Stress and many more topics.

Exhibitors came from wide and far to participate in our biggest health and safety exhibition to date with over 20 specialist providers of health and safety related products and services to the glass industry.

The Glass Charter Award applications were overwhelming for 2004 and it proved extremely difficult for the judging panel to select the winners this year. Participation in the awards continues to increase year on year.



WINNERS OF GLASS CHARTER AWARDS 2004 :

BEST SAFETY INITIATIVE

- Darby Glass
- Pilkington Greengate
- St Gobain
- Beatson Clark

HEALTH & SAFETY REP

- David Cooper Rexam Glass
- Neil Conley Pilkington Greengate
- Darryl Annison Bowater Home Imp

PERFORMANCE FOR OVER 250 EMPLOYEES

- Beatson Clark

BEST TRAINING INITIATIVE

- United Glass
- Rockware

EMPLOYEE CONTRIBUTION

- Jayne Camps LSL Ltd
- Dave Armitage Beatson Clark
- Frank Briscoe Pilkington Greengate

BEST HEALTH INITIATIVE

- Brunner Mond
- Rockware

NOMINATED DIRECTOR

- David Salter Beatson Clark
- Mike Thompson Float Glass Industries

BEST SAFETY IMPROVEMENT

- Norman & Underwood
- Float Glass Industries
- Bowater Home Improvements

PERFORMANCE LESS THAN 50 EMPLOYEES

- Pilkington Middlesborough

HEALTH & SAFETY PROFESSIONAL

- Chris Charlesworth Beatson Clark
- Ronnie Hindle Float Glass Industries

PERFORMANCE LESS THAN 250 EMPLOYEES

- Pilkington Bradford

OVERALL WINNER

Beatson Clark



PACKAGING

It has been another busy year for the Packaging Directorate which has developed a strong evidence based lobbying platform with key industry stakeholders. This has become a common starting point for discussions on a wide range of legislative matters, supporting new alliances and increasing the impact, focus and consistency of lobbying.

GLASS RECYCLING

Whilst glass recycling is rising, so are the challenges facing the UK. In 2004, recycled glass used in new containers increased by nearly 60,000 tonnes, to an

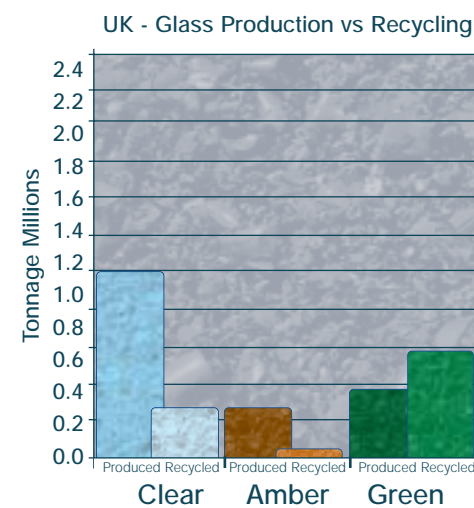
estimated 675,000 tonnes. The average jar or bottle made in the UK contained 38per cent recycled glass.

Exports and alternative markets have also grown and it is likely that in 2004 glass recycling grew by around 17 per cent, breaking through the million tonne barrier to reach around 1,040,000 tonnes.

By 2008 the UK must achieve a recycling level of 1.6 million tonnes annually; requiring increases of 160,000 tonnes each year for the next four years!

UK glass production is predominantly clear, with high clear exports, mainly in the form of filled whisky bottles. There is limited UK green production with high imports of green glass, mainly in the form of filled wine bottles. The result - a shortage of clear glass for recycling and more green glass than container makers alone can recycle.

Yet the UK has seen an astonishing increase in mixed glass collection by local authorities to 30per cent in



Andrew Hartley - Director of Communications and Strategy

2003. This growth in mixed accelerates the UK's existing colour imbalance. For glass collected mixed, then colour separated, three tonnes of extra green arise for every tonne of additional clear.

In 2003 container recycling was 72 per cent of the UK market for recycled glass. In 2004 this will be around 66 per cent. Given current regulations and trends in 2008 it will be around 50 per cent. This means a formidable 800,000 tonnes of exports and aggregates will need to be developed and funded in 2008. Equally container sector recycling will be held back by the lack of availability of additional supplies of clear and brown recycled glass.

'the BIG recycle'

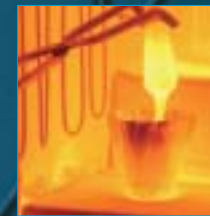
'the BIG recycle' set out to encourage the public to recycle more household waste. It was launched on October 18 by celebrity impersonator Alistair McGowan.

The event grew out of the annual British Glass National Glass Week, which had been running for several years. 'the BIG recycle' was organised in partnership with WRAP, and was closely coordinated with their 'Recycle Now' Campaign. The campaign was jointly funded and supported by the leading materials recycling organisations Alcan (now Novellis), British Glass, Corus, PaperChain, Recoup and the leading producer responsibility scheme Valpak. Developed in consultation with LARAC, 'the BIG recycle' organising team also included international recycling organisation Planet Ark and international re-manufacturer Environmental Business Products with additional support received from the Direct Mail Association.

The campaign generated extensive media coverage, including BBC and ITV television news and extensive national and regional radio coverage. Independent evaluation of the media coverage shows the campaign generated over 300 pieces of editorial coverage at an "equivalent value" of more than £800,000, reaching an astounding audience of nearly 32 million people.

145 local authorities took part in the campaign, running varied promotions under 'the BIG recycle' banner. Examples included Manchester City Council's world record attempt to produce the world's largest sheet of recycled paper, whilst Leicester City Council ran a week of features on recycling in conjunction with its local newspaper the Leicester Mercury and took its recycling road show across the county and Northampton Borough Council took part in a live phone-in on the local BBC Radio station. British Glass is now actively involved in the organisation of 'the BIG recycle' 2005.





CHRISTMAS CAMPAIGN

Celebrity chef Kevin Woodford launched the annual British Glass Christmas glass recycling campaign by urging people to bank - and not bin - their festive bottles and food jars.

At Christmas people in the UK consume almost 5.5 million jars of mincemeat, 12 million jars of pickles and 6.5 million jars of cranberry sauce, all packaged in glass but only a small percentage get recycled.

At the launch Kevin said: "Many people remember to recycle empty bottles at Christmas, but forget about recycling all the empty jars of mincemeat, cranberry sauce, mayonnaise, pickles and even the curry sauce jar they use to make the left-over turkey curry."

The campaign reached an audience of over 4 million people and secured 72 features and interviews on radio stations plus numerous other press cuttings.

Alongside the Radio and regional press campaign this year, British Glass conducted a trial scheme in four ASDA stores.

Promotional neck tags and bottle collars were added to a wide range of food and drinks packaged in glass. Consumer research showed a significant increase in the likelihood that consumers would recycle their bottles and jars, and each store in the trial saw an increase in the recycling tonnages collected in the sites' glass banks.



GLASS RECYCLING STRATEGIC WORKSHOP

Efficient markets, effective collection, legislation and investment were hot topics at a strategic workshop hosted by British Glass and held jointly with WRAP (the Waste & Resources Action Programme) for key industry figures in the glass sector in November.

Exploring for the first time together the possibilities of a more cohesive approach to glass recycling, glass collectors, re-processors, aggregates companies and packaging manufacturers participated in an open and constructive debate about the challenges and opportunities in glass recycling.

Setting the scene, Sheila McKinley, head of DEFRA's Producer Responsibility Unit, provided the legislative context and highlighted the importance of meeting the 2008 glass recycling target if the UK is to hit the overall Packaging and Packaging Waste Directive targets.

British Glass and Valpak focused delegates' minds with an update on current performance and future targets and outlined the challenges posed by industry trends, such as mixed collections and the UK's growing taste for wine (around 1.3 billion bottles of wine are imported annually, weighing in at an estimated 600,000 tonnes of mainly green glass.)

WRAP's market development work was outlined alongside the financial support packages available from its Business Development Team. Evidence of successful R&D work were illustrated by case studies from CERAM and RMC highlighting the positive outcome of trials using glass as a fluxing agent in brick manufacture and full scale use of glass as an aggregate in 'Glassphalt', a road base product that is enjoying considerable market uptake.

EDUCATION

In addition to updating its key stage 1 and 2 education resource GlassWorks, British Glass also introduced GlassFutures, a new resource for key stages 3 and 4.

Glass Futures is based on an animated film that takes pupils on a journey through the recycling process. It is supported with a set of teachers' notes that allow recycling and glass production to be included in many different aspects of the curriculum.



Armed with this wealth of information, delegates and speakers were able to take part in a highly interactive workshop. Two of the key priorities to emerge were the need to ensure that commercially viable end markets are available and to ensure that the right type of glass reaches the right markets.

The workshop highlighted a wide range of action areas, including standards, quality issues, the PRN system, commercial glass collections and colour segregated versus mixed collections. In total, six priority areas were identified which will now be the focus of future joint activity between WRAP, British Glass and the other attendees.

SHINE AWARDS

PROMOTING GLASS

The industry continued to promote the benefits of glass to brand owners and designers through the Annual Shine Awards.

The Awards, which recognise innovation and excellence in glass packaging, are now in their fifth year and attracted a record number of entries.

The Shine Award winners were chosen by a group of judges from the design, packaging and marketing: Neill Hope - Senior Designer, Neill Hope

Design, Simon Rumble - Senior Designer, Blue Marlin Brand Packaging Design, Roy Dixon - Packaging Technologist, RDA Consultants and Keith Barnes - Packaging Technologist, KB Consulting. All the entries were judged against three criteria: branding, consumer benefits and innovation.

The judges, when awarding the Grand Prix for best overall pack to Absolut Level Vodka, commented that: "the pack combines excellent design with first-class production techniques, to produce a pack that really stands out behind the bar."



"Designed to communicate values of purity and luxury the pack uses an extra white acid etched flint glass bottle and simple silk screen graphics. The

heavy base punt gives the bottle extra weight to confirm its premium. This is beautifully finished off with the application of a recessed polished aluminium badge and is very distinct and stylish."

The quality of entries this year was excellent. The versatility of glass was reflected in the record number of entries received. The finalists in each category clearly demonstrate why glass is the perfect packaging medium for a wide range of products.

The Shine Awards are the only awards to recognise excellence in glass packaging and encourage an appreciation of what designers, brand owners and glass manufacturers can achieve when they work together. This year's Shine Award finalists demonstrated that when working with glass, designers can create unique structures, utilise new decorative techniques and deliver better brand definition than with any other packaging material.

SHINE AWARDS WERE WON BY:

Absolut Level Vodka in the Wines & Spirits category. Kronenbourg 1664 in the Beers and Ciders category and Belu Spring Water in the Non-alcoholic category.

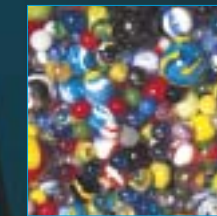
Absolut Cut was highest placed in the Pre-mixed spirits category, whilst the Shine Award in the Food category went to Hellmann's Warm Salad 2 Part Dressing & Paste.

The International award went to South Premium New Zealand Gin.

A new category for the 2004 Shine Awards was Perfumes, Cosmetics & Pharmaceuticals, where the Award went to Alexander McQueen's Kingdom.

The Grand Prix for best overall pack was awarded to Absolut Level Vodka.





WASTE AND RECYCLING

Following on from 2003, most of the main issues that have the potential to impact on our members remained unchanged. Those topical and legislative waste and recycling issues continue to be:

WEEE

The Waste Electronic and Electrical Equipment (WEEE) directive is to be transposed into UK law in 2005. This regulation, though later than planned, will affect the way CRT (cathode ray tube) glass, lighting (fluorescent tubes) and glass from appliances is disposed of at end of life.

The WEEE regulations will limit disposal options for electronic/electrical equipment, specifically diverting from landfill and removing harmful components such as lead. Further, each year sees the scrapping of 100 million fluorescent light tubes, leading to 20,000 tonnes of waste mercury and lead contaminated glass, together with 110-120,000 tonnes of lead and barium oxide glass from CRTs going to landfill.

One of the initiatives by British Glass in 2004 was a joint BG and WRAP-funded trial with fluorescent tube manufacturer and member SLI Glass. This found that

using lamp glass cullet in closed loop production meant no loss of quality in the new tubes and that lead could be removed to 0.4 per cent. This also helps the move by the directive to recycle at least 80 per cent of lamps, such as fluorescent tubes, by 2006.

Equipment containing CRTs, has a recycling target of 65 per cent (and recovery of 75 per cent). Since CRTs are thought to account for between 40 per cent and 50 per cent of the weight of monitors and televisions, meeting the targets will require some element of the CRT to be recycled. BG, throughout 2004, worked closely with organisations such as London Remade and ICER (Industry Council for Electronic Equipment Recycling) to monitor the amount of waste CRT glass produced, reprocessing techniques and alternative end markets. This work is ongoing.

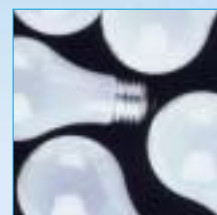
ELV

The End of Life Vehicles Directive is complex and seeks to increase the level of re-use and recycling of ELVs, improve environmental standards, and limit the use of material harmful to the environment in new vehicles. It also requires Member States to set up collection systems for ELVs and used parts. Currently, around 80 per cent of ELVs by weight are recycled. The aim of the Directive is to increase the rate of re-use and recovery to 85 per cent by 2006, and to 95 per cent by 2015.

It is estimated that every year the UK disposes of 45,000 tonnes of glass in its old cars and commercial vehicles, almost all going to landfill. The reason for this is that the value of glass from one ELV is around £0.48, not economically feasible for recycling with current methods.

However, glass removed prior to shedding and the removal of the plastic laminate layer can be used in a variety of end markets as well as closed loop recycling back into windscreens as undertaken currently by Pilkington Glass.

In 2004 British Glass kept not only in close contact with other organisations in the waste and recycling arena but monitored the recycling efforts, new technologies available and the end markets for glass and, as shown above, in some cases undertook the underlying research and consultancy to underpin these endeavours.



RISK OF HAZARDOUS SUBSTANCES (RoHS)

The RoHS regulations for glass are primarily concerned with lead, but also other heavy metals such as mercury. At present lead in glass from CRT, electronic components and fluorescent tubes are exempt from the regulations, reviewed every four years. British Glass continued – and continues – to keep a watching brief on the situation and how the regulations will impact with the recycling regulations of the WEEE directive.

TECHNICAL

For those involved in technical matters, 2004 proved even more hectic than the previous year in this vital area, with the finalisation of no less than 18 European (EN) and International Standards (ISO). These covered a diverse array from glass finish specifications and glass test methods, to standards covering conformance with the requirements of the Packaging Waste Directive 94/62/EC.

At the European level, further detailed involvement included participation in discussions on a number of new EU Directives and Regulations covering important issues such as Traceability (now incorporated in a new EU Regulation 1935/2004/EC) and Pack Size which has resulted in a proposal for an EU Directive (com (2004) 708 Final) which incorporates all the major elements requested by both British Glass and the Scotch Whisky Association (SWA).

Representation by Peter Grayhurst, Technical Manager, on the Technical Advisory Committee for the BRC Technical (Packaging) Standard resulted in its revision, which was published by BRC at the end of August 2004. Continuing to extend his sphere of influence, it is also nice to report that Peter was, in 2004, elected to represent the UK Packaging Industry on the new CEN/TC261/WG1 Packaging 'Hygiene' Standard Working Group.

A Co-Operative Group with the SWA was set up towards the end of the year – the first meeting being hosted by Rexam Glass and GRUK on 15 December 2004. The group plans to meet on a regular basis to discuss developments and a strategy relating to the use of Security Tags. The interest in the deployment of RFID technology at all levels remains fairly constant in the package manufacturing and distribution chain and will continue to be monitored by the group in 2005 to ensure that 'systems' developed will comply with the requirements for glass recycling, etc.

The prospect for 2005 is that it will prove to be an even busier year starting with discussion between British Glass and the Scotch Whisky Research Institute Technical Committee on a revised general specification for spirit containers and the application to the Article 21 Committee for an extension of the Heavy Metal Derogation for Container Glass.

It is expected that a number of other liaison groups will also need to be set up to ensure that closer co-operation between glassmakers, capmakers and fillers can be achieved to reduce the incidence of filling and capping related problems to a minimum by tackling the root causes rather than overseeing 'cures'.

Maintaining the close and efficient working relationship between the glass container membership and British Glass is critical as the pace of change in industry continues to increase and the need for close working links in the supply chain become even more important.

CETIE GLASS PLENARY 2004

The annual CETIE Glass Plenary for 2004 was hosted by Peter Grayhurst at the offices of Diageo in Edinburgh. The September meeting was attended by delegates from five European countries.

Subjects discussed included European Standards (eg Technical Specifications for Crown Finishes, Vacuumlug Finished and Crown Openers) and European Directives and other legislation, for instance, Heavy Metals Limits, REACH and Traceability.



Peter Grayhurst, Technical Manager (7th from right) hosting the 2004 CETIE Glass Plenary.



GLASS TECHNOLOGY SERVICES

All round, 2004 has been a very interesting year for Glass Technology Services (GTS) Ltd. We have seen out the first full year in our new laboratories at Chapelton with a very credible financial performance. The modern environment, coupled with sensible investment in up-to-date equipment has galvanised the company into a fresh and more progressive outlook, resulting in exciting and original work. It has also inspired the take-up of new opportunities and has stimulated many innovative ideas.

Although in some ways it has also been a difficult year, with for instance the loss of key experienced staff deciding to move to pastures new; still we have been able to recruit wisely and appropriately to match our changing business needs.

There has been much focus on environmental activities, driven ostensibly by an ever increasing number of legislative 'instruments' and our investment in meeting the challenges in this area has already begun to show dividends. Much of our government-sponsored research now has an environmental influence.

This year has also seen a shift in our customer base. Traditional markets have been less accessible than in the past; and this has required us to switch focus to new markets and sell our services to other consultancies. The result has been that we can bring a glass-technology understanding to more diverse projects and has led to our consultancy services being in great demand. A closer integration with British Glass

activities has also yielded the opportunity for more consultancy work.

We have worked, over the past year, extensively with WRAP (the Waste & Resources Action Programme), the Carbon Trust and the MOD (Ministry of Defence), as well as for private clients: hence our ambition for 2005, to become the "first choice" consultants for such organisations through a retained tender process of which we feel justifiably confident.

Our testing laboratories have also seen significant change. Many aspects of traditional analysis were seen as no longer being commercially viable and we have either spotlighted new work or extended existing areas of operation. Now, for instance, specific durability testing is becoming a popular request, especially as the glass industry looks for new openings and markets. We have therefore developed suitable expertise in a range of international standards as required for these outlets.

ANALYTICAL CHEMISTRY

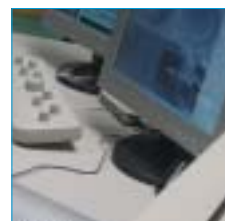
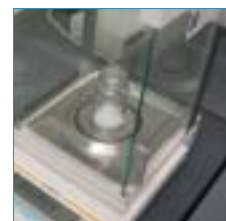
During 2004 the Analytical Chemistry Department has continued to provide high quality analyses of both glasses and glass making raw materials to a wide range of glass manufacturers and suppliers throughout the world.

As legislation is updated our customers are requiring more detailed analysis of waste materials and the analytical department has worked with our customers to develop methods of

analysis to satisfy the requirements of these changes.

Identification of "foreign" materials is becoming more important and we have been involved in the identification of contamination to raw materials and glasses.

We have also provided support analytical services for other departments within GTS as the company develops new processes for the glass industry.



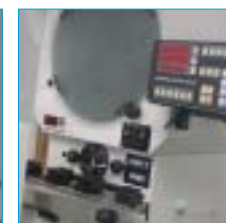
GLASS TECHNOLOGY & DIAGNOSTIC SERVICES

Our troubleshooting and diagnostic services have benefited significantly from the acquisition of equipment which has allowed GTS a far more stable platform to engage in investigative work than was ever possible before. The main workhorse of this section is the scanning electron microscope equipped with energy dispersive spectroscopy analysis which is capable of analysing small areas (less than 0.001mm diameter), allowing the detailed examination of fragments, inclusions and glass defects.

The Glass Technology section is tasked with same-day turnaround analysis and identification of glass defects associated with glass manufacture.

Using a small quadrupole Mass Spectrometer, coupled to a vacuum chamber, we are able to provide analysis of small bubbles occurring in solid glass samples. This enables the postulation of cause and can be an invaluable tool in correcting such problems. We are the only commercial provider of this service in the UK.

With this analysis it is possible to report the composition of an inclusion in glass and therefore propose a possible source. A further feature of this instrument is the ability to compositionally analyse faint cord in glass. This has been an invaluable tool by furnace managers in identifying the source of cord and has reduced loss of production from cord defects.



PHYSICAL TESTING AND PRODUCT PERFORMANCE

Physical testing in our Product Performance area goes from strength to strength with yet another staggering performance, and a continued stream of new customers.

Physical testing within the Product Performance area has maintained growth over the past year with an increase seen in quality assessment or due-diligence testing to ensure products are safe or "fit for purpose" both in container and domestic glassware markets.

Continued growth has also been seen in identification of foreign fragments found in foodstuffs and delicate products. Investigations into glass breakage continue to be a stable



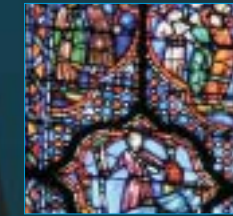
PORTABLE GOB MONITOR (PGM)

Sales of the S700-PGM have again gone well this past year with an increased number of sales into the US market.

The portable gob monitor, which is used for measuring the speed and length of glass gobs during the delivery stages on IS machines, was initially launched in 1999 following the success of the previous GOBLI models. The design encompassed all the functionality of the GOBLI3 model but had a drastic size reduction to become a truly portable gob monitor and has been received well by all companies that have tried the new design.

portion of the GTS service with increasing penetration into the flat glass and architectural industries including where required preparation of expert witness reports.





GLASS MELTING

Our Melting department has continued to provide a unique service to our customers, and is involved in several project initiatives, the latest leading a larger venture for the Carbon Trust to investigate cullet maximisation through colour control.



Work in this area has been varied as always, involving staff with glass makers from all areas of production and all around the world, looking at new glass formulations, giving advice and assistance and also working in innovation for major manufacturers.

The glass melting section has started to build on a new area of business, producing controlled glass compositions for use as standards, besides setting up glasses in X-ray analysis and scanning electron microscopy. We have formalised our ties to MBH Analytical and now have around 30 specific glass compositions on offer through their current catalogue. This complements our work with companies such as Oxford Instruments, Servomex, NPL and NDC Infrared producing specialist glasses and sits well alongside the custom glass productions we have always offered.

Two new staff members have joined the team, meaning progress on the second stage of the Container Reformulation project for the Carbon Trust is already delivering results.

The WRAP project for decolourising means we are obtaining new equipment in the optical spectroscopy field, and in 2005 will be increasing work in this area for both decolourising and glass quality work. In terms of new services for the industry, we are currently commissioning a small furnace to allow the determination of the high temperature resistivity for glasses.

STACK TESTING

2004 saw the stack team rewarded for their largely unseen labours by receiving accreditation under the Environment Agency's Monitoring Certification Scheme (MCERTS) regime.

MCERTS sets exacting standards on most aspects of stack testing and the scheme will benefit plant operators by greatly increasing the reliability of test measurements. During 2004 GTS, already a UKAS accredited test house, added MCERTS to its portfolio and became an accredited stack testing organisation. The scheme extends to the technical staff, all of whom sat and passed their relevant examinations. GTS now joins a relatively small number of organisations able to offer this level of service.



From our Members' perspectives, 2004 saw the beginning of the issue of the new IPPC permits. The new regulations will bring additional burdens to our members, not least the increase in stack monitoring requirements.

Heavy metal testing is one new requirement under IPPC and most operators will be required to have their processes tested; perhaps on an annual basis. Heavy metal testing requires specialist kit which GTS has purchased in readiness to meet this new demand. The sight of our stack team struggling to haul this cumbersome equipment up glass works chimneys may perhaps become the enduring image of 2005!

CONTRACTS TEAM

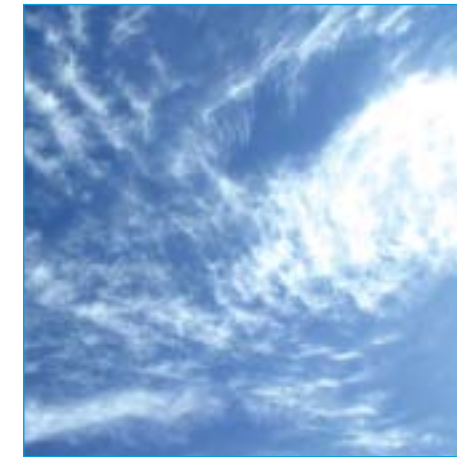
2004 ushered in the Chinese year of the monkey. For the GTS contracts team the year of the WRAP would have been a more apt designation, as in 2004 glass figured high on its list of priorities to target a few specific materials. Part of its remit during 2004 was to promote new uses and markets for recovered waste glass material.

GTS was well placed to provide the research, know-how and expertise to undertake the work, which saw GTS personnel scaling the country's cullet mountains to deliver a simplified sampling methodology which culminated in PAS 101.

Steps were taken to address the problems associated with recovered cathode ray tubes in a joint project with ICER, the electronics industry's recycling organisation.

A feasibility study considered the possibilities of colour modification as a tool to aid green glass recycling and for the glass that could not be accommodated at our melting furnaces, a project to substitute cement with crushed glass was delivered.

GTS has now built up a sound and hopefully lasting relationship with this powerful recycling organisation and 2005 (year of the Rooster) should herald an even more fruitful period for our recycling ventures.



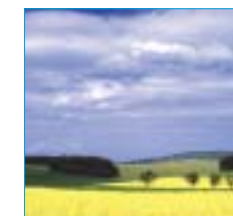
GLASS SECTOR CLIMATE CHANGE AGREEMENT

The DEFRA mandatory target review of sector targets for 2006, '08 and '10, to ensure that the targets remain challenging yet realistic, dominated activities in 2004. Detailed technical assessment of the sector's forward prospects and negotiation with DEFRA resulted in a very positive outcome for the sector, with realistic forward targets being agreed.

2004 was also the second milestone year for the agreement, which ended in November, resulting in significant preparation for the year end, including a number of umbrella and underlying agreement variations. Early indications are that the sector has passed its second milestone target without the need for emissions trading, allowing the sector to be re-certified for the Climate Change Levy 80 per cent rebate for a further two years, worth approximately £24m to the glass industry as a whole.

A key systems development during the year was the completion and launch of the new web-based CCA data capture system. The system, in routine use for emissions data capture by the end of the year, has been well received by user companies. It also met all expectations in the time-critical milestone year-end reporting period. The system has also received considerable interest from outside parties such as other CCA sectors and CPIV after a seminar we held in October - it also has the potential to be used for other types of data collection within the company and British Glass.

The EU Emissions Trading Scheme started on 1 January 2005 affecting many CCA companies. Prior to that date, considerable work had taken place during 2004 - and continues - to prepare the sector for the new scheme and offer support to companies affected in this process. (In February 2005, companies must decide if they wish to opt out and remain in the CCA alone, or opt into the EUETS for the first phase of the new scheme.)



Overall Glass Technology Services can look back over the last year at good solid accomplishments in a year of significant change, with a very creditable performance by all.



COMMUNICATIONS

The start of 2004 saw the consummation of the work started at the end of 2003 on a modern and cohesive corporate BG house style to all our external communications to reflect the aims of our organisation which is progressive and forward looking. One of the publications to show off the new branding was our much praised 2003 Annual Report which was published in March.

LOOKING GLASS

The Looking Glass magazine, which is published quarterly, also underwent a 'facelift' and its content was well received by members and outside organisations. Both the Annual Review and the magazine are also sent to MPs and MEPs. Both publications can be found on the British Glass website under Industry Publications.

DONATION TO NSPCC

Looking over some of the projects and incidents of 2004 we have to start with the donation by British Glass to the NSPCC in January 2004. This came about as the result of a survey carried out by British Glass to ascertain attitudes by local authorities to recycling. The Container Group generously offered to donate one pound for every reply received back. The resulting donation of £268 was presented to Paul Cartledge, corporate fund raising manager of the NSPCC who said it would be put towards supporting community projects in Sheffield, helping children and young people overcome the damaging effects of abuse and neglect.

Jan Marie Knights, Communications Manager donates £268 to the NSPCC



NEW DESIGNERS



In June, British Glass sponsored the New Designers Glass and Ceramic Zone, by creating a new award: the New Designers British Glass Award. Held at the Business Design Centre in London, the event is a forum for 4,000 graduate designers to show off their ideas and new creations. We were happy to support new glass design and technology to demonstrate our belief that innovation is vital to sustain development as well as promoting glass as the perfect material for new design ideas.

Benedetta Giuliani - winner of the British Glass award

GLASS TECHNOLOGY SERVICES BROCHURE

Also in August we produced a glossy new brochure showing the both the investment made in new equipment and detailing all the services provided by Glass Technology Services, as well as relating a few case studies. It is another publication which has been awarded the accolade of being informative and good-looking by those inside and outside the organisation.



BIFFAWARD AWARDS 2004

British Glass was shortlisted in October for the Sustainable Resource Use and New Technology category of the Biffaward Awards 2004 - the prestigious national environmental awards ceremony, fighting off stiff competition to get to the final round.

A Biffaward grant of £150,306 funded the project culminating in the published Report by British Glass author Andy Hartley, Senior Environmental Consultant "UK Glass Manufacture: A Mass Balance Study". The publication, which can be downloaded from the British Glass website, provides detailed information on the resource flows through the glass manufacturing sector, as well as raising the level of awareness in education about waste issues and promoting an increase in reduction, re-use and recycling rates.

BRITISH GLASS WEBSITE REDEVELOPMENT

July 2004 saw the relaunch of the British Glass website after a major restructuring of the site was undertaken, including the incorporation of customised navigation bars, to not only ensure simpler web navigation by browsers but allowing us to create new areas: Industry, Local Authorities, Schools and Public. The new sections have been highly praised and the feedback has been extremely good regarding the content and easy navigability of the site. Similar work is going to be undertaken on the Members' Website in 2005.

WORK-RELATED LEARNING CAREER RESOURCE

After several months of effort and research, a work-related learning resource pack was published in August 2004, which was developed in partnership between British Glass and Doncaster Local Education Authority. This provides career education guidance and learning opportunities with regard to the glass industry, regionally and nationally, to both teachers and students. Hard copies are still available and an electronic version is available on the British Glass website.

MEMBERSHIP

British Glass was pleased to welcome the following new members in 2004:

- **Freeform Artstrust Ltd** (Green Bottle Unit) – converters of waste glass
- **Centaur Exports** – food packers
- **Bottleworks Ltd** – container decorator and processor
- **Escol Products Ltd** – manufacturer of frits and powders
- **Darby Glass Ltd** – glass processor
- **Guardian Industries UK Ltd** – manufacturer of flat glass
- **William Tracy Ltd** (Allglass Reprocessors Ltd) – manufacturer of aggregates, grains and spheres
- **Premier Glazing Services Ltd** – glazing contractors
- **British Optical Ltd** – manufacturer of borosilicate clear and coloured glassware
- **European Construction Solutions Ltd** – window/curtain walling installer
- **James Kent (Ceramic Materials) Ltd** – manufacturer of frits, colours, glazes and specialist glass

PUBLICATIONS

Email news "alert" bulletins are directed to members covering specific sectors of the glass industry, ensuring that members only receive information that is relevant to them.

The Information Office also provides the following publications, either electronically or in hard copy, on a regular basis:

- Standards updates
- Conferences and Events updates
- Legislation updates

OTHER DATABASES AND PATENTS SEARCH

A separate database holds an archive of over 9000 glass-related translations. Similarly, we have files relating to legislation, British and EU Standards, health & safety, and environmental data. A patents database contains over 10,000 entries. If you are working on the cutting edge of technology and need to know what your competitors are doing in your area of interest, then the patent literature will give you the most up to date information. New developments will be patented months, or more likely years before anything is published in open literature. To find these patents requires a certain amount of specialised

INFORMATION

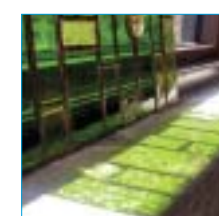
Information Services provided by British Glass are highly valued by everyone who uses them, and in fact are used daily receiving positive feedback from both members and non-members.

The Information Officer, Theresa Green, maintains the British Glass dedicated glass technology library and can conduct research on any subject. The Information Service also offers a comprehensive Information Data Searching Service on any glass-related issue. This can be initiated by a call to the Information Helpdesk which can help with simple or more complex enquiries. In 2004, the Information office received over 4,000 e-mail enquires and 1,200 telephone enquiries.

BRITISH GLASS LIBRARY

The British Glass Library is an invaluable source of information which members can access free of charge. Accurate, timely, and relevant information saves companies both time and money. Access to research results allows manufacturers to benefit from the experiences of others, yielding both time and cost savings by improving decision making, expediting solutions, and avoiding unnecessary research. According to recent research, firms without libraries spend 3-4 times more in order to acquire information than those with in-house libraries. Members have found that obtaining information through the use of alternative sources can be time-consuming and very costly.

Our library subscribes to top worldwide journals on glass technology and our archive, the only UK dedicated library of glass technology, dates back to 1900 and holds some 3000 books and periodicals. We have a fully searchable abstracts database, containing 15,000 references, which we add to daily.

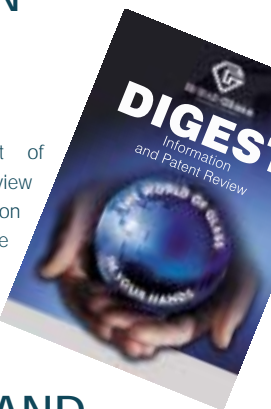


DATA SEARCH

British Glass can provide accurate and the most up-to-date information on any glass-related issue from scientific, technical, engineering, legislative or marketing, right down to suppliers. No enquiry is perceived as too big or too small and 99 per cent of these are answered the same day. We conduct between 30 and 40 data searches a month on average for our Members and this figure continues to grow.

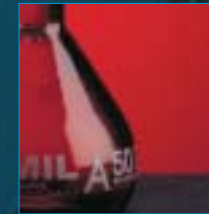
QUARTERLY DIGEST - INFORMATION AND PATENT REVIEW

The British Glass Digest of Information & Patent Review comprises the latest information abstracted onto the database covering all sectors of the glass industry.



SUPPLIERS DATABASE AND MEMBER REFERRAL SERVICE

As well as providing information, it is also our policy to promote the glass industry. Two thirds of the enquiries received overall are requests from individuals and firms looking for glass suppliers in all sectors of the industry. British Glass Members bring a diverse array of products to the consumer, suppliers, enquirers and other member companies and British Glass has a policy to refer our Members where relevant and appropriate.



COMMITTEE OVERVIEW

An overview of Committees and their work in 2004 not otherwise mentioned in other sections of this Annual Review:

SPECIAL GLASS GROUP

The Special Glass Group has expanded over the last 12 months to include other members of the glass industry. Aspects of health, safety and employment are now discussed at the meetings together with the usual topics of environment and training. Asbestos played a key theme at one of the meetings and the group has also been keen to discuss the developments of one of its members projects on the 5 "S" Program

Environmental issues continue to be high on the agenda with the committee hoping to set up a support programme for SMEs in the future.

The committee visited Rohrglas in Germany who hosted a Special Glass meeting on behalf of Schott Ltd. The visit was extremely valuable in learning how the European culture of manufacturing differs from the British.

MARKET RESEARCH COMMITTEE

The market research committee works as a sub-committee of the container group. The committee oversees the collection and dissemination of glass container sales and production statistics and monitors external market variables such as container imports. This information is used to produce a forecast of market demand for glass containers and provides an input into waste stream monitoring.

Over the past 12 months the committee has undertaken work to estimate glass in the waste stream and monitor specific end use market trends. In 2005 the committee will continue its work to aid the container industry developing its strategies for promoting glass and its recycling.



MATERIALS SUPPLY COMMITTEE

Early in the year, members expressed their concern over the long-term viability of UK-sourced soda ash and were given some reassurances by the presentation given by Brunner Mond.

Problems associated with the transportation of sand also featured prominently in committee meetings.

Discussion has also centred on oil and energy prices and members had serious concerns over the impact on the industry of a 50 per cent rise in the market price for gas and electricity in the 15-month period from mid-2003. Higher energy and haulage costs also put upward pressure on raw material costs whilst the rapid expansion of the Chinese economy was causing shortages of some materials (e.g. selenium) and pushing up shipping rates world-wide.

CONTAINER GROUP

The Container Group which is made up of senior directors from the UK's seven container manufacturers met three times in 2004 to discuss topical and legislative issues.

TECHNICAL DIRECTORS FORUM

The Technical Directors Forum acts as a sounding board for new ideas, as a discussion group to assess measures required to address impending legislation and as a forum to discuss technical activities and projects that are being conducted on behalf of the container sector.

Environmental issues have been high on the agenda over the last 12 months and projects sponsored by Carbon Trust and WRAP, focusing on energy reduction and waste minimization/cullet optimization, have been the major topics of discussion.

COMMITTEES

British Glass members are able to direct both the strategy and activities of British Glass through a range of committees, the main ones being:

British Glass Council meets twice each year and determines the overall aims and strategy of British Glass. Council is made up of Managing Directors, Directors and senior managers from British Glass members across all sectors. It is chaired by the President of British Glass. Several function and sector specific committees report to council including:

The Finance and General Purposes Committee (chaired by Dr Alasdair Rattray, Rockware Glass) has overall responsibility for managing financial strategy, budget control and producing British Glass accounts.

Materials Supply Committee (chaired by Arthur Boylan, Allied Glass) provides a forum for the discussion of matters relating to the supply of materials and energy to the glass industry. It also communicates with UK and EU government departments about existing supply and future demand predications

Container Group (chaired in 2004 by Steve Hammond, United Glass) meets at least three times a year to discuss issues affecting container manufacturers. The Container Group has three sub-committees:

The Public Affairs Committee (chaired by Nigel Pritchard of Rexam Glass) manages the communications and lobbying work across issues such as recycling, education and product promotion.

The Market Research Committee (chaired by Bill Nankivell, Rexam Glass) handles all aspects of the industry's data collection and demand forecasting.

The Technical Committee (chaired by Alan Haigh of Beatson Clark), working closely with CETIE and CEN, concerns itself with all aspects of primary and secondary packaging design, specification and standards.

This latter committee in its turn has two sub-committees: Packaging (chaired by Ian MacQuarrie, Rexam Glass) and Design Standards (chaired by Ken Rhodes, Rockware Glass).

The Technical Directors' Forum (chaired by GTS' Dave Dalton) also comes under the auspices of the Container Group. This meets on a quarterly basis to discuss technical activities and projects that are being conducted on behalf of the container sector.

Special Glass Group (chaired by Peter Murray of S Murray & Co) comprises representatives from the scientific, domestic

and industrial glass manufacturing companies. The committee discusses regulatory issues affecting this sector of the industry. The Group receives reports from the European Scientific Glass Group.

The Flat Glass Committee, currently without a chair, meets bi-annually to discuss issues and legislation affecting flat glass manufacturers.

The Health & Safety Committee (chaired by Graham McKenzie, Rexam Glass) represents all members and is responsible for maintaining the highest possible H/S standards and best practice across all of the glass sectors. The committee works very closely with the HSE and also organises the British Glass Annual Health & Safety Conference and Glass Charter Awards in November.

The HR Forum (no chair) represents and supports the glass industry on employment issues and legislation. It undertakes themed workshops and training on relevant issues. The forum works very closely with ACAS and DTI in developing standards for the industry and support for SMEs.

The Environment & Energy Committee (chaired by Wade Cooke, Beatson Clark) is open to all BG members and acts as a focal point for the discussion of all environmental and energy legislation and technology concerning the glass industry. The committee represents the glass industry to influential outside bodies such as government departments, the Environment Agency, SEPA, the CBI and through CPIV, the European Commission.

The Environmental Steering Group (chaired by Allen Norris, Pilkington Glass) and the A2 Working Group (chaired by Graham Randall, Pilkington Glass) are both offshoots of the main committee.

The Climate Change Agreement Supervisory Board (CCASB) (also chaired by Allen Norris, Pilkington Glass) was set up to manage the industry's climate change agreement with Government. It came out of the Negotiated Agreement Working Group (NAWG) which originally was set up specifically to provide a response to the Government's Climate Change Levy initiative.

LIST OF MEMBERS*

AFT (UK) Ltd	Daedalian Glass Ltd	Laidlaw Drew Ltd	Regina Industries
Allglass Reprocessors Ltd	Darby Glass Ltd	Langham Glass	Rexam Glass Ltd
Allied Glass plc	Dartington Crystal	Lewis & Towers Ltd	Rockware Glass Ltd
Batoyle Ltd	DMG Business Media	Longcliffe Quarries	Royal Brierley Crystal
Beatson Clark plc	Dyson Industries Ltd	LSL (UK) Ltd	Saint-Gobain Glass (UK) Ltd
T Berryman & Sons Ltd	Edghurst Ltd	S Murray & Co	Schott Glass Ltd
BFBI	Elna VmbH	Nazeing Glass Works	SEPR (UK) Ltd
Bibby Sterilin Ltd	Emhart (UK) Ltd	Newell Ltd	SLI Glass
Biochem Glass Ltd	Enviros	J T Nex Ltd	Solios Thermal Ltd
BOC Ltd	Escol Products Ltd	Nthake Consultants	Stevenson Reeves Ltd
Borax Europe Ltd	European Construction Solutions Ltd	Omya UK Ltd	Siozle Flaconnage
Bottleworks Ltd	FBG Anchor Ltd	Parkinson Spencer Refractories Ltd	D Swarovski & Co
British Optical Ltd	Free Form Artstrust Ltd	L G Philips Displays	Tarmac Central Ltd
Brunner Mond (UK)	General Chemical	PFG Building Glass (Pty) Ltd	TECO Europe Ltd
C & S Inc	Graphoidal Developments Ltd	Pilkington Glass Ltd	J B Treasure & Co Ltd
Calumite Ltd	Guardian Industries UK Ltd	Pilkington Technology	Trimite Limited
Centaur Exports	Gujarat Glass (P) Ltd	Plowden & Thompson	United Glass Ltd
Chromacol Ltd	Hollinee Ltd	Potters Ballotini Ltd	Uniq Prepared Foods
Calthness Glass Ltd	H R Glass Reprocessing	Poulsen & Graf Ltd	Viridor Glass Recycling Ltd
Cartonplast (UK) Ltd	Institute of Vitreous Enamellers	PPG Industries Ltd	Waterford Crystal
AE Chapman & Sons	International Bottle Co	Premier Glazing Services	Wilkinson plc
Corning Ltd	IS Maintenance Ltd	Quinn Group	WBB Minerals
Cumbria Crystal Ltd	James Kent (Ceramic Materials) Ltd	QVF Process Systems	