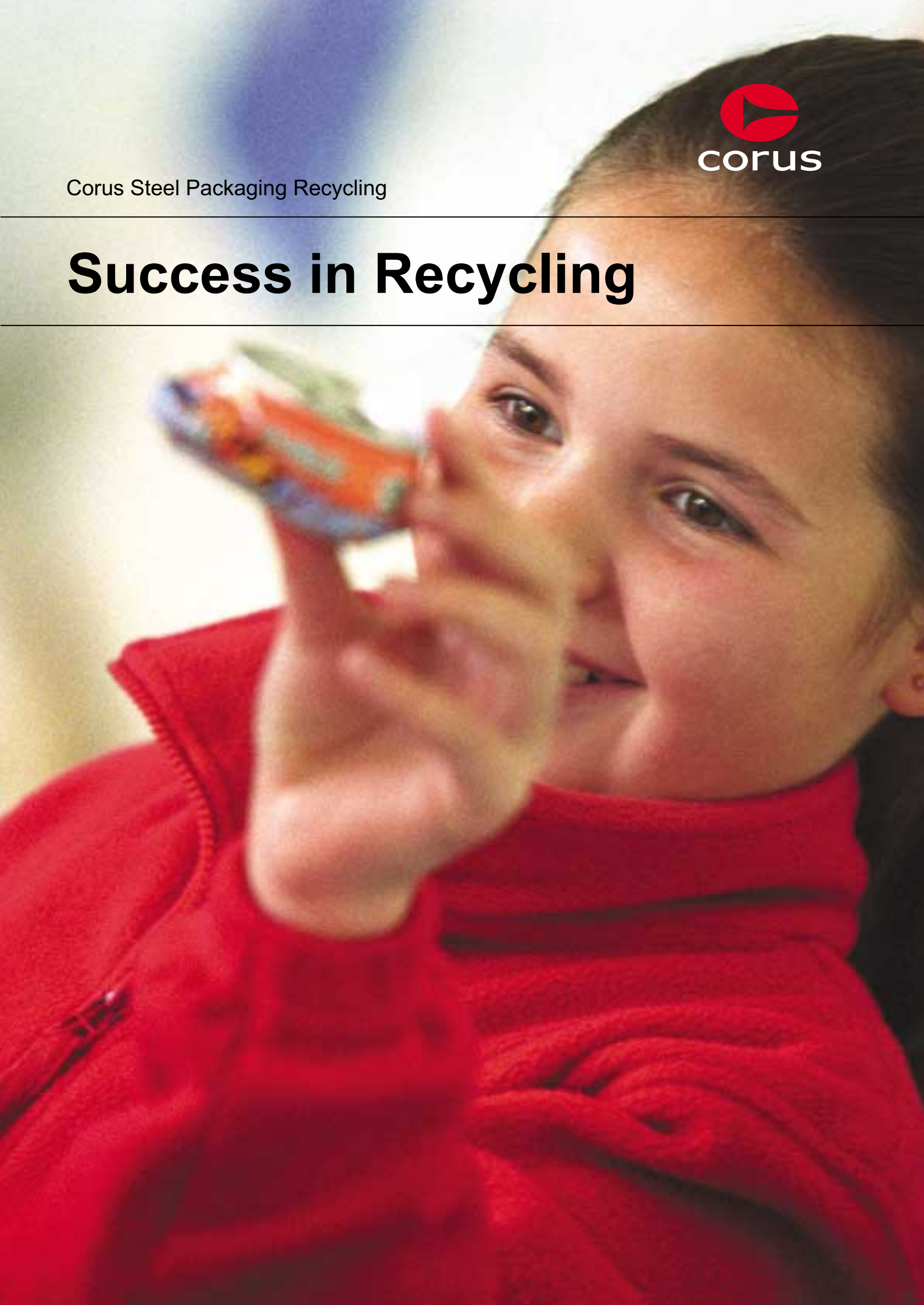




Corus Steel Packaging Recycling

Success in Recycling



Success in Recycling

Our commitment to our customers, and all those in the packaging chain who use steel, is borne out of our belief in the excellent recyclability of our product and communicating this effectively.



Corus recycled 30% more steel cans in 2003 than in the previous year.

Corus is pleased to present its annual report on the initiatives it undertook during 2003 to increase the UK recycling rate for steel packaging still further.

Our objective is to ensure that, with steel, our customers get the best deal in recycling - high recycling levels and low recycling costs. The steps taken during 2003 further underpinned this objective. The following pages provide an insight into the steel packaging recycling projects developed through investment of revenue from the sale of Packaging Recovery Notes (PRNs).

2003 was a year of significant recycling progress for steel packaging. An additional 14,000 tonnes of steel packaging were recycled in the UK, a continued rise, bringing the annual total to 304,000 tonnes. The recycling rate of 44.5% was up from 42% in 2002.

PRN revenue was limited by the flat PRN market but spent with prudence. Corus assisted 44 local authorities with their steel can recycling initiatives.

A new set of UK annual recycling targets from the Government, for all packaging materials, must be met through to 2008. An important development arose in terms of targets for metal packaging - steel and aluminium no longer have the same target. Steel has been given the higher target of 54% reflecting actual and potential recycling performance.

Packaging Material	Recycling Performance	Recycling Targets
Paper	64	60
Steel	44	54
Glass	37	60
Aluminium	22	32
Plastic	22	22



Success...

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The focus remains on the domestic waste stream, and on recycling more of the 500,000 tonnes of steel cans arising from it. Corus believes that more kerbside collection is required to achieve the targets, and is working with leading glass, aluminium, plastic and paper reprocessors to present uniform messages to local authorities.

This initiative demonstrates how industry can organise itself constructively to help achieve important national goals. The result will be an improved technical and economic proposition for local authorities and a range of communications activities relating to multi-material kerbside collection.

Attracting Government-supported programmes for metal packaging, similar to those enjoyed by other packaging materials, is key. Corus is committed to the future of steel packaging and to recycling progress.

Success on your doorstep



Recycling infrastructure development is at the forefront of Corus' investment strategy; it is the key to increasing the collection and recovery of steel cans from domestic waste for recycling in the UK.

In the current climate, multi-material kerbside collection offers a socially and economically sound proposition.

Steel can recycling represents a £30 million opportunity, based on the value of the material in the waste stream alone.

However, a scheme that optimises collection frequencies, methods, and the range of materials can benefit from further cost efficiencies, primarily when accompanied by reductions in residual waste collections.

In steel, this waste collection saving is estimated at up to a further £150 million. Hence Corus invests resources in ensuring steel is included in kerbside schemes.



Case Study

Something borrowed

Carmarthenshire Recycling Company Ltd (CRC) supports the multi-material kerbside recycling activity of the local Council's 18,000 homes.

In 2004, CRC will process material from a further 4,200 properties as part of a trial kerbside collection scheme being run by Pembrokeshire County Council, which intends to assess the viability of rolling out a scheme to 25,000 households throughout Pembrokeshire.

As well as material from kerbside collections, CRC processes waste collected from civic amenity recycling sites and can banks throughout the area. The potential exists for 100 tonnes (2.5 million steel cans) to be processed by CRC every year.

CRC decided to install a sorting line at its Materials Recycling Facility (MRF) in Johnstown, which will come on line in 2005. Corus committed to providing CRC with a high-tech overband magnet when the sorting line is put in place, and loaning CRC suitable sorting equipment in the meantime.

Garvin Freeman, Corus' recycling development representative for the Midlands, Wales and West commented, "This is a great example of a shared commitment to recycling. One of our key aims is to invest in local and regional initiatives that raise the amount of steel being recycled. The new equipment will quickly help CRC manage the huge volume of steel cans coming through from kerbside collection."

CRC is a subsidiary company of Carmarthenshire Waste Management Environmental Ltd.

While kerbside collections and bring banks provide a relatively clean end product, there is great potential for increasing volumes of steel recovered from waste management operations employing a variety of collection and separation techniques. Steel is uniquely versatile in terms of collection methods, and steel manufacture is capable of removing up to 15% of non-ferrous material during the refining process.

Magnetic separation facilities are simple to install in energy-from-waste plants, or in plants processing crude, unsorted refuse. Provided this is combined with basic cleaning or upgrading facilities then around 75% of the total steel content in domestic refuse can be extracted, whilst still meeting the 85% purity required by the steel making plants.

Success through partnership



Corus forms partnerships with collectors of other materials, to ensure that steel is collected too. Here are three examples.

500 tonnes here, 500 tonnes there
Birmingham is the centre of processing operations for Alutrade's can collection activity. Every day, 2-3 tonnes of steel is processed at the centre in the form of up to 75,000 steel cans.

Set up over 15 years ago, Alutrade now operates a UK wide scrap recycling service from its 100,000 sq ft. state-of-the-art headquarters.

With a large fleet of collection vehicles, the company collects steel and aluminium cans from numerous recycling schemes throughout the UK and brings them to the centre for processing.

The potential of steel, in terms of processing a greater volume of cans, was identified by Alutrade, but was restricted by a lack of suitable equipment to sort and compress the steel cans. Alutrade approached Corus for advice and as a result steel PRN revenue was invested in new baling and conveying equipment.

This technology can quickly sort steel cans from other collected material and create compact bales for easier handling and transport.

Garvin Freeman, of Corus commented, "Alutrade and Corus are the perfect partners for increasing metal recycling.

"Steel is 100% recyclable and we can work effectively together to raise recycling volumes as a whole. If Alutrade's recycling progresses at its current rate, there is the potential for 500 tonnes of steel to be processed at the centre every year - that's over 12 million steel cans".



Case Study

Steel adds weight to collection

MacGlass collects in the region of 15 million steel cans (around 600 tonnes of steel) every year from recycling sites, kerbside schemes, commercial collections, and licensed premises.

A family run firm based in Bonnyrigg, Midlothian, MacGlass has played a key role in recycling in Central Scotland for almost 20 years.

It identified the need for including steel cans in its recycling scheme and, working in partnership with seven local authorities, actively encouraged the recycling of steel (and other dry recyclables) through the various collection schemes.

Having been awarded an increasing number of local authority recycling contracts, MacGlass was aware that the potential to increase the amount of steel being recycled in the region was even greater.

MacGlass approached Corus for help in identifying ways to improve efficiency. Corus provided a steel can baler to handle the increase in steel cans and is working closely with MacGlass to co-ordinate direct deliveries of the collected cans to Corus' steel plants, reducing transport costs.

David Williams, Corus' recycling development representative for the North and Scotland commented, "MacGlass' commitment to recycling and the environment is fantastic and the baling equipment will help them to handle an even greater volume of steel cans - so local communities, businesses and authorities all benefit".

Full backing for expansion

Each year, Runnymede Council generates more than 30,000 tonnes of household waste. To reduce the amount that was being sent straight to landfill, the Council introduced a multi-material kerbside collection scheme for mixed recyclables and asked Abitibi-Consolidated Recycling Europe to implement the scheme.

To help manage the steel arisings, Corus supplied a can baler and helped with equipment and installation costs, while providing an end market for the recyclable steel.

Stephen Howard, Corus' recycling development representative for the South East commented: "We are keen to support the improvement and expansion of the recycling operation, help Runnymede Council hit its recycling targets and show households how the steel can be put to good use."



Scotland

ReJig Recycling founded self-sustaining recycling schemes on the islands of Islay and Jura. They sourced six second-hand community-recycling banks, ten can banks, and a can baler to encourage more recycling, but needed to address can sorting. Corus found a means of reusing a second hand can sorter by installing it in the recycling operation.



North

Hyndburn Borough Council manage a multi-material dry recyclable kerbside scheme for a population of 90,000 people. The baler provided by Corus is helping to recycle the waste emanating from 36,000 households. The Council is aiming to recover 500 tonnes of steel cans per annum and direct this into UK steel manufacture, for the production of new products.



Midlands

Community Recycling Venture (CRV) Tipton has set in motion plans to increase its steel can recycling by 100%. An anticipated 10 million steel cans (400 tonnes of steel) per year will be processed with the help of the new baler funded by Corus. Organisers are expanding the scheme from servicing 75,000 to 120,000 households.



Wales

Corus invested in Monmouthshire County Council's multi-material kerbside collection scheme. The scheme should increase recycling from 10% to 40% over the next 10 years, provide 30 jobs and save one third of waste going to landfill. Over 100 tonnes of steel cans will be recovered per year - the scheme targeted an initial 12,000 households and is growing to reach 38,000 homes.



South

Corus provided separating and baling equipment for London Borough of Richmond upon Thames' Twickenham recycling facility. Cheshire Recycling operate the multi-material recycling scheme for 53,000 homes, directing steel recovered back to Corus from 2003 onwards.

Five years of strategic help:

Since 1999, Corus Steel Packaging Recycling (CSPR) has helped 372 local authorities, and the communities in their localities, in the drive to increase recycling. This effort alone has generated almost 15,000 tonnes of steel. Meanwhile, our CanRoute system (see page 14) has diverted around 54,000 tonnes of steel from landfill.



Equipment

- 1 Moray Reachout
- 2 Alloa Community Enterprise
- 3 MacGlass
- 4 Re-Jig
- 5 Campbeltown Waste Watchers
- 6 Lanarkshire Association for Mental Health
- 7 Eden Recycling
- 8 Premier Waste
- 9 Hyndburn
- 10 Rabbit Recycling
- 11 CRV Tipton
- 12 Alutrade
- 13 Carmarthenshire
- 14 City & County of Swansea
- 15 Cornwall Paper Company
- 16 Braintree
- 17 Richmond
- 18 Kent Community Recycling
- 19 Onyx SB Recycling
- 20 Runnymede



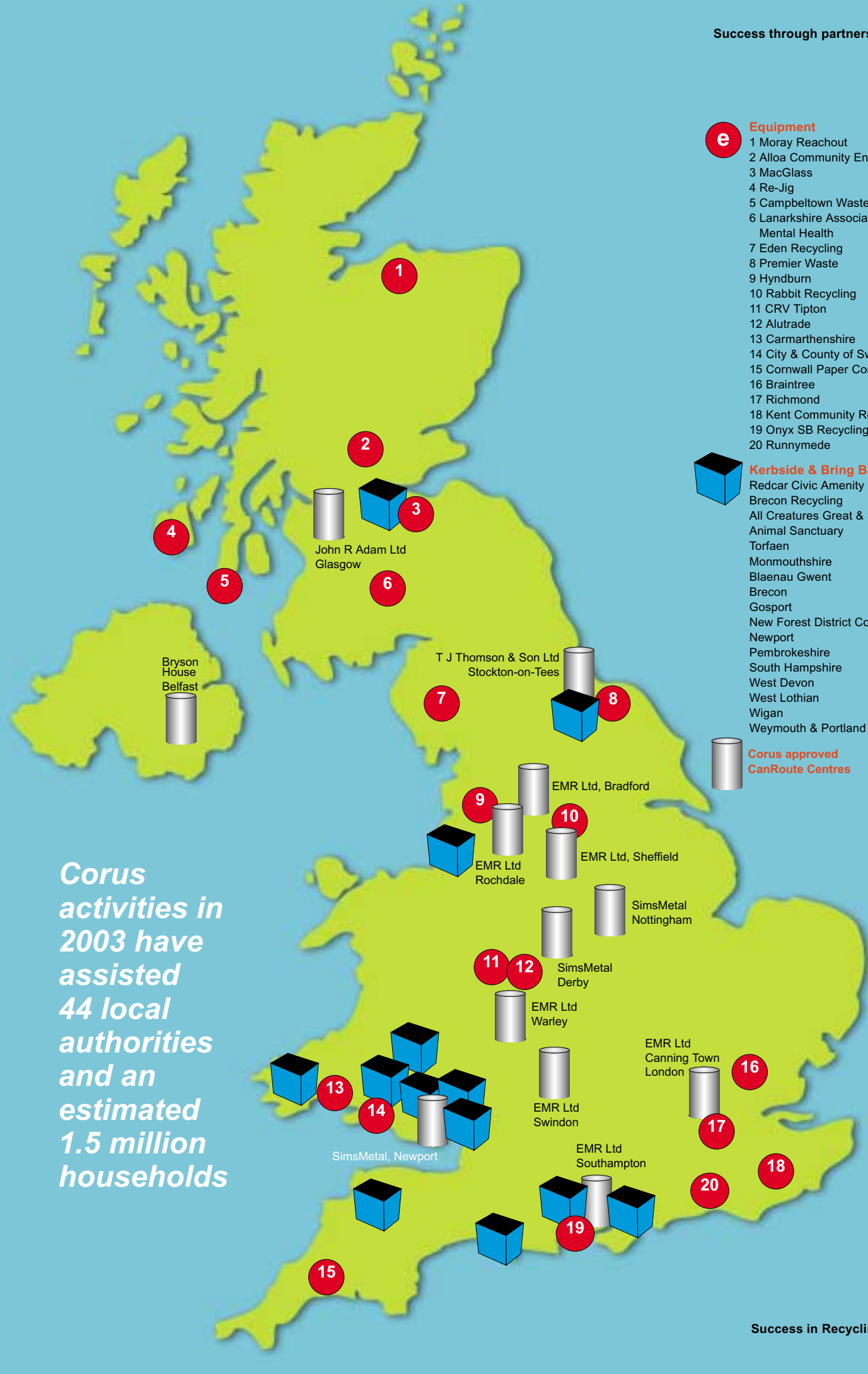
Kerbside & Bring Banks

- Redcar Civic Amenity Sites
- Brecon Recycling
- All Creatures Great & Small Animal Sanctuary
- Torfaen
- Monmouthshire
- Blaenau Gwent
- Brecon
- Gosport
- New Forest District Council
- Newport
- Pembrokeshire
- South Hampshire
- West Devon
- West Lothian
- Wigan
- Weymouth & Portland



Corus approved CanRoute Centres

Corus activities in 2003 have assisted 44 local authorities and an estimated 1.5 million households



Success in understanding



Green fields and blue skies

Corus invests in much more than recycling equipment. It also invests PRN revenue into support and advice. Corus offers free technical consultancy visits on request regarding steel extraction activities.

Corus has years of experience in all aspects of steel extraction technology and the full range of waste management facilities, from traditional energy-from-waste plants to anaerobic digestion plants, centralised composting, gasification, autoclave technology and the extraction of steel from waste transfer stations.

Our Research, Development and Technology Centre (RD&T) in Teesside is the core facility for developing technical solutions and delivering hands-on support for waste managers progressing recycling in the UK.

The Research, Development and Technology resource works alongside the Recycling Development team to help our partners with:

- Technical and engineering matters
- Assessments regarding the suitability of recycling equipment
- Process development, design and build
- Specifications for steel routed for recycling at Corus
- Financial advice and cost effective solutions
- Practical support



Case Study

Heavy metal

Durham County Council will recover 1700 tonnes of steel every year according to estimates from their waste management providers.

Premier Waste Management is responsible for developing large-scale kerbside collection schemes in South Tyneside, Gateshead, Durham, Chester le Street and Sedgefield.

Over half a million households are serviced by the company (formerly Durham County Waste Management) through a range of multi-material kerbside collection schemes in the North East.

Over 42 million steel cans could be recycled every year in the region from the kerbside collection schemes alone. Households are encouraged to recycle the full range of steel packaging products including food, beverage and pet food cans, closures and aerosols.

Corus was called in to help improve the line capacity and efficiency. More advanced equipment was needed so Corus invested PRN revenue to secure high-powered magnetic sorting equipment that facilitates can sorting at a rate of over five tonnes per hour.

Tim Walker, of Corus RD&T commented, "The scale of the project and the potential volumes of steel indicated the need for some key modifications to the can sorter. We also improved operational efficiency by installing a conveyor. The new equipment will facilitate efficient management of the huge volume of steel cans arising from the new kerbside collection schemes."

Quality assurance

Steel scrap is an essential part of steel making, is easy to extract from the waste stream for recycling and is one of the lowest energy consuming forms of packaging.

The purity of steel can scrap entering the steel production process is monitored through the provision of free 'melt tests'.

Corus metallurgists test a sample from facilities collecting steel cans for an 85% minimum ferrous content, moisture and other contaminants. The steel making process is tolerant of up to 15% contaminants, including other packaging materials and residual organic material.

Success in the community



Meeting the UK's future recycling targets requires investment in the recovery of household packaging.

Community partnership, alongside local authority support, is at the heart of our recycling investment strategy, since community recycling efforts and enthusiasm are critical to recycling development.

People are our business

Steel PRN funds are invested with the environmental, educational, economic and social well-being of the community sector front of mind.

While the modern world would not exist without steel, Corus is committed to harmonising its own steelmaking operations with social and environmental needs.

Product life cycle analysis and sustainable product design practices enable the people at Corus to encourage the reuse and recycling of steel and improve environmental performance of steel manufacture.

Dealing with the community sector is an integral part of what we do. We draw on the experience of our partnerships with local authorities in the areas in which we do business and across the whole of the UK, helping to improve the quality of life in local communities.



2003 community highlights

- *Baler for Alloa Community Enterprises' MRF to improve kerbside recycling in central Scotland.*
- Equipment for Campbeltown Waste Watchers, which set out to work with and support adults with learning difficulties.
- *Sorter for Brecon Recycling Centre whose multi-material recycling activities in Mid Wales grew through the development of local partnerships.*
- Feed conveyor and baler to Moray Reach-Out, a major community recycler that employs adults with learning difficulties.
- *Collection vehicle donated to Lanarkshire Association for Mental Health, a community recycler collecting from can banks and licensed premises.*

Five years of community partnership

In the past five years Corus has invested in over 50 community recycling projects and formed partnerships with over half of the nation's local authorities.

Here are a just a few highlights...

Bryson House, Belfast - funding for a new baler

Community Can Cycle, Glasgow - steel can baler

Action Recycle, Denny - feed conveyor and baler

Doncaster Community Recycling Ltd - grant for MRF, baler and feed conveyor

Torfaen Community Recycling - baler & feed conveyor

Eden Recycling - baler & feed conveyor

ACRE, Rochdale - funding for can collection infrastructure

Newport Waste Savers - funding for can collection infrastructure

Alloa Community Enterprises - funding for kerbside boxes

Community Recycling Network - conference sponsorship

Blaenau Gwent Council - funding for twin baler and sorter unit

Cylch - sponsorship of 'All Schools Can Recycle' project

Recycling in Ollerton & Boughton - kerbside boxes

Boston Waste Watchers - can sorter

Lothian and Edinburgh Recycling Partnership - public awareness campaign support

Resourcesaver, Avon - four roll on roll off containers

Success through economic viability



Secure in steel

Corus provides an end market for recovered steel packaging in its steel plants, with a capacity in excess of the recycling requirements legislated in the UK.

Companies obliged to hold PRNs as evidence that their legal responsibility to recover and recycle has been fulfilled, can rely on Corus for reprocessing (recycling) capability.

Income raised by Corus from the sale of PRNs under this system is openly invested in recovery, collection, development and communications initiatives. This approach is improving the infrastructure for the collection of steel packaging from households and businesses across the UK.

Confidence in collection

Recovered steel cans are routed through one of Corus' 13 approved CanRoute centres, to a Corus steelplant for recycling.

The CanRoute system, established in the UK by Corus, is a key contributor to steel's recycling rate, offering a consistent, growing market and a positive trend in prices in 2003. During the year, CanRoute recovered 21,122 tonnes of steel through the collection of 500 million steel cans - a 61% increase on 2002. This is just one part of the total cans recycled at Corus.

This increase in material recovery is the result of PRN revenue investment and provides a stable market for regional steel can collectors. In addition, recycling one tonne of steel cans saves double that in raw materials.



Five years of CanRoute

Corus approved CanRoute centres have diverted 53982 tonnes - around 1.3 billion steel cans - from landfill to our plants for recycling since 1999.

In the same period, the centres have achieved a three-fold increase on 1999 delivery figures.

Environmental, social and economic solutions

Lackenby steelworks is a stone's throw from Darlington, where the Borough Council manages the waste of 45,000 households.

The Council arranges for material collected by kerb sort vehicles to be taken to John Wade Haulage for sorting and baling. Corus invested £38,000 of PRN funds in Wade's recycling activities which return recyclable steel to Corus' steelworks nearby.

The grant bought the family-owned firm state-of-the-art integrated can sorting and baling equipment. At a time when the pressure of targets is clear, the investment provided for increased processing capability.

Councillor Chris McEwan, the Council's Cabinet Member for Community Protection, commented, "Thanks to the generosity of Corus, our recycling efforts are more efficient. Recycling in Darlington has been really well received... we need all residents to come on board and take part in the scheme."

Growing multi-materials kerbside recycling through diversification, partnership and investment is at the heart of Corus' recycling infrastructure development strategy.

The integrated can sorter and baler unit allows for efficient separation of beverage and food cans, maximising the value that can be gained from mixed materials recycling.

The steel is further processed in Stockton by T J Thomson Ltd, one of Corus' 13 approved CanRoute centres, and then sent to Corus' steelworks.

3,500 tonnes of raw materials are saved every month as a result of recovered steel being routed directly to the steelworks via the CanRoute system.

Steel can contribute significantly to local authority recycling targets due to the large tonnage available in the domestic waste stream.

Tonnes per Annum into Corus steelplants (via Canroute)

1999	6,523
2000	6,292
2001	7,113
2002	12,932
2003	21,122

Success through best practice

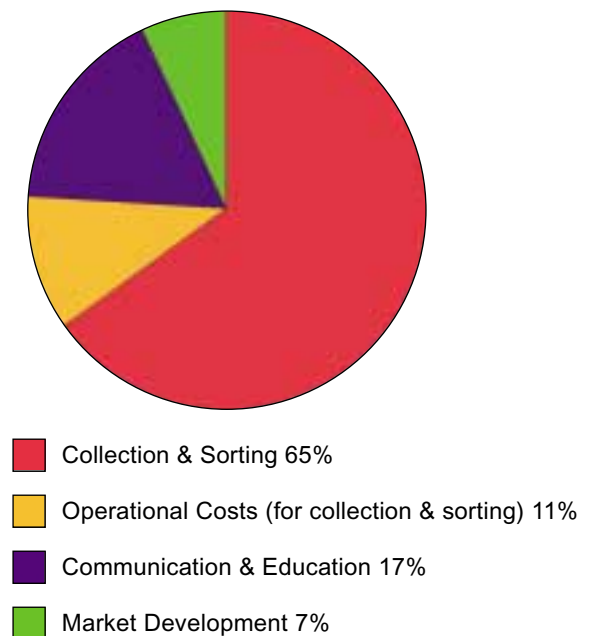


As recycling operates at a local level, we do to. Corus represents the interests of the whole steel packaging chain, and in 2003 worked at progressing partnerships with local authorities and community recyclers to develop local messages supportive of actual infrastructure.

The market for steel packaging recycling was strengthened by a strategic programme of local authority grants and the donation of equipment for collection, sorting and baling. Support, information and advice was provided to public, private and not-for-profit organisations on recovery, recycling and communications.

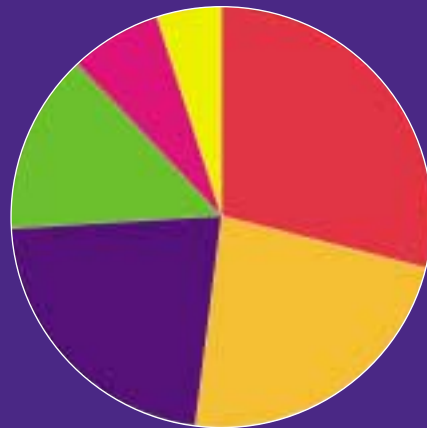
Targeted communications investment helped progress the UK infrastructure for cost effective and energy efficient steel packaging recycling too.

Corus PRN Spend for 2003





Communications spend for 2003



- Conferences & Exhibitions 29%
- Third Party Projects 23%
- Steel Can Recycling Information Bureau 22%
- Publications 14%
- Media 7%
- Sales, Promotions & Advertising 5%

Communications

Corus offers a one-stop shop for steel packaging recycling information.

Transparent information on our PRN investment activity and recycling performance is featured year on year in this, our annual report, while in 2003 we developed specific targeted material for our customers and other partners.

Our Recycling Facts leaflet was developed to provide general recycling tips, while local authorities received Recycling Bulletins featuring UK activities, as well as updates for the Steel Recycling reference manual.

Breadth of coverage

Steel PRN income helped promote increased participation in recycling all over the UK.

Corus exhibited at the Recycling and Waste Management Exhibition and the Local Authority Recycling Advisory Committee (LARAC) annual conference, and sponsored communications programmes across the UK, spending 17% of steel PRN income on the drive to increase awareness.

Positive environmental and packaging media coverage helped us increase the inclusion of steel in recycling schemes.

Success in Education

Corus runs the leading public information source on steel packaging recycling, the Steel Can Recycling Information Bureau (SCRIB).



Raising awareness

SCRIB offers free resources to everyone, supporting the development of steel can recycling and environmental awareness. Aligned with the curriculum, the Recycling Matters publication is an aid to teaching and learning.

Magnets and other merchandise were welcomed by schools and provided the means to sort out steel cans across a programme of events.

Increasing public interest

While SCRIB helps Local Authority Recycling and Education Officers to enhance the steel can recycling element of public campaigns, students and members of the public (making up approximately 50% of enquiries) can access general information.

Encouraging participation

Involvement in steel can recycling starts and ends with fun! The friendly Steel Can Recycling Crew featured on the SCRIB website and education materials helps spread the message on the right wavelength to youngsters.

The SCRIB programme supports the activities of all partners concerned with promoting recycling, through the dissemination of educational material and advice.

On tour

Steel Can Recycling Advisors toured the UK in 2003, attending a range of waste awareness events including Eco-Fun, a major environmental event at Cardiff's Museum of Welsh Life.



Success through teamwork



John May
Manager



David Williams
Commercial Manager



Anna Richards
Communications Manager



Stephen Howard
Recycling Development South East



Garvin Freeman
Recycling Development Midlands, Wales & West



Jeff Clarke
Accounts & Administration Manager



Nicola Bennett
Communications & Admin Coordinator



Mark Evison
Scrap Sector Leader, Corus

Widening the net

SCRIB strives to help the next generation of recyclers directly, through its own education initiatives and via its web resource (www.scrib.org).

Corus invests in SCRIB branded education sponsorships. In 2003, this included the Recycle-More 'Bin to Win' junior competition, and Valpak's Eco-Youth Parliament programme.

Providing a range of age groups with information to help them improve the environment through recycling is key for SCRIB and supports Corus' long term communications strategy.

www.corusgroup.com

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