



RESPONSIBILITY REPORT 2018





A sustainable future with plastic through innovation

RPC is a leading plastic product design and engineering company that works responsibly across a broad range of carefully selected industries from food to technical components, healthcare to industrial.

RPC is a global business with 189 operating sites in 34 countries (as at March 2018) that are well placed to support customers on a local, national and international basis, as well as providing multi-site security of supply. Our decentralised structure of specialist operations reflects the industry structure and we have expertise in all five of the major polymer conversion processes allowing us to get close to our customers, understand their needs, and produce innovative, sustainable products that add value. As part of this, we are committed to actively working with our customers, as well as external organisations, to reduce the carbon footprint and environmental impact of our products across the supply chain.

Key to this are our people. An unrelenting focus on Health & Safety, our comprehensive training programmes and an inclusive, collaborative and entrepreneurial environment in which to work, all contribute to ensuring that we attract the next generation of plastics experts to maintain our focus on technical and design innovation.

IN THIS REPORT



Chief Executive's introduction
02

Let's talk about plastics
04

Our focus areas
08-24

Welcome to our first Responsibility Report. The report sets out the RPC approach to doing business responsibly through the lens of our stakeholders including our employees, customers, investors, suppliers and the wider community and environment in which we operate.

Chief Executive's introduction	02
Our approach to responsible business	03
Let's talk about plastics	04
Our strategic focus areas:	
Designing sustainable products	08
Managing our environmental impact	12
Empowering and looking after our people	16
Supporting local communities	20
Ensuring a responsible supply chain	24

Follow us on:



@rpc_group

For more information on our business visit

www.rpc-group.com

CHIEF EXECUTIVE'S INTRODUCTION

I'm delighted to welcome you to our first ever Responsibility Report. We are a global design and engineering business operating in 189 sites across 34 countries, and over the last five years our Vision 2020: Focused Growth Strategy has delivered revenue growth of 282% to £3.7bn and adjusted operating profit growth of 364% to £425m. Underpinning this growth is a transparent, responsible and sustainable approach to collaborating with our stakeholders and a great respect for the environment in which we operate.

This report seeks to expand on this for the 2017/18 financial year and to demonstrate the RPC Group commitment to continuously improving our responsible approach.

RPC Group strategy

There are four core elements to our business strategy, Vision 2020: Focused Growth. These are:

- Continuing focus on organic growth
- Selective consolidation in Europe
- Creating a meaningful presence outside of Europe
- Pursuing added value opportunities in non-packaging markets

Within this, we are committed to the ongoing enhancement of our design and engineering capabilities and working with customers to deliver the most appropriate solution for them – and for the planet. We ensure that we collaborate both up and down the supply chain to provide customers with the standards of product and service that have been agreed and to reduce the environmental impact of our operations.



The calibre and dedication of the people throughout our organisation is key to the successful delivery of our strategy, and our first priority is to provide a safe working environment for them, along with an entrepreneurial culture that supports career development at every level. We also seek to develop and maintain good relations with the communities around our factories, from where we derive much of our current and future talent.

By engaging with all our stakeholders we will continue to build a responsible future with plastics.

Responsible progress at a local, national and global level

RPC Group operates a decentralised structure consisting of seven divisions and 36 strategic business units. This means that in addition to formal central policies where necessary, a number of additional issues are covered at a divisional or site level. The Group has grown significantly in recent years and in recognition of this, in 2017/18 we continued to adopt a number of additional policies and procedures as part of an ongoing enhancement of the governance framework.

During the year, the focus on plastics as an environmentally sustainable packaging material increased and we launched our proprietary 'Circular Grading Tool' which facilitates the design of plastic packaging solutions that are easier to recycle or to reuse.

We continue to lower our carbon emissions and in 2017/18 we delivered improvements in both our water usage and electricity usage per tonne as well as exploring the use of renewable energy sources across the business.

I am proud to report increases in safety training hours per person as well as hazards resolved per person, both of which contributed to further improvements in our reportable accident frequency rate this year. Our focus here extends beyond the physical safety of our employees at work, and further initiatives included a 'Head in the Right Direction' week at RPC bpi focusing on mental health and a focus on healthy diets during the Group-wide Safety Week.

Our new International Graduate Development programme, aiming to promote RPC Group as an entrepreneurial and diverse place to work, launched in the year and we continued to build the next generation of leaders through our cross-divisional Silver, Gold and Platinum programmes.

Benefitting from our decentralised structure, individual business units and manufacturing sites are able to work closely with local causes and charities that matter to them. This year charity projects included investment by RPC Ace in its annual Yangshan sponsorship programme which supports high-school education in one of the poorest areas of the Guangdong province in China.

I am proud to put all of this together in our first Responsibility Report and hope you enjoy reading about our approach to creating a responsible and sustainable future with plastic.

OUR APPROACH TO RESPONSIBLE BUSINESS

Our approach to responsible business has been developed over time by listening to our stakeholders' needs, and by being aware of global sustainable development issues and how they relate to the work that RPC does.

We also take into account the current trends worldwide and locally such as Brexit for the UK and Europe, and emerging megatrends such as demographic and lifestyle changes, efficiency in supply chains and globalisation. For our first reporting cycle we've taken a view of our key stakeholder issues along with a

view of the UN Sustainable Development Goals (SDGs) to arrive at our five focus areas. In the future we will be setting objectives for each of these areas to further demonstrate our commitment to responsible business.



Let's talk about PLASTICS...

Q&A: In conversation with Pim Vervaat (Chief Executive) and David Baker (Industry Affairs Director)



Pim Vervaat
Chief Executive



David Baker
Industry Affairs Director



As a company producing plastic products, RPC (and the industry) has come under a great deal of scrutiny over the past year. It's a complex issue; can you outline what the concerns are about plastics?

A: The main issue attracting attention is around plastics in the ocean. It's a terrible situation whereby plastic litter has ended up in our seas and is threatening marine life. The type of litter found on beaches and in the seas contains plastics which have not degraded and this includes straws, bottles, caps, cutlery and wrappers. Often these plastics are used only once and are not disposed of properly and become part of a wider litter problem.

Undoubtedly, issues with waste collection and disposal contribute to this, and this is particularly true in developing nations where waste management systems are still in their infancy. In fact, research from the Ellen MacArthur Foundation found that a staggering 98% of litter in our oceans emanates from countries outside Europe and the United States.

We cannot be complacent, however, because even where there is a greater focus on recycling, there are widely varying recycling levels, mainly due to different collection and recycling infrastructures from country to country and even within countries.

Lastly, and sadly, the hardest area where we can effect change is our own behaviour as humans which has exacerbated the problem. We need littering to be universally regarded as totally antisocial and unacceptable behaviour.

We must therefore considerably improve the way that we dispose and recycle all products that we use, including plastics. In the meantime, because of the damage that plastic litter is causing it has attracted attention from worldwide media and other commentators which has resulted in a debate at government level.

Against this backdrop RPC remains uniquely placed to helping its customers improve the recyclability and reusability of their products.



How is RPC specifically involved in the debate?

A: We have always been involved in industry discussions to promote the many benefits of plastic.

The material is versatile, light weight, low carbon, durable, recyclable and extremely effective in delivering products safely and hygienically to the end user. Plastic's many benefits explain why it is used so extensively but if it is not disposed of responsibly, it has negative environmental impacts, which we are keen to help mitigate. This is why we are involved with various industry and external organisations, particularly the British Plastics Foundation (BPF) and the Ellen MacArthur Foundation's New Plastic Economy, as well as directly with governments, to provide advice and responses to consultations.

We've also developed a tool to check the application of the circular economy guidelines for each product we design, and made this an open source so that others in our field can also use it to help design a circular product.

There are many ways in which we design our products to meet circular economy principles. Lightweighting for example reduces material consumption – we produced the first UN approved free-standing five litre jerrycan and its weight saving over other similar containers equated to around a 35% reduction in its carbon footprint. Reuse is another important aspect such as our bulk storage and transportation containers in the food processing and fresh fish and meat industries which can be easily cleaned and maintained. And recyclability is an important part of our design checklist, encouraging the use of mono-materials where possible or easy separation where not.

The 'Green' polyethylene used by RPC M&H for Bulldog men's skincare is created by farming sugarcane on sustainable land in Brazil, thousands of kilometres from the Amazon rainforest.

3.09kg

of CO₂ is removed from the air with every kilogram of Green Plastic produced for Bulldog packaging.



We know plastic is a valuable resource and necessary to so many products and people in so many ways. How do you see what you are doing as future-proofing the usability of plastic?

A: We certainly think that there is a strong future for plastics. Whilst there's no silver bullet to solving the waste problem, we're making sure that RPC is well prepared to deliver on our strategy which is aligned to a sustainable future.

For example, over the past couple of years, we've purchased BPI and ESE World, both of whom further improve the recycling capabilities of the Group. Biobased plastics, making plastic from natural resources such as sugarcane, are suitable for some products –and they can be recycled along with oil based plastics after use. Biodegradable plastics may also play their part but they have to be managed carefully as they cannot be recycled as 'normal' plastics.

Although these two types of plastic only make up a small percentage of global plastic production, RPC is actively involved with the suppliers of these materials and we have recently launched a tube for men's grooming products using 'Green' polyethylene from sugarcane that is fully recyclable. In the biodegradable area, we have developed a unique barrier plastic for coffee capsules that can be disposed of along with organic food waste and breaks down completely in the industrial composting process.

Microplastic is another issue that has received a lot of media attention and although the plastic pellets we use to make our products account for only 0.3% of the microplastics found in the oceans*, it is important that we eliminate any pellet loss to the environment. RPC has signed up to 'Operation Clean Sweep', a global initiative to prevent plastic pellets entering the environment, and we have developed a suite of tools to assist all of our manufacturing sites across the globe to adopt best practice.

*Source: International Union for the Conservation of Nature

LET'S TALK ABOUT PLASTICS CONTINUED



The end-of-life – recycling and disposal – of plastics is vital. That's down to all of us as consumers, and we rely on the local infrastructure to help us do that. What part do you play in helping the right information reach the end consumer?

A: All plastics can be recycled but the recycling and collection facilities vary greatly from country to country.

Informing customers is essential for successful recycling but it's a complex process and there is the potential for confusion. For example, in the UK alone, there are some 350 local authorities, each of whom has a slightly different list of plastic packaging they collect for recycling. This makes it very difficult for the industry to label the pack as simply 'recyclable', or 'not recyclable'. To try to simplify things, we have held discussions with the UK Government on the need for a consistency in recycling practices – we believe that having a definitive list of items that every local authority must collect for recycling will make it easier for consumers to do the right thing and this will help increase the level of recycling.

One area of great concern is litter. We all see it in the street and in the countryside, and this litter is very often washed into rivers and then the ocean, contributing to the global marine litter problem. Much of this is from items that are consumed 'on-the-go', such as coffee cups and fast food packaging. There needs to be far more recycling of these type of products and we are involved in several initiatives including one in Leeds with environmental charity Hubbub which is aimed at increasing public awareness of the importance of on-the-go recycling and another with WRAP (Waste and Resources Action Programme), the UK Plastic Pact, which aims to increase recycling rates in the UK, including on-the-go items.



The issue is large and complex, and it's attracting attention from regulators around this world. How are you preparing for possible future regulation?

A: Well, we believe our strategy sets us on the right foot to start with.

As well as this, we are involved at an industry level and individually in consultations with the government on what good recycling looks like, and how we can help to best reform regulations. We've recently had meetings with HM Treasury, DEFRA and BEIS on this matter and we have responded to their calls for evidence and consultations. This extends to the consultation on the proposed Deposit Return Scheme (DRS), which is expected to cover 'single use' glass and plastic bottles, and steel and aluminium cans.

We're supportive of the Commonwealth Clean Oceans Alliance and provided evidence and advice to the UK Government on these matters. Similarly, on an EU level we're consulting with the European Commission via EuPC (European Plastics Convertors) on the best possible strategy for Europe.

So, whilst we're in the same position as others in not knowing exactly what possible regulation will look like, we're taking a responsible and supportive position with the main bodies involved.



Q:

As well as RPC demonstrating its responsibility in its core business practice, what are you most proud of over the past year and what do you hope to do more of in the future?

A: We care deeply that our environment is being damaged by litter and are proud of the fact that RPC is involved in improving the situation at all levels from government consultations, to product design, and through our manufacturing and external partnerships. We are particularly proud of our work on a global level with the Commonwealth Ocean Alliance – after all, this is a global issue to be tackled by all.

At RPC, we have always been proud of the entrepreneurial spirit that our decentralised structure encourages. It is especially pleasing to see how our design, technical and production teams continue to embrace the need for sustainable solutions, both in the products we create and how we manufacture them. We are confident that we will maintain our leading role in these areas so that plastics can continue to make a valuable contribution to our modern life for the benefit of future generations.



Q:

What can you tell us about the EU Directive about ‘single use’ plastics that was published in May 2018?

A: Firstly, it should be noted that this is a proposed Directive. It is currently making its way through European parliament and Council of Ministers and, as such, there are many months of discussions, clarifications and challenges ahead, prior to the Directive being finalised. Then each member state is responsible for enacting laws to ensure the measures in the Directive are applied.

One positive thing about the proposed Directive is that it provides further classification on the term ‘single use plastics’ and lists various items, which are put into various categories from ‘restriction of placing on the market’, which is akin to banning these items to ‘awareness raising’ which requires producers to advise consumers how to dispose of the items correctly at the end of their use. This does at least provide some clarification, which the industry has been seeking for some time.

Q:

How will the Directive affect RPC?

A: As we’ve already mentioned, there are many things that need to be clarified in the proposed Directive but on the face of it, RPC will not be greatly affected because we manufacture very few of the ‘single use’ items listed.

In fact, this represents opportunities for RPC. For example, the proposed Directive calls for beverage bottle caps to be designed so that they are irremovable from the bottle. Well, RPC manufactures the sports cap, which is irremovable from the bottle, so we already have a product that meets one of the requirements of the proposed Directive.

Designing SUSTAINABLE products

Sustainability is an overriding consideration in the lifecycles of all the products we manufacture, and we aim to make a contribution at every stage – from their design, production and transportation, through their effective use, to subsequent reuse, recycling or other end-of-life solutions.

Promoting progress towards
SDG 9 and SDG 12



Plastic products have a lifecycle which spans their development, use and disposal. RPC's sustainability design programme focuses on seven areas that cover procurement, design, manufacturing, distribution, retail, use and recycling. At each stage we ensure that any environmental impact is minimised wherever possible. Our unique ability is to create innovative products which meet our customers' demands to sustainably protect the products that they manufacture.

Working with our customers

The starting point with any design is to establish what is required, and the needs of our customers therefore informs our entire product development process. It's a partnership approach that adapts to the particular requirements of each project in areas such as branding, preserving content, filling and logistics.

Our focus is to design a solution that is fit for the purpose intended whilst maximising its overall environmental credentials.

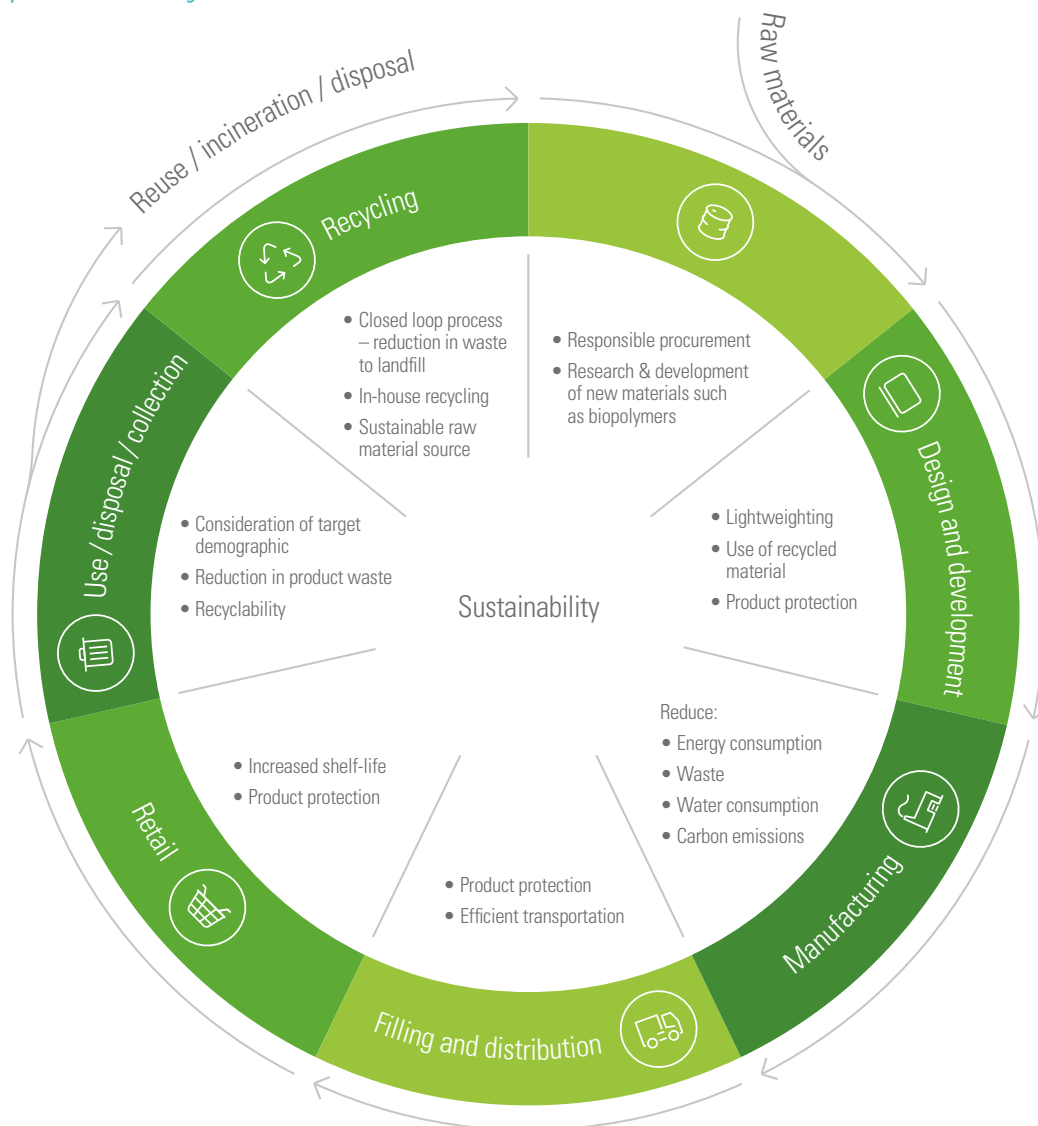
Critical to this process is to help customers make informed decisions about the type of solution they require. Our unique Circular Grading Tool gives each product an overall sustainability 'rating' that quickly shows the impact of specific design or material requests.

Carefully considered materials

Plastics' versatility enables the material to meet the different requirements of a huge variety of products. Any solution needs to be designed and manufactured to perform its required functions. The appropriate selection of material for each design ensures that every product can support a more sustainable world through effective product protection and preservation as well as end-of-life options.

There are implications for the use of any material. Incorporating recycled plastics into new products, for example, meets circular economy principles and can also enhance a brand's reputation in the eyes of consumers. From a product design point of view, the incorporation of recycled plastic has very little effect and products are manufactured on the same equipment. Our aim is to ensure that what we create offers the same levels of functionality, reliability and convenience as one made from virgin plastic. This may require a product of a slightly heavier weight – this is because the mechanical properties of recycled plastics cannot always be guaranteed due to the mix of polymer grades in post-consumer recycling.

The plastic product lifecycle



DESIGNING SUSTAINABLE PRODUCTS CONTINUED

The benefits of the use of biobased plastics include a reduced dependency on fossil fuels and reduced CO₂ emissions during manufacture. However, with ever increasing pressure on food resources to feed a growing global population, it is important that the biomass source used to make biobased polymers should not be at the expense of valuable food crops. Biodegradable materials offer an alternative end-of-life solution but they can contaminate plastic recycling schemes and therefore require separate processes. Effective communication, especially on the product itself, is required to ensure consumers dispose of it appropriately.

Lightweighting

Lightweighting delivers several sustainable advantages. Reducing the amount of polymer used provides savings on raw materials as well as the energy and time to convert them.

However, to be wholly effective, the process needs to be considered in much broader terms. The best way to think of this is 'rightweighting' – producing a pack at a weight that minimises resource usage whilst at the same time delivering the functionality that is needed to preserve the contents, operate properly and survive the distribution and retail environment. A too-light pack may also be difficult to sort automatically in a recycling facility.

Product protection

We use the strength, durability and barrier properties of plastics to ensure products can be effectively protected to maintain their quality throughout their life, and reach the end consumer in perfect condition, thus reducing unnecessary waste.

Our barrier plastic designs extend the shelf-life of a wide variety of foods, helping to minimise waste, a significant benefit when you consider that ten times more resources—materials, energy, water—are used to make and distribute food than are used to make the packaging to protect it*. We can design packs to meet different user requirements – from single serve to family sizes – which also helps to minimise waste.

In the cosmetic sector, pack designs enable products to be manufactured from natural ingredients that are preservative free. Chemicals can be protected during storage and transit, whilst special closure systems ensure they are dispensed safely.

*Source: INCPEN.



Material substitution

The use of light weight and low carbon plastics can deliver environmental benefits, particularly in terms of transportation, throughout the supply chain. A design project will often focus on finding a plastic solution as a substitute for a heavier material, whilst ensuring that the final design can still meet its primary purpose of protection, preservation and promotion.

Reuse

Many of our designs naturally lend themselves to second uses, such as pots for pens, and jars containing screws and nails. The reuse of containers can provide a point of difference in retail markets, for example buckets for sweets, which consumers are then encouraged to use for storage. In the food processing and fresh fish and meat industries, bulk containers are easily maintained and cleaned for reuse.

Recyclability

For many plastic product designs, the main target at their end-of-life is to 'recycle'. We seek to create a solution that is fully recyclable and which can incorporate recycled materials. Using single material packs in PET, PP or HDPE is the first objective, and if this is difficult then making the components easily separable is important.

Designing for the circular economy

'Reduce', 'substitute', 'reuse' and 'recycle' are all major considerations in our design checklist that takes into account the different stages of the circular economy and the many different factors that affect a product's overall sustainability attributes.



Weight reduction of

40%

Spreader packs provide a convenient and easy way to treat lawns. However, by their very nature, they can be complex to produce. We worked with our customer to redesign a pack in order to reduce the number of components required in its construction from nine to three. This resulted in a weight reduction of 40%. This valuable material saving was achieved whilst retaining all the functionality of the original design.

The refillable pack also meets the circular economy principles for reuse and following the redesign, the product's indicated RecyClass score has improved from D to C on the RPC Circular Grading Tool.



Using recycled plastic

We are a leader in the manufacture of products incorporating recycled plastic, focusing on the development of useful and relevant second-life applications.

RPC bpi group pioneered the reprocessing of highly contaminated agricultural waste, using the recovered material to develop 'The Green Sack', which is now the leading refuse sack brand in the UK. Our recycled material is also used in the production of our innovative range of Plaswood outdoor products and plastic lumber that provide a no maintenance, sustainable and cost-effective alternative to traditional materials such as concrete, steel and wood.

Elsewhere across the Group we produce a wide variety of products manufactured from 100% recycled plastics including storage boxes, wheelie bins, and watering cans, planters and other garden products.

Our design and technical skills have also been the critical elements in the successful incorporation of post-consumer (PCR) and post-industrial (PIR) plastics into packs such as paint containers with 25% recycled material, and oil containers, shampoo bottles and paint tester pots with 100% recycled material. In particular, this expertise has ensured that pack performance and functionality are not compromised in any way by the use of the recycled plastic.

RPC Circular Grading Tool

Our unique grading system provides an easy visual guide to the sustainability credentials of each new pack we create.

This complements the circular approach that we take to all our design projects, which focuses on areas such as lightweighting, reuse, and the incorporation of recycled material, as well as the overall recyclability of the finished pack.

To represent all these factors visually, we have adopted a similar approach to the energy and efficiency rating used for products such as electrical appliances, boilers and double glazing, with a series of bars of various lengths and colours.

The grading scale is based on the widely-used RecyClass system, developed by the Plastics Recyclers Europe organisation, which provides very good definitions of how recyclable a piece of packaging is on a scale of A to F. The coloured bar graph therefore quickly shows the effect of design decisions on a pack's recyclability. As this is not the only factor in developing the most sustainable packaging solution, additional symbols for lightweighting, reuse and recycled material have been devised and incorporated into the grading system.

Overall, this provides an indication at the design stage to brand owners and manufacturers about how their pack specifications may affect its final environmental impact, and enables further discussions and adjustments to be made in order for enhancements and improvements to be incorporated.



Managing our

ENVIRONMENTAL

impact

As well as focusing on the design of our products, we are also committed to reducing the impact of our manufacturing operations. We have a responsibility to reduce our electricity and water consumption as we seek to lower our overall carbon emissions. With a dedicated sustainability group to implement, oversee and monitor environmental initiatives, supported by the Group Executive, we ensure all parts of our Group are focused on the same objectives.

Promoting progress towards SDG 7, SDG 9, SDG 12, SDG 13 and SDG 14



Energy

The nature of our manufacturing processes, in particular our use of electricity, makes RPC an energy-intensive operation. We are conscious that the packaging we manufacture is a way of managing the overall carbon footprint of the product it contains and we strive to find a balance of design and innovation with the direct impacts of our manufacturing processes to ensure that we are playing our part in the reduction of global carbon emissions.

As our most material impact, our major objective is to maximise energy efficiency throughout our facilities. Initiatives have included the replacement of traditional lighting with more efficient LED varieties, and replacement of diesel forklift trucks with electric models. The introduction of new energy saving production machines delivers an energy saving of up to 30% per machine replaced in comparison to older machines. Other measures that we have introduced include automatic shut-off programmes so that machines do not remain in operational mode when they are not in production, and leak detection systems to reduce energy wasted through loss of compressed air.

We are also exploring the use of renewable energy sources across the business. At present a number of our facilities utilise renewable energy, for example, our ESE World factories in Germany and France use 100% green energy, whilst the RPC M&H site in Ellough, UK, generates its electricity on site through solar panels.

Nearly one fifth of RPC sites have already been accredited to the ISO 50001 Energy Management standard, part of which requires energy reduction targets to be put in place. The standard also requires sites to regularly measure, monitor and implement improvements in energy efficiency.

During the 2017/18 reporting year the Group electricity consumption, measured in KWh per tonne, was 1,508, 23.3% lower than the previous year. These improvements in electricity consumption largely reflect the impact of new acquisitions, mainly a full year impact of BPI and Letica whose average consumption is well below the rest of the Group. Excluding the impact of the new acquisitions, BPI and Letica, the Group has improved energy consumption as a result of continued focus and investment in more energy efficient production as outlined above.



The green machine

The installation of the world's largest electrically-heated rotational moulding machine has delivered a significant reduction in CO₂ emissions at RPC Sæplast Iceland, part of RPC Promens.

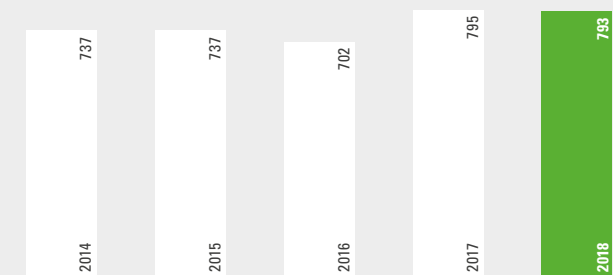
Conventional roto moulding machines are heated with fossil fuel burners. However, when the site wanted to expand capacity, it was decided to explore the opportunity to utilise a greener form of energy for the new machine. The solution from Reinhardt India offered the best energy efficiency whilst still delivering the high standards of technical excellence and reliable performance for which Sæplast containers are renowned.

Since its installation five years ago, the use of green electricity has eliminated the need for around 800,000 litres of diesel fuel – equivalent to the annual usage of approximately 500 cars. As a result, CO₂ emissions from the plant are now 30% lower despite a volume increase of over 20%.

Water usage per tonne L / T

✓ -0%

793



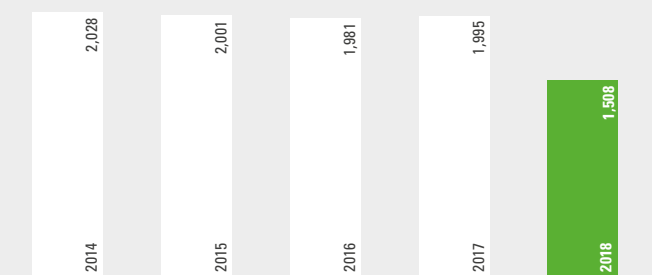
Performance

Water usage has improved as a result of acquisitions which have a lower average consumption than the rest of the Group. The Group, excluding acquisitions, has recorded a slight increase as a result of some one-off water leaks, installation and testing of new cooling systems and Health & Safety initiatives requiring more stringent hand washing requirements across some sites.

Electricity usage per tonne KWh / T

✓ -23%

1,508



Performance

Electricity usage improvement largely reflects the impact of new acquisitions, mainly a full year impact of BPI and Letica whose average consumption is well below the rest of the Group. Excluding the impact of the new acquisitions, BPI and Letica, the Group has improved energy consumption as a result of continued focus and investment in more energy efficient production.

MANAGING OUR ENVIRONMENTAL IMPACT CONTINUED

Greenhouse gas emissions reporting

Methodology

Emissions were calculated on an operational control approach using 'The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard' with additional guidance and emissions factors derived from DEFRA and DECC's 'UK Government conversion factors for Company Reporting' and the IEA's CO₂ emissions from fuel combustion.

Included Activities

Greenhouse gas (GHG) emissions from the purchase of electricity and combustion of fuel.

Emissions

Absolute emissions have increased due to significant acquisitions during 2016/17 financial year.

Despite the increase in absolute emissions the intensity ratio has decreased in 2018. This is due to the Group's continued focus and investment in more energy efficient production.

	Tonnes of carbon dioxide equivalent (CO ₂ e)	
	2018	2017
Scope 1 emissions (Fuel combustion)	29,881	20,828
Scope 2 emissions (Electricity)	743,526	552,919
Total GHG Emissions	773,407	573,747
Intensity ratio: Tonne of CO ₂ per £1m of revenue	206	209

Water

Water is a key part of our production, with cold water pipes used to cool our plastic products once they have been moulded. To minimise losses of water during this process, we are replacing open loop water cooling systems with closed loop systems. These reduce water lost through evaporation and allow it to be recycled through the system, which results in a reduction in total water usage.

Where our sites are in areas of high water risk in terms of its availability and variability, we monitor the situation in order to be able to adapt to any changes.

We are implementing programmes to identify and fix water leaks and wastage in our use of water across all business operations.

Our products also contribute to the wider moves to reduce water consumption. Agriculture accounts for some 70% of global water withdrawals* – our high performance films provide valuable crop protection whilst many of the packs we produce contribute to minimising food waste. The more food produced and consumed, the less water wasted in its production.

Water usage, measured in litres per tonne, has improved as a result of acquisitions which have a lower average consumption than the rest of the Group. The Group, excluding acquisitions, has recorded a slight increase as a result of some one-off water leaks, installation and testing of new cooling systems and Health & Safety initiatives requiring more stringent hand washing requirements across some sites introduced during the reporting year.

*Source: Food and Agriculture Organisation of the United Nations.



Greenhouse gas reporting

Greenhouse gas (GHG) emissions are divided into three main categories.

Scope 1 – also referred to as direct emissions – covers emissions from sources owned or controlled by an organisation such as activities which involve the combustion of fuel on site. Scope 2 – or energy indirect GHG emissions – refers to emissions arising from the consumption of purchased electricity or other sources of energy.

At RPC we currently measure and report on scope 1 and 2 emissions. As well as the significant work already highlighted in electricity consumption reduction scope 2, we are working on initiatives to reduce scope 1 emissions through the further reduction of fuel use which is used on site for activities such as heating, powering on-site vehicles and decorating products.

During the 2017/18 reporting year absolute emissions have increased due to significant acquisitions during the 2016/17 financial year. Despite the increase in absolute emissions the intensity ratio has decreased in 2017/18 from 209 tonnes of CO₂e per £1m of revenue to 206 tonnes of CO₂e per £1m of revenue. This is due to the Group's continued focus and investment in more energy efficient production.

For scope 3 related emissions, we are in the process of collecting data to analyse the footprint of emissions associated with our supply chain, looking at emissions generated from areas such as the plastic we purchase, our waste disposal activities and the impact of business and commuter travel. This will help us to identify ways to further reduce our emissions.

Manufacturing waste

Waste polymer is a valuable material and we seek to reuse this, where possible, during our manufacturing processes or within other areas of the business.

For more general waste, such as cardboard boxes and tubes, wooden pallets and metal scrap, much of this is segregated and collected for recycling. Several of our sites have reached or are working towards achieving sending zero waste to landfill by working closely with their waste contractors and employees on site.

In order to further reduce the impact of plastic lost during the manufacturing process we have signed up to 'Operation Clean Sweep', an international initiative from the plastics industry to reduce plastic pellet loss to the environment.

Transport and distribution

Maximising the efficiency of the transport and distribution of our products can make an important contribution to the reduction of our environmental impact.

Although the majority of our transportation requirements are outsourced, we can reduce our impact through the effective management of our geographical footprint, with a commitment to manufacture products close to our suppliers and customers where possible to reduce distances. We also aim to ensure that we maximise the efficiency of our delivery operations – with full pallets, backloading wherever possible, and the adoption of reusable secondary packaging.

For example, a recent initiative with a major customer in the RPC Bebo division saw the introduction of 'double stacked' pallets. Increasing the load on each lorry saved 140 truck journeys, a reduction of 16%.

In-house recycling activities

Plastics recycling diverts used plastic from the waste stream and provides a valuable raw material resource for second-life applications in a variety of products. RPC operates some in-house recycling facilities and services that ensure the value of used plastic is realised. The two main parts of the business operating in this area are detailed below.

RPC bpi group has the recycling experience and infrastructure to collect waste plastic from across Europe, and to also supply recycled, second-life products including refuse sacks, plastic wood and construction membranes. The Group's acquisition of Nordfolien, which completed in 2018/19, has added further in-house recycling facilities.

ESE World manufactures a range of waste and recycling bins. The business also operates a recycling service for waste bins that are no longer in use which has resulted in the successful recycling of over four million units. Mobile units are used to granulate the disused bins with the material then being transported to ESE World production facilities to be converted into new bins. This process reduces transportation of bulk items and therefore contributes to reduced costs and CO₂ emissions.

Communicating our approach

We have developed a number of position statements and information sheets on a range of important environmental topics, available for both internal and external audiences, which aim to present the key facts in a fair and balanced way as well as give an insight in to our approach and activities in this area as a business. These documents can be found on our website: www.rpc-group.com.

Our employees are ambassadors for our business and we encourage them to learn more about the many sustainability benefits of plastics. Monthly email updates and training programmes make sure everyone is kept abreast of all the latest developments in a fast-changing situation.

Site enhancements underline RPC's sustainability commitment

A two-year energy optimisation project at RPC Bebo Bouxwiller has significantly lowered the site's energy and water consumption.

Reductions of 25,000m³ in water, and 830,000 kWh in electricity per year have been achieved by a number of measures. Cooling towers have been replaced with closed-circuit heat exchanger cooling systems; new low-energy LED lighting has been installed in the warehouse and production areas; and new energy control systems, together with low-energy compressors, have improved the efficiency of compressed air.

The savings generated are equivalent to the annual energy used by 120 people and the water consumption of a village of 300.



RPC's zero pellet loss pledge

Operation Clean Sweep (OCS) is an international initiative from the plastic industry to reduce plastic pellet loss to the environment that may escape the system during the supply chain or manufacturing process.

As a business that uses significant quantities of plastic in the form of pellets, flakes and powder we have a duty of care to prevent pellets leaving our sites and polluting land and water courses. At present the initiative has been rolled out to all of our UK facilities and we are in the process of implementing OCS to all manufacturing facilities across the globe.

Sites have implemented OCS using an eight step plan which starts with getting site management engaged and works through undertaking a site audit, identifying areas for improvement and ending with a continuous auditing and enhancement process to ensure high standards are maintained to prevent pellet loss. Employees and visitors to sites have also been engaged by encouraging them to pledge their personal commitment and support to OCS through competitions and sign-up boards.

Empowering and looking after our

PEOPLE

Our people are the most important part of our company, and ensuring their health and safety in addition to providing attractive opportunities for learning and development is important in attracting, engaging and retaining them.

We believe that everyone deserves to be treated with respect and trust and RPC provides an inclusive, collaborative and entrepreneurial environment in which to work. This means that each individual has the right to and feels able to express their feelings professionally, including problems, complaints, suggestions or concerns. Our decentralised operating structure enables our seven divisions to have considerable autonomy within a clear, consistent and strategic framework. We co-ordinate Health & Safety centrally and implement cross-divisional training programmes which encourage our divisions to share knowledge and best practice.

Promoting progress towards
SDG 3, SDG 4, SDG 5 and SDG 8



Health & Safety

Our Health & Safety culture is founded on our belief that each of us can make our workplace safer and that in doing so we can build both knowledge and habitual safe behaviour which can keep us and our loved ones safer outside of work. We understand that industrial processes are prone to safety hazards and we encourage each other to recognise, identify, report and resolve hazards because we know that this not only removes the hazards but also builds a culture of safe working. Our accident rate has significantly reduced over time but we still have accidents which leave our colleagues injured. We firmly believe that we can continue to reduce the number and severity of accidents as we work together to build our culture of interdependence. We benefit from the dedication and creativity of our colleagues throughout the company in devising ways to improve site safety and in sharing these; we adopt or adapt safety improvements where appropriate across our diverse manufacturing technologies. All of our colleagues contribute to the development of our Health & Safety culture, most notably during RPC's Safety Week and everyone has the opportunity to feedback his or her opinion on the efficacy of our efforts.

Safety Week

A critical aim of RPC's annual Safety Week is to promote our focus on Health & Safety and prevent accidents in the workplace. Equally important is ensuring the general health and wellbeing of our employees. RPC Safety Week 2017/18 was communicated with the slogan 'Safety. It's in our hands' to promote this. The week included health checks for blood pressure, glucose and cholesterol levels, and eyesight and hearing tests. There was plenty of ergonomic advice on posture and how to lift heavy items properly. The need to follow a healthy diet was another recurring theme with advice on the right types of food to eat, and nutrition counselling.

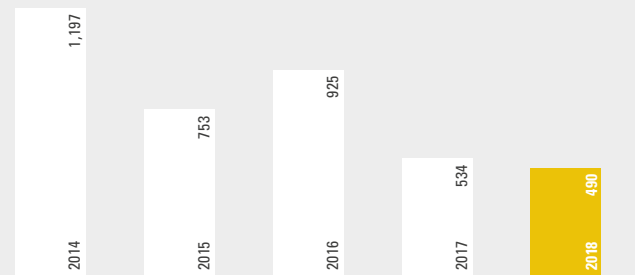
The most important message of Safety Week is for employees to take what they have learned during the event and implement it throughout the rest of the year. Being safe and healthy at work is good for the home life as well - a point that was tellingly made by the noticeboards put up during the week at several sites, which were covered with photos of employees' families and loved ones, under the title 'Why I work safely'.



Reportable accident frequency rate

↓ -8%

490



Definition

The number of accidents resulting in more than three days off work, excluding accidents where an employee is travelling to and from work, divided by the average number of employees, multiplied by 100,000.

Performance

A continued focus and investment in Health & Safety initiatives has resulted in the improvement of the reportable accident frequency rate. During the year, there has been a particular focus on bringing recent acquisitions in line with the Group policy and developing Group culture.

Training hours per person:

↑ +33%

6.4 (2017: 4.8)

Definition

The number of hours spent receiving / participating in safety focused training or education per employee.

Hazards resolved per person:

↑ +50%

2.7 (2017: 1.8)

Definition

Hazards are conditions which if left untreated could result in accident or injury. Resolved hazards are those which have been dealt with so as to eradicate them or leave them benign.

EMPOWERING AND LOOKING AFTER OUR PEOPLE CONTINUED

Management of Health & Safety

RPC's approach to safety is built around a set of basic requirements in all areas of operations, from Safety Principles to RPC Blue safety audit requirements, which define the standards with which all business units must strive to comply.

The Group Health & Safety policy, the direction of which is set out by the Board, is intended as a guide to strive for continuously improving a safety culture which safeguards those who work within, for, or visit our sites.

Compliance with local legislation is expected from every site and as in many cases, RPC's requirements exceed local legislation; all sites must attain RPC's standard as a minimum. The senior manager, through their management team and safety committee and in full collaboration with employees, has the responsibility for the safety of everyone on-site and for implementing and maintaining RPC's safety standards.

To help with this, detailed safety standards are translated, and every site is audited against the standard every year by internal and external trained safety auditors.

At each of our sites, signs are used to give a positive safety message and up to date safety statistics including the number of days since the last reportable lost time accident are displayed. Site meetings start with a Health & Safety briefing which includes pointing out the fire exits, assembly points, keeping to the walkways on-site, PPE and how to report observations.

Our safety forums, made up of representatives from around the Group, further shape the way we approach safety at each site, helping us to devise our annual safety improvement plans and assisting with the implementation of these.

We ask every employee to anonymously participate in an annual Safety Climate Survey (devised by the UK Health & Safety executive). The results of the Group, divisions and individual sites are then shared in detail, along with industry benchmark information, with all employees, and the findings are used to set the Health & Safety agenda. That way we learn and plan according to our needs each year.

We share details of reportable accidents (and serious near misses), the root cause and corrective actions with every site to be cascaded throughout the operation. Employees are encouraged to proactively identify and report hazards. If left untreated, hazards could result in accident or injury and having been identified and reported, hazards can then be resolved which helps to minimize future accidents and serious near misses. During 2017/18, 2.7 hazards were resolved per person, an increase and improvement from 1.8 in 2016/17.

We communicate best safety practice across the Group. This approach complements all of our training resources which are translated and available throughout the organisation. We also monitor the number of hours that our employees spend participating in Health & Safety focused training or education and in 2017/18 we are pleased to report a 33% increase to 6.4 hours per employee.

Fire prevention and fire safety

With 189 manufacturing operations, fire safety is a key area of focus. Fire prevention, fire risk assessment and evacuation procedures are part of the safety audits carried out in our RPC Blue safety programme. Insurance fire specialists carry out detailed fire audits on our sites focusing on safety of our people, business continuity and property risk. Specific elements such as evacuation and combustible sandwich panels are covered and improvement measures are put in place as part of the safety plan unless urgent changes are required.

Working at RPC Group

RPC provides an inclusive, collaborative and entrepreneurial environment in which to work, one where everyone is treated with respect and trust, and has the opportunity for training and development.

In the last year, annual share save schemes have been launched across our businesses in 23 countries, with around 23% of employees participating to date. These schemes allow employees to benefit from working for a PLC by allocating a proportion of their salary towards the right to purchase shares at a determined discount to the share price at a given date.

More formally, RPC aims to act responsibly and with integrity, respecting the laws and regulations of all of the countries within which it operates as well as internationally accepted standards of responsible business conduct. High standards of professional and ethical conduct are required from all employees, officers, directors and third parties who work with the Group and the current Code of Business Conduct is available and can be read in full on our website: www.rpc-group.com.



Keeping it in the family

Jonathan Goolsby from Letica Corporation is currently completing his Mould Maker apprenticeship with the guidance of Oakland Community College and the US Bureau of Labor, as part of Letica's apprenticeship programme to introduce young people to the benefits of a career in engineering.

Jonathan's programme focuses on developing his skills as a journeyman mould maker, as well as providing the all-round knowledge required for a career in moulding. Of particular value to him have been the courses in metallurgy, machining and Computer Numerical Control. During this time, he has worked with and had the support of four other employees who went through the apprenticeship programme at Letica and have been with the company for more than 20 years.

For Jonathan, one of the benefits of his apprenticeship is the ability to learn from the ground up, building his knowledge in the classroom and on the shop floor. "It's great to work as part of a team and to be continually learning new things," he comments. "I have had great training - it's good to be challenged and not to be afraid to make mistakes but to learn from them."

Jonathan's interest in plastics is not surprising. His father Rick, Letica's Technical Service Manager, has been in the industry for 43 years, the past 26 with Letica. One of Jonathan's favourite childhood memories is being shown round the Letica Tech Centre by his father on Saturday mornings.

Training and development of our existing staff

Employees need to be given the right skills to progress through the organisation and believe that there is no perceived glass ceiling for advancement. The Group's talent development programmes are significant in making this happen. Efforts are being made to build the next generation of leaders through five programmes including Silver, Gold and Platinum. The development programmes focus on identifying high potentials and creating a talent pool to get people ready to attain the next level. RPC is entrepreneurial, customer focused and fast growing, factors which are supported and enabled by workforce diversity. The organisation remains committed to building the future talent pipeline.

UK gender pay gap

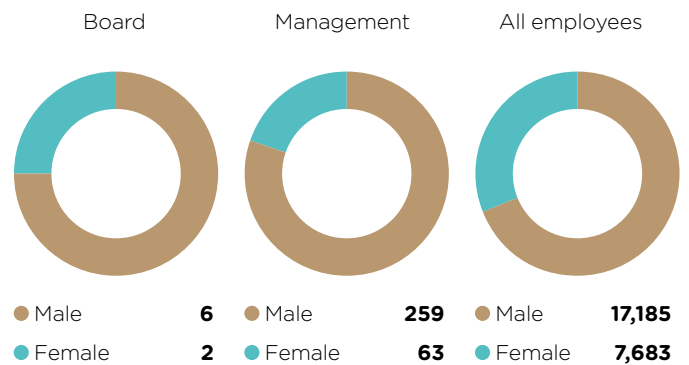
RPC was pleased to publish its Gender Pay Gap report in April 2018 for the 12 months to April 2017. The regulations provide an opportunity to communicate the commitments and the initiatives that the Group is taking to increase female representation throughout RPC. As a business the aim is to promote diversity. The culture and the everyday operations are gender neutral; however, the industry which the Group operates within is largely male dominated and females are underrepresented, especially in engineering roles. As an organisation, the aim is to make RPC a more diverse and inclusive place to work. Based on the UK Government's methodology, RPC has a median gender pay gap of 15.9% across all RPC Group employees in the UK. This is lower than both the UK average overall as well as for those companies operating in the manufacturing sector. Females only represent 31% of the overall workforce at RPC. The organisation needs passionate and talented individuals with a diversity of views that drive innovation and there is commitment to achieving an increase in female representation in the following ways:

Increasing female graduate and apprentice applications

RPC invests in its employees and provides a range of appropriate training – this starts at the very beginning of employees' careers. Building the pipeline of women starts by increasing female representation at the apprentice level by making the RPC brand better known to female school leavers. 31 apprentices have been through the academy since 2013 – only two of whom have been female. However, this is already improving. In total for 2017, of the 46 apprentices hired across the RPC Group, 15% were female. This also applies to graduates – there is a need to ensure the Group is attracting top female graduate talent by partnering with universities and colleges to create a brand and culture that is attractive. Launched in 2018, the International Graduate Development programme looks to develop an effective recruitment strategy using multiple sources and aims to further build the employer brand.

Gender diversity

The Group promotes equal opportunities for all present and potential employees and does not discriminate on grounds of colour, ethnic origin, age, gender, race, religion, political or other opinion, disability or sexual orientation. The gender diversity of the Group at Board, senior management and organisation level at is shown below. Whilst there is not currently a formalised Group policy on diversity these principles are well understood and practiced throughout the organisation. In common with the approach adopted by the Board there is no current provision made for the setting of targets on any diversity grounds at any level of the organisation although this will be kept under review and consideration given to those recommendations set out in both the Hampton Alexander and Parker reports.



Peace of mind

The mental wellbeing of employees is another vital part of our Health & Safety policy, especially as it is estimated that one in four people will suffer from a mental disorder at some point in their lives.

To raise awareness of this issue, the RPC bpi protec sites undertook a week of events under the banner 'Head in the Right Direction'. These underlined the importance of looking after our mental health with information on topics such as the benefits of exercise, sleep and nutrition in combatting problems. A special mental health awareness quiz helped to highlight some of the key issues around this topic.

The week culminated in a 24 hour treadmill challenge that saw all sites taking part and raising over £1,500 for various charities, including two mental health organisations; Mind and the Open Door Centre.

The success of the event and in particular the important issues highlighted have already encouraged other RPC businesses to plan similar initiatives.



Supporting local

COMMUNITIES

We are passionate about supporting the communities in the locations in which we work. We often work with schools to support the development of science and innovation skills, and we're keen to support charities who work on environmental campaigns aligned to our business. Our decentralised operating structure means that individual sites are able to work with charities and causes that matter most to the workforce. Here are a selection of our community stories from the year.

Promoting progress towards
SDG 3, SDG 4 and SDG 8

3 GOOD HEALTH
AND WELL-BEING



4 QUALITY
EDUCATION



8 DECENT WORK AND
ECONOMIC GROWTH



Education for all

RPC Ace undertakes a comprehensive range of community activities across its factories in China.

The company's main initiative is its annual Yangshan sponsorship programme. Around £15,000 (RMB 125,000) is invested each year to enable high school students to continue their education in one of the poorest areas of the Guangdong province in China. The aim is to help families to overcome poverty through better education.

In addition to the provision of financial support, Ace colleagues undertake visits to many of families involved in the programme and several students also have the opportunity for work experience at the Ace Zhuhai factory during the summer holidays.

Other activities around the company include regular blood donations at Ace factories, a team of volunteers at RPC Ace Shenzhen who carry out visits to elderly people's home, and participation in Hong Kong's annual UNICEF Charity Run in November - the fund-raising theme last year was 'Run for Every Child' whilst in 2016 it was 'AIDS to Zero'.



Open doors

Welcoming the local communities into our factories provides an excellent way for families and friends to find out more about the working lives of their husbands, wives, sons, daughters, parents, grandparents and neighbours.

Two such initiatives have taken place recently. RPC Superfos Besançon held an 'open house' to celebrate 20 years at its Parc La Fayette site. More than 150 guests joined members of staff, enjoying food and drink and tours of the factory.

A similar event at RPC Bramlage Bellignant enabled visitors from the locality to learn about the work that takes place at the factory with a guided tour as well as the opportunity to socialise and get to know employees and other attendees alike.

"Seeing so many people here all demonstrating a lively interest in our facility was a delightful experience, RPC Superfos Besançon cares for the local community and we appreciate our strong relationship with employees, their families and other businesses in our neighbourhood."

Miguel Saboga
 Factory Manager

Leading the way

Letica Corporation has been a community partner of the Leader Dogs for the Blind in Rochester, Michigan since 2000.

Founded in 1939, the charity has operated as one of the world's most respected guide dog programmes. Its mission is to support people who are blind or visually impaired by providing them with a highly trained dog to help with skills for a lifetime of independent travel. To date, Leader Dogs has placed more than 14,500 dogs in new homes.

Employees make donations throughout the year with Letica Corporation matching the amount raised. So far this initiative has raised over \$105,000.



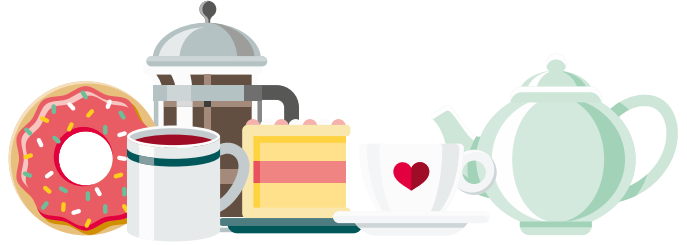
SUPPORTING LOCAL COMMUNITIES CONTINUED

Care for the community

One of the many advantages of RPC's decentralised structure is that when it comes to supporting charities, sites can direct their activities towards those that matter most to the workforce.

One example of this is at the RPC bpi recycled products site in Rhymney, where many employees have had personal involvement with the Helping Hands charity. This organisation supports seriously ill residents in the Upper Rhymney Valley, helping to make life easier for both patients and their carers.

The simple initiative of a coffee morning organised by employees raised £481 through the sale of cakes, a raffle and a silent auction, with prizes donated by Rhymney employees and suppliers. The site was then able to match these efforts with a donation that brought the total raised to £1,000.



Total donation raised

£1,000



Investing in our future

Encouraging and supporting the next generation of design and technical innovators is crucial to RPC's continuing success and growth, so we engage with schools and colleges in the areas around our factories as an important contribution to this.

Among our recent initiatives, the RPC Superfos site in Lubień, Poland has donated a set of IT teaching tools for the newly-opened computer graphic lab at the nearby Technical School in Włocławek. RPC Superfos Lubień has worked with the school for the past two years, formalising the close ties that have existed between them for many years. Eight former pupils work in the factory, several of whom have been with the business for over 10 years.

RPC Superfos has also helped to establish classes in computer graphics for students of electrical subjects, automation and robotics, and on an ongoing basis provides vocational training for pupils at the factory, and sponsors training for teachers.

At RPC Bebo Plastik in Bremervörde, Germany, the Future Day has been a regular fixture in the spring calendar for nearly 30 years. The event enables local children to spend a day at the site to give them an insight into all the various career opportunities that are available, including electronics and production engineering, technical product design and information technology. This year 20 children took part, enjoying a company presentation and factory tour.

Keeping the community clean

It is important to remember the human element that contributes to the problem of litter.

That is the thinking behind the Corby Clean & Proud campaign that aims to keep the town of Corby 'clean and litter-free - maintaining pride in our community'.

RPC Bebo UK is delighted to have become a pledger to this campaign, an example of initiatives across the Group aimed at tackling this universal problem. As part of Corby Clean & Proud, special 'clean up' events are regularly organised in different areas around the town. Colleagues from RPC Bebo take part in these, bringing along family and friends as well.

Whilst the C.L.E.A.N. pledge is specific to Corby, its aims to echo the approach that everyone needs to take to keep our communities litter-free and in this way help to prevent damage to the environment.

- Commit to reducing the litter local to my Corby community
- Learn more about the impact of litter in our communities
- Engage with fellow businesses for a collective effort to keep our area clean
- Act as an ambassador in promoting waste reduction
- Notify the council if you spot any excessive littering



Working together

RPC Zeller Plastik Barcelona and its customer L'Oréal are collaborating with a local charity to support people who can often struggle to find work.

The Viver de Bell-Iloc Foundation in Cardedeu, Barcelona, was established in 1982 by a group of parents who were concerned about the future for their disabled children. The non-profit organisation now works with more than 120 people to promote and contribute to the social inclusion of people with learning disabilities.

Two teams of six people from the foundation are assembling RPC Zeller Plastik's three-part Powermix dosing device, which is being supplied for L'Oréal Professionnel's Serie Expert brand. Over one million units will be assembled each year and delivered to the L'Oréal Burgos factory in Spain.

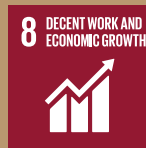


Over
1 million
 units assembled each year

Ensuring a RESPONSIBLE supply chain

We seek to be honest and fair in our relationships with customers and suppliers, to provide customers with standards of product and service that have been agreed, and to pay suppliers and sub-contractors on agreed terms.

Promoting progress towards
SDG 8, SDG 9 and SDG 12



Collaboration along the supply chain

RPC, as a plastics converter, represents just one part of a much larger supply chain which ranges from raw material suppliers to the waste and resource management services that handle our products at the end of the product lifecycle. As a business we recognise that we cannot always work alone to make advancements in areas that impact all areas of the supply chain.

Collaboration occurs with parties both up and down our supply chain. For example, we may work with material suppliers to develop polymer grades or materials that improve the performance of current or new products or with our customers to ensure that the packaging they purchase from us has an appropriate end-of-life solution in place.

As a business we also collaborate with a number of international organisations, trade associations, charities and non-governmental organisations that are involved with the plastic supply chain in order to input in to legislation changes that will affect our supply chain or to collaborate on areas such as educational initiatives.

A centralised approach to purchasing

A centralised approach to purchasing facilitates the ability to ensure that our suppliers are compliant with any requirements. To support the centralised purchasing team, there are key points of contact within each of RPC's seven divisions. For instance, the EU Chemicals policy known as REACH (Registration, Evaluation and Authorisation of Chemicals) came into force in June 2007. It has a direct impact on the plastic supply chain, including RPC as a plastic converter. Example substances that are covered under REACH guidelines that could be used along the plastic supply chain include monomers and pigments. RPC demands that all of its suppliers are compliant with EU REACH regulations; before agreeing business with a supplier it confirms compliance with these regulations and this may be written into the contract with the supplier.

It is Group policy to maintain accreditation to the quality management standard ISO 9001 and encourage operating units to gain accreditation to any specific standards required by the markets served or by customers such as the British Retail Consortium and Institute of Packaging (BRC / IOP) Food Packaging Standard.

Regarding the use of Bisphenol A, Phthalates, Parabens, and other endocrine disrupting chemicals, RPC complies with all laws, regulations and best practice guidance, and has certified to several of its large food customers that the factories used to produce their products are BPA free.

Educating our supply chain: 'Poly-Mer' the world's first boat made from Plaswood, a

100%

recycled plastic product manufactured by RPC bpi recycled products, is helping to raise awareness of the growing levels of plastic pollution in the UK's rivers.

The 12-seater punt was commissioned by environmental charity Hubbub and will be used for 'plastic fishing' trips by local school children as well as being accessible to the public and businesses too. All the recyclable material collected will be used to build more polymer boats, creating a fleet of litter-collecting punts across the UK.

Plaswood is a high performance wood alternative made from 100% recycled plastic that is impervious to the influence of water and therefore will not rot, splinter, crack or degrade with age. Unlike conventional wood, traditionally used in boat building, Plaswood requires no annual maintenance, staining or painting.



ENSURING A RESPONSIBLE SUPPLY CHAIN CONTINUED

Polymer resin

Raw materials accounted for 50.3% of Group revenues in 2017/18. Within this, polymer resin is the key input and is purchased centrally at RPC from a small number of large suppliers. Since the launch of the Vision 2020 strategy the Group’s polymer tonnage consumption has increased by over 350%.

Polymer resins are made by converting chemicals such as Ethylene and Propylene. These are outputs of crude oil and gas refining and account for approximately 4%-6% of oil usage*.

*Source: British Plastics Federation.

Other raw materials and utilities

In addition to polymer resin, the main materials purchased by the Group include additives such as Masterbatch (colourant), cardboard and labels. These materials are also typically purchased centrally. Electricity and water are key energy costs, with electricity purchasing and, where appropriate, hedging being managed centrally.

[Read more about our energy management on page 11](#)

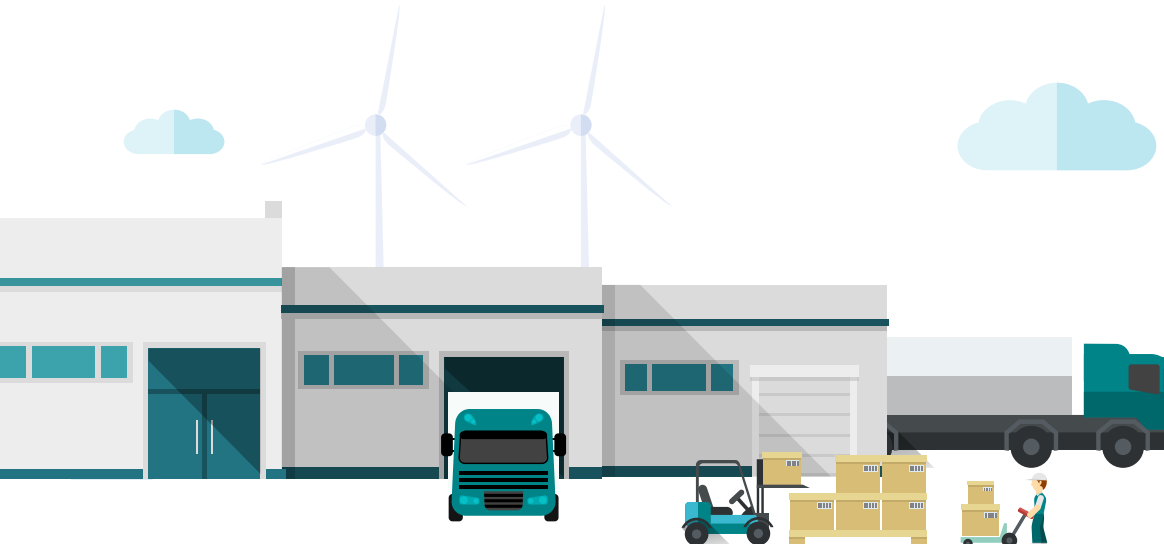
Raw materials accounted for

50.3%
of Group revenues in 2017/18

The principle risks and uncertainties faced by the Group relating to its supply chain, and the steps taken to mitigate such risks and uncertainties are summarised below.

For information on other principle risks faced by the Group, please see the latest Annual Report and Accounts.

Area of risk	Description of risk	Mitigation	Assessment / change movement
Polymer price and availability	Polymer prices can be volatile as they are impacted by changes in global supply and demand, as well as tending to follow the underlying price of oil. In addition, some sources of polymer supply are affected by plant breakdowns and unscheduled maintenance which can result in restricted availability.	The Group is able to pass on the majority of polymer price changes to its customers through contractual terms, providing an effective hedge against movements in the polymer price albeit with a time lag. The Group also continues to reduce its dependence on individual polymer suppliers by adapting its manufacturing to convert a wider range of polymer grades, which improves supply competitiveness and mitigates against supply disruption.	<p>↓</p> <p>Risk: Medium Change: Reducing</p> <p>Remains a significant driver of margin variability for most of the Group’s businesses.</p> <p>Link to Strategy: ■ Organic growth</p>
Business interruption and the loss of essential supplies	Businesses face the potential risk of operations being affected by disruption due to loss of supply, failures with technology, industrial disputes and physical damage arising from fire, flood or other catastrophe. The loss of essential services or supplies could have a significant impact on the Group’s ability to service its customers.	The Group ensures that alternative sources of supply are available where possible, and where a problem is localised in many cases it is possible to manufacture or supply the product from another site within the Group. In addition, all businesses have established protocols and procedures to ensure business continuity in the event of a major incident.	<p>↓</p> <p>Risk: Low Change: Reducing</p> <p>Recent increases in size of the Group lowers the potential impact of an incident on any one site.</p> <p>Link to Strategy: ■ Organic growth</p>



Human rights

All businesses within the Group are supportive of human rights and are expected to comply with the relevant legislation, including that relating to the workplace of the jurisdiction or country in which they operate.

The Group recognises that it has a responsibility to ensure that human rights are upheld in the supply chain. Whilst this is generally located in the countries or regions of operation, RPC aims to engage with suppliers who source products or materials from at risk countries to promote compliance with relevant local legislation.

Modern slavery

The Modern Slavery Act 2015 introduced changes in UK law that focused on increasing transparency in company supply chains. Its principal purpose was the consolidation of existing criminal offences relating to modern slavery (including slavery, servitude, forced and compulsory labour and human trafficking), provide law enforcement agencies with enhanced tools to address the issue and increase protection for victims.

The Board has approved an appropriate slavery and human trafficking statement that reflects RPC's particular risk profile, the complexity of its supply chains, and the industry and jurisdictions where it operates. The full statement can be found on our website: www.rpc-group.com.

Anti-bribery and corruption

RPC has a zero tolerance policy towards bribery and corruption in its world wide business operations, whether in the public or the private sector. Its Anti-Bribery policy applies to all employees of the Company and its subsidiaries as well as third party business partners where they are acting on behalf of the Group, including (but not limited to) agents, consultants, distributors and joint ventures. It extends to all business transactions in all countries in which the Group operates.

Code of conduct

All RPC businesses are expected to operate within policies and procedures which are consistent with the Group's values and standards. The Code of Conduct covers honest and ethical conduct, conflicts of interest, treating customers fairly, respecting the rule of law and specifically outlines the Group's zero tolerance approach to bribery and corruption.

RPC does not employ any child, as defined in the International Labour Organisation Convention, or forced labour in any of its operations.

Accreditation confirms positive CSR performance

RPC Group has been granted a Silver Recognition Level in the 2017 CSR Rating as part of the EcoVadis platform which provides supplier sustainability ratings for global supply chains.

The EcoVadis assessment offers a collaborative platform for the measuring and monitoring of a company's CSR performance covering areas including Environment, Labour Practices, Fair Business Practices and Sustainable Procurement. The customised survey provides an easy-to-understand scorecard that can be shared with all customers and clients. RPC's Silver rating means the company is in the top 6% of surveyed companies involved in the manufacture of plastic products for environmental performance and in the top 17% overall, while across all businesses surveyed, it is in the top 20%.



GLOSSARY

Acquisitions:

BPI – British Polythene Industries Plc

ESE World – ESE World BV

Letica – Letica Corporation

Nordfolien – Nordfolien GmbH

Other terms:

BEIS – Department for Business, Energy and Industrial Strategy

BPF – British Plastics Federation

CSR – Corporate Social Responsibility

DECC – Department of Energy & Climate Change

DEFRA – Department for Environment, Food and Rural Affairs

DRS – Deposit Return Scheme

EuPC – European Plastic Converters

GHG – Greenhouse Gas

HDPE – High Density Polyethylene

HMT – Her Majesty's Treasury

IEA – International Energy Agency

OCS – Operation Clean Sweep

PE – Polyethylene

PET – Polyethylene Terephthalate

PP – Polypropylene

PPE – Personal Protective Equipment

REACH – Registration, Evaluation and Authorisation of Chemicals

RPC – RPC Group Plc

RPC Group – RPC Group Plc

The Group – RPC Group Plc

WRAP – Waste and Resources Action Programme

Follow us on:



For more information on our business visit

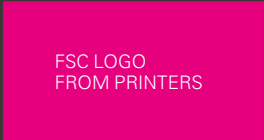
www.rpc-group.com



Designed and produced by Radley Yeldar | ry.com

This report has been printed on materials that are FSC Certified and sourced from a mill which is ISO14001 accredited.

The report is printed by an FSC and ISO14001 certified printer, using vegetable oil based inks and an alcohol free process.





RPC Group Plc

Sapphire House
Crown Way
Rushden
Northamptonshire NN10 6FB
United Kingdom
Tel: +44 (0) 1933 410064

For more information on our business please go to:

www.rpc-group.com

 @rpc_group

