

Preparing for growth  
McBride plc Sustainability Report 2016



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# Introduction to McBride

## McBride at a glance


Established in 1927, McBride boasts a strong heritage. We are the private label experts in our segments with the scale to offer our development and manufacturing capabilities to customers in continental Europe and Asia-Pacific.




energy consumption  
**reduced**  
by 3.6%



small plastic beads  
**eliminated**  
from our products since 2015



scope 1+2 GHG emissions  
**down 13%**




green energy  
**21.3%**  
of total energy




**removal**  
of phosphates in all our  
Laundry and Dish Wash  
products at our sites by 2017



**140,000 kg**  
of plastic saved by  
lightweighting 1 bottle design



water use down  
**2%**




effluent  
generation  
**static**




% sustainable  
waste  
**>90%**



Launched  
our **10** Rules  
for Life campaign



**9%** reduction  
in CO<sub>2</sub> by using  
multimodal  
transport



Lost Time  
Incidents down  
**2%**



**compacted**  
products cut emissions  
and reduce packaging



committed  
to the support  
of Sustainable  
Palm Oil



# Welcome to our Sustainability Report 2016

## Chief Executive Officer's introduction

At McBride, we manage our business to develop and manufacture products that enable consumers to satisfy their basic needs and enjoy a better quality of life.

Welcome to McBride's Sustainability Report for 2016. It has been a year since we launched the 'Manufacturing Our Future' strategy, and we continue to make good progress with this transformation of our business. An integral component of the strategy is our commitment to making a positive impact on society. At McBride, we manage our business to develop and manufacture products that enable consumers to satisfy their basic needs and enjoy a better quality of life.

This is demonstrated in the way in which our products are designed, manufactured and packaged and is achieved through collaboration with our customers, suppliers and in the communities in which we operate.

We have built on the success of last year, and our sustainability roadmap with its five pillars continues to guide us: in supporting our customers by providing them with sustainable options for their products, and in our continued efforts in being a good corporate citizen. That said, the progress and results we describe show that we are

### Our five pillars of sustainability are:

Customers and consumers



Product and design



Production and operations



Our people



Community and society



making good headway towards meeting our sustainability targets.

More information is available in this report; however, first I would like to highlight a few of our achievements. Our energy consumption has reduced by 3.6% and we are on target to reach our 2020 ambition. Good progress is also being made to achieve our 2020 target for CO<sub>2</sub>e emissions and our water use has decreased by 2% since last year. In health and safety, we have

successfully launched a new '10 Rules for Life' campaign, which has contributed to a 2% decrease in our number of Lost Time Incidents. We have updated our Group's Business Ethics Policy to take account of the UK Modern Slavery Act, and in order to support our colleagues through the changes resulting from our business transformation, we have conducted tailored training workshops designed to help to make these changes more personally manageable.

I am pleased to say that once again this year McBride plc is included in the FTSE4Good Index Series. We continue to look for opportunities to improve our supply chain practices as a member of Sedex - the largest collaborative platform for sharing ethical supply chain data and to maintain our ISO 14001 environmental accreditations. We maintain our participation in A.I.S.E. initiatives to help define the sector's strategy and activities to make products as environmentally friendly as possible.



Sustainability considerations are a crucial element in the execution of the 'Manufacturing our Future' strategy and in our day-to-day decision making. The efficiency initiatives we are executing are contributing significantly to our sustainability progress in all aspects of our business: for our people, our customers and suppliers. There is still work to do, and McBride is steadfast in ensuring that we incorporate the challenges of operating in a sustainable environment in our everyday interactions.

I do hope that you enjoy reading about our sustainability achievements to date.

**Rik De Vos**  
Chief Executive Officer  
McBride plc



# Our sustainability roadmap

## Our roadmap has five pillars

The McBride Sustainability Report 2016 focuses on the key sustainability challenges our Company faces and explores the many ways that we are responding.

The five pillars are:



### Customers and consumers

Identifying good practice sustainability initiatives that will benefit our customers and their consumers.



### Product and design

Researching and designing products that are safe to use, whilst minimising environmental impact.



### Production and operations

Reducing our environmental impact through efficient and effective process design and production.



### Our people

Creating an environment where people want to work and are able to give their best.



### Community and society

Ensuring that McBride's products and operations benefit local communities and wider society.



# Our sustainability roadmap continued

## Customers and consumers

### Customers and consumers

Identifying good practice sustainability initiatives that will benefit our customers and their consumers.



Our sustainability objectives require us to implement environmental good practice and innovative solutions to support our customers' requirements whilst also bearing in mind the responsibility we have to their consumers.

We recognise that our customers have their own sustainability agendas. We work with them to understand and collaboratively support these. We also ensure that we keep abreast of and contribute to activities related to product safety and legislation, through membership of various sustainability industry bodies.

#### Membership of the European Federation of Trade Associations for the Detergent & Cleaning Product Industry (A.I.S.E.) Charter

McBride is a member of the European Federation of Trade Association for the Detergent & Cleaning Product Industry (A.I.S.E.), the official representative body of this industry in Europe, which seeks to improve industry performance for consumers.

As an active member of A.I.S.E., we steer the industry to work with stakeholders and interested groups to develop and promote sustainable initiatives. An example of this is the Charter for sustainable cleaning which seeks to improve the processes used in production and the composition of products.

Additionally, a series of sustainability criteria has been developed for

manufacturers to promote a sustainability assurance for their products, for specific product families. Many of our products comply with these criteria and carry the logo detailing their Advanced Sustainability Profile. We are able to offer our customers the choice to include such products as part of their range.

[www.aise.eu](http://www.aise.eu)  
[www.sustainable-cleaning.com](http://www.sustainable-cleaning.com)

#### Palm oil

The growing concern about the farming practices used in palm oil plantations, led to the creation of the Roundtable on Sustainable Palm Oil (RSPO) in 2004. Since then, a set of environmental and social criteria has been developed which companies must comply with in order to produce Certified Sustainable Palm Oil (CSPO). McBride does not directly use palm oil; however, some of the ingredients we use are derived from palm oil.

McBride is a leading international user of RSPO Sustainable Palm Oil products, thus offering Sustainable Palm Oil solutions to some of our customers. To date, four of our major sites have received RSPO Accreditation. We continue to drive our supply base, as members of RSPO, to develop and supply sustainable ingredients, so we can use these materials in an increasing number of our products, for many of our largest retail customers.

“McBride is committed to minimising the environmental impact of products in manufacture, use and disposal where such changes can be agreed with our customers.”

**Jean-Charles Philippon**  
Chief Commercial Officer

As part of our ongoing programme, we purchase Green Palm certificates demonstrating our commitment and support to the cause of RSPO certified Sustainable Palm Oil. For more information, visit:

<http://greenpalm.org/about-greenpalm>





# Our sustainability roadmap continued

## Customers and consumers

### Customers and consumers continued



**TESCO**  
*Every little helps*

#### Tesco case study

At the start of the project, the majority of Household and Personal Care products we produced on behalf of Tesco contained palm oil derivatives such as surfactants and conditioning agents, usually originating from conventional palm oil sources.

#### Non-sustainable sources

Using our expert knowledge and through working closely with Tesco to fully understand their needs, we have been able to convert these derivatives to certified sustainable sources. To date, 98% of the palm oil derivatives contained within Tesco's household products and 90% of the palm oil derivatives contained within Tesco's personal care products have successfully been converted to a certified sustainable source. Future plans are in progress to move the remaining derivatives to a certified sustainable source by working closely with raw material manufacturers to highlight the importance of Sustainable Palm Oil.

Building on this great work, Tesco is now developing its future approach on palm oil, responding to the continuing challenges of sustainable oil production and continued global take up. We look forward to working with our product partners as we progress this work.

#### Environmental Progress Contracts with Scamark

McBride partners Scamark's sustainability objectives through participation in Environmental Progress Contracts. Scamark a subsidiary of E.Leclerc develops store brand/private labels for food, beverages, hygiene and cosmetics products (Marque Repère and ECO+ products).

Each year, since 2004, Scamark has invited suppliers to participate and to support their actions through their Environmental Progress Contract. The key objective being to encourage the implementation of actions to control and to reduce the indirect environmental impact of Scamark's products – through responsible manufacturing, better design, manufacturing, transport and distribution of their branded products.

This approach encourages all plants from two private label product suppliers to assess their environmental practices, to establish monitoring indicators and initiate improvement actions. To date McBride's participation through various commitments and actions has achieved benefits supporting Scamark's objective specifically in energy, water and waste.



McBride is committed to minimising the environmental impact of products



Identifying good practice and sustainability initiatives that will benefit our customers and consumers >



# Our sustainability roadmap continued

## Product and design

### Product and design

Researching and designing products that are safe to use, whilst minimising environmental impact.



We are fully aware of our quality and safety responsibilities to our customers, and to consumers who use our products. Starting at the point of initial ideas for product development, through the development process, efficacy testing, safety assessment, legislation compliance and marketing to consideration of the impacts during use and end of life of both product and packaging.

Our goal is to deliver safe and legally compliant products for consumers and the environment. We seek to ensure product safety, customer satisfaction and legislative compliance through:

- assessing safety of products before launch in technical evaluations;
- assessing the performance of products before launch in scientific trials and consumer in use evaluations;
- investigating and taking action, where appropriate, on all customer complaints, and
- having a Product Responsibility Policy and an Animal Testing Policy. We do not test products on animals, nor request testing of products or ingredients by any supplier or third party. We regularly check with our suppliers for changes to the testing status of ingredients.



### Compacted or concentrated products Compaction

Compacted products enable us to design products that have higher levels of active ingredients, with the advantage that they are more concentrated and can be sold in smaller packs. These products use less chemicals, less packaging, less energy in manufacture and generate less waste. Since the total pack size is smaller, they also take up less space, both in storage and in transport, which means emissions are reduced and the total environmental impact is reduced.

Our R&D Scientists skillfully create our products to ensure that when they are compacted, their performance still meets the needs of consumers.

In 2015, we started production of a further concentrated laundry powder detergent, and using our technological expertise along with our manufacturing capability, we have developed new and greatly improved concentrated liquid cleaning ranges.

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“McBride is committed to ensuring the highest quality and safety of its products. We take our responsibilities seriously, ensuring that all our products are developed, manufactured and supplied to meet all legal requirements and are safe for their intended use - being labelled with correct usage and hazard warning instructions.”

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**June Graham**  
Research and Development  
Director





# Our sustainability roadmap continued

## Product and design

### Product and design continued



#### Concentrated all-purpose cleaner

We currently manufacture all-purpose cleaners for a number of customers. Our new product, which is two-and-a-half times more concentrated, uses specialist manufacturing equipment to produce a new formulation which is offered to retailers. The product packaging is also specially designed with a dosing cap to ensure the correct amount is used.



#### Microplastics

Microplastics are small pieces of plastic material typically under 5mm in size. They originate from a variety of different sources including the breakdown of larger plastic materials in water, the shedding of synthetic fibres from textiles during domestic clothes washing, and from the use of small plastic beads in cosmetics for their exfoliating or other properties.

We used small plastic beads in some of our Personal Care products, however, acknowledging the environmental effects of these beads, particularly on marine life, we recognised that we could provide consumers with products that delivered a similar exfoliating performance without the need to use plastic. In 2015 we completed the phase out of all small plastic beads

from all our Personal Care products using suitable alternatives ensuring an equivalent high-quality performance.

#### Ecologically labelled products

Ecolabel is a voluntary scheme run by the European Commission. For products to achieve Ecolabel accreditation, assessment is undertaken covering the environmental impact of the raw materials used, and the product life cycle. Successful accreditation and compliance allows for the use of the logo.

Consumers are increasingly looking for ecologically labelled products, supporting a growing trend of consciousness about how we can combine a comfortable way of living whilst causing less impact on the environment. Consequently, we are seeing heightened interest from our customers to sell ecologically labelled products, mainly in our product families of laundry liquid, manual dishwashing and all-purpose cleaners. To date, McBride has over 150 products displaying ecologically accredited labels in its portfolio. In addition, we develop and supply products which comply with the recognised Nordic Swan schemes.



Filling line at Middleton with lightweighted bottles >

#### Lightweighting of packaging

Most of our bottles and caps are made from the plastics polyethylene or polyethylene terephthalate (PET). From the outset, we carefully design our bottle shape and optimise our production equipment, to make many of these bottles using reduced plastic – a practice called lightweighting. Lightweighting benefits the environment as it requires less material, and thereby sending less plastic to landfill or for recycling. For example, we have been able to reduce weight on one bottle design by two grams. To put this in perspective, by producing 70 million of these lightweighted bottles, we've saved 140,000 kg of high density polyethylene (HDPE) in one year. This is the equivalent of five trucks of plastic not on the road. Of course, in doing so, we also have to ensure our bottle shapes and designs retain their primary function – for safely transporting the product and keeping it in good shape until end of life.

#### Phosphates

Phosphates are used to soften water and to allow detergents to work more effectively. They are, however, a primary cause of eutrophication – where surface waters become over-rich in organic and mineral nutrients, causing algae growth and the depletion of the oxygen supply. The removal of phosphates from our products has been an important consideration for McBride since 2008 as they enter waste water from domestic appliances. By 2017, all of our sites will have eliminated the use of phosphates in all of our Laundry and Dish Wash products.





# Our sustainability roadmap continued

## Production and operations

### Production and operations

Reducing our environmental impact through efficient and effective process design and production.



#### Reducing waste

We train and motivate our colleagues to work in a sustainable manner, and encourage the sharing experience and practice across all locations to apply internal best practice in the Company.

Here are just a few examples of improvements achieved in the last year:

We actively look for opportunities to reduce waste. This is integral in all of our processes from the specification of incoming raw materials, the use of materials on site and to the transmission of materials into the supply chain in the form of packaging. Where waste is unavoidably created, we will take steps to manage the re-use, recycling, recovery and disposal in the most appropriate manner, giving full consideration to environmental issues.

- Our Ieper Personal Care factory has fully reviewed its process for cleaning the pipework to our filling lines. This has resulted in an over 20% reduction in the wastage of liquids and reduction in water consumption for washing and rinsing.

- At our three factories that manufacture powders and tablets, waste may occur through overfilling, tablet breakage or powder spillage. A task force with members from each site first reviewed waste at our Foetz factory and were able to reduce waste from overfilling by 30% and waste from broken tablets by 80%. This work done in Foetz will be replicated and implemented now at our Barrow and Moyaux plants.
- Our factory at Estaimpuis, through the early stages of a pilot trial, has already seen a significant reduction in waste through further investments made in modifying our laundry manufacturing equipment and lines. The full benefits of this will be realised in the next financial year as this pilot is rolled out to the rest of the factory.



Solar panel controllers at Ieper Personal Care factory



Barrow filling line



Barrow process



Middleton raw material storage vessel



# Our sustainability roadmap continued

## Production and operations

### Production and operations



#### Energy consumption

At McBride a team of 'Energy Champions' are located at each manufacturing site, and are tasked with identifying and sharing energy saving solutions across the business. Within each site there are always a number of projects under way which review, monitor and drive sustainability best practice throughout our operations.

This helped deliver the reduction in total Group energy consumption by 3.6% to 593,450 GJ (2015: 615,562 GJ).

Our site Energy Champions meet regularly to exchange their experiences, see how their ideas have developed to concrete solutions and hear about best practice acquired at each of their sites.

An approach which is valued by the Energy Champions is that of reciprocal audits, whereby a Champion from one site visits a colleague's site for a full day, to conduct a site tour to audit all running, completed and planned projects whilst also trying to spot new sustainability opportunities.

Particular attention was given this year to air compressors. Compressed air is used for many applications in industry but can be optimised to result in energy savings.

The sharing of best practice amongst the Energy Champions led to better maintenance, leak audits, new installations with heat recovery and purchase of more efficient air compressors.

#### CO<sub>2</sub> emission of Company Cars

The lifespan of our Company Cars is four years and we therefore have a constant renewal and replacement of vehicles in our fleet. On renewal of their Company Car we encourage colleagues to choose a car with low emission rating, including hybrid cars which are also now in use. In Belgium this has led to the reduction of emissions to 112g/km as compared to 135g/km four years ago. The country average is still at 125g CO<sub>2</sub>/km. In France, we realised a drop of emissions from 124g/km to 111g/km.

#### Distribution of goods to customers

McBride is committed to driving down energy consumption and carbon emissions by proactively searching for, and identifying, energy and CO<sub>2</sub> efficient solutions. This may take the form of initiatives at the process plant, ongoing investment in energy efficient equipment, optimisation of vehicle loading levels and by raising awareness of all our colleagues to the need for energy conservation.

Transport to our customers' warehouses is conducted with our selected transport providers. We carefully choose our providers to ensure a good service, and to guarantee that our products are delivered in the best condition, respecting all legislative requirements.

McBride employs multimodal transport, which involves us combining road transport with rail or sea transport. We recognised very quickly that by implementing multimodal transport we could reduce our global CO<sub>2</sub> output. Last year we achieved a 9% reduction of CO<sub>2</sub> in our North Europe Business Unit as compared with the CO<sub>2</sub> output of conducting the same transportation with trucks only. We maximise vehicle loads when we can by combining deliveries to the same region.

The Supply Chain Team at our Middleton site worked with a specific customer to change their ordering patterns and through this we reduced the number of trips to their depots by over 10%.

“We reduce our impact on the environment by incorporating sustainability issues in our business plans. Environmental issues and choice of energy efficient solutions are paramount in our business decisions, manufacturing processes and product development programmes.”

**John Verhaeghe**  
Head of Household Operations



Middleton warehouse



# Our sustainability roadmap continued

## Our people

### Our people

Creating an environment where people want to work and are able to give their best.



### People

#### Diversity and inclusion

McBride is a diverse organisation in terms of its cultural composition and this is a feature that is integral to the heritage of our Company. We employ many different nationalities including the UK, Europe and Asia, and value diversity in respect of gender and age.

#### Health and safety

We recognise that the success of our business is dependent upon the health and wellbeing of our colleagues. We are committed to providing safe working environments for all our colleagues, contractors, agency workers and visitors through adherence to all relevant health and safety laws and regulations at all our places of operation.

We are committed to establishing and maintaining effective safety management systems and to ensuring the competence of individuals through the provision of training. We believe that this will contribute to reducing injuries and ill health, whilst protecting the environment and reducing unnecessary losses and liability.

#### Our 10 Rules for Life

Last year we embarked on the global launch of our health and safety “10 Rules for Life” programme within all our manufacturing sites. This included an integrated communication campaign, the training of managers and a programme of briefings for all factory teams, including contractors.

“At McBride we appreciate that our colleagues are essential to the success of our business and to achieving our business goals. We value the diversity of our colleagues. Our culture encourages an environment in which we all have the opportunity to reach our full potential: where everyone has a voice regardless of role, or geography and where people want to work and to give their best.”

Sophie Vandamme  
Chief HR Officer



The 10 Rules for Life reinforce behaviours and introduce a concept of consequential management.



# Our sustainability roadmap continued

## Our people

### Our people continued



#### Our 10 Rules for Life continued

Although the hazards are different in an office environment compared to a factory, these principles are applicable over all our business and will be further rolled out during the year for the office environment. The aim is to increase awareness and buy in of our colleagues, and most importantly to ensure health and safety is paramount at all times.

#### Employee support - Going through change

Each of the 'Repair', 'Prepare' and 'Grow' phases of the Manufacturing Our Future strategy require a different style of operating, and employees will need to adapt to the new culture and the new ways of working. Two workshops have been developed and cascaded to support and guide employees to adjusting to these changes.

1. "Leading myself through change" is a first workshop to guide each individual - manager or colleague - on how to cope with change. A Personal Guide to Change handbook is offered to each participant as a further self-directed resource.
2. A "Change Leadership" workshop has been developed to support managers to give them the skills to handle more significant changes.

To date over 750 employees have attended these workshops - which continue to be rolled out at a local level.

#### Anti-bribery and corruption

McBride has a zero-tolerance policy in relation to bribery and corruption. We are committed to carrying out business fairly, honestly and openly. We conduct our business in accordance with the highest business standards and will not act in any way which might reflect adversely upon the integrity and goodwill of the Group.

<http://www.mcbride.co.uk/our-responsibilities/csr-policies-procedures>

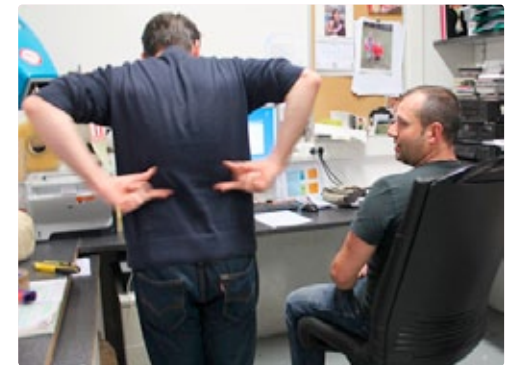
#### Whistleblowing

McBride is committed to the highest standards of openness and accountability. We believe that trust and integrity are of vital importance in our business. The whistleblowing policy statement supports our wish to give the opportunity to disclose any issues of concern colleagues may have about possible malpractice or wrongdoing by any of our colleagues, suppliers, customers, competitors or contractors.

#### Workplace health promotion

In last year's Sustainability Report, we commented on the workplace health promotion in our Foetz site. This year, our attention focuses on our administrative site in Belgium, where we are putting several actions in place:

- **Start to Run:** our people get the chance to learn to run with a coach so they become capable of running longer distances in a safe and healthy way, and be able in the end to participate to street runs or crosses. Most of them subsequently participate in the McBride Run. See page 13 for more information.
- **Zumba:** fitness workout, led by an experienced trainer, after work in the offices.
- **Food@Work:** we organised external trainers to explain healthy lunches to colleagues.
- **Bike to Work:** is promoting the use of the bike to come to work, leaving the car at home. In the first two months after the launch, twelve participants accumulated 2000 km through the Bike to Work scheme. This is an ongoing campaign, also building on initiatives of local authorities. An annual Mobility Week is organised at the end of summer, promoting all alternatives to the car.
- **Ergonomist:** an experienced health practitioner came to each desk to check position versus screen and on the chair and advised where correction was needed to avoid back or vision problems.



An ergonomist in action



Bike to Work programme



# Our sustainability roadmap continued

## Community and society

### Community and society

Ensuring that McBride's products and operations benefit local communities and wider society.



#### Community

McBride is proud to support local communities and charities, with many projects undertaken this year. We continue to make a positive local contribution, be a good neighbour and a key employer in the communities in which we live and operate.

#### FTSE4Good

Once again this year McBride plc is included in the FTSE4Good Index Series, a responsible investment index designed to help investors identify companies that meet globally recognised corporate responsibility standards.



FTSE4Good

Criteria for membership of FTSE4Good recognises companies who work to improve environmental and social practices and includes human and labour rights, climate change and environmental management. Our performance is reviewed every six months.

#### Donations in kind

McBride has presented cash contributions and has made donations of stock to In Kind Direct within the period under review. The stock donated amounted to 103 pallets with a total estimated retail value of £89,052. McBride made its first



donation of goods in 2010 and since then has donated over £435,000 in estimated retail value.

In Kind Direct redistributes surplus or obsolete stock to UK charities. The organisation reaches a wide range of charities and our products are of practical help to many organisations helping communities across the UK. A few examples are cited below:

- Amber Farm is a residential centre providing a temporary home and 24-hour support for up to 30 disadvantaged and unemployed young people. The centre offers a friendly family environment where they can make a fresh start, as well as a chance to build self-confidence and gain practical skills and qualifications. The charity received McBride laundry and cleaning products. All were used to clean and run the centre, or given to young people, many of whom arrive homeless with only a few belongings.
- St. Vincent's is a residential care home for armed forces veterans, ensuring residents receive the care and support they need to enjoy life to the full. The charity has received cleaning products, including antibacterial surface cleanser, donated by McBride, which it has used to maintain the care home.

#### The McBride Run

Now in its 13th year, the McBride Run between Ieper and Poperinge and organised by the Flanders Athletic Club, is a charity half marathon (288 participants) and a mini 7 km run (814 participants), supported by McBride since the run's inception. For a minimal entrance fee, 1,200 runners took the challenge of running between Ieper and Poperinge and raised more than €5,000 to support the poorest communities in Wa, in the upper west region of Ghana in West Africa. We had 51 McBride participants, not only from our Belgian sites, but also from Bagnatica (Italy), Brno (Czech Republic), Middleton (UK), Moyaux (France) and Strzelce (Poland).

#### UN World Climate Change Conference in Paris December 2015

Ahead of this conference, McBride led a workshop on the "Climate Train" which visited 19 cities in France to publicise and explain to consumers the effect of climate change and how they can help to reduce this. Our contribution was to explain how the detergent industry is taking actions to reduce the impact of cleaning by well informing consumers in various ways.

#### Corporate responsibility

Sedex, the Supplier Ethical Data Exchange, is a not for profit membership organisation dedicated to driving improvements in responsible and ethical business practices in global supply chains. <http://www.sedexglobal.com>

All our sites continue to be audited via Sedex, so customers can see our commitment.



McBride Run >



# Performance review

## 1 | Accidents

Number of accidents reduced by 2% but frequency rate rose by 6%.

### Overview

The Board has overall responsibility for maintaining and enhancing the Group's Corporate Responsibility policies, guidelines and code of conduct which are available from the Group's website at [www.mcbride.co.uk](http://www.mcbride.co.uk). The Chief Executive Officer is accountable for ensuring that the Group operates in accordance with these policies. The Group monitors its performance through rigorous management systems and key performance indicators.

As a minimum, the Group seeks to comply with existing laws, regulations and best practice guidelines governing its activities in each of the markets in which it operates, and in many areas standards exceed minimum compliance requirements. We have senior management representation on various trade associations and we adhere to industry association guidelines. Our policies and principles apply to every director, manager and employee in all our businesses across our global operations; they also extend to our supply chain.

For example, suppliers are selected not only on the basis of specification, quality, service and economic factors but also, where possible, on their commitments to minimise the impact of their operations on the environment and to CR more generally. Our approach to the environment, product safety and health and safety in our operations, to how we treat our people, our customers, our suppliers, our local communities and other key stakeholders is embedded in our culture and values and outlined in the following policies which are available from the Group's website at [www.mcbride.co.uk](http://www.mcbride.co.uk).

- Policy on Business Sustainability
- Policy on Sustainability and the Environment
- Policy on Health and Safety
- Policy on Product Responsibility
- Policy on Enzyme Management
- Policy on Animal Testing
- Policy on Packaging
- Policy on Anti Bribery and Corruption
- Policy on Business Ethics
- Policy on Gifts and Hospitality

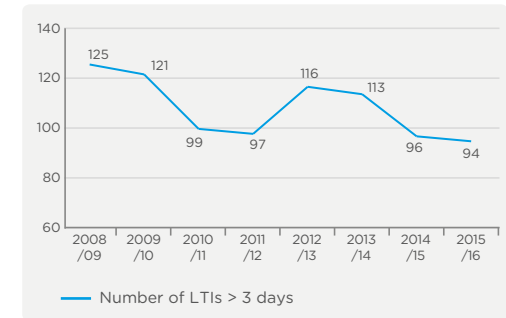
### Accidents

This year has seen a further reduction in Lost Time Incidents (LTI - involving more than three days lost time), from 96 (2015) to 94 (2016).

We are taking actions to address the frequency rate of LTIs rising from 1.16 (2015) to 1.23 (2016) and the rate of seriousness, which is a measure of the length of absence a given accident causes, rising from 0.26 (2015) to 0.27 (2016). This includes a programme to raise awareness and engage all our colleagues in reporting and addressing incidents.

In the year, we launched our new 10 Rules for Life. These are specific rules for all our factories and offices, focused on driving behavioural changes around safety. The rules were launched in a high-profile campaign in all the factories which involved a full brief with every colleague, and used posters and booklets. The Group invested over 2,000 hours in training. The accident reporting system has been simplified to allow immediate notification to senior managers of any potential LTIs, and a formal review is immediately carried out.

### LTI trend



### Accident frequency and rate of seriousness trends





# Performance review

## 2 | Energy

### Initiatives drive reduction in energy consumption.

Total Group energy consumption reduced by 3.6% to 593,450 GJ (2015: 615,562 GJ), reflecting a combination of mainly energy saving initiatives. We are pleased that both energy consumption and efficiency are showing the benefits of the focus on energy by our site-based Energy Champions.

The Group's energy usage and emissions have been prepared in line with GHG protocol with Scope 1 and 2 emissions reported for the Group. An analysis of energy consumption is provided on page 16. Data is collected for all our manufacturing operations, warehouses and offices which are attached to production sites. Data has not been consolidated for independent sales offices or leased offices as these are not considered material in the overall Group's consumption of energy and emissions.

Oil consumption, though a small proportion of energy needs, declined 40% compared to the previous year.

All electricity used in our Belgium is classified as 'green', either from solar panels or energy purchased on green contracts. All three sites have now solar panels installed on their roofs.

Certified green electricity accounts for 22.3% of the Group's total energy consumption (2015: 21.5%). This remains in line with our objective of 20% of energy coming from renewable sources. When, however, we include the green energy element within our external sourced electricity (based on market based calculations), the total green energy is 39%.

The Group is examining alternative options for further use of potential sources of green energy but the overriding objective of the Group is to reduce overall energy consumption and thereby improve our long-term energy efficiency in line with our 2020 targets.

A major part of the Group's energy consumption is related to the in house bottle blowing facilities. Energy consumption therefore varies at sites depending on the relative proportions of bottles blown in house and those bought in.

In the twelve month period to end June 2016, the proportion of bottles blown in house was 88%, and the total number of bottles blown in house is 2.3% lower than the previous year.

### Green energy performance

	2009	2014	2015	2016
% of certified green energy as % of total energy of Group	11.2	20.4	20.4	21.3
% of green energy sourced, not certified, of total				16.7
% of own solar energy as a % of total energy of Group	0.2	0.8	1.1	1.0
% of green sourced energy as a % of total energy of Group	11.4	21.2	21.5	39.0

(1) 2009: base year market-based energy.

All European sites have energy reduction programmes in place and are participating in improvement projects set up by local authorities or recognised sector federations.

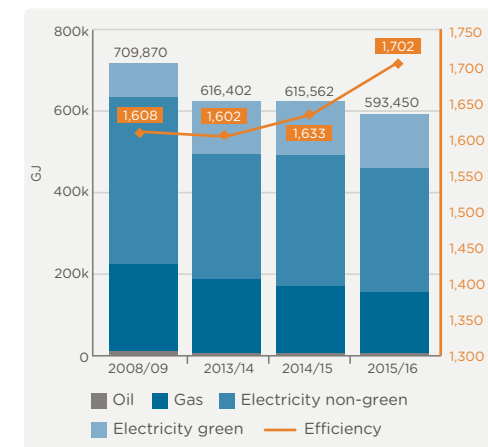
The Belgian sites subscribed to sector agreements with the authorities in each of the regions they are active. In other countries action plans have been set up subsequent to the ESOS or ISO 50001 audits.

### Targets

The Group's energy efficiency 2020 target is 1,930 kg production/GJ. During the year we achieved 1,702 kg production/GJ (2015: 1,633 kg production/GJ), a 4.3% improvement reflecting the focused work undertaken at our sites.

The Group remains in line with the target of a minimum of 20% of renewably sourced energy.

### Total energy consumption 2008-2016







# Performance review

## 2 | Energy continued

### Scope 1 and 2 greenhouse gas emissions

Scope 1 includes the Group's gas and oil consumption. Emissions from HFCs (hydrofluorocarbons) in air conditioning units and coolers and diesel fuel across the Group have been measured and found to be of low materiality, and are excluded.

Scope 1 emissions amounted to 8,760 tonnes CO<sub>2</sub>e (2015: 9,081 tonnes CO<sub>2</sub>e) and has been achieved by initiatives over all our sites.

Scope 2 CO<sub>2</sub> emissions, based on both location and market-based emission factors have been calculated for the two prior years.

The use of market-based analysis has been prepared in line with the latest CDP disclosure requirements. McBride market-based figures are lower than the location data emissions over the last three years. In the current year, our performance using market-based emissions shows a further improvement in CO<sub>2</sub> emission reduction. The supply base for our electricity in the UK, moving to a higher proportion of green energy, is a big contributor to this.

### CO<sub>2</sub>e emission targets

The Group has a target of 22,015 kg product per tonne CO<sub>2</sub>e as its 2020 objective. We are well in line with achieving this target.

### Carbon Disclosure Project (CDP) emissions and water and supply chain reporting

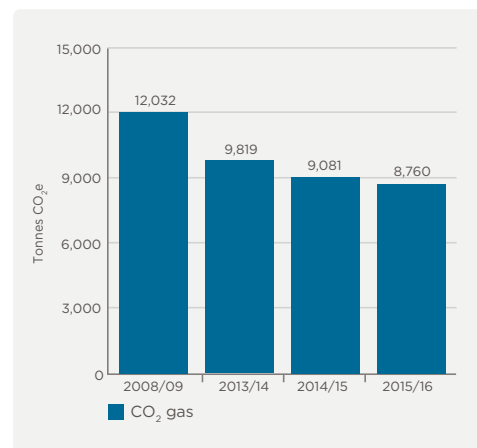
McBride, along with over 3,700 companies worldwide, reports its energy usage and emissions into the CDP database.

The mission of the CDP is 'to accelerate solutions to climate change and water management by putting relevant information at the heart of business, policy and investment decisions'.

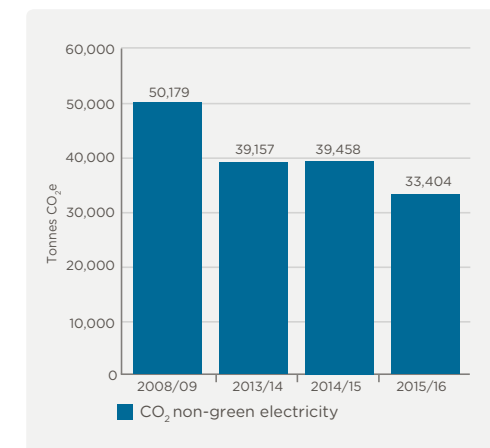
By agreeing to sign up to CDP, McBride has been able to compare its own performance with that of other companies and learn how they embed and integrate climate change and energy efficiency into their operations.

McBride submitted both emissions and supply chain including water usage and discharge to CDP in 2015.

### GHG emissions Scope 1 2008-2016



### GHG emissions Scope 2 2008-2016



### Scope 2 emission: location-based versus market-based

Year	Emissions location-based tonnes CO <sub>2</sub>	Emissions market-based tonnes CO <sub>2</sub>	Difference tonnes CO <sub>2</sub>	Change %
2008/09	53,754	50,179	(3,575)	-6.7
2013/14	43,248	39,157	(4,091)	-9.5
2014/15	48,494	39,458	(9,036)	-18.6
2015/16	45,650	33,404	(12,246)	-26.8

### Total emission: Scope 1 and 2 market-based

Tonnes CO <sub>2</sub>	2008/09	2013/14	2014/15	2015/16
Scope 1 emissions	12,032	9,819	9,081	8,760
Scope 2 emissions market-based	50,179	39,157	39,458	33,404
Total Scope 1 and 2 emissions market-based	62,211	48,976	48,539	42,164



# Performance review

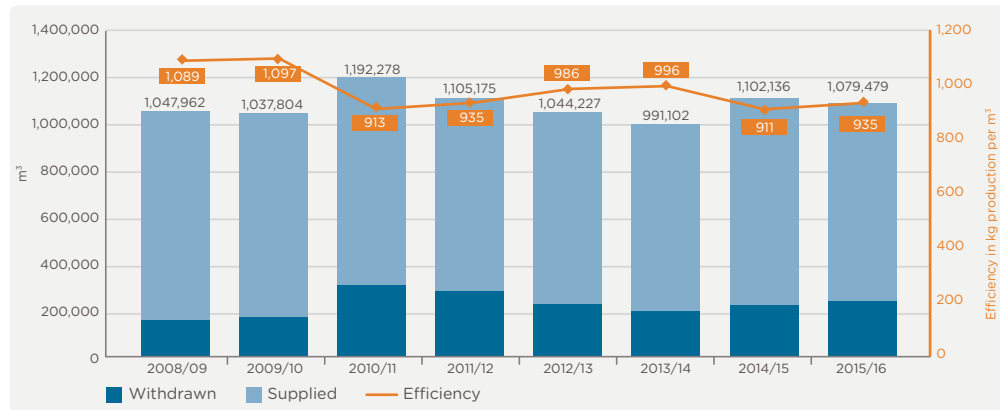
## 3 | Group water usage

Total water usage decreased by 2% to 1,079,479 m<sup>3</sup> (2015: 1,102,612 m<sup>3</sup>).

Water is one of the key ingredients in our liquid producing plants. Compaction, or product concentration, is becoming increasingly important for a number of our liquid products, which is partly reflected in the reduced water consumption.

The Group's water efficiency has hence improved by 2.7% to 936 kg production per m<sup>3</sup> water (2015: 911 kg produced/m<sup>3</sup> water).

Total water consumption 2008-2016



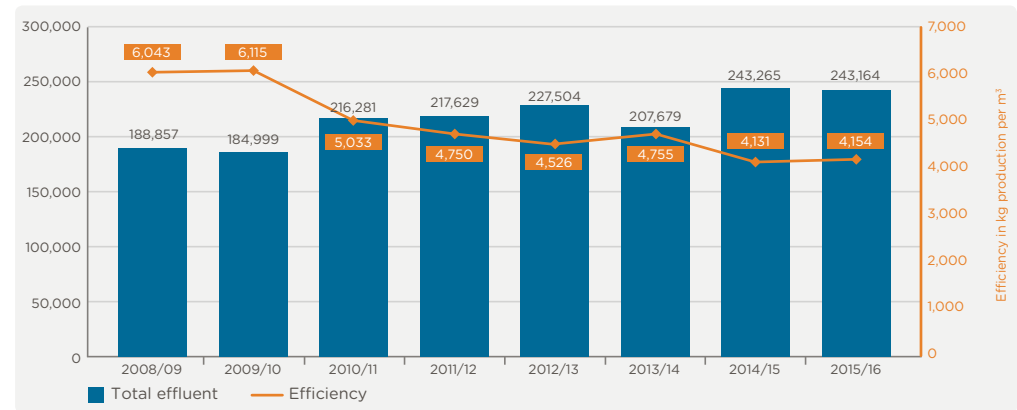
# 4 | Effluent generation

Effluent generation flat.

Our effluent generation was broadly flat at 243,164 m<sup>3</sup> (2015: 243,265 m<sup>3</sup>). This has been as a result of our drive to improve effectiveness in hygiene standards in all our facilities coupled with a focus on saving water.

As a result of this, effluent efficiency was broadly unchanged at 4,154 kg production per m<sup>3</sup>.

Total effluent 2008-2016





# Performance review

## 5 | Waste

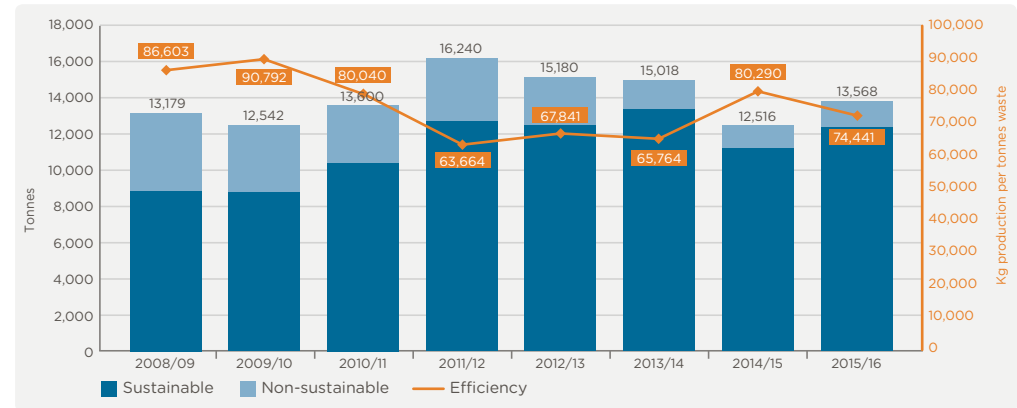
### Waste increase linked to legislative changes.

We have maintained our percentage of sustainable waste (which includes all waste except landfill) at 90% of our total waste. The total amount of waste leaving the sites as a percentage of tonnes produced increased slightly to 1.34% (2015: 1.25%). Exceptional areas of waste which contributed to this increase included products where legislative changes required new labels.

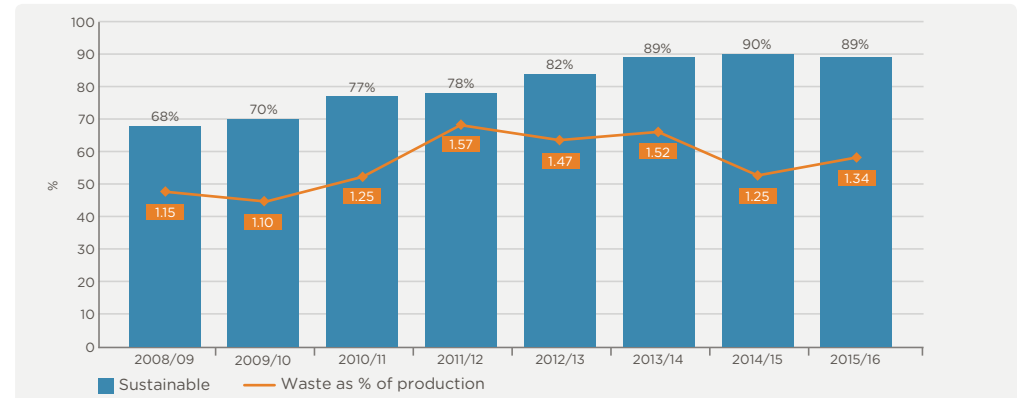
There are many activities being undertaken to actively reduce waste.

Examples of these are described on page 9 of this report.

Total waste 2008-2016



Total waste 2008-2016 (fraction of total)





# Performance review

## Accreditations

The following table is a map of the McBride site accreditations.



McBride has been a leading contributor in the development of the A.I.S.E. Charter for sustainable cleaning and was the first Private Label company to achieve Charter status.



### FTSE4Good

We are proud to continue to be a constituent member of the FTSE4Good Index of socially responsible companies, which recognises our commitment to corporate responsibility and the ethical way in which we approach our business activities.

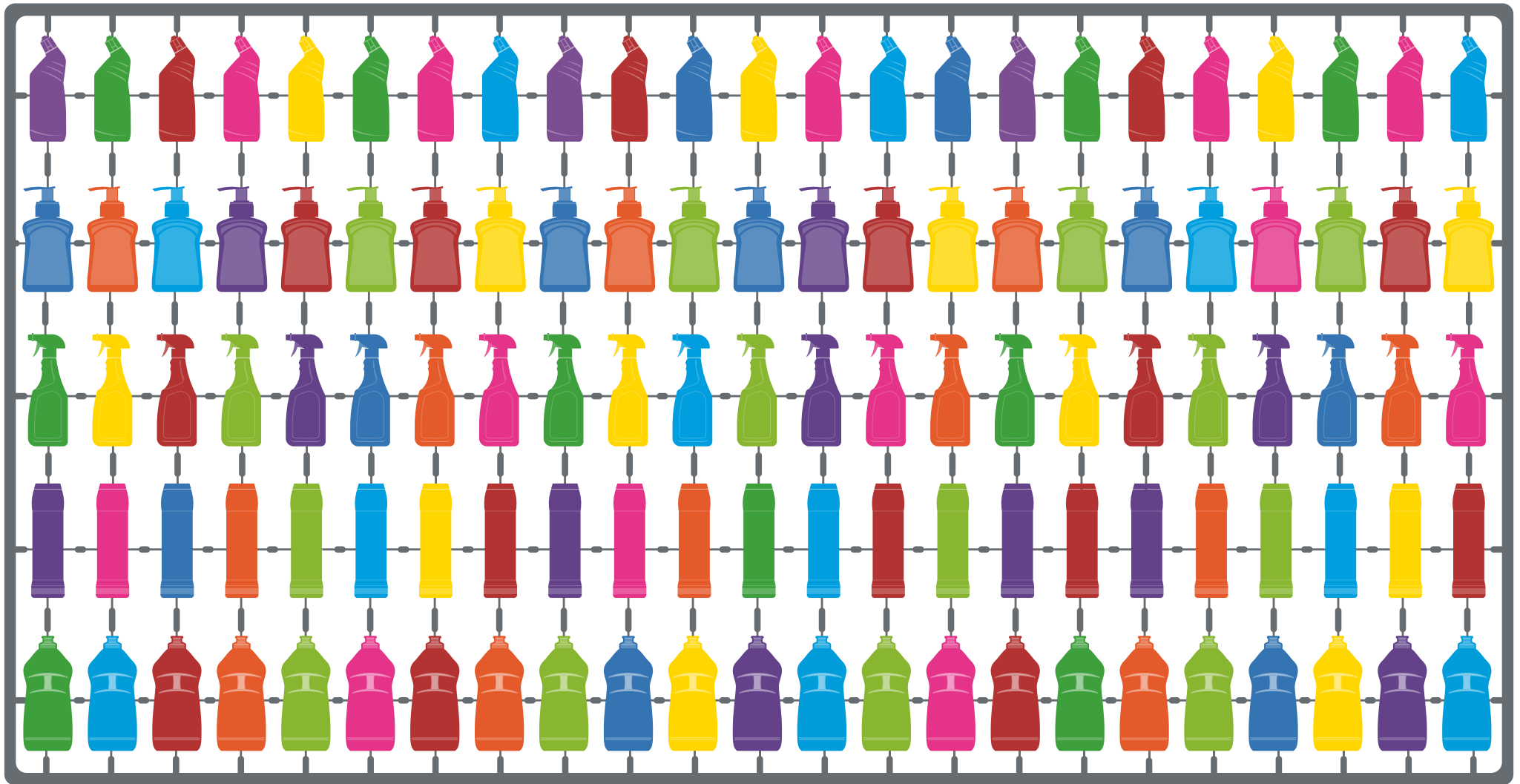
Site	Quality and product safety		Occupational health and safety		Ethics	GMP cosmetics Sustainability	
	BRC	IFS	ISO 14001 Environment	OHSAS 18001 Occ H&S		Sedex Ethical self assessment	ISO 22716 cosm GMP
Barrow	Yes	No	No	No <sup>(1)</sup>	Yes	n/a	Yes
Bradford	Yes	No	Yes	No <sup>(1)</sup>	Yes	Yes	n/a
Hull	Yes	No	Yes	No <sup>(1)</sup>	Yes	Yes	Yes
Middleton	Yes	No	Yes	No <sup>(1)</sup>	Yes	n/a	Yes
Bagnatica	No	No	Yes	Yes	Yes	n/a	Yes
Estaimpuis	Yes	Yes	Yes	Yes	Yes	n/a	Yes
Etain	No	No	Yes	No	No	n/a	Yes
Ieper PC	No	Yes	Yes	Yes	Yes		n/a
Ieper HH	Yes	Yes	Yes	Yes	Yes	n/a	Yes
Moyaux	Yes	Yes	Yes	Yes	Yes	n/a	Yes
Rosporden	Yes	Yes	Yes	Yes	Yes	Internal audit done to approve conformity	Yes
Sallent	No	Yes	Yes	Yes	Yes	n/a	Yes
Brno	Yes	Yes	No	No	Yes	Yes	n/a
Foetz	Yes	Yes	Yes	Yes	Yes	n/a	Yes
Strzelce	Yes	No	Yes	Yes	Yes	n/a	Yes
Malaysia	No <sup>(1)</sup>	No	No	No	Yes	n/a	n/a
Vietnam	No <sup>(1)</sup>	No	No	No	Yes	n/a	n/a
Production sites: 17	11	8	13	9	16	Ieper HH and PC calculated as 2 separate sites	

(1) Comply to local requirements and all relevant aspects of GMP.



# Glossary

<b>ADW</b>	Automatic Dish Washing	<b>ISO 14001</b>	ISO Environmental Standard
<b>A.I.S.E.</b>	European Federation of Trade Associations for the Detergent & Cleaning Product Industry	<b>KPI</b>	key performance indicator
<b>BRC</b>	British Retail Consortium	<b>LTI</b>	Lost Time Incident
<b>CDP</b>	Carbon Disclosure Project	<b>OHSAS</b>	Occupational Health and Safety Advisory Services
<b>CO<sub>2</sub>e</b>	greenhouse gases expressed as carbon dioxide equivalents	<b>PET</b>	polyethylene terephthalate
<b>CR</b>	Corporate Responsibility	<b>R&amp;D</b>	research and development
<b>CSPO</b>	Certified Sustainable Palm Oil	<b>RSPO</b>	Roundtable on Sustainable Palm Oil
<b>ESOS</b>	Energy Savings Opportunity Scheme	<b>Scope 1</b>	emissions from the burning of primary fuels such as gas, oil, coal
<b>FTSE4Good</b>	system for objective measurement of performance of companies that meet globally recognised standards of corporate social responsibility	<b>Scope 2</b>	emissions from use of secondary fuel, electricity, which vary depending on the manner of generation of the electricity
<b>GHG</b>	greenhouse gas	<b>Surfactants</b>	a substance, such as a detergent, that can reduce the surface tension of a liquid and thus allow it to foam or penetrate solids
<b>GJ</b>	gigajoules - 1 billion joules		
<b>HDPE</b>	high density polyethylene		
<b>HFCs</b>	hydrofluorocarbons		
<b>HSE</b>	health, safety and environment		
<b>IFS</b>	International Food Standards		



**Our on-line resources**

McBride communicates its financial and sustainability performance as well as providing additional information about the Group at its website: [www.mcbride.co.uk](http://www.mcbride.co.uk)

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**FTSE4Good**

McBride has been accepted into the FTSE4Good Index Series of leading companies which meet globally recognised corporate responsibility standards.



McBride has been a leading contributor in the development of the A.I.S.E. Charter for sustainable cleaning and was the first Private Label company to achieve Charter status.