



Committed to
sustainability
...everyday!

What's inside

Overview

Overview

02 2011 Overview

03 Sustainability Steering Group

04 Chief Executive's review

07 Business Sustainability Policy

08 Accreditations

Economic

Economic

09 Our economic impact

10 Our economic performance

Environment

Environment

11 Introduction

11 Environmental performance 2010-11

12 Energy

13 Case study – UK energy road map

14 CO₂ emissions

16 Resource usage – water

17 Water discharge

18 Waste

18 Environment action plan 2011-12

Human rights
and labour practices

Human rights and labour practices

19 Involvement of employees

Health & Safety

Health & Safety

21 Achievements in Health & Safety

24 Health & Safety best practice

Product responsibility

Product responsibility

25 Safety impacts and legal compliance

27 French LCA and environmental labelling

28 Designing sustainability into new product development

29 Marketing initiatives contributing to sustainability

Social and community

Social and community

30 Introduction

31 The McBride Charity Walk

32 Rosporden site walk with UNICEF

33 Karine runs in China

34 'In Kind Direct' – donations

Useful information

Useful information

35 Glossary

36 Our online resources

2011 Overview

McBride is committed to achieving a long-term successful and sustainable business as the leading provider of Private Label Household and Personal Care products. McBride aspires to the highest levels of performance for all our stakeholders. We believe that Private Label has an important role to play in the economy, especially when times are difficult for so many people. Our mission and vision are underpinned by a set of principles which commit us to focus on our customers' needs, to engage our people fully and to drive for improved performance at all times.

Our commitment to Sustainability

As a Group we believe in the importance of social responsibility in our business and the contribution it makes to our success. Our approach to the environment, product safety, health and safety in our operations, how we treat people, our customers, and suppliers, the communities in which we operate and other stakeholders, is embedded in our company culture and values. The issues of the environment and climate change impact on all our stakeholders.

In reviewing our sustainability performance last year, the Group Management Team came to the conclusion that, despite our commitment, we needed more focus on sustainability issues to embed them more firmly in the day to day activities of all our sites and colleagues and to raise the profile among the many competing priorities that colleagues face each day. As a result, a Group-wide Sustainability Steering Group was set up to direct and co-ordinate sustainability activities across the business.

While assessing external sustainability requirements, the Steering Group acknowledged the need to realign our sustainability reporting to our Carbon Disclosure Project (CDP) submission and ensure we address the needs of all our external stakeholders. This year's report therefore has been structured in-line with the Global Reporting Initiative (GRI) guidelines on reporting format for the first time. We will work towards greater alignment with the GRI standards in the coming years.

In reporting on our performance we have faced several issues alongside the move to GRI. More McBride sites are included in this year's report (Vietnam, Malaysia, Brno) while Solaro in Italy has closed. In addition McBride has changed the reporting structure of the Business with the Foetz site moving from Western Continental Europe (WCE) Division into the Central and Eastern Europe (CEE) Division along with Strzelce and Brno, while China is joined by Vietnam and Malaysia in the new Far East Grouping. The prior two years performance has therefore been restated based on the reporting structure into the new groupings for comparison with our target base year of 2008/09. Additionally, we have also revised some of our definitions to make sure that all sites are reporting in exactly the same way, so this again has resulted in slight amendments to figures reported in previous years. The acquisition of new data collection and reporting software for use in 2011/12 will help of the implementation of increasing consistency. It is our intention to have our data externally audited next year.

...everyday!

Sustainability Steering Group

A Group-wide Sustainability Steering Group was set up and met for the first time in November 2010. The Steering Group is chaired by Mario Morsiani, WCE Business Unit Director Italy, and comprises representatives of each division and major discipline within the company.

Assessing the priorities for Sustainability formed the initial task for the Group which developed an action plan subsequently agreed by Group Management Team.

Initial actions included:

- Reviewing stakeholder expectations for sustainability.
- Reviewing sustainability and related policies.
- Definitions, KPI's and targets agreed, sourcing of software to collect and collate KPI data identified.
- Achieving AISE Charter re-verification and sign up for Charter 2010.
- Setting up a Group energy team tasked with identifying common energy savings and sharing best practice.

Going forward, the Steering Group will be looking at practical ways of linking sustainability issues more firmly into the Group strategy, identifying more clearly the actions needed to respond to the identified risks and opportunities presented by Sustainability issues.



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- 01 Mario Morsiani Chairman of Steering Group
- 02 Sybil Saelens HSE representative of McBride WCE and Group HSE co-ordinator
- 03 Isabelle Droal Group purchasing representative
- 04 Francis Lietaert Group commercial representative
- 05 Sheila Kirkwood Group HSE representative
- 06 Ken Blamires McBride plc head office representative
- 07 Patrick Vanderstichele Group packaging and energy representative
- 08 June Graham Group research and development representative
- 09 Lee Robinson Far East business unit co-ordinator
- 10 Anna Ochot-Bednarek McBride CEE business unit co-ordinator

Chief Executive's review



Chris Bull
Chief Executive Officer

This is the eighth McBride Sustainability report and the first in which we have begun to align with the Global Reporting Initiative (GRI) guidelines. These guidelines are demanding and so we will continue to work toward this example of best practice in reporting in the years to come.

Despite the difficult economic and trading conditions we are currently facing, I and my Group Management Team, remain strong in the belief that sustainability is an essential element of our business model and to underpin our performance. We have, for the first time, initiated a company-wide steering group to ensure that every part of the business is fully engaged in the sustainability agenda, that best practice is shared throughout the Group and that customer requirements in sustainability are understood and addressed. The Steering Group are charged with ensuring that the revised policies and principles are embedded into all divisions of the company.

The strategic direction of the Group is to drive Private Label growth in Household and Personal Care products throughout Europe and into the developing and emerging markets through product innovation, excellent customer service and quality, and by exploiting our scale in procurement and operational efficiency. We will continue to focus on a number of core product categories which we believe offer the best growth prospects and to examine opportunities to expand our geographic reach. During the year we embarked on a review of the Group's strategy, through the 'Refresh' programme aimed at improving the focus, prioritisation and execution of the Group's strategy. The resulting actions encompassed organisational change, a category review, improved competitiveness and new opportunities. It is this drive for improved competitiveness and the organisational focus on improved efficiencies that form the link with the social and ethical motivations of the Group's sustainability activities.

The Sustainability Steering Group has so far undertaken some initial actions detailed later in the report, but its future focus will be to help strengthen the links between the Group's overall strategy and the sustainability agenda, identifying more clearly the risks and opportunities facing the business from the wider issues such as climate change and water availability and helping to focus the efforts already being made in the development of more sustainable new products.

Our accident statistics have shown further improvement with LTIs (Accidents requiring more than 3 days off work) down to 99, an 18% improvement (2009-10: 121). The accident rate measured in frequency per 100,000 hours worked also fell to 1.0 (2009-10: 1.3). These figures represent our best safety performance ever – an achievement to be proud of and to build on in the coming years.

Although we have increased focus on sustainability issues, and many initiatives, some of which are detailed in this report and are underway, our actual environmental performance has been disappointing and we are not making the progress towards our energy, CO₂ and waste targets at a rate that we anticipated. However, we are confident that the preparatory work done during the year will provide a platform for improved performance in the future.

Last year we developed our Mission, Vision and Principles (MVP) programme as a tool for further engaging with our 5,000 employees, providing a platform for communicating our values on the issues of sustainability, environment, and health and safety, to our stakeholders. This year to build the links between our recently acquired businesses in South East Asia and help embed the principles of MVP, a Group-wide event was organised 'The MVP walk'. The walk, covering the distance between our London and Hong Kong offices, provided a vehicle for local initiatives as well as contributing €10,000 to UNICEF.

I would like to thank all of our employees for their contribution and commitment in a difficult year for the McBride Group. The following pages of this year's report expand on a number of initiatives taken during the year towards making our business more sustainable; each of them aiming to make a difference... everyday.

Executive summary

This is the Company's eighth Sustainability report. McBride, as the leading producer of Private Label Household and Personal Care products in Europe, has operations across the whole of Europe and in three countries in the Far East. We now operate from twenty manufacturing sites in eleven countries, and deliver products to many more, meaning that we face important environmental, safety and social issues across a large, diverse geographic and cultural region.

During the year we have had many challenges within the business and sustainability issues have had to find their place alongside other competing priorities. The formation of the Sustainability Steering Group re-enforces the commitment of the Group Management Team to retain our focus in this important area. Despite this increased focus and effort, many of our key performance indicators have not improved this year. While there are several reasons for this, many identified in the following discussion, we remain confident that our work will bring benefits in the future as we aim to deliver a more sustainable business.

Chief Executive's review

continued

Health & Safety

In the year ended 30 June 2011, the number of lost time accidents fell to 99, an 18% improvement on last year. Frequency per 100,000 hours worked also fell to 1.0 (2010: 1.3) and risk rate dropped to 0.46 (2010: 0.5). All of these figures are the lowest the company has recorded.

Environmental performance

Energy consumption and CO₂ emissions fell

- Energy use was down 3.9% to 677,094 Gjoule (Gj).
- CO₂ emissions were down 1.6% to 60,923 tCO₂e.
- After removing green energy CO₂ emissions were 50,449 tonnes CO₂e.
- Water use increased by 7.6% to 1,116,434m³.
- Effluent discharge increased 17% to 21,6281m³.
- Total waste generated increased by 8.4% to 13,600 tonnes.
- Re-used, recycled and recovered waste improved to 77% of total waste.
- Green energy usage was maintained at 21% of total energy.

Eco-efficiency performance

- Energy efficiency* fell 0.4% to 1,608 kg/Gj.
- CO₂ efficiency* fell 2.8% to 17,868 kg/tCO₂ (21,577 taking into account green energy).
- Water efficiency* fell by 11.1% to 975 kg production/m³.
- Effluent efficiency* fell by 18% to 5,033 kg production/m³.

*Eco-efficiencies (kg production per unit) were all adversely impacted by a mix of revised definitions and corrections, lower production volumes and the restructuring of sites and divisions.

Our achievements in 2010-11

In 2009 we set out our targets for our environmental performance to 2020.

The tables below and on page 6 outline our performance against those targets.

| Our focus | Our performance |
|--|---|
| Energy <ul style="list-style-type: none"> • Our target is to deliver a 20% improvement in our eco-efficiency in terms of kg per Gj of energy consumed by 2020. | <ul style="list-style-type: none"> • Eco-efficiency fell 0.4% from last year's performance to the same value (1,608 kg/Gj) as in 2008-09 resulting in a 20% target still to achieve. |
| CO₂ <ul style="list-style-type: none"> • Our target is to achieve a 20% improvement in the eco-efficiency measure in kg per tonne of CO₂ by 2020. – We will invest more in energy saving capital equipment. – We will target further sources of renewable energy supplies to achieve a minimum of 20% of energy sourced from renewable sources by 2020. – We will look to external advisors to assist us achieve these targets. | <ul style="list-style-type: none"> • CO₂ emissions reduced by 1.6%, but eco-efficiency fell by 2.8% to 17,868 kg/tCO₂. • Renewable electricity usage was maintained at 21% of our total energy consumed. • Removing emissions from green energy from our total gives an increase in CO₂ efficiency of 6.5% from 20,271 kg/tCO₂ in 2008-09 to 21,577 kg/tCO₂. • Other source of renewable energy were investigated but not yet pursued due to changes in UK government policies on funding. |
| Water <ul style="list-style-type: none"> • Continue to refine our products and processes to reduce water consumption. • Review signing up to the UN, CEO Water Mandate. | <ul style="list-style-type: none"> • Water usage increased as a result of more accurate reporting of all sources and eco-efficiency fell by 11% to 975 kgs/m³. • Signing up to the UN, CEO Water Mandate was reviewed but deferred to a later date. |
| Waste <ul style="list-style-type: none"> • Continue to increase the level of recovered, recycled and re-used waste by 1% per annum. • To achieve a 1% waste level as a percentage of production volume by 2012. | <ul style="list-style-type: none"> • Recovered, recycled and re-used waste now accounts for 76% of waste generated up from 70% prior year. • Total waste generated increased from 1.1% to 1.3%. |

Chief Executive's review

continued

| Our focus | Our performance |
|---|--|
| NPD <ul style="list-style-type: none"> Objective: To focus on developing more environmentally friendly products. | <ul style="list-style-type: none"> During the year we continued development of low temperature laundry liquids and gels and further reducing the packaging content of many of our products. |
| Health & Safety <ul style="list-style-type: none"> Continue to focus on our Health & Safety processes to reduce risks and ultimately accidents. | <ul style="list-style-type: none"> During the year we achieved an 18% reduction in the number of LTIs compared to the prior year. LTI number, frequency and risk rate were the lowest recorded by the company. |

Comparison of performance with targets

| | 2008-09 | 2009-10 | 2010-11 | Target 2020 |
|---|---------|---------|---------------|---|
| Kg production/GJ (including green) | 1,608 | 1,615 | 1,608 | 1,930 |
| Kg production/tCO ₂ Total | 18,364 | 18,383 | 17,868 | 22,037 |
| Kg production/tCO ₂ minus green energy | 20,271 | 22,311 | 21,577 | 24,325 |
| % waste sustainably treated | 67 | 70 | 77 | 1% increase per annum |
| Waste as % of production | 1.2 | 1.1 | 1.3 | 1.0* <small>*1.0% waste target for 2012.</small> |

Designing sustainability into new product development

Our NEW 3x concentrated laundry liquid formulation will...

...reduce the amount of detergent into the environment by c.

187,000 litres

...reduce our requirement for polyethylene resin p.a. by

125 tonnes

...reduce truck journeys by

30%

[Find out more on page 28 →](#)

Business Sustainability Policy

During the year the Sustainability Steering Group undertook a detailed review of our Sustainability policies. Some of our policies, such as Health & Safety, were subject to minor amendment and updating whilst others were revised and re-ordered to make the interlinking of policies more logical.

In particular, the previous Sustainability and Environment Policy and Social and Ethical Policy were reconfigured.

The Business Sustainability Policy is now the overarching policy which sets out all the standards we apply to our business (the introduction to the policy is illustrated below, while the full policy can be found on our website www.mcbride.co.uk).

Under the Business Sustainability Policy are a suite of more detailed policies including:

- Environmental Sustainability
- Health & Safety
- Product Responsibility
- Packaging
- Animal Testing
- Bribery and Anti-corruption

The full set of policies can be found on our website www.mcbride.co.uk under the section on 'Our Responsibilities'.

McBride plc is committed to achieving a long-term and sustainable business in-line with our vision of becoming the most successful Private Label company in the world.

Our success and sustainability are founded on the following principles which outline our approach to business:

- **Sustainability and The Environment** – we aim to continuously reduce the environmental impact of our operations and products.
- **Health & Safety** – we aim to provide safe working environments underpinned by comprehensive internal safety management procedures and external accreditation.
- **Employment Practices** – we strive to retain and develop our colleagues and to help them to fulfil their potential. We respect human rights and we provide equal opportunity for all. Unacceptable behaviours are not tolerated.
- **Business Ethics** – we have a strong code of ethics and expect all colleagues to behave with honesty, discretion, integrity and respect for all related parties.
- **The Community** – we work closely with the communities within which we operate to reduce any adverse impact and make a positive contribution where possible.
- **The Economy** – we provide employment to several thousand colleagues across the world. We manufacture and sell products which satisfy the basic human needs for personal and household cleanliness at affordable prices.
- **Product Responsibility** – we are committed to maintaining high standards of effectiveness, safety and compliance with legislation of the products we manufacture.

We appreciate the importance of social responsibility in our business and the contribution it makes to our success. The company recognises its obligations to all those with whom it has dealings; our approach to the environment, product safety and how we treat our people, our customers, our suppliers, our local communities and other key stakeholders is embedded in our company culture and values. We demand and maintain high ethical standards in carrying out our business activities. This policy is supported by more detailed policies and guidelines to help management and all employees to behave appropriately in all their business dealings. This policy adopts the principles of international standard SA8000.

Accreditations

FTSE4Good, AISE, Carbon Disclosure Project (CDP)



FTSE4Good

FTSE4Good

McBride is listed on the FTSE4Good Index. The FTSE4Good Index Series has been designed to measure the performance of companies that meet globally recognised corporate responsibility standards, and provides a benchmark for potential investors in those companies. The FTSE4Good Index can be used by investors as a basis for responsible investment, to research environmentally responsible companies, to reference companies against global responsibility standards.

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



AISE (European Federation of Soap and Detergent Manufacturers) Charter for Sustainable Cleaning

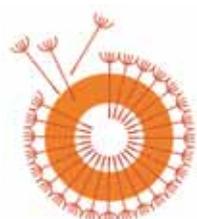
McBride is committed to achieving a long-term successful and sustainable business as the leading provider of Private Label Household and Personal Care products.

As a Group we believe in the importance of social responsibility in our business and the contribution it makes to our success. Our approach to the environment, product safety, health and safety in our operations, to how we treat our people, our customers and suppliers, the communities in which we operate and other stakeholders is embedded in our company culture and values of ambition, openness, respect, teamwork and responsibility.

McBride has been a leading contributor in the development of the AISE Charter for sustainable cleaning and was the first Private Label company to achieve Charter status in 2005. We have been involved in the work undertaken over the past two years to develop a product dimension to the Charter and are represented on the Steering Group responsible for moving the project forward.

In June 2011, our 3rd verification audit by SGS was successful and we signed up to Charter 2010. We are currently working on products which meet the newly identified criteria for sustainability for laundry while helping to establish criteria for other product groups.

The new logo for Charter 2010 will gradually replace the old logo on pack. Products which meet the new product criteria will have a product specific logo.



THE PRINCE'S
MAYDAY
NETWORK

Prince's Mayday Trust CDP (Carbon Disclosure Project)

McBride participated in the FTSE CDP Carbon Strategy Index Series for the second time in 2011. The Index series includes all FTSE 350 Index constituents, rated according to their carbon risk exposure and carbon management performance. This Carbon Scorecard performance score is calculated using over 40 indicators. In 2010, McBride achieved a ranking of 225 in the 350 Index.

McBride has signed up to the Prince's Mayday Trust and has reported its energy footprint for 2010 for tracking progress with reduction of carbon emissions.

Our economic impact

McBride is Europe's leading provider of Private Label Household and Personal Care products. With sales of £812.4 million or almost €1 billion, we enable our retail customers to provide consumers with value for money Private Label products.

McBride's products aim to meet the needs of a large and growing demand for value for money Household and Personal care products from consumers with increasingly tight household budgets.

McBride has a significant impact on the communities where it operates, employing over 5,400 people in the UK, Europe and the Far East, contributing £131.7 million in salaries and benefits to our employees.

Our economic impact also includes our many suppliers with whom we spend £537.8 million for raw material, packaging, energy and distribution.

We contribute to both central and local governments through taxes, rates and national insurance contributions or its equivalent and return money to our lenders in terms of interest on loans.

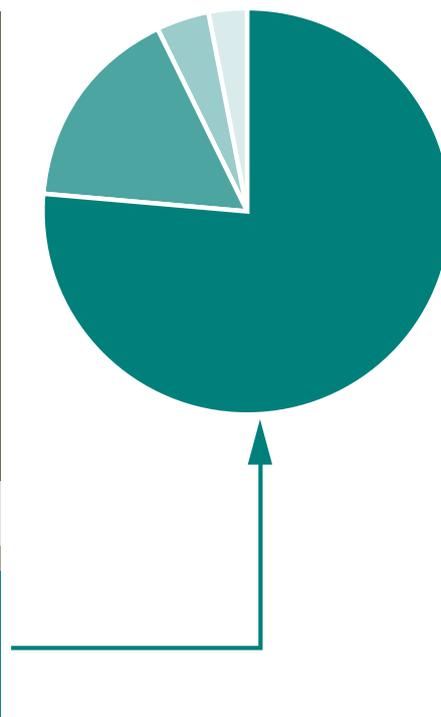
The added value that is left in the business is used to invest in the future growth of McBride and distribution to shareholders.



Value added statement 2010-11 £m

Sales £812.4m

- Cost of materials, packaging, energy and distribution £537.8m (66.2%)
- Other expenses £74.7m (9.2%)
- Depreciation/amortisation £27.7m (3.4%)
- Added value £172.2m (21.2%)



- Salaries and benefits £131.7m (16.2%)
- Tax charges and social security payments £28.5m (3.5%)
- Interest £6.7m (0.8%)
- Funds for investment and distribution to shareholders £5.3m (0.6%)

Our economic performance

The McBride business comprises three European business units and a developing Asia business. The regional sales performance of the Business unit's on a reported and constant currency basis is provided below. Whilst the mature markets of Western Europe were impacted by the weakening spending patterns of consumers, McBride saw strong

growth from our developing markets in Central and Eastern Europe and Asia. Group profitability for the year to June 2011, was impacted by the significant rise in material input costs experienced during the year and the time lag for recovery of these costs through selling price increases to our customers.

Regional sales performance 2010-11

| | Reported | | | Constant Currency Basis | |
|----------------------------|---------------|---------------|--------------------------|-------------------------|--------------------------|
| | 2010-11 £m | 2009-10 £m | Year-on-year % change | 2009-10 £m | Year-on-year % change |
| UK | 310.7 | 320.3 | -3% | 320.3 | -3% |
| Western Continental Europe | 405.7 | 414.0 | -2% | 403.7 | +0% |
| Central and Eastern Europe | 139.7 | 118.4 | +18% | 116.4 | +20% |
| Asia | 9.3 | 1.0 | n/a | 1.0 | n/a |
| Sub-total | 865.4 | 853.7 | +1% | 841.4 | +3% |
| Eliminations/intercompany | (53.0) | (41.5) | n/a | (40.7) | n/a |
| Total | 812.4 | 812.2 | +0% | 800.7 | +1% |

Five year financial summary (unaudited)

| | 2011 £m | 2010 £m | 2009 £m | 2008 £m | 2007 £m |
|--|------------|------------|------------|------------|------------|
| Results | | | | | |
| Revenue | 812.4 | 812.2 | 792.4 | 700.9 | 592.0 |
| Profit before tax ⁽¹⁾ | 22.5 | 44.4 | 31.0 | 21.3 | 32.1 |
| Profit after tax ⁽¹⁾ | 16.9 | 33.2 | 23.2 | 15.6 | 23.2 |
| Profit before tax | 7.1 | 29.6 | 22.2 | 15.7 | 29.5 |
| Profit after tax | 5.3 | 22.1 | 16.6 | 11.5 | 21.3 |
| Earnings | | | | | |
| Adjusted diluted earnings per share ⁽¹⁾ | 9.3 | 18.1 | 12.8 | 8.6 | 12.7 |
| Shareholder payments per share ⁽²⁾ | 6.8 | 6.8 | 6.0 | 5.6 | 5.6 |

⁽¹⁾ Adjusting items include amortisation of intangible assets, exceptional items, changes in estimates of contingent consideration arising on business combinations, and any non-cash financing costs from unwind of discount on initial recognition of contingent consideration and any related tax.

⁽²⁾ Interim and proposed shareholder payments for the year.

Environment

At McBride we remain committed to making continuous progress in reducing the environmental impact of our operations. We utilise comprehensive internal environmental management systems and key performance indicators, monitored by strong internal auditing and external environmental accreditation, to improve the performance of our operations.

As with last year's report, this year's environmental performance has been reported with the assistance of the external consultancy EQ2. We will be using EQ2 software for data recording in the coming year with the aim of improving accuracy and efficiency of both recording and reporting performance going forward.

Changes to the structure of the business and the economic climate including lower production volumes have made improving our performance difficult over the past year. In addition, we have refined our data collection and our KPI definitions, in preparation for using a new data collation process next year. In some cases this has made some changes to data previously reported. We have also taken the opportunity to restate the data from previous years where more accurate data is available, or where errors have been found. It is our intention to introduce external verification of our data next year.

The figures below include both the factories in Malaysia and Vietnam acquired in June 2010 and the factory in Brno from February 2011. The Solaro factory in Italy and the St Helens factory in the UK, which were involved in manufacture up to June 2010, are excluded from this report. Transfer of Foetz from WCE to the new CEE grouping along with Strzelce and Brno, and the enlarged Far East division make year on year comparisons difficult by division but such comparisons are included on a 'like for like' basis where possible.

The Control of Major Accident Hazard Regulations (COMAH), affect several of our sites and these regulations involve significant input from local enforcing authorities into our risk reduction and management practices. Middleton has recently joined Rosporden, Hull, Foetz, Moyaux, Etain, Sallent and Ieper Household sites covered by the COMAH regulations.

The Sustainability Steering Group reviewed policies during the year and a new Environmental Sustainability Policy was issued which sits beneath the Business Sustainability Policy and provides a clearer direction for sites.

A key part of our environmental stewardship is measurement, monitoring and managing the key environmental issues relevant to the Group. Our key impacts are energy and water use, CO₂, waste and waste water emissions. While we are, for the first time, reporting Scope 1 and Scope 2 CO₂ emissions, we are not, as yet, measuring Scope 3 (transport) emissions. Other emissions to air are not significant.

We have not been fined or otherwise prosecuted for non-compliance with environmental regulations. Neither have we had any significant spills, although there have been several spills of chemicals which have been small in volume and retained within bunds or holding tanks and managed without impact on the environment.

None of our sites are located in or near sites of scientific interest or protected areas, or which is diversity rich.

Environmental performance 2010-11

Energy consumption and CO₂ emissions fell

- Energy use was down 3.9% to 677,094 GJ.
- CO₂ emissions were down 1.6% to 60,923 tCO₂e.
- After removing green energy CO₂ emissions were 50,449 tCO₂e.
- Water use increased by 7.6% to 1,116,434m³.
- Effluent discharge up 17% to 216,281m³.
- Total waste generated increased by 8.4% to 13,600 tonnes.
- Re-used, recycled and recovered waste improved to 77% of total waste.
- Green energy usage maintained at 21% of total energy.

Eco-efficiencies (kg production per unit) were all adversely impacted by a mix of revised definitions and corrections, lower production volumes and the restructuring of sites and divisions.

- Energy efficiency fell 0.4% to 1,608 kg/GJ.
- CO₂ efficiency fell 2.8% to 17,868 kg/tCO₂ (2,158 taking into account green energy).
- Water efficiency fell by 11.1% to 975 kg production/m³.
- Effluent fell by 18% to 5,033 kg production/m³.

Environment

continued

Energy

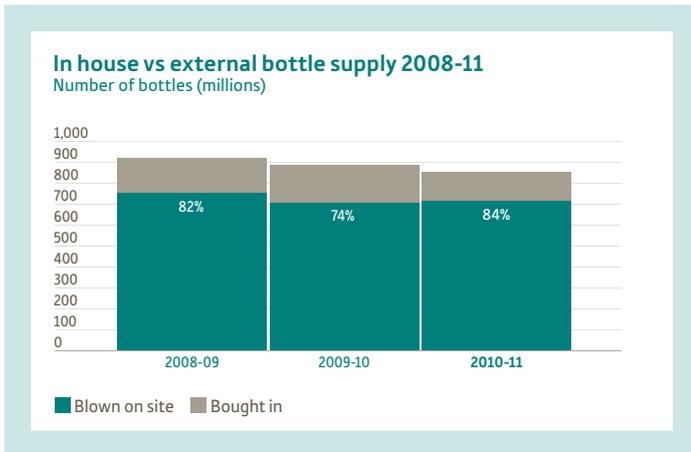
Energy consumption is one of our most significant environmental impacts. Manufacture of products such as laundry detergents is energy intensive, as is the production of plastic containers in which the products are stored and sold.

The Group both manufactures plastic bottles and buys in from third parties. Our in-house production gives the Group benefits of lower costs and greater operational flexibility and eliminates the energy consumption used in transporting empty containers to production sites. In contrast, it increases our own energy consumption.

The Group performance and efficiency therefore must be seen in the context of this changing picture; sites with blow mould facilities will have lower energy efficiency than those without, as we account for all energy usage but only product weight, and not packaging, weight within our production figures.

The Group is examining different metrics to include packaging weights to give a fairer comparison but as yet no consistent figure appropriate to all sites has been identified.

Whilst 3.9% fewer bottles were used in production this year, 84% of those were blown in-house compared with 79% in the previous year, an increase of 9.5 million bottles.

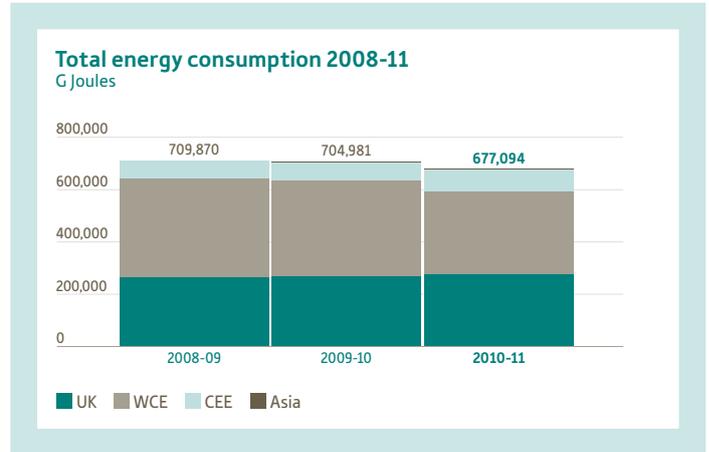


The UK Government Climate Change Agreements (CCA) allow discounts for high energy processes against the Climate Change Levy imposed on all fuel bills. In November 2009, Robert McBride Ltd entered into an agreement which allows a discount against electricity costs involved with blow moulding activity. Because this CCA covers more than 25% of the total energy consumption of the UK Company, McBride is exempt from the Carbon Reduction Commitment (CRC), a further UK Government initiative to reduce energy which came into force in April 2010.

Maintaining the CCA and confirming CRC exemption require significant work in data generation and reporting, as well as developing and implementing plans for reducing energy use. An Energy Champions project team has been set up to facilitate this work, see page 13.

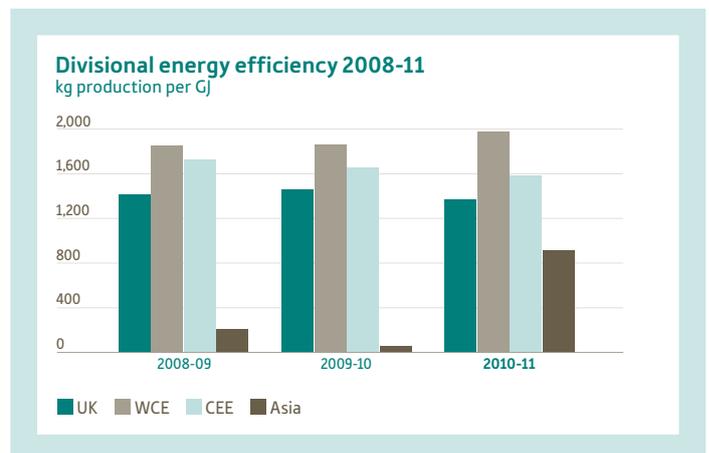
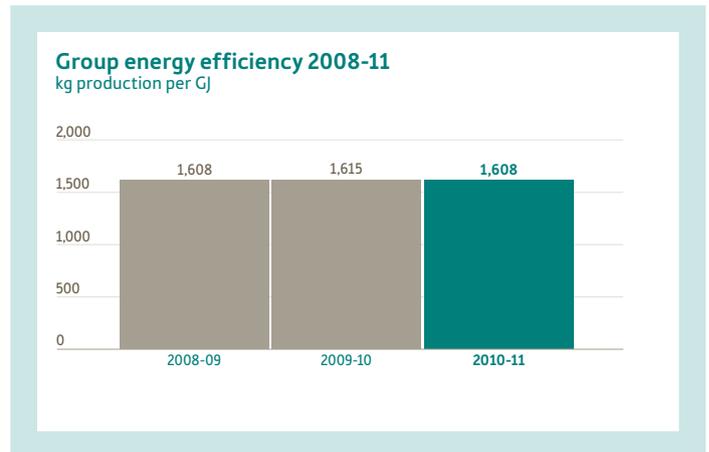
All energy entering the business for manufacturing purposes including blow moulding and ancillary functions such as heating, lighting and the operation of administrative equipment in offices are included in our analysis.

Total energy use by the Group fell by 3.9% reflecting reduced volumes. Eco-efficiency was slightly down 0.4% at 1,608 kg production/Gj (2009-10: 1,615 kg production/Gj).



Energy consumption increased slightly in UK but decreased in WCE as a result of various site initiatives.

Energy efficiency in WCE also showed some improvement, whilst the UK and CEE performance were lower, resulting in overall energy efficiency down 0.4% compared to the prior year.



The Sustainability Steering Group has identified energy consumption as a key area for focus and an energy sub group has been established to identify ways of further sharing best practice going forward.



UK energy road map

In the UK, our primary focus has been on energy, reflecting increasing concerns about climate change, Government initiatives such as Climate Change Levy and Carbon Reduction Commitment (CRC) and increasing fuel costs.

In November 2009, Robert McBride entered into a Climate Change Agreement (CCA) which allows a discount against CCL costs for electricity costs involved with blow moulding, giving annual savings of more than £50,000 pa provided that CCA obligations are met. These obligations include introduction of an energy policy with supporting procedures, an energy savings plan at each blow mould site and reduction of blow mould energy consumption with targets of 9-12% improvement in efficiency (kwh/kg plastic processed) during calendar year 2010.

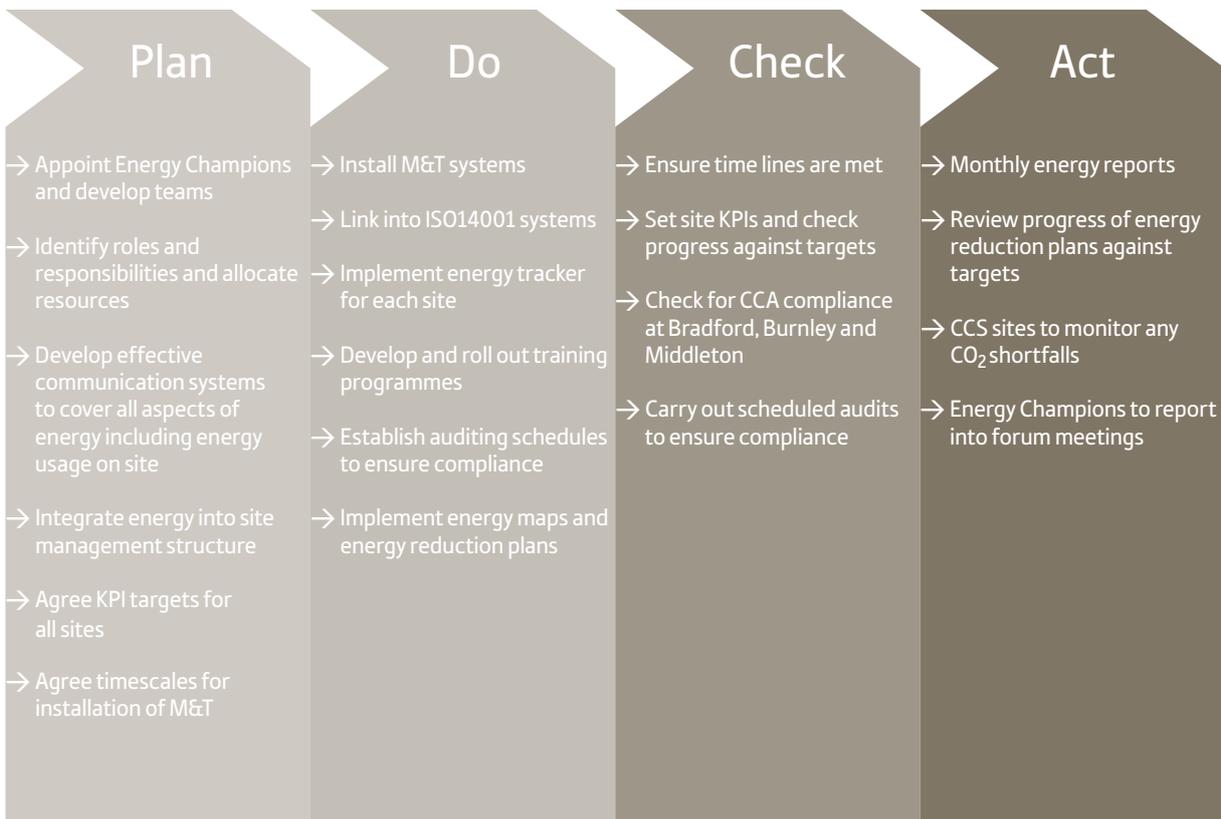
In order to satisfy the CCA requirements and to reduce energy consumption an Energy Champions Group was established comprising representatives from each site and central functions.

The overall aim of the project is to:

- Meet energy reduction obligations under CCA (and CRC exemption).
- Help achieve McBride Group energy targets for 2020.
- Reduce energy costs to the business.

The Group met several times during the year and worked with energy consultants, Envantage, who undertook surveys of each site. As a result, each site developed its own action plan for energy reduction. An overall road map for the Group was produced and a full Energy Policy written.

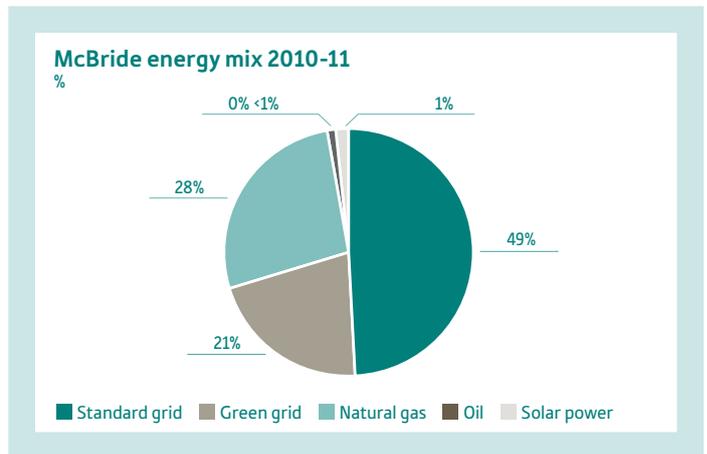
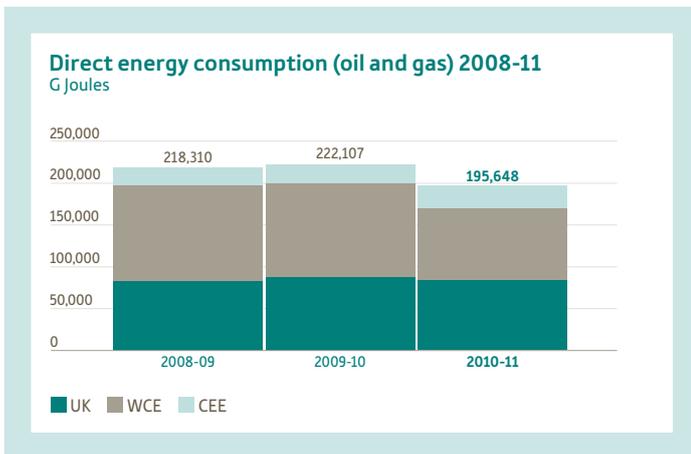
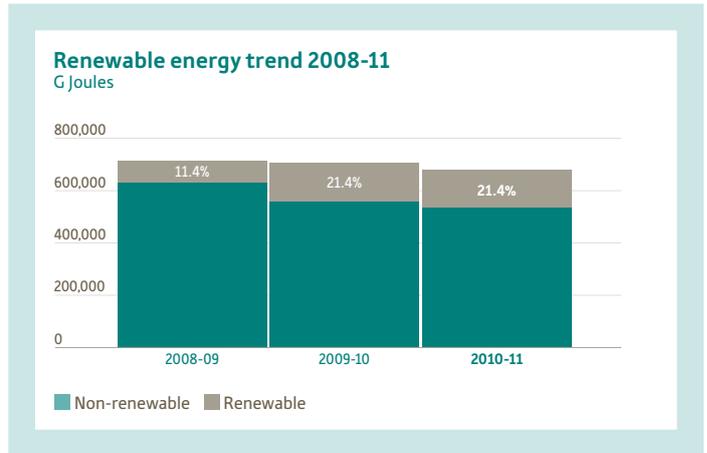
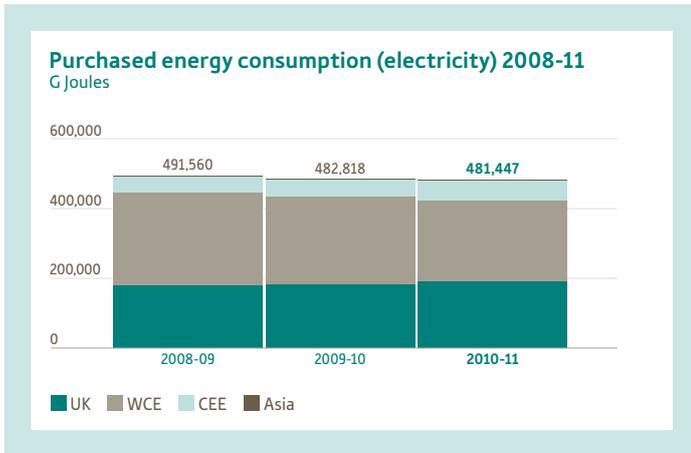
Energy road map – Site level



Environment

continued

Energy by source



Use of renewable energy

Our target for use of renewable energy is a minimum of 20% of our total use by 2020. McBride Group has achieved 21.4% in both the last and current reporting year, due to the efforts of our Belgian WCE business, thanks to the use of 100% renewable energy from contracts with the Belgian utility company. Also in Belgium we have 7,700 solar panels at both Household and Personal Care factories in Ieper, providing 1.0% of our total Group electricity use and 3.5% of all renewable energy used.

A project in UK to install solar panels on the roof at Bradford site and also potentially at Middleton, along with a project at Estaimpuis in Belgium to generate energy from biomethanisation of waste were stopped as changes in Government strategy has meant that these plans are no longer economically viable. Similarly, reviews into the feasibility of using wind generated power at our UK facilities have not yet established a viable option.

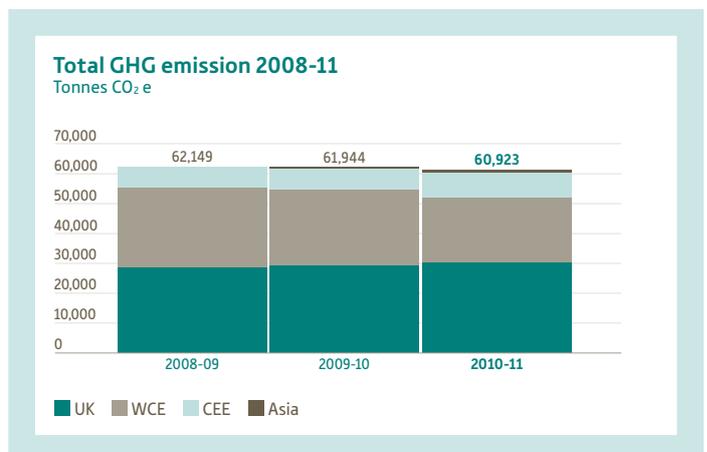
We continue to monitor availability of other sources of green energy as they become available.

Energy mix

McBride uses a variety of energy sources with 49% of our energy sourced from standard electricity grid and 21% sourced from green electricity grid. Natural gas accounts for 28% of our energy requirement with oil at less than 1%.

CO₂ emissions

60,923 tonnes of carbon dioxide equivalents were generated from energy used in manufacturing processes, a decrease of 1,021 tonnes or 1.6% compared to 2009-10.

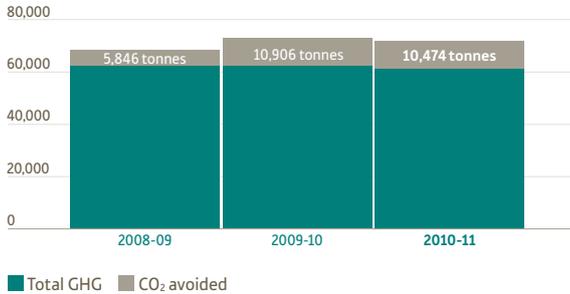


Environment

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GHG emissions avoided by renewable energy consumption 2008-11

Tonnes CO₂e



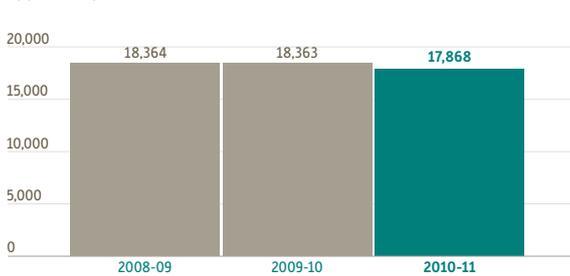
10,474 tonnes of CO₂ were avoided through the use of renewable sources of energy, leaving net emissions of 50,449 tonnes.

Eco-efficiency, expressed in kilos of product per tonne of carbon dioxide fell slightly to 17,868 kg production/tCO₂e with greatest efficiency in WCE, which achieved a 9% improvement, without taking green energy into account.

When green energy is taken into account, the actual efficiency is 21,577 kg/Tonnes CO₂.

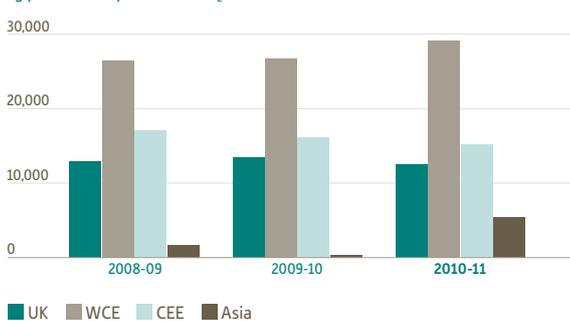
Total GHG emissions efficiency 2008-11

kg product per tonne CO₂



Total GHG emissions efficiency 2008-11

kg production per tonne CO₂



McBride is reporting energy use by Scope for the first time in-line with Carbon Disclosure Project (CDP) reporting.

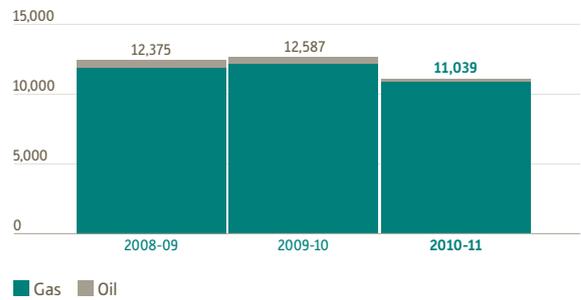
Scope 1 emissions are those which are directly controlled by McBride, for example, from use of gas and oil in boilers and on site vehicles such as fork lift trucks.

Scope 2 emissions are those from electricity purchased by the company from utility companies.

We are not currently measuring, recording or reporting Scope 3 emissions from business travel or 3rd party transport and haulage.

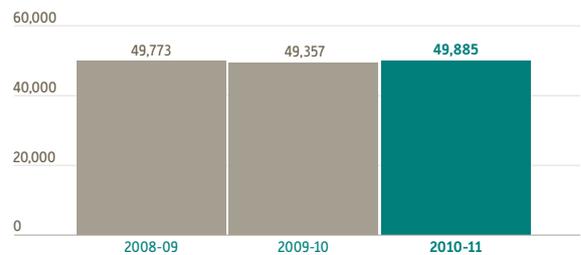
Scope 1 GHG emissions (gas and oil) 2008-11

Tonnes CO₂e



Scope 2 GHG emissions (electricity) 2008-11

Tonnes CO₂e



Emission factors used have been taken from:
UK electricity: 2011 Guidelines to DEFRA/DECC's GHG Conversion Factors for Company Reporting.

All other factors used are derived from GHG Protocol (Corporate Accounting and Reporting Standards (Corporate Standard) and they are the same as used in 2009-10.

Other greenhouse gas emissions

CO₂ emissions reported above are based only on calculations of the energy we purchase. We do not routinely measure emissions of sulphur or nitrogen compounds since these only come from steam generators and heating installations.

Periodic measurements or calculations at sites where there are national or local limits, confirm that our emissions are well below such limits and therefore regular monitoring is not required.

Other greenhouse gases are in enclosed cooling units and are gradually being replaced.

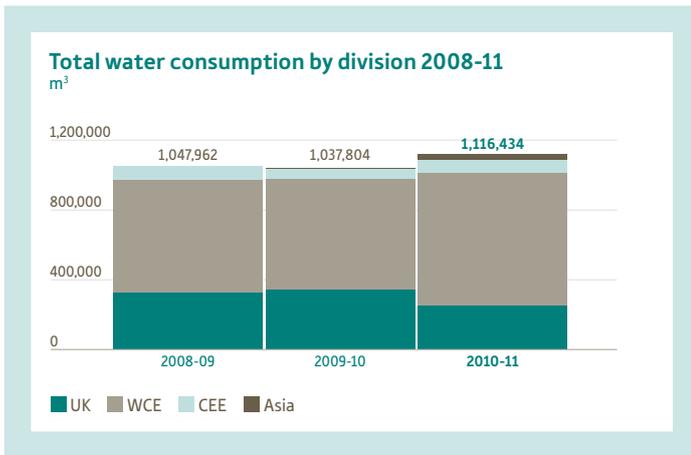
Environment

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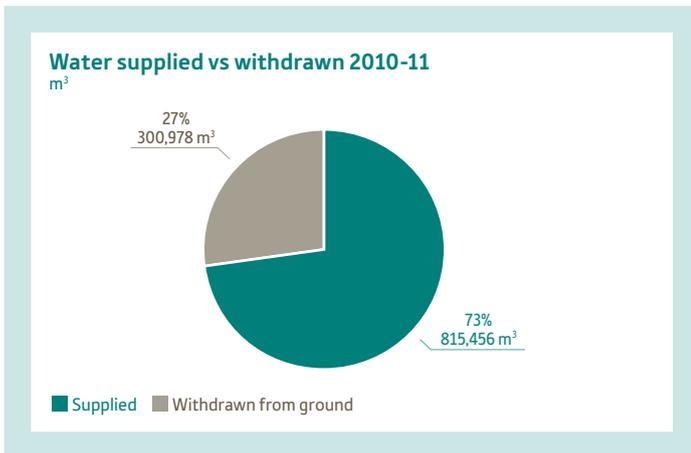
Resource usage – water

Water is a key raw material in production of our products and is also used for cooling, cleaning and sanitising production vessels. The total volume of water used by the business increased by 7.6% to 1,116,434m³. (Restated figures 2009-10: 1,037,804m³, 2008-09: 1,047,962m³.)

The increase in 2010-11 is due to reporting of additional water extracted from ground sources in Bagnatica in addition to that supplied by utilities, which had not been previously recognised and reported. On a like for like basis the volume used this year would be 962,821m³, a 7.3% decrease.

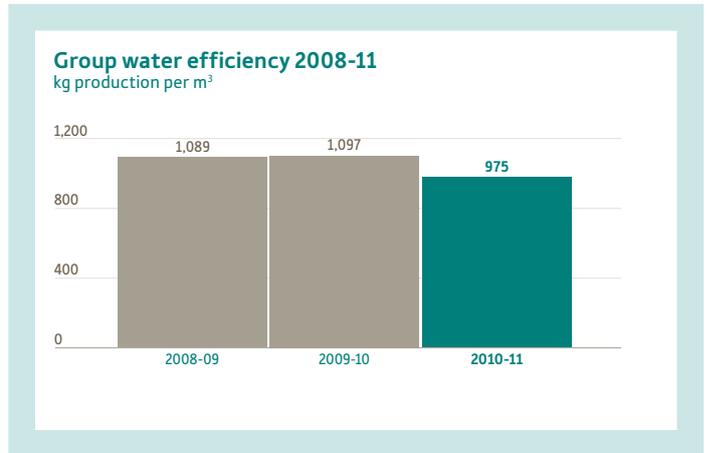


With the additional supply of extracted water in Bagnatica, the proportion of abstracted water is now 27% of the group's total use, compared with 15.9% for the previous year (historical data for Bagnatica abstraction are not available).

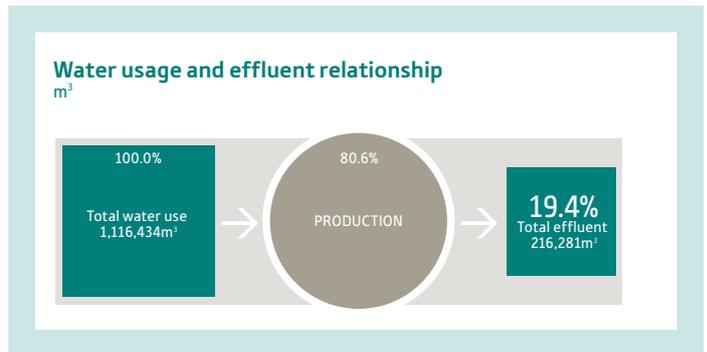


The result, in terms of eco-efficiency, fell by 11.1% to 975 kgs of product per m³ of water, (2009-10: 1,097 kgs of product per m³ of water). On a like for like basis, excluding Bagnatica abstraction, efficiency would have improved by 3.1%.

The UK business has improved its water efficiency by 30% with much of the saving, due to efforts in several sites, but in-particular Middleton, to reduce the number of wash downs.



In relation to the total volume of water consumed by the business, 80.6% is used directly in our finished products with the remaining volume used for production wash down and sanitary purposes.



While much work has already been done in this area, we will continue to look for opportunities to reduce our overall water consumption by continued development of more concentrated products to further improve our water efficiency performance.

The Group will continue to explore more sustainable water sources in the future.

Our 2008-09 targets included reviewing signing up to the UK CEO water mandate. We have decided that our water policy is not yet sufficiently advanced to sign up to this initiative at present, but it will be revisited in future.

Environment

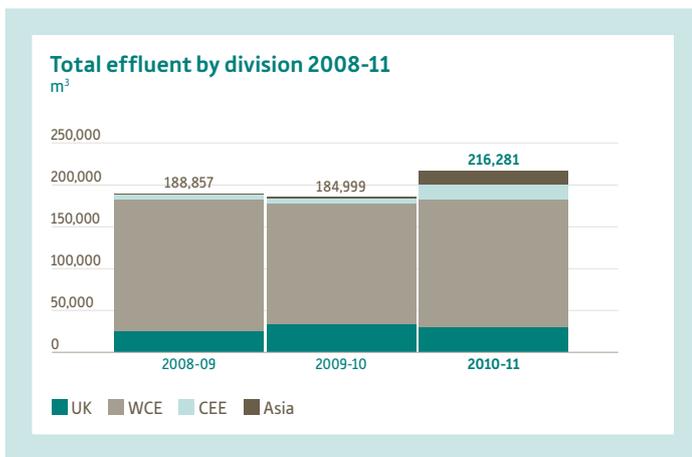
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Water discharge

One of the biggest environmental impacts of the Group's operations is wastewater or effluent from our manufacturing processes.

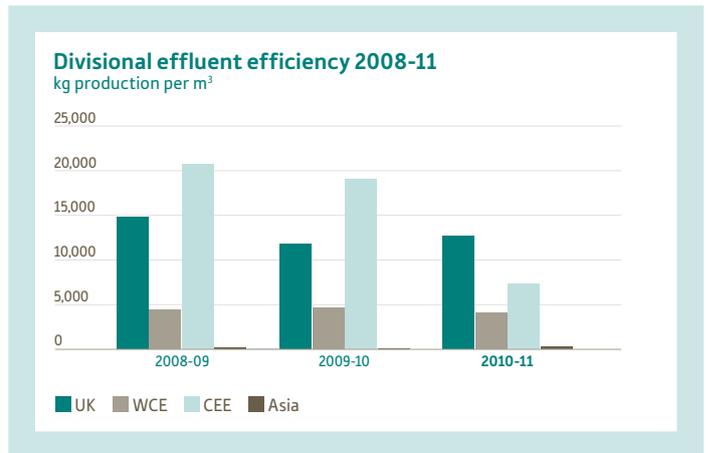
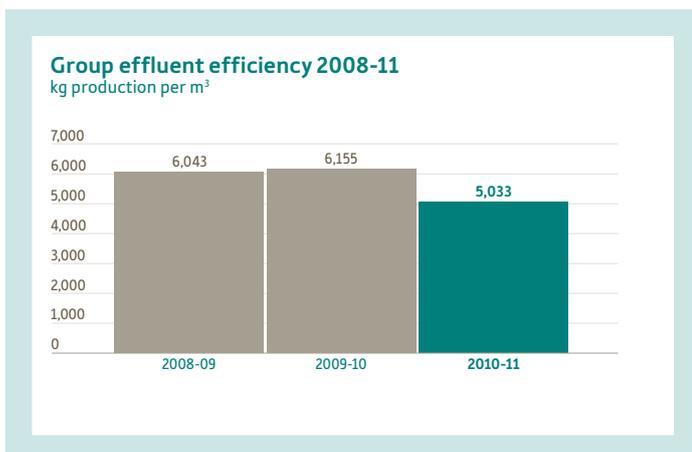
All effluent is treated before release to surface water, either in-house or by downstream treatment works. This year, we have refined our data collection to ensure that all sites report effluent in a consistent way. All effluent waste is now being recorded as effluent where as in the past some sites have reported effluent sludge as waste, where possible we have amended previous year data to reflect this greater consistency of our reporting.

On this new reporting basis the total volume of effluent has increased to 216,281m³ in 2010-11.



More than 80% of the increase in effluent is the result of the addition of three new sites in CEE and Far East increased effluent from our expanding Strzelce operation plus the impact of the improved consistency of reporting noted above.

In terms of eco-efficiency in kg production per m³ effluent, there was an 18.2% fall from the previous year to 5,033 kg product per m³ effluent. Comparing only the UK and WCE business units with the prior year, the reduction in efficiency was 8.9%.



Environment

continued

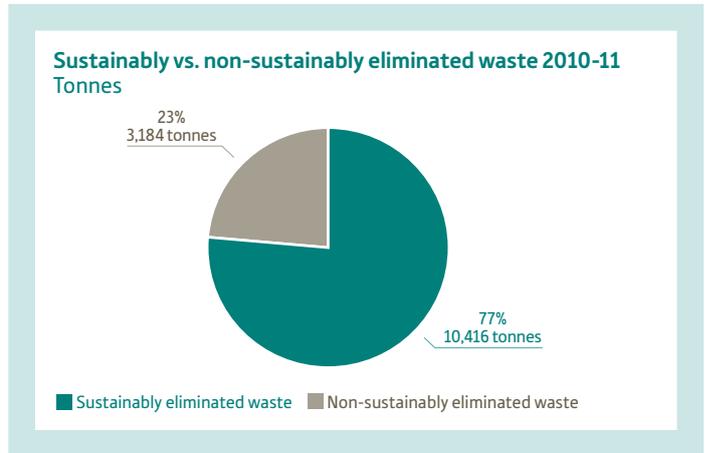
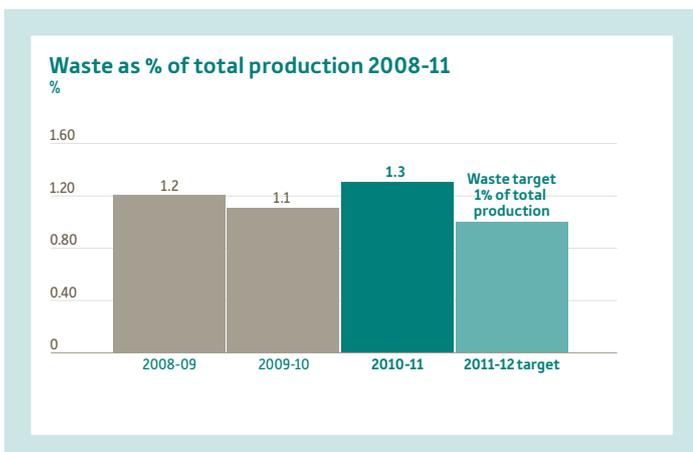
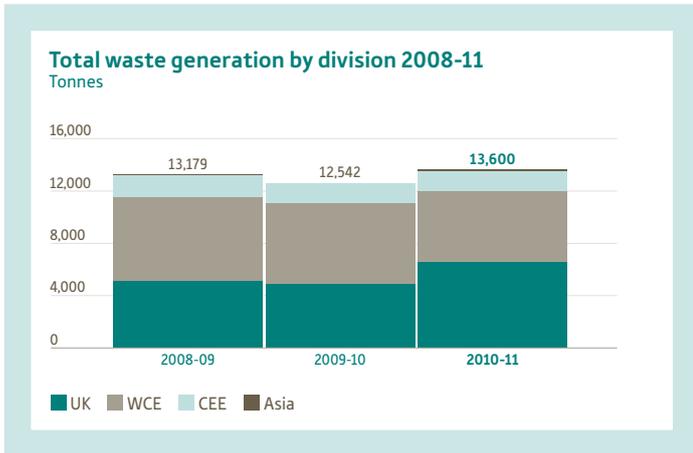
Waste

Significant efforts made during the year to reduce both the level of waste generation and, wherever possible, to increase the proportion of recovered or recycled waste which is produced.

Despite our efforts, total waste increased by 8.4% over the previous year to 13,600 tonnes with the increase entirely from the UK business. While every site has an active waste management programme, some of the waste increase, has been due to greater focus on sorting of waste and removal of excess/redundant materials as sites are reorganised for increased efficiency.

A further factor has been product packed in the normal way, being repacked for shelf-ready display, leaving the original packaging as waste.

On a more positive note, a greater proportion of UK waste was diverted from traditional landfill disposal, with a 25% reduction in landfill compared with the previous year and a 50% increase in waste re-used, recycled or recovered.



Our overall waste efficiency declined by 11.8% from 90,800 kg production/T total waste to 80,041 kg production/tonne total waste.

This level of waste equates to 1.3% of our production volume, our target for 2012 being 1% waste.

Due to the efforts in the year on improving the proportion of re-used, recycled and recovered waste, this now accounts for 77% of total waste up from 70% last year.

Environment action plan 2011-12

During the next 12 months we intend to improve our environmental performance by:

- Improving our energy and waste measurement and reporting capabilities across the Group using our new software.
- Continuing to work towards our 2020 targets with improving energy efficiency at all sites as priority, investigating potential for savings and investing in change where appropriate, e.g. replacing inefficient equipment, installing energy efficient lighting.
- Continuing to focus our new product and packaging development on packaging reduction and reducing our environmental impact.
- Continuing with implementation our environmental and Health & Safety policies and procedures at our newly acquired facilities in Malaysia and Vietnam.
- Continuing to engage with all our employees on actions to reduce our environmental impact.
- Continuing the work towards reducing our carbon emissions in-line with our 2020 targets.

Human rights and labour practices

Involvement of employees

Our continued success depends on having a skilled and motivated workforce. We endeavour to create a culture whereby employees are recognised as a valuable asset. The Company is continuing to implement initiatives to engage employees with the business and to ensure they feel valued in an environment where they can make a positive contribution. The focus is on helping employees to give of their best at work and to achieve their full career potential through the provision of training and development opportunities and, to enhance individual performance, we have a coaching programme as an element of our training resource.

Our appraisal system is extended to all employees and helps to ensure that individuals' performance is assessed objectively and their training and development is defined systematically and in relation to business needs. We intend that all employees will receive an annual performance and career development review and have a current target by site of 85% minimum.

There is a structured talent review process across the Group which seeks to identify those of potential on a fully inclusive basis. The outcomes are re-assessed every year and the process is used to obtain peer group feedback and draw up tailored personal development plans. We continue to run our own innovative Management Development Programme supported by specific modular training which is available to all relevant employees. The content of the programme itself is regularly reviewed to ensure it keeps pace with changing business needs.

In the UK we operate a First-Line Management programme, which extends over seven modules. A new programme was introduced during the year, Shaping Our Coaching Culture, which supports the existing programme to develop a coaching culture within the business. All sites have their own training professionals. We acknowledge that team working is invaluable in helping to deliver our goals and this is actively encouraged through cross-fertilisation of ideas both across functions and across territories so that best practice is shared at every opportunity. We have wide-ranging employee policies in place to help provide guidance and to set the standards expected of our employees in all their business dealings. These policies are made available to employees on a regular basis.

We are committed to employee consultation by way of regular briefings, partnership councils, listening groups, information bulletins and newsletters. Many departments also hold annual 'away days' which provide the opportunity for a cross-section of colleagues to contribute to the development and realisation of business plans for their departments, and we have bi-annual conferences for managers. Members of the senior management teams regularly visit the sites and attend our management development programmes for Q&A sessions. These exercises provide the opportunity for open questioning from employees and encourage two-way dialogue. Most sites are actively engaged in involvement initiatives to allow all employees to understand and relate to our business goals and many sites hold open days to allow employees' families to see the environment in which their family members work.

Reward and recognition

Eligible employees participate in performance-related bonus schemes and some senior management participate in a Long-Term Incentive Plan (LTIP). Local incentive schemes relating to site performance are available to most site based employees and in 2009 the Company offered a three-year Save As You Earn Scheme to eligible employees based in the UK.

We respect the right of employees to join trade unions and appropriate representative bodies where they choose to do so. We have in place formal arrangements with recognised national unions where this is deemed appropriate and Partnerships or Works Councils (joint management/employee consultation groups) operate at all UK and Western Continental Europe facilities. Where these arrangements include nomination of employee representatives, they are not discriminated against and they are allowed reasonable time and facilities to carry out their representative duties.

Human rights and labour practices

continued

Employment of disabled persons

We aim to provide a working environment and to offer terms and conditions of service which allow disabled people with the necessary skills and qualifications to obtain employment with the Group.

If employees become disabled during the course of their employment, they will continue to be employed, wherever practicable in the same job, or, if this is not practicable, every effort is made to find and provide appropriate retraining and redeployment. Disabled people are afforded equal opportunities in recruitment and promotion and full and fair consideration is given to providing opportunities for training and development of people with disabilities according to their skills and capabilities.

Equal opportunities

It is our policy to ensure equal opportunity in recruitment, selection, promotion, employee development, training and reward policies and we have an Equal Opportunities and Diversity policy in place which is monitored through the HR function. It is a key objective to ensure that successful candidates for appointment and promotion are selected taking account of individual ability, skills and competencies without regard to age, gender, race, religion, disability or sexual orientation.

The composition of our governance bodies is as follows:

- Board – 8 members including 1 appointed 1 August 2011, 2 females.
- Group Management Team – 9 members, 1 female.
- Divisional Management Teams.
 - UK: 7 members in total, 2 females.
 - WCE: 9 members in total, 1 female.
 - CEE: 4 members in total, 1 female.

We do not currently collate, on a Group basis, data on employees by gender, age group, minorities etc. The ratio of basic salary of men to women by employee category varies by site but equality is the ultimate objective.

Absence rates vary by site and division from an average of 3.2% in WCE, 3.4% in UK to 6.7% in CEE.

There have been no significant investment agreements during the year that included human rights clauses or have undergone human rights screening or where these issues were deemed to be significant.

Each site supplying the UK market, including China and Strzelce as well as several WCE sites, has had independent 3rd party audits. These audits are loaded onto the SEDEX website and are available for inspection by participating retailers. The audits cover the right to exercise freedom of association and collective bargaining, child labour and forced or compulsory labour issues. Where performance is not up to standard, a high risk status is applied and action needs to be taken before an early next audit. The only high risk status issues experienced are due to minor misinterpretations of requirements.

We place great emphasis on establishing and maintaining a safe working environment for our employees. If an employee is injured during the course of his employment, the incident is thoroughly investigated and, where appropriate, rehabilitation support is provided to help the employee to return to work as soon as possible. Wherever a restructuring programme is undertaken, great care is taken to ensure that all relevant communications, consultations and support and guidance are provided and every effort is taken to ensure that compulsory redundancies are minimised. Further details of our Health & Safety performance are provided on page 21.

Bribery Act

We have not had any problems or legal actions in relation to anti-competitive behaviour, anti-trust and monopoly practices. Training on anti-competitive practices was rolled out to all senior managers across the Group during the year. There were no fines or non-monetary sanctions for non-compliance with regulations. Training in anti-corruption policies and procedures is currently in progress, senior managers were trained during summer 2011 and this will be extended to other colleagues during 2011/12. One whistle blowing report was received and investigated during the year. No further action was required.

Work on bribery and corruption was started during the year with the publication of the Bribery Act in UK. A policy was written and internal training along with communications to external parties is in progress. It is McBride policy not to make political contributions. We have not been involved in lobbying on public policy development.

As well as providing significant employment opportunities, McBride aims to make a positive contribution to local communities, building goodwill and our reputation as a good neighbour and employer. We seek to maintain regular dialogue with relevant groups such as local authorities, educational establishments, community groups and charities which enables discussion and implementation of a range of initiatives to the mutual benefit of the relevant stakeholders. Where sites plan to make changes to facilities or working practices, extra meetings with local interest groups are arranged to discuss the plans and their impacts in advance, so that local views can be accommodated wherever possible. Where sites are required to have an operating permit, an evaluation is included on the impact of activities on the surrounding environment. Official hearings of expert parties and of views of those living in the neighbourhood form part of the evaluation before the permit is granted.

Health & Safety

McBride is committed to maintaining a safe workplace at all locations in which it operates. We continue to ensure our business activities are undertaken in a responsible manner and in accordance with relevant legislation, and that all employees participate in the development, promotion and maintenance of a safe and healthy working environment for employees, visitors and the public.

Achievements in Health & Safety

- OHSAS 18001 certification achieved in Rosporden and retained in Ieper Household, Personal Care, Foetz, Moyaux, Sallent and Strzelce in Poland.
- Further reduction in > 3 day Lost time injuries, down 18% to 99 from 121.
- > 3 day lost time injury frequency at 0.99 per 100,000 hours worked – the best performance for 10 years.
- Risk rate 0.46 (2010: 0.55) and rate of seriousness 0.21 (2010: 0.23) also demonstrated further improvement – the lowest in 10 years of recording.

Across the Group more than 17,000 hours of Health and Safety training were delivered on all aspects of Health & Safety using our own training packages as well as training from external providers.

Systems are in place at all sites to manage Health & Safety based on risk assessment and compliance with legislation and Health & Safety policy.

European sites operate under the OHSAS 18001 system with a total of seven sites currently holding the accreditation. These are Ieper Household and Personal Care, Foetz, Moyaux, Rosporden, Sallent and Strzelce in Poland.

In the UK our Health & Safety management systems are regularly audited by our insurers and brokers together and action plans developed and monitored. Results this year showed a rating improvement at all sites compared with the previous year.

Safety performance

All accidents and major incidents are reported internally, and are fully investigated to determine appropriate corrective and preventive measures. Investigations are discussed with all those concerned, communicated internally on site and in the formal joint health and safety committees.

All accidents are reported to official authorities following the local legislative reporting requirements (reporting requirements differ per country). We report on all accidents, including those involving agency staff and contractors on site.

There were no fatalities during the year. The total number of work-related injuries was 766 compared with 737 last year, a 4% increase, but the number of hours worked was 19% higher indicating an overall reduction in accident frequency.

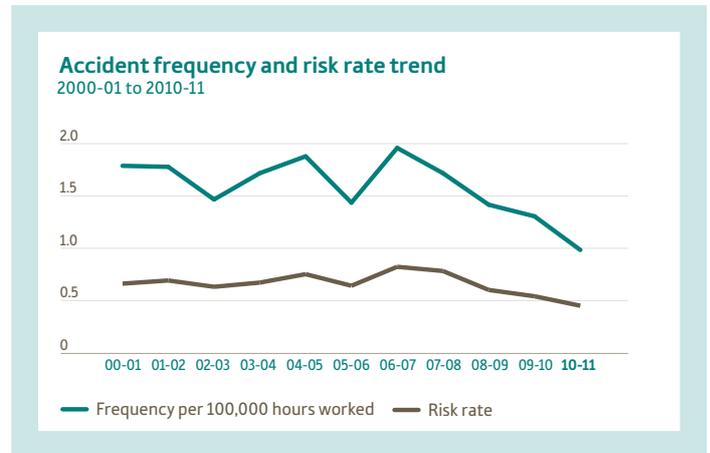
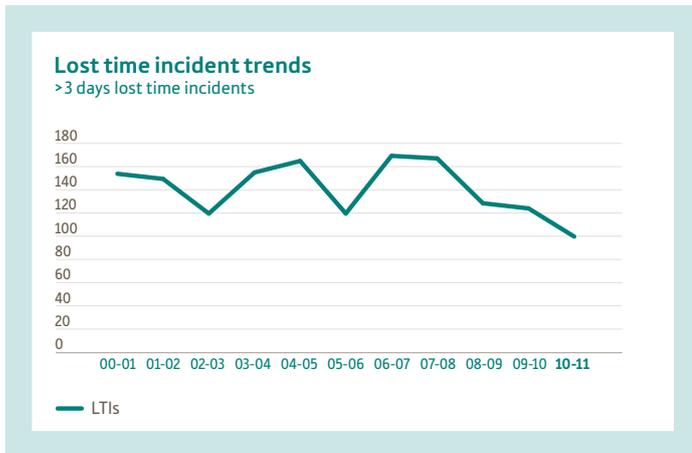
At a Group level we follow up all lost time incidents (LTIs) that result in more than three days lost working time. In the year ended 30 June 2011, we registered 99 accidents of over 3 days lost, a further decrease compared to 2009-10 with the frequency rate at 0.99 per 100,000 hours worked – the best for 10 years. The risk rate of our accidents has also fallen to 0.46 and rate of seriousness has also decreased to 0.21, the lowest on record.

| Year | LTIs > 3 days | Frequency per 100,000 hours worked | Rate of seriousness | Risk rate |
|---------|---------------|------------------------------------|---------------------|-----------|
| 2000-1 | 148 | 1.79 | 0.25 | 0.67 |
| 2001-2 | 144 | 1.78 | 0.27 | 0.70 |
| 2002-3 | 117 | 1.47 | 0.28 | 0.64 |
| 2003-4 | 149 | 1.72 | 0.27 | 0.68 |
| 2004-5 | 158 | 1.88 | 0.31 | 0.76 |
| 2005-6 | 117 | 1.44 | 0.29 | 0.65 |
| 2006-7 | 162 | 1.96 | 0.35 | 0.83 |
| 2007-8 | 160 | 1.72 | 0.36 | 0.79 |
| 2008-9 | 125 | 1.42 | 0.26 | 0.61 |
| 2009-10 | 121 | 1.31 | 0.23 | 0.55 |
| 2010-11 | 99 | 0.99 | 0.21 | 0.46 |

Health & Safety

continued

Comparison of number of Group > 3 day lost time incidents over time



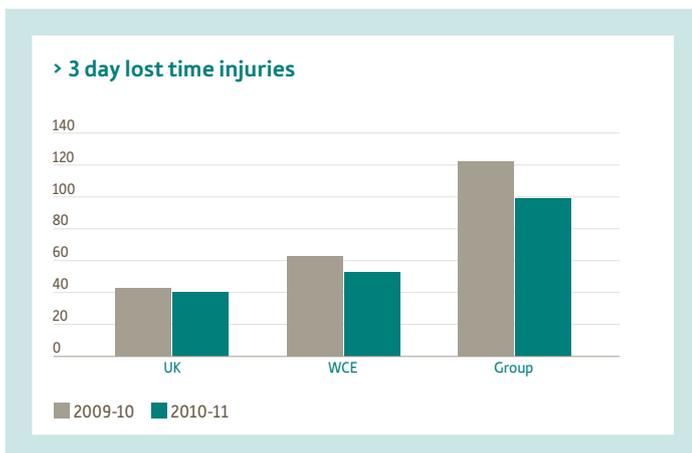
In WCE and the UK, lost time injuries and frequency rate fell continuing a trend over several years.

| 2010-11 | Hours worked | LTI > 3 days | Frequency per 100,000 hours worked | Days lost | Hours lost | Rate of seriousness | Risk rate |
|--------------|------------------|--------------|------------------------------------|--------------|---------------|---------------------|-------------|
| WCE | 3,170,418 | 52 | 1.64 | 1,199 | 9,292 | 0.37 | 0.78 |
| CEE | 1,209,438 | 7 | 0.57 | 349 | 2,064 | 0.21 | 0.35 |
| UK | 4,856,740 | 40 | 0.82 | 581 | 5,142 | 0.13 | 0.33 |
| FE | 668,346 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 9,904,942 | 99 | 0.99 | 2,132 | 16,498 | 0.21 | 0.46 |

Note

Data for 2010-11 is based on the new Group reporting structures for WCE and CEE plus the recently acquired businesses in CEE and Asia.

The graphs below compare number and frequency of > 3 day lost time injuries between last year and this year for the Group as a whole, UK and WCE (without Foetz for 2009-10 to give a direct comparison with 2010-11).



For several years the top causes of accidents have been manual handling, striking against stationary objects and particularly slips, trips and falls. These are addressed by site with awareness campaigns and training and tend, on the whole, to result in minor injury.

WCE

The target for > 1 day lost time accident frequency was achieved with an improvement year-on-year and the lowest frequency rate in ten years.

In WCE, there is a classification of risks at sites. Red points (official written notification from authorities of a non-compliance) were all eliminated. 'A' risks (non conformity representing a major risk) are targeted to be eliminated within three years. There were 32 'A' risks at the start of the year, of which six were new risks identified during the year. At the end of the year 26 remained still to be completed.

Health & Safety

continued

UK

Reportable (> 3 day lost time) injuries fell by 10%. Only at Barrow was the number of LTIs reduced, other sites being static or increasing. The closure of St Helens accounted for the biggest reduction in LTIs. On a like for like basis (excluding St Helens from last year's results) the number of LTIs increased from 37 to 40, an 8% increase). However, frequency was reduced by more than 13% indicating an overall improvement.

Central and Eastern Europe

Strzelce had seven LTIs compared with 13 in the prior year, with frequency per 100,000 hours also improved to 1.2 (2009-10: 10: 1.7). Strzelce is joined in the new CEE grouping by Foetz and by Brno from February 2011, neither of which reported lost time injuries.

Far East

Significant investment in Health & Safety training has been put in place at our factory in China with again, over 2,000 hours of training in the last year. The business is gradually introducing McBride's safety standards and procedures at the FortLab and Newlane factories in Malaysia and Vietnam acquired in June 2010, the health and safety performance of the two factories is included in this report for the first time.

Training is provided to all employees on risks in the workplace. We have internal programmes in place and use external providers when appropriate. Training is also extended to visitors and long-term contractors. Of particular importance is training on enzyme handling sites.

We aim to continue with our focus on continuous improvement in Health & Safety by working on training, improving and updating risk assessments, and continuing with detailed accident investigation and rectification. In addition, auditing will continue of all our sites by McBride, external agencies for OSHAS 18001 and in UK with our insurers and insurance brokers. All sites work closely with local enforcing inspectors who make regular visits, not simply to investigate accidents but also to plan compliance audits and agree priorities.

Progress was made with Health & Safety objectives for 2010-11

| | |
|--|--------------------|
| Develop and implement audit strategy to ensure compliance against Company Health & Safety policies | – Completed |
| Internal audit system introduced in UK to match practice in WCE | – Completed |
| Repeat auditor training course to increase availability of auditors (UK) | – Completed |
| Complete external independent audit of all sites | – Completed |
| Implement standards for new and existing equipment | – Completed |
| Upgrade all blow moulding machines to company Grade 3 standards according to plan | – Work in progress |
| Continue focus on accident reduction and Health & Safety awareness | – Work in progress |
| Complete the implementation of COMAH requirements in sites which produce bleach | – Work in progress |
| Check conformity of sites using enzymes versus current policy and improve methods of monitoring to reduce exposure where appropriate | – Work in progress |
| Implement McBride Health & Safety standards at our newly acquired sites | – Work in progress |

Health & Safety objectives for 2011-12:

There are many site specific Health & Safety objectives for the coming year. As a group, McBride will continue to focus on machinery safety and best practice in enzyme handling at all sites, especially those new to this potential risk.

Some examples of divisional and site objectives are:

- Improve the speed of eliminating non conformities, especially 'A' risks.
- Revision of Training Plans and Resources.
- Repeat UK noise surveys.
- Continue development and introduction of Opex/visual management/standards.
- Implement revised job descriptions and qualifications for SHEQ.
- Progress implementation of McBride standards at new sites.

Occupational health

The McBride UK Occupational Health team consists of Occupational Health professionals with a wide range of knowledge and experience. Our aim is to have a strong team that is fully integrated in the health and safety team. Activities include health surveillance in-line with identified risks; health advice in relation to risk assessments to prevent work related accidents and ill health; health promotion to meet the ongoing health and wellbeing needs of all our employees and case management of long-term sick cases.

In Europe, risk assessments are undertaken in collaboration with external company doctors, monitoring is undertaken either by the Company or external specialists, but the results are always reviewed by the doctors. The external doctors undertake regular visits to the sites.

The risk of occupational rhinitis and asthma from airborne enzymes is a constant focus at enzyme handling sites. The risk is assessed at each point of exposure and managed using engineering solutions, training, management and supervision, health surveillance and in situations where other solutions are not possible, personal protective equipment. No new cases of occupational disease were detected during the year, one potential case in Sallent in Spain was investigated but not found to be occupational asthma. Six new sensitisations were noted in Burnley, all of which were fully investigated. One other case of potential occupational disease from chemical exposure is under investigation in France.

Regulatory compliance

Verification of compliance with applicable legislation and regulations is a primary requirement of our policy. A regular check is done internally of existing and forthcoming rules and appropriate measures are planned to comply. No fines or prosecutions were received for non-compliance of sites.



Health & Safety best practice at McBride

The Belgian journal for safety professionals 'Prevent Focus' ran an article in April 2011, see below, on the system in place at McBride's leper Household and Personal Care sites for training, especially for Health & Safety, for temporary staff. The training programme was given as an example of good practice and highlights the excellent work undertaken at McBride's sites.



Uit de praktijk

Uitzendkrachten en veiligheidscultuur bij McBride

Fabrikant van schoonmaak- en lichaamsverzorgingsproducten McBride in leper schakelt jaarlijks zo'n 40 uitzendkrachten en 300 jobstudenten in. Om hen zo snel mogelijk te integreren in het bedrijf werkt McBride samen met uitzedkantoor Tempo Team. Samen hebben ze een onthaalbeleid uitgewerkt waarbij ook getracht wordt goede werkrachten voor langere tijd aan McBride te binden.

Source: focus April 2011, page 7.



The picture above shows temporary staff in the warehouse being trained in safe working procedures.

“De grootste risico's zijn verbonden met het gebruik van transportmiddelen zoals heftrucks en transpaletten.”

Product responsibility

McBride, as Europe's leading manufacturer of Private Label products, is fully aware of the responsibilities we owe to our customers, the retailers, and to every consumer who uses our products. These responsibilities start 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 assure safe and legally compliant products for consumers and the environment. We seek to ensure product safety, customer satisfaction and legislative compliance by:

- Assessing safety of products before launch in technical evaluations.
- Assessing efficacy of products before launch in technical evaluations and occasionally in consumer test panels.
- Handling complaints on our own products and for some retailers, and monitor complaint activity in others. Complaints are acknowledged within forty eight hours of receipt and fully investigate the cause of the complaint.
- Having a Product Responsibility Policy and an Animal Testing Policy. We do not test products on animals, or request testing of products or ingredients by any supplier or third party and check regularly with our suppliers for changes to the testing status of ingredients. Many of our UK retail customers operate fixed cut off dates for testing of raw materials and these are respected.

Safety impacts

Human safety is assessed for all household products under the requirements of the revised Dangerous Preparations Directive (99/45/EC) and for Personal Care products under the Cosmetic Products Directive (76/768/EEC and amendments). Products involving risks to human safety under normal and foreseeable conditions of use will not be sold. Raw materials and novel delivery systems are also assessed.

Environmental impacts

Environmental impacts are assessed for all household products under the requirements of the revised Dangerous Preparations Directive (99/45/EC). Products involving risks to the environment under normal and foreseeable conditions of use will not be sold.

In the UK, Product Legislation Compliance Department undertakes product and raw material safety assessment and includes some work for WCE products, the rest being handled by consultants.

Compliance: Legal compliance on product safety and labelling

No non-compliances with regulations concerning customer health and safety were identified during the year. No fines or penalties were incurred.

In WCE, the Legal Department, part of R&D, handles regulatory compliance work while in UK, the Regulatory Affairs Specialist works within the Product legislation Compliance Department. In CEE the Product Safety & Regulatory Manager covers both safety and regulatory functions. 'Legislate', the McBride UK newsletter is designed to keep colleagues up to date and aware of legislative changes which impact on the business. In WCE a Labelling Guide is being prepared to transcribe in a more comprehensive and practical way, all legislative texts and voluntary agreements that impact the labelling of McBride manufactured products.

Cosmetics Regulation

Activity on the McBride UK/CEE Implementation Plan for delivery of compliance with the new Cosmetics Regulations has been limited due to delays in publication of guidance from the EU Commission. The WCE legal team has updated the format of its current cosmetic product information dossier to ensure full compliance with the requirements of the new Regulation. To support the planned development of personal care business from Brno, a reference document on claims validation and testing was completed to cover the claims most often used on skin care products.

Biocidal Products Directive/Regulation

To date none of the insecticide and actives of interest to McBride has obtained Annex 1 approval under the Review Programme. It is hoped that the proposed EU Biocidal Product Regulation will allow for central authorisation of all biocidal products, avoiding the uncertainties of mutual recognition. Work continued on reviewing both disinfectant and insecticide products including assessing available routes to obtain supporting data, product authorisation and potential costs. A McBride Group task force has been established to focus on data sharing and rationalisation of formulations.

Product responsibility

continued

Classification, Labelling and Packaging Regulations 2008 (CLP)

We continue to work internally in product development to look for opportunities to re-formulate products which will be reclassified severely under the new regulations in order to ensure classification and labelling which is appropriate to the hazard and sensible for the consumer. Externally, we continue to work within AISE to develop an industry response to CLP. Three strands of activity are being run at a European Level by AISE which are directed and co-ordinated by the CLP Strategy Steering Group. McBride is involved in the CLP Steering Group and all three task forces; In-Vitro Irritancy Task Force, Classification Network Task Force and CLP Technical Task Force.

Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)

McBride is predominantly a downstream user of chemicals, supplied mostly by companies within the EU and as such its REACH registration duties are limited. However, we also manufacture a small number of substances as part of the production process for a few products, for which we have full registration responsibilities. One high tonnage substance was registered by the first deadline of 1 December 2010. Other registrations may be required for the next deadline in 2013 however, reformulation and changing production volumes may make this unnecessary.

We are now involved in the ongoing requirement to check that exposure scenarios included in our suppliers' extended safety data sheets contain all uses of interest to us and that we comply with advised operational conditions and risk management measures.

The European Chemicals Agency, ECHA, has continued to add to its Candidate List of Substances of High Concern. McBride monitors this list and any impact on the business so that we are able to respond promptly to any related query from customers or consumers. We also monitor issues raised by external organisations such as Greenpeace, Friends of the Earth and other consumer groups. Of the chemicals highlighted by such groups, very few are used by McBride and those which are used are monitored and reviewed regularly and action taken when new information causes a re-evaluation of our position.

Trade association work

We continue to be active in the key national and European Trade Associations that cover the business activities. This activity is especially important as various implementation deadlines for new legislation approach. Much of the legislation work is done through the trade associations where new regulations are evaluated and commented on.

In AISE, on a European level, we are active in many different areas. Work continued in AISE to develop the Charter on Sustainable Development. Charter 2010 was launched during the year, adding a product dimension in addition to the operational aspects. McBride played a leading role in this work and is represented on the Steering group responsible for moving the project forward. We signed up to Charter 2010 after our 3rd re-verification for the Charter in June 2010.

Product development

In 2010, we won the Innovation & Design category in the UK Manufacturer of the Year Awards for our new laundry gels. The panel of judges were impressed with our formulation capability, speed to market and ability to launch this innovative product in several different countries at the same time. We continue to concentrate laundry sachets, moving from 35 to 30mls product per wash, a 17% saving. We also recently developed super-concentrated hydro soluble unit-dose pouches for high performance washing at cold temperature. Nitrogen propelled air freshener launches were extended from Europe into UK for the first time.

Byotrol

A new partnership with Byotrol™ has given McBride access to novel biocidal technology for use in a range of consumer products. Initially the new technology will be used in hard surface cleaners where it supports 'long lasting germ kill' claims and helps protect consumers and their homes.

Eco-labelling

Several laundry and cleaning products awarded the European Eco-labelling mark were launched in Europe and in the Co-op in the UK during the year, including our first personal care product. We were also successful in developing and selling products awarded the Nordic Swan.

We participated to the AISE working group proposing test methods and criteria for the evaluation of the performance of the laundry products and in testing organised to validate the proposed evaluation method. This participation allowed us to influence decisions during development of the test method, and to build a deep knowledge and experience of the methodology.

Product responsibility

continued



Overview

Economic

Environment

Human rights
and labour practices

Health & Safety

Product responsibility

Social and community

Useful information

French LCA and environmental labelling

The implementation date of the law introducing environmental labelling of consumer goods in France was delayed.

An intermediate pilot phase was open to volunteer companies in which McBride is participating with the French Association AFISE. Five indicators representative for the environmental impact of detergents are considered: CO₂ footprint, energy consumption,

water consumption, aquatic toxicity and ultimate packaging waste. The communication of this data to the consumers will take place on the AFISE website and is planned during Q3 2011. One of our product developers, Linda Dewachtere based at our factory in Ieper, was interviewed as a 'success story' for the website currently being constructed http://demo.alligence.com/ecolabel_site/home.html

Extract from CFA (French Aerosols Association) Report on Ecolabelling



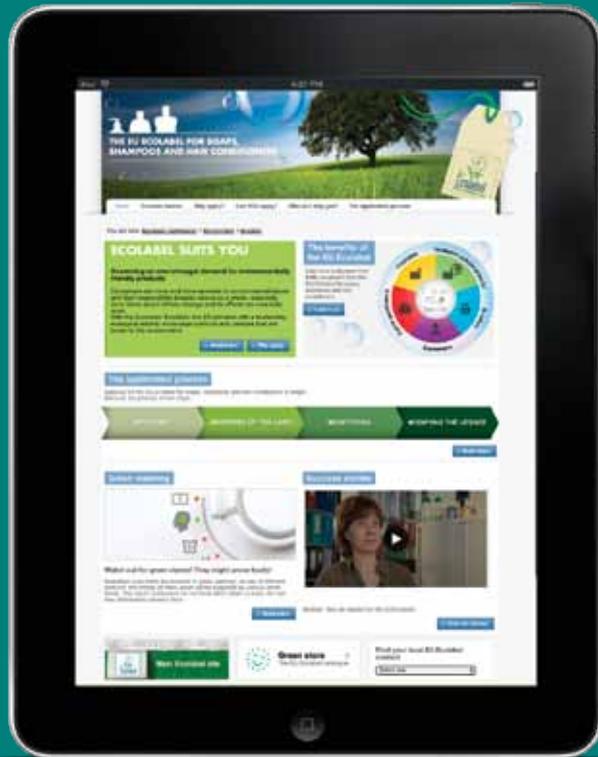
Labelling: A tool to guide consumers

In recent months, a national eco-labelling trial has been announced as part of the sustainable development agenda. The testing phase is set to begin on 1 July. One thousand products are involved, including many partners to the CFA.

From 3 November to 3 December 2010, companies, business combinations, unions and professional federations were invited to apply to take part in the national eco-labelling trial launched by the French Ministry for Ecology. The invitation received a positive response with 230 companies volunteering to test the new labelling.

168 were ultimately selected. From small businesses to world-leading retailers, these companies represent very diverse business sectors: food, drink, hygiene products, clothing, electric/electronic devices, furniture, building supplies.

The partners to the CFA include Butagaz (domestic gas cylinders), Pierre Fabre Dermo-Cosmétique (Ducray) (shampoo), L'Oreal (Garnier shampoo) and Reckitt Benckiser France, Unilever and McBride SAS (detergents).



Eco-labelling, a key undertaking of the French Environment Round Table, will inform consumers of the ecological impact of their purchases in order to steer them towards the most environmentally friendly products. The operation will begin on 1 July and last for at least a year. The aim is to optimise the introduction of eco-labelling.

Product responsibility

continued



Overview

Economic

Environment

Human rights
and labour practices

Health & Safety

Product responsibility

Social and community

Useful information

Designing sustainability into new product development

The development of 3x concentrated laundry liquid in 1 litre bottles include a number of environmental benefits.

Firstly a reduction in raw materials used, with less detergent being used per wash: the normal dosage is 110ml for a standard laundry liquid product but only 35ml for the new 3x concentrated laundry liquid formulation.

Based on our current sales of 3x concentrated laundry liquids (2,500,000 bottles pa); we expect to...
avoid the release of 187,500 litres of detergent into the environment.

The second impact is also a reduction of packaging associated with higher concentrated products. A 3 litre bottle of normal product weighs 100g whereas the 1 litre (3x concentrated) bottle weighs only 50g...

resulting in a saving of 125 tonnes of polyethylene resin pa.

And lastly concentrated products mean fewer trucks needed to transport the product. With the old formulation we could only load 240 bottles of the 3 litre bottle per pallet, whereas now we achieve 720 1 litre bottles (3x concentrated). This means...
a 30% reduction in the number of truck journeys due to the higher concentrated formulation.

McBride designing Sustainability into new product development.



187,500lt
of detergent avoided
into the environment



Product responsibility

continued



Overview
Economic
Environment
Human rights and labour practices
Health & Safety
Product responsibility
Social and community
Useful information

Marketing initiatives contributing to sustainability

Our WCE business has redesigned its rinse aid bottles, switching from polyethylene to PET bottles. Not only does the product look more attractive on shelf but it has reduced the weight of each

bottle. This change resulted in the annual saving of 13 tonnes of polymer resin.



In Spain, weight reductions in packaging achieved for Washing Up liquid 750ml: bottles with the weight reduced from 40g to 34g resulting in a saving 2.4 tones of PET resin.

The introduction of a square bottle for 2 litre bleach resulted in transportation savings as the bottles can be packed more effectively. 390 units per pallet can now be loaded instead of 300 making potential savings of 50 truck journeys per year on a fully loaded basis.



reducing bottle weight from
40g to 34g = 2.4 tonnes
of PET resin saving



Social and community

In addition, the various McBride sites are involved in many different social and community activities which are determined by local needs and the interests of colleagues rather than a Group-wide approach to community involvement.

The Group also organised a walk as part of the promotion of its Mission, Vision and Principles initiative.

Colleagues from all sites collectively walked a total distance of more than 10,000 miles, the distance between London Head Office and Hong Kong, and the company donated €10,000 to UNICEF.

Local community activities include:

- Facilitating factory visits by colleague's families, community groups and students from local educational establishments.
- Providing careers advice for students and school children.
- Providing mentoring support.
- Providing work experience placements.
- Providing McBride bursary and scholarship awards to undergraduate students.
- Supporting disadvantaged children in the local community.
- Supporting local charities by raising funds and providing product for fundraising activities.

For example, UK sites donated over £2,500 and employees raised more than £12,000 for local charities as well as supporting local fundraising events with gifts of product.

The Group MVP walk was supported by every site; many incorporated fund raising for local charities into the walk.

Specific initiatives during the year have included:

- Assisting disabled people in finding jobs and work experience and contributions to Belgian organisations for the disabled: 'La Banque Alimentaire', 'Retos du coeur', 'SOS village d'enfants' and 'Action Senega'.
- Sponsoring of local sporting initiatives.
- Grants for colleagues' children attending high school or university.
- Support for transport of elderly people with mobility difficulties around Sallent, Spain.
- Funding for a project with a school at Ieper to renovate a Children's home in Bulgaria.
- Providing a percentage of income from selling product to colleagues in Ieper is given to Child Cancer charity.
- Sponsorship of the seventh McBride Ieper to Poperinge half marathon.



Social and community

continued



Overview

Economic

Environment

Human rights
and labour practices

Health & Safety

Product responsibility

Social and community

Useful information

The McBride Charity Walk

McBride is keen to demonstrate its engagement with the wider community and further embed our Mission, Vision and Principles (MVP). To do this we arranged a 'One Family' initiative known as the McBride Charity Walk.

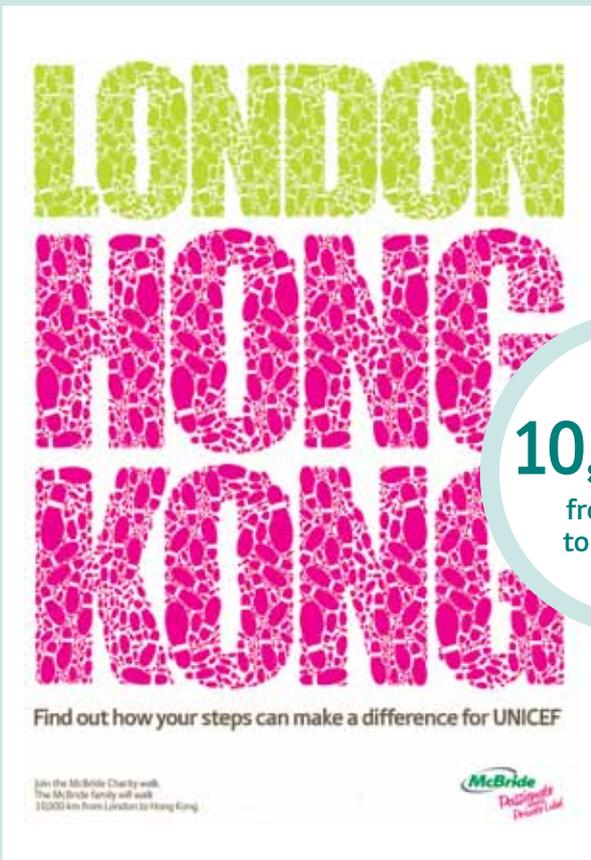
The Charity Walk was a virtual walk from our Head Office in London to our office in Hong Kong which equated to approximately 10,000 kilometres. All colleagues were asked to walk two kilometres each to achieve the target of 10,000 kilometres.

The plan was that on achieving the target the company would donate 10,000 Euros to the worldwide children's charity UNICEF. We exceeded the target of 10,000 and in turn donated 10,000 Euros to UNICEF.

The initiative demonstrated the philosophy of our MVP through One Team, One Family and One World.

The walk commenced in Trafalgar Square, London with our Chief Executive, Chris Bull and colleagues from our Head Office and finished in Hong Kong where our colleagues from the office there had the honour of completing the challenge.

All sites contributed to the walk, as an example, 14 colleagues completed the Keswick to Barrow walk, raising money for local charities as well as contributing 896 kilometres to the McBride London-Hong Kong walk.



10,000km
from London
to Hong Kong





McBride Charity Walk: Rosporden site walk with local UNICEF representative

Les 1ers km avec l'UNICEF

Et voilà avec Gilbert Crenn, membre de l'UNICEF nous avons réalisé ce mercredi 20 avril nos 1ers km tous ensemble au profit de l'UNICEF!
Merci à vous tous de votre participation.



Si vous souhaitez en savoir plus sur l'UNICEF, l'organisation et les missions de cette association, n'hésitez pas à lire la présentation ci-dessous ou rendez-vous directement sur leur site www.unicef.fr.

20 AVRIL

110 km

Social and community

continued



Overview

Economic

Environment

Human rights
and labour practices

Health & Safety

Product responsibility

Social and community

Useful information

Karine runs in China

Karine Pasquier, SHE coordinator at Rosporden, French champion runner in 5,000m was selected to represent France in the World Championships in Nanning, China. Karine finished 32nd despite the Chinese heat and even though she works full time at McBride.



McBride leper to Poperinge Run

Runners from several McBride sites as well as from outside the company took part in the seventh McBride half marathon between leper and Poperinge in June 2011.





'In Kind Direct' – donations

McBride plc donated over 40 pallet loads of laundry and dishwashing products, with a value of more than £35,000, to 'In Kind Direct' which distributes a wide range of products to charitable organisations all over the UK.

In this way, our products helped 311 child/youth, disability and homeless charities such as Greenwich Toy Library, Special Needs Holiday Trust and Women's Aid.

Women's Aid supports women and children who are affected by domestic abuse. It runs a refuge with 22 flats and therefore needs a lot of cleaning products and washing powder to run its service for over 100 women each year.

Since joining in 2009 the organisation has received toiletries, toys, nappies and lots of washing powder donated from McBride. Residents also have access to new clothing and shoes available on the In Kind Direct catalogue. All these things are of great value to those who have been forced to leave their homes, sometimes without many possessions.



Arlene Cochrane,

Director for the organisation, said:

"We get many of the items we need to run our operations from In Kind Direct. With 22 self contained flats at the centre, there is a great deal of laundry to do to get through all the linen, so we get our washing powder through the service. Many of these essentials become hugely expensive in the quantities that we need them. We save a lot of money on running the service by using In Kind Direct."

Glossary

| | |
|-------------------|---|
| AISE | European Federation of Soap & Detergent Manufacturers |
| AFISE | French Association of Soap & Detergent Manufacturers |
| BAMA | British Aerosol Manufacturer's Association |
| BIS | Dept of Business, Innovation & Skills (formerly DTI) |
| CAS | Chemical Abstracts number |
| CCA | Climate Change Agreement |
| CDP | Carbon Disclosure Project |
| CFA | French Aerosol Manufacturers Association |
| CLP | European Classification, Labelling & Packaging Regulations 2008 |
| COMAH | Control of Major Accident Hazards Regulations |
| CO ₂ e | Tonnes of Carbon Dioxide equivalent emissions |
| CRC | Carbon Reduction Commitment |
| CTPA | Cosmetics, Toiletries and Perfumery Association |
| DECC | UK Department of Energy & Climate Change |
| DEFRA | UK Department for Environment, Food and Rural Affairs |
| DG | European Directorate General |
| ECHA | European Chemical Agency |
| EINECS | European Inventory of Existing Chemical Substances |
| EMS | Environmental Management System |
| GHG | Greenhouse Gas |
| GRI | Global Reporting Initiative |
| KPI | Key Performance Indicator |
| LCA | Life Cycle Analysis |
| LEV | Local Exhaust Ventilation |
| LTI | Lost Time Incident (more than 3 days off work) |
| MVP | McBride Mission, Vision and Principles |
| NGO | Non-governmental Organisation |
| OH | Occupational Health |
| PLCD | Product Legislation Compliance Department |
| PPE | Personal Protective Equipment |
| RA | Risk Assessment |
| REACH | Registration, Notification and Authorisation of Chemicals |
| RPE | Respiratory Protective Equipment |
| SDS | Safety Data Sheet |
| SEDEX | Supply Chain Ethical Database Exchange |
| SHEQ | Health, Safety, Environment and Quality |
| SIEF | Substance Information Exchange Forum (Reach) |
| SMS | Safety Management System |
| SVHC | Substance of Very High Concern |
| UKCPI | UK Cleaning Products Industry Association |
| VOC | Volatile Organic Compound |

Definitions

LTI: Accidents of more than 1 shift/> 3 shifts lost, not including the day of the accident;

- Frequency rate (FR): number of accidents x 100,000 man-hours worked; and
- Rate of seriousness (SR): total number of days lost due to LTI x 1.000 man-hours worked;
- Risk rate (RR): square root of (Frequency Rate x Rate of seriousness).

This year's environmental performance has been reported with the assistance of the external consultancy EQ2.

Our online resources



McBride communicates its financial and sustainability performance as well as providing additional information about the Group at its website: www.mcbride.co.uk

McBride's Annual Report and Accounts are available to view online or to download from: www.mcbride.co.uk/investors/welcome

McBride's Sustainability Reports are available to view online or to download from: www.mcbride.co.uk/our-responsibilities/sustainability-reports

Latest announcements can be found at the McBride online media centre at: www.mcbride.co.uk/media-centre/regulatory-news

McBride plc
28th Floor
Centre Point
103 New Oxford Street
London WC1A 1DD
United Kingdom

Telephone: +44 (0)20 7539 7850
Facsimile: +44 (0)20 7539 7855

www.mcbride.co.uk



FTSE4Good

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



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