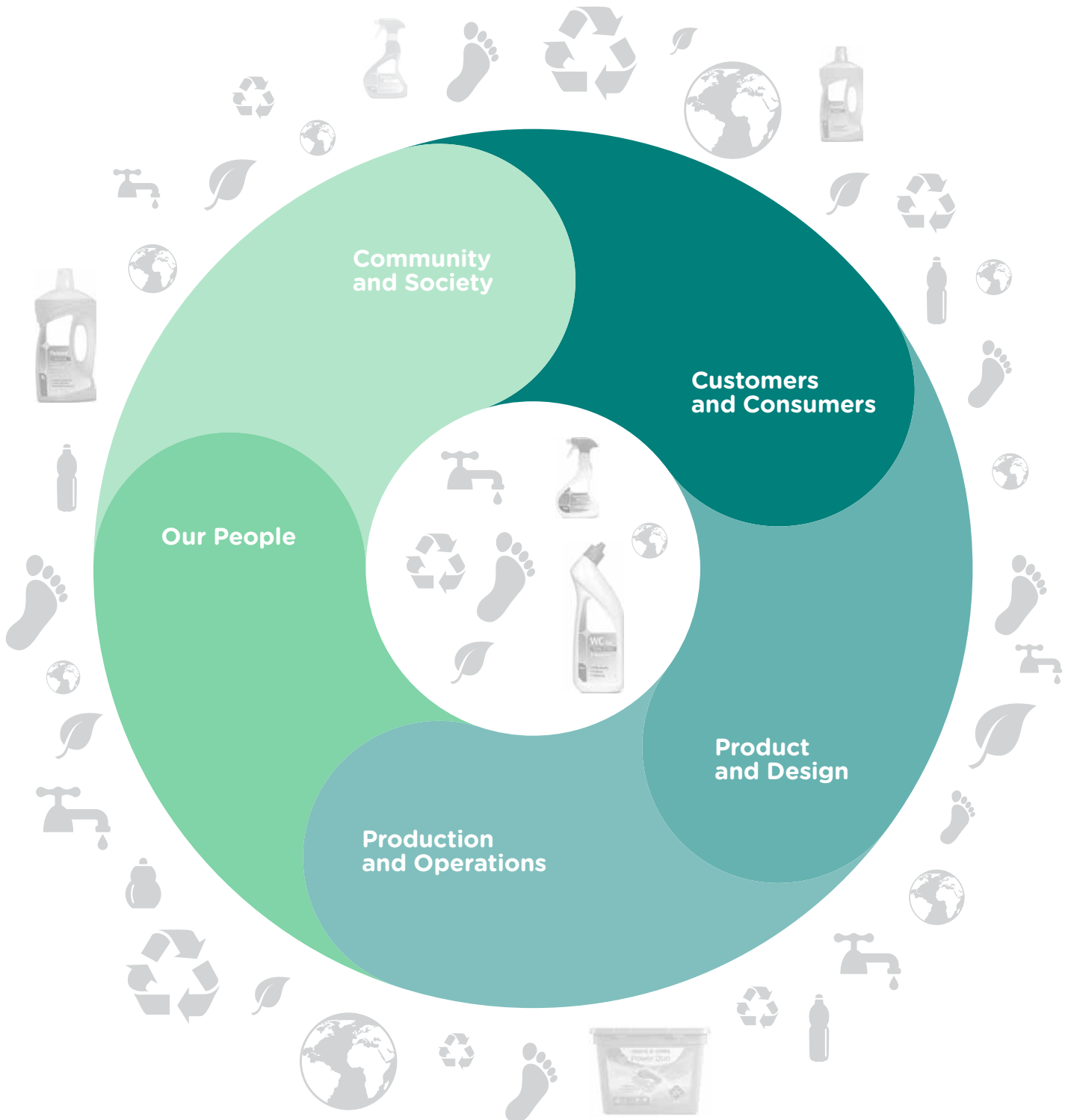




BUILDING SUSTAINABILITY IN A CHANGING ENVIRONMENT

Sustainability Report 2014



CONTENTS

02 Introduction to McBride Products and services	18 Theme 2 Product and Design
04 2014 highlights	21 Theme 3 Production and Operations
05 Our global operations	23 Theme 4 Our People
06 Welcome to the McBride plc 11th Sustainability Report	26 Theme 5 Community and Society
08 The Private Label market place	29 Performance review
09 Interview with Mario Morsiani, Chairman, Sustainability Steering Group	37 Appendix
11 Sustainability framework and governance	47 Group five-year summary
13 Defining what is important	48 Accreditations
14 The sustainability roadmap	49 Abbreviations
15 Theme 1 Customers and Consumers	50 Contact details

INTRODUCTION TO McBRIDE PRODUCTS AND SERVICES



McBride plc is Europe's leading provider of Private Label Household and Personal Care products. We have almost 90 years of experience researching, developing, manufacturing and selling products to leading retailers throughout Europe and Asia. McBride currently supplies 49 of Europe's 50 leading grocery retailers.

INTRODUCTION TO McBRIDE PRODUCTS AND SERVICES

Continued

We are 'Passionate about Private Label' and have established a strong position in this market, on which we continue to build with new markets and products. Our core and future growth categories are laundry liquids, machine dishwashing, speciality cleaners and selected personal care products.

Our key achievements in 2013/14 include:

Building on our NPD launch pipeline

Our R&D Centres of Excellence across all of our territories have worked closely with category managers to define new types of products to meet customer needs. We have a well defined and integrated product development process from concept through to launch.

Being first to market with Private Label dual compartment laundry sachets

In line with our strategy to be the 'fastest follower to market', we launched the first Private Label dual compartment laundry sachets. These soluble sachets combine excellent cleaning qualities at lower wash temperatures alongside reduced use of raw materials through packaging and ingredient formulation and innovation.

Compliance and customer care

Work very closely with our customers on the development of Private Label products, therefore our ability to respond to their requirements and navigate a complex compliance landscape is crucially important. Consequently, we play an active part in A.I.S.E. and other industry bodies, contributing to technical committees looking into the Detergent Regulations and Charter for Sustainable Cleaning. We are also involved in industry debates and programmes related to labelling, Biocidal Product Regulations, Product Environmental Footprint and sustainable palm oil.

Classification and labelling of products

Our R&D centres, suppliers and back office teams have been working hard to formulate our response to CLP. This is an EU regulation on the adoption of the Global Harmonised System (GHS) for classification and labelling of substances and mixtures, including Household cleaning products, industrial and institutional cleaners and some Personal Care categories.

This Report

This is the 11th annual Sustainability Report that we have produced. It describes our sustainability performance during the financial year 1 July 2013 to 30 June 2014 and covers the 17 manufacturing sites operational during that year.

The structure of the report reflects that of our Sustainability Roadmap, which was defined during the reporting year. It also draws on the Global Reporting Initiative (GRI) guidelines, although it is not intended to be fully compliant with either the G3.1 or G4 structure.

The Roadmap defines detailed targets and KPIs across all areas of our business. It was formally adopted in February 2014, near to the end of the reporting year, therefore our progress towards achievement of detailed targets is work in progress. We have therefore disclosed broad goals and our performance in certain areas has been described in greater detail - namely health & safety, energy, greenhouse gas emission, water usage, effluent generation and waste. For all five of the themes covered by the Roadmap, we have described our general approach and associated goals, with evidence of action in the form of case studies.

Our 2015 report will describe more detailed targets for each sustainability theme and progress made towards their achievement in the reporting year.



2014 HIGHLIGHTS



Revenue

£744.2m

(2013: £761.4m)

Adjusted operating profit⁽¹⁾

£22.0m

(2013: £23.6m)⁽²⁾

Adjusted operating margin

3.0%

(2013: 3.1%)⁽²⁾

Core and future growth categories

50% of Private Label revenues.

(2013: 49%)

Share of revenues from developing and emerging markets

11%

(2013: 11%)

Customer service level

98%

(2013: 96%)

McBride Core and Future Growth categories



Laundry liquids



Machine dishwashing



Speciality cleaners



Selected personal care

Automated bottle blowing, filling and packing at the Estaimpuis factory in Belgium.



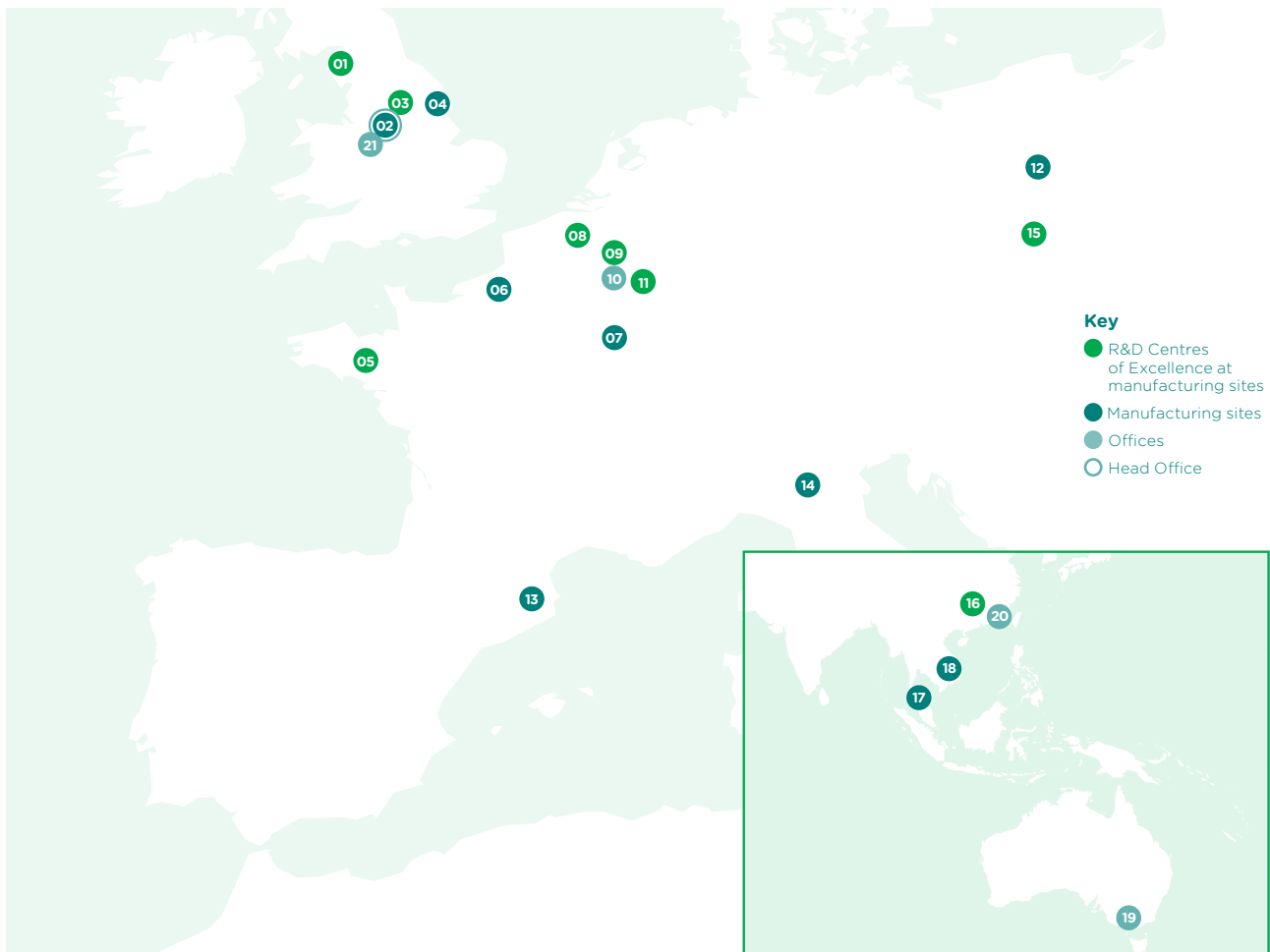
(1) Operating profit before adjusting items.

(2) The comparatives have been re-presented due to the adoption of IAS 19 (Revised 2011) 'Employee Benefits'.

OUR GLOBAL OPERATIONS

Locations

Reference	Site	Product capabilities	Reference	Site	Product capabilities
01	Barrow	Laundry powders, tabs, dishwashing	12	Strzelce	Household & Personal Care liquids
02	Middleton	Household liquids & Head Office	13	Sallent	Household & laundry liquids
03	Bradford	Personal Care & laundry liquids	14	Bergamo	Household & laundry liquids
04	Hull	Household & Personal Care aerosols	15	Brno	Skincare
05	Rosporden	Household & Personal Care aerosols	16	China	Household cleaners & Air Care
06	Moyaux	Laundry powders, tabs, dishwashing	17	Malaysia	Personal Care liquids & Skincare
07	Etain	Household liquids	18	Vietnam	Personal Care liquids & Skincare
08	Ieper	Household & Personal Care liquids	19	Melbourne	McBride Australia Sales office
09	Estaimpuis	Household & laundry liquids	20	Hong Kong	Asia Pacific Sales office
10	Guesnain	Distribution warehouse	21	Manchester	McBride Shared Services Centre
11	Foetz	Machine dishwashing			



WELCOME TO THE McBRIDE PLC 11th SUSTAINABILITY REPORT



Chris D Bull
Chief Executive

FOCUSSING ON THE BUSINESS OPPORTUNITY

As a leading Private Label business we face a wide range of customer and regulatory requirements and guidelines. We are therefore used to dealing with and adapting to a complex business environment – preferring to see the opportunity rather than the problems. This also applies to the way we manage sustainability, which by definition applies across all areas of our business and is driven by a mix of regulations, customer goals, resource constraints, cost pressures and of course the expectations of wider society.

In summary, our approach to sustainability is the same as for our business as a whole. We take a clear and business-like view, identify the opportunities, break down the problems and challenges into manageable chunks, set targets, assign responsibilities, report and act on what we find. This is exemplified by our sustainability roadmap.



[Read more on pages 14 to 28](#)

The roadmap came about because we recognised that there was already a great deal of activity in this area across the Group. However this work was not as co-ordinated as it could be and perhaps, more importantly, was not seen as being critical to the future of the business. This is now changing and while the roadmap is the start, it provides a structure around which we can set sustainability within a McBride context, operating from myself and the executive management team, through the Sustainability Steering Group, the divisional functional heads and all colleagues across the company.

The roadmap recognises the different expectations, opportunities and levels of engagement across our important stakeholders. It promotes a collaborative approach, for example, working with our customers to meet their objectives on sustainable palm oil or use of recycled content in packaging. It also responds to the needs of employees, looking for a safe and satisfying working environment and candidates looking to work for a responsible and well run company.

“ We take a clear and business-like view, identify the opportunities, break down the problems and challenges into manageable chunks, set targets, assign responsibilities, report and act on what we find. This is exemplified by our sustainability roadmap.”



WELCOME TO THE McBRIDE PLC 11th SUSTAINABILITY REPORT

Continued

Targets have also been set for the way we communicate, in terms of our understanding of stakeholder needs, how we measure performance and how we structure reporting, which will be different for investors and local communities, for example.

Our approach to sustainability reflects the fact that we are practical and innovative in equal measure. During the year we have implemented a range of workable energy efficiency measures, including heat recovery on compressors and optimisation of process water temperatures. This exemplifies our view that such measures control costs, improve efficiency and strengthen our long term business prospects. It is pleasing that we are seeing the benefits of these initiatives delivering both energy and emission reductions for the Group.



Read more on pages 29 to 36

As a Private Label business, we are driven by the requirements of our customers as well as regulators. Particularly around environmental management these requirements can vary considerably, therefore we are adept at finding innovative solutions to product and packaging specifications. A great example this year has been our contribution to an industry-wide pilot to define a Product Environmental Footprint for household liquid laundry detergents.

McBride has grown as a business over the past 80 years, during which we have learned to adapt to a rapidly and massively changing business environment. We apply our skills and knowledge in detergents and toiletry ingredients, materials science, manufacturing and customer relations to produce great value for money products. Looking ahead, we will continue to do this while our approach to sustainability becomes a significant element in our growth strategy.

Chris D Bull
Chief Executive

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



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



THE PRIVATE LABEL MARKET PLACE

DELIVERING EVERYDAY VALUE

Across Europe the traditional grocery channel structures are changing rapidly

Throughout Western and Eastern Europe, retail channel structures are changing to meet the growing demand of consumers for convenience and value. Many consumers throughout Europe are still feeling the impact of the economic recession, with pressure on disposable income which has resulted in a switch to online, convenience and discounter channels to help manage the weekly shopping budgets as well as reduced demand overall in some markets.

The main drivers in shopper store choice continue to be driven by price, convenience, quality and availability. In Central Eastern Europe, the growth of small store formats has resulted in increasing popularity of value for money Private Label ranges.

The latest market share data from the PLMA (Private Label manufacturers Association) shows that the popularity of Private Label continues to spread across Europe. Private Labels now account for at least 30% of all products sold in 15 countries, the greatest number ever, according to Nielsen data compiled for PLMA's 2014 International Private Label Yearbook.⁽¹⁾

Delivering every day value

Retailer's Private Label offer is being used to help it stand out from its competitors, providing something unique to drive and maintain customer loyalty. As retailers fight for market share, they are reviewing their Private Label offers, with enhanced value and quality for their entry price ranges. Private Label value proposition is about more than just about price.

The new value proposition provides an increased focus on the added value benefits, whether it is enhanced performance, convenient packaging, sustainability credentials or innovation.

McBride is Europe's leading manufacturer of Private Label Household and Personal Care products. Supported by a strong technical and development team, we are at the forefront of developing high quality products which meet the needs of today's value conscious consumer.

(1) PLMA (Private Label Manufacturers Association) www.plmainternational.com

“ Across Europe⁽¹⁾ Private Labels now account for at least 30% of all products sold in 15 countries...”

INTERVIEW WITH MARIO MORSIANI, CHAIRMAN, SUSTAINABILITY STEERING GROUP

ADAPTING, INNOVATING AND IMPROVING



Mario Morsiani
Business Unit Director, Italy

Q
Can you tell us more about the sustainability roadmap?

A
As reported in 2013, we had a most productive time working with external advisors, setting out a plan for sustainability that was in line with and supported our business goals. This was finalised and adopted by the Board in 2014 and, while it is early days, there is no doubt that we are seeing the benefit of defining a structure that is aligned with our Private Label Business model. The roadmap is built on five themes which focus on Customers and Consumers, Product and Design, Production and Operations, Our People as well as Community and Society.

Each theme has its own set of goals and short, medium and long term targets. Each theme is assigned an owner in the form of a senior manager from different functions across the Group. They have responsibility for overseeing the implementation of our plan and they report back into the Sustainability Steering Group, which in turn generates a report for the Group's Executive management team - one of whom is also a theme owner.



[Read more on pages 14 to 28](#)

Q
What are some of the goals and targets within the roadmap?

A
Many of the priorities addressed in the roadmap are not new to the Group. For example, they include better employee engagement, improved health and safety systems, eco-efficiency, innovation in product and packaging design, reducing the impact of transport, working closely with our customers and communicating with consumers. In each case, the roadmap provides a structure to which we all

work, along with clearly defined goals and targets. It also requires a more rigorous approach to management and reporting, and we are also revising the way we track progress, for example, better ways to capture the water consumption benefits of concentrated detergents or better metering of energy consumption.

The longer term targets take us out to 2020 and require a considerable effort if they are to be achieved, for example those relating to energy efficiency and carbon emissions. While ambitious, we believe that they are right for the business, as they will make us more cost-efficient, enhance our marketability to employees and customers and generate wider societal benefit.

Q
What are the main challenges faced in implementing the sustainability roadmap?

A
We see sustainability as an opportunity to grow a successful long term business. Nevertheless, we recognise that there are challenges when attempting to meet associated targets.

INTERVIEW WITH MARIO MORSIANI, CHAIRMAN, SUSTAINABILITY STEERING GROUP

Continued

For example, in line with EU targets we have committed to a 20% improvement in the efficiency of our energy consumption and CO₂ emissions by 2020 (based on a 2008/09 baseline). While the overall energy efficiency has improved by 2% and CO₂ efficiency by 1% compared to the prior year, the technical and process challenge is significant. Having said that, McBride is not alone in setting such targets and like other companies and government agencies we recognise that the cost and the environmental benefits from achieving these goals are significant.

Another challenge is the ongoing requirement to source materials and utilise them efficiently. While quality and price have always been factors, the ability of suppliers to find, and deliver more sustainable raw materials is not always in line with consumer demand or expectations. While we have made significant strides to monitor and capture the sustainability profile of suppliers with the needs of our stakeholders, it is a process that requires constant dialogue and refinement.

Q
Where do you see the main opportunities for enhancing your approach to sustainability?

A
We see opportunity aplenty, even where achieving targets is a long term, challenging game. If you look at our roadmap theme, each one represents an opportunity. Our product offering in Private Label needs to give advantages to the customer and the consumer.

We therefore collaborate with our customers to streamline transport and reduce packaging, improve the effectiveness of our products while reducing their environmental footprint or work with our industry bodies, governments and regulators to ensure we are supplying products that meet the highest industry standards.

This collaborative approach requires excellent communication, which is another aspect of sustainability that we are improving. This means finding the right language and communication mechanisms to motivate our colleagues, support the management team, explain its relevance to investors and enhance the relationship with customers and suppliers. We will focus more on the latter over the next two years. In the same way that we collaborate with customers, so we will look to engage our supply base more deeply around relevant goals within the roadmap.

Q
How important is sustainability to McBride and is it really business-centred?

A
Within the Private Label sector, McBride is and has been progressive in its approach to sustainability and associated communication. As to its importance at management team level, it would be fair to say that this has grown over a period of time. It is only really within the past two to three years that sustainability has figuratively earned its stripes with the Board's adoption of the roadmap. This provides

the CEO and his Board colleagues with goals and a clearly defined strategy alongside targets and metrics. Far from being conceptual, our sustainability roadmap is grounded in the reality of our business. For example, it is crucial that we streamline our use of raw materials and energy where costs are rising, provide greater control over risks associated with non-compliance, increase productivity and enhance the employee experience, develop our reputation amongst potential recruits, become more attractive as a supplier and ultimately adapt to a changing environment – both business and natural.

Q
Can you pick one thing that exemplifies sustainability in McBride during 2013?

A
The key development in 2013 was the formal adoption of the sustainability roadmap. It took 18 months of hard work to generate what I think is a highly relevant, credible and suitably ambitious framework. Importantly, the development process involved colleagues from across the Group, including the Executive management team, so it is not an outlier, but a main agenda item for the business. Although we are still at an early stage of implementation, this approach has meant that we are starting to see real progress, particularly in relation to energy use and efficiency. This is a great platform for progress in other areas. This year's report provides some great examples of the initiatives we have been implementing.

SUSTAINABILITY FRAMEWORK AND GOVERNANCE



As a company with roots that go back almost 90 years, we have taken a sustainable approach to business that involves learning, adapting and responding to changing pressures and opportunities. We have always been active in our local communities, pursued progressive employment practices and reduced our environmental impact. We operate a range of certified management systems and comply with relevant industry standards on a site by site basis (for a detailed breakdown of our site certifications see page 48). In 2009 we set Group-wide targets and KPIs for energy, CO₂, water and waste. We have published an annual sustainability report since 2004

and defined the following policies, all of which are available on our website (www.mcbride.co.uk): Sustainability; Environmental sustainability; Business Ethics; Health & Safety; Product Responsibility; Animal Testing; Product Packaging and Enzyme Management.

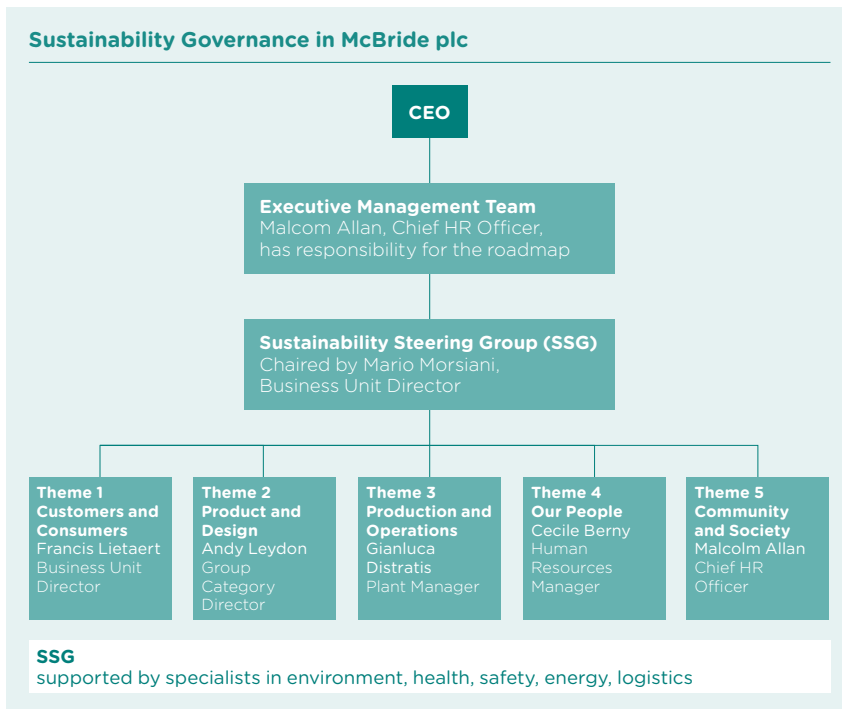
In 2012, we acknowledged the need to formalise and unify our approach to sustainability, bringing this into the Group management and product development process in the form of a Sustainability Roadmap. While the roadmap is described in detail on pages 14 to 28, it is driven by colleagues from across the company and is a core part of the CEO and Executive Management Team's agenda.

Each sustainability 'theme' is owned by a senior manager and Theme 5 is owned by Malcolm Allan, the Management Executive with responsibility for Group Human Resources, including health, safety and environment.

We have a detailed action plan for each theme, consisting of short, medium and long term targets. All theme owners sit on the SSG into which they report every two months on average (although sometimes meetings will be more frequent). The SSG is chaired by Mario Morsiani, our Business Unit Director for Italy and consists of one external member from A.I.S.E. and 14 senior managers representing different sites and Group functions including product design and development, sales and commercial, production and operations, HR, HSE and corporate governance. It also draws on the experience of individual specialists when required. The Group is responsible for:

- Embedding the sustainability strategy, principles and targets across all McBride Group functions and sites.
- Encouraging the free exchange of information and best practice.
- Ensuring that McBride can meet the expectations of its stakeholders.

This process follows the McBride corporate management reporting format. The Executive Management Team receives an update from the Sustainability Steering Committee every six months, at which time, progress is reviewed and resources assigned in order to support progress towards achieving the stated goals and targets.



SUSTAINABILITY FRAMEWORK AND GOVERNANCE

Continued



Defining what is important

In 2013 we started working to define a structure for a sustainability framework that was aligned with our business and its principles. The subsequent work programme, including workshops, one to one meetings and research, focussed on a review of the business case for sustainability, an assessment of our position in our market and programmes across the Group. We also took account of our existing and ongoing dialogue with customers, suppliers, the industry, policy makers, regulators, standards bodies and communities and authorities associated with each of our sites.

This process resulted in a refreshed Vision, Strategy and Action plan in the form of the Sustainability Roadmap, which was formally adopted by the Executive Management team in February 2014. The roadmap also took account of the existing sustainability and environmental policies, which have been reviewed annually and last re-published in November 2013. They will continue to be assessed on a rolling basis as we gain more experience with roadmap implementation.

The roadmap themes represent all of our key stakeholders and aspects of our business:

“ In 2050 we will have 2 billion extra people in the world and will need much more land to create food. If we continue as we are today, land, water and resources will come under pressure. We therefore need to change in our business and our private lives.”

Mario Morsiani
Business Unit Director, Italy

Why are Customers and Consumers important?

As a leading Private Label manufacturer we work in partnership with our customers to create new products that meet their criteria and those of regulators. The products also reflect the needs of consumers in relation to price, effectiveness, safety and their impact on the environment.

Why is Product and Design important?

Our business is driven by our ability to create great value Private Label products that meet the needs of our retail customers and, in turn, individual consumers. Consequently we place great store on our R&D, design, formulation, packaging, engineering and production teams and skills. A key element of our development process is to identify areas where we can reduce the overall environmental impact of our products in terms of packaging, chemicals and energy/emissions resulting from their use.

Why are Production and Operations important?

Having devised great Private Label products we need to be able to produce them safely and efficiently,

ensuring that raw materials and packaging are used efficiently, economically and sustainably wherever possible. We need energy and water in our processes so we want to focus on using as little as possible. We also want to keep waste to a minimum and recycle where we can. We also aim to reduce any associated emissions.

Why are Our People important?

We strive to create an excellent and safe working environment and provide our employees with opportunities to develop personally and professionally and actively participate in our Sustainability agenda.

Why is Community and Society important?

We strive to operate to the highest ethical standards in relation to people, business and the communities where we operate. We work to ensure that our operations are run to the highest safety, environmental and ethical standards. As an international business, we operate from offices and factories in 21 towns and cities in Europe, Asia and Australia. In all of these locations we have employed local people and contributed to community causes for many years.

A snapshot of our interaction with stakeholders

Customers	Strategic product and category planning, commercial and logistics agreements
Employees	Recruitment, induction, training, coaching, reviews, development
Consumers	Product labelling, industry-wide campaigns
Investors	Reports, announcements, questionnaires, roadshows, visits, external programmes e.g. CDP
Market place	Industry-wide campaigns
Government/regulators	Industry-wide responses to regulations, local compliance
Communities	Local company initiatives, volunteering
Suppliers	Product development, operations, commercial and logistics agreements
NGOs	Industry-wide campaigns, local initiatives

DEFINING WHAT IS IMPORTANT

Our Mission, Vision and Strategy

McBride Mission

To be the leading provider of Household and Personal Care products of exceptional value and performance to our customers and their consumers.

McBride Vision

To be the most successful private label company in the world, by:

Becoming recognised as the supplier of choice to all retailers in our markets and doubling our size and profitability.

Sustainability Vision

McBride plc is committed to achieving long-term sustainability in line with our vision of becoming the most successful private label company in the world. Our vision for sustainability is to manage our operations and develop and sell products which enable consumers to satisfy their basic needs and to enjoy a better quality of life, without compromising the quality of life for future generations.

Sustainability Strategy

Our strategy is to reduce our impact on the environment and to adapt our business to the consequences of climate change and depletion of natural resources. We aim to achieve this by incorporating sustainable initiatives into our every day ways of working based on McBride's five core sustainability themes.

Our five core sustainability themes





THE SUSTAINABILITY ROADMAP

Objectives

Customers and consumers

“Identify customer specific and good practice sustainability initiatives and targets and work to integrate into category and Key Account plans.”

Product and design

“Design, create and supply value products which are safe to use, whilst minimising environmental impact.”

Production and operations

“Maximising operational efficiency and value through the pursuit of operational excellence to minimise our environmental impact and reduce emissions.”

Our people

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

Community and society

“Work to ensure McBride’s products and operations benefit local communities in which we operate and wider society as a whole.”

Goals

Understand Business Customer sustainability performance, aspirations and requirements.

Integrate into Business Customer account planning sessions. Integrate sustainability at a Business Customer Category level.

Establish preferential/ ‘supplier of choice’ relationship with customers, based on sustainability performance.

To embed a sustainable mentality into every aspect of design and execution of the products we offer to our customers.

Measure and reduce consumption and emissions at an operational level.

Understand and share good practice regarding sustainability innovations between sites.

Work with suppliers to improve sustainability performance.

Improve employee engagement at McBride.

Create employee buy in and support for sustainability at McBride.

Create a safe environment to work in for all McBride employees.

Develop a formalised approach towards the community and society. Measure and promote the positive McBride impact on society.

Define and finalise the McBride charitable strategy.

Develop and share leading McBride sustainability practice within the public domain.

(SMART) Targets - Indicators and KPIs

Targets are set per theme: Targets are categorised into the groupings below; **Short Term** 2014–2015/**Medium Term** 2015–2017/**Long Term** 2017–2020
Each target is accompanied by an indicator to measure and manage progress and there may be multiple KPIs per target and objective.

THE SUSTAINABILITY ROADMAP EXPLAINED

Theme 1



CUSTOMERS AND CONSUMERS

Owner
Francis Lietaert

Business Unit Director, North Region

Deputy
Neil Jones

Business Unit Director, UK

THEME 1: CUSTOMERS AND CONSUMERS

Continued



Our approach

Customer relationships are the foundation of our business and we strive to be the chosen provider of Private Label Household and Personal Care products. By working closely with our customers at all levels of the business we can understand and meet their needs through consumer focused products, category development, excellent customer service and a shared focus on minimising cost. To support our objectives we have:

continued to strengthen our relationships with existing and new customers;

held regular senior executive meetings with leading retailers in Europe and Asia;

continued to roll out our leading category management programme;

worked with our customers in product and category development;

undertook regular consumer panels; testing products against the highest quality standards;

learned more about our customers' sustainability requirements; and

contributed to industry led consumer information campaigns.

“ It is so important that sustainability is embedded into our everyday life and that we drive awareness to show that if every individual took just a small step change towards sustainability we would be a step closer to protecting the earth's environment for future generations.”

Kimberley Gordon

National Account Manager, Middleton

'Keep Caps from Kids'

'Keep Caps from Kids' is a new voluntary initiative from A.I.S.E., the International Association for Soaps, Detergents and Maintenance Products, of which McBride is an active member.

The campaign builds on a range of work undertaken over the past few years and aims to promote and secure the safe use and storage of liquid laundry detergent capsules by parents and carers. The key aim is to significantly reduce children's accidental exposure to these products.

A communications toolkit has been developed and deployed by national associations and individual detergent companies, including McBride. It will also be made available to retailers, consumer NGOs, health ministries and doctors' groups and a multilingual consumer website www.KeepCapsFromKids.eu will be launched in the Autumn of 2014.



'I Prefer 30°'

Around 35.6 billion laundry loads are completed every year across the EU, which equates to 1130 washes every second. With an average temperature of 41°C, these washes use approximately 22.1 TWHyr of electricity. Life cycle analysis studies have shown that the energy consumed by the washing machine to heat the water in the main wash cycle has the highest environmental impact in terms of usage and associated carbon emissions.

Recognising that more could be done to reduce the energy use associated with laundry washes, in June 2013, the A.I.S.E., of which McBride is a direct member, launched its 'I Prefer 30°' campaign in the UK, France, Italy, Belgium and Denmark.

The aim of the campaign is to raise consumer awareness of the energy saving benefits of washing at a lower temperature. It builds on the work of detergent manufacturers such as McBride, where we have significantly improved the formulation of our products, for example, through the use of stain removing enzymes, so that they remain extremely effective at lower temperatures. This allied to the improved efficiency of washing machines, means that consumers are not compromising on the quality of their wash.

A switch to lower temperature washes (reducing the average temperature by just 3°C) would save about 11% of the energy currently used in laundry washes. This corresponds to a saving of 2.49 TWHyr (or enough electricity to power a city of 140,000 people for a year - reason enough for McBride to back the campaign.

THEME 1: CUSTOMERS AND CONSUMERS

Continued

Responding to customer expectations on palm oil

Our customers, particularly those in the UK, have concerns over the sustainability attributes of the palm oil present in the products that they sell. While these concerns and associated objectives vary across our customer base, we have been working extremely hard over the past 18 months to redefine our own criteria and re-shape our supply chain. As part of this commitment, we started to work through the requirements of the Roundtable on Sustainable Palm Oil (RSPO) and were accepted as a member in July 2014.

The RSPO aims to transform markets to make sustainable palm oil the norm, working with its members from industry, academia, NGOs, finance and government. It promotes the production and use of sustainable palm oil, develops and certifies supply chain standards, monitors market conditions and engages with all relevant stakeholders.

In our case, we manufacture our products using certain ingredients such as surfactants. A number of the ingredients that we use contain palm kernel oil (PKO) and some contain palm oil (PO), derived from an international and complex supply chain involving growers, traders, importers and manufacturers. As a consequence, it is a continuing challenge to identify Certified Sustainable Palm Oil (CSPO)

derived material. The scale of the challenge is exemplified by the fact that only 15% of all PO/PKO is derived from sustainable sources (as defined by RSPO).

As part of our commitment to RSPO and in line with our commitments to our customers, we have been mapping PO and PKO in our supply chain. We have for some years complied with the Green Palm system within which we declare the annual amount of PO/PKO used for certain customers, then purchase certificates that offset this usage.

In 2013 we adopted a mass balance approach (as set by RSPO), where palm oil from certified mills is mixed with conventional palm oil during transport and storage (during which time it is monitored and checked by a third party). This gives us much greater flexibility and will allow us to meet most of the specific criteria defined by our customers. The next step in this process will be for an independent agency to audit our supply chain in late 2014 to assess that we are meeting the RSPO's mass balance requirements. While the mass balance approach will replace the Green Palm system for some customers, we will continue to purchase Green Palm certificates where we cannot source sustainable PO/KPO.

This we believe is a positive step, however, we will continue to work with RSPO, our suppliers and customers to further improve where practical and achievable.

Our sustainability profile

Ecovadis monitors sustainability in global supply chains for some of the world's leading brands. It assesses companies' sustainability performance and provides a report which benchmarks them within their sector and helps to promote improvements. The Ecovadis methodology is based on international guidelines (Global Reporting Initiative, United Nations Global Compact, ISO 26000) and is supervised by an independent expert committee.

In line with a customer request, in 2013 we subscribed to and completed the self evaluation tool, which was then verified by the Ecovadis expert committee. McBride was awarded a silver rating and was ranked in the top 21% for environmental practice and top 13% for employment practice, compared to other Soap and Detergent Manufacturers similarly assessed.

“ Sustainable development is the way forward for Europe. Having limited raw material and energy resources available, we need to be the champions of recycling and green energy.”

Francis Lietaert
Business Unit Director, North



THE SUSTAINABILITY ROADMAP EXPLAINED

Theme 2



PRODUCT AND DESIGN

Owner
Andy Leydon

Group Category Director

Deputy
Patrick Vanderstichele

Group Head of Packaging Development

THEME 2: PRODUCT AND DESIGN

Continued



Our approach

We are committed to and are successful at the design of products that are safe, effective and reflect the values of our customers. In essence, we treat our customers' Private Label products as brands in their own right. Our R&D centres of excellence have a relentless focus on improving the effectiveness of products while maintaining their safety credentials and enhancing their sustainability profile. Improvements are made at company level, such as bottle light-weighting and packaging re-design. Industry-wide, for example, there is a strong focus on initiatives such as the concentration of laundry liquids and fabric conditioners or products without phosphates.

We follow a Product Responsibility policy that is underpinned by systems that allow us to manage legal and regulatory compliance, raw material use, product assessment, labelling and packaging requirements. McBride contributes to industry led product safety and sustainability initiatives such as responses to the Biocidal Products Regulation, the Cosmetics Regulation, Registration, Evaluation and Authorisation of Chemicals (REACH), Charter for Sustainable Cleaning, Classification, Labelling and Packaging Regulations 2008 (CLP) and Product Environmental Footprinting (PEF).

All European products are subject to EU legal requirements on safety and labelling. In the reporting year we have not breached any compliance standards relating to products, safety impacts, labelling, claims or advertising nor been subject to fines.

The formula for success

Over the past few years the world of laundry has changed significantly with a move towards greater concentration of detergents, in order to reduce the volume of chemicals used in each wash. The industry benchmark for laundry liquid sachets was 55gms, which was reduced to 30-35gms and as of June 2015, the standard will be 25gms. We have been at the forefront of research into pre-dosed concentrations of laundry liquids and the team in Estaimpuis has developed a dual-compartment sachet that meets the new standard ahead of the timetable. As well as meeting environmental goals and targets, early adoption of the new standard gives us time to consult with our customers and modify packaging and distribution systems.

The new liquid sachets use the same effective formula base (surfactant), but this is combined with enzymes that are designed to remove stains – even at a lower wash temperature.



Product Environmental Footprint

Since publishing its Action Plan on Sustainable Consumption and Production in 2008, the European Commission has been facilitating and promoting a series of initiatives which will support 'Building the Single Market for Green Products'. A key component is the Product Environmental Footprint initiative which aims to develop a harmonised and transparent approach to calculating the environmental impact of products. This, in turn, will become a reference tool when setting future EU industry policies.

“ We want our approach on sustainability to become an automatic reflex when developing new packaging. However, it is also important to maintain a helicopter view in order to see the many different aspects of sustainability.”

Patrick Vanderstichele

Group Head of Packaging Development

THEME 2: PRODUCT AND DESIGN

Continued



The methodology that has been developed looks at the impact of the product through its life-cycle, from raw materials through to use and disposal. In 2013, the Commission called for pilot projects to develop footprints for specific products and in October of that year the International Association for Soaps, Detergents and Maintenance Products (A.I.S.E.) was selected to lead on a study into household liquid laundry detergents. A range of industry players, including McBride, have contributed to the pilot, which has built on the experience of the European industry in developing its own Charter for Sustainable Cleaning, that also uses life-cycle analysis to facilitate a common approach to sustainability practice and communications, promoting eco-efficiency, consumer awareness and waste reduction.

Through 2014, the PEF pilot has focussed on the development of rules specifically for the product category alongside verification and testing. These rules will ultimately focus on the 3-4 most common and significant environmental impacts. Having agreed the framework, PEF and associated best practice will be promoted across the industry and amongst consumers.



“ Working in R&D we are aware and understand that sustainability underpins our business. On a personal level, as a scientist it is good to think that the career path you have chosen allows you to be part of the team that enables a more sustainable pathway.”

Dr Jim Gordon
Development Category Leader

As a PEF pilot partner, McBride has worked alongside industry associations, multinational manufacturers and brands, smaller and niche manufacturers, academia, local governments, supply chain specialists and other stakeholders such as testing organisations.

Right way to lightweight

Our packaging team is constantly on the look-out for new materials, new processes and new designs that are more resource and energy efficient, saving money and increasing capacity. The work undertaken to make our product containers and wrapping lighter, while retaining effectiveness, is a great example of the power of incremental improvements.

For example, we successfully reduced the weight of a certain HDPE bottle from 52g to 50g. While this may not sound much, when you consider that more than three million of these bottles have been made, the overall saving of six tonnes of plastic resin and the energy and associated cost is not insignificant. In the same way, we reduced by 15 microns, the thickness of the shrink wrap that protects multiple boxes of washing powder during transit to our customers.

Classification and Labelling of products (CLP)

CLP is a European Union regulation on the adoption of the Global Harmonised System (GHS) for classification and labelling of substances and mixtures, including Household cleaning products,

industrial and institutional cleaners and some Personal Care categories. CLP aims to define common terminology on all labels across all products globally, along with a single classification system, warning pictograms and signal words that highlight potential risks associated with a specific product. A greater number of hazard classes have also been defined, compared to the existing framework.

Our R&D and back office teams have been working closely with raw material suppliers and customers to classify our products under CLP. We have reformulated certain products, changed packaging and product testing procedures and are working closely with our customers to redesign labels in line with the regulation implementation date of June 2015.



THE SUSTAINABILITY ROADMAP EXPLAINED

Theme 3



PRODUCTION AND OPERATIONS

Owner
Gianluca Distratis
Plant Manager, Italy

Deputy
Craig Beard
Group Operations Director, Powders and Aerosols

THEME 3: PRODUCTION AND OPERATIONS

Continued



Our approach

We have a strong focus on health and safety allied to eco-efficiency in our manufacturing plants. Health and safety practice is driven by regularly reviewed risk assessments which drive site improvement plans. We have also set targets for energy, water, waste and carbon emissions (see Performance section for more detail pages 29 to 36). Our objective is to reduce our impact on the environment, reduce our costs and enhance the resilience of our business now and in the future. In all cases, we are looking to create a safe and healthy workplace, control our consumption of resources and production of waste, while reducing the associated impacts of our products in the distribution, use and disposal phases.

Our environmental targets were first set in 2009 and have been incorporated into the Sustainability Roadmap. While progress is reported through the Sustainability Steering Group, our Health, Safety and Environment specialists work with each site to devise and implement improvements, responding to internal or industry-led requirements and working through a range of management systems (see page 11).

McBride is listed on the FTSE4Good index of leading companies which meet globally recognised corporate responsibility standards. Related to this, McBride reports its energy use and emissions and water usage and discharge to the Carbon Disclosure Project (CDP), an independent body that aims to promote environmental improvements through better access to data (see Appendix page 48).



Read more on pages 29 to 36

Focusing our energy

One of our key performance targets is to reduce the consumption of energy across our operations and through the manufacturing process. In addition, we are aiming to source at least 20% of our energy requirement from renewable sources. Our progress towards meeting these targets is characterised by a range of actions from simple changes to procedures through to investments in new technologies. Some key energy projects in 2013/14 included:

Adapting our dosing procedure and optimising water temperature – the temperature required for the mix will depend on raw materials and water temperature which varies by season. We have adjusted the dosing procedures to take this into account and as a result have reduced gas usage and the associated cost.

Forklift truck battery chargers – we have switched to high frequency battery chargers that require 30% less energy.

Optimising compressor use – by optimising compressor operation through a central monitoring unit we have reduced the amount of electricity that we use and the associated cost.

McBride in Belgium already has a large solar panel array comprising almost 7,500 solar panels installed on the roof of its factory at Leper in Belgium, which produced 1,290,207 KWh of solar energy in 2014.

During the year we invested in the installation of solar panels on the roof of the factory at Estaimpuis in Belgium. This additional installation, completed in 2014, comprises two arrays of 250 KWh each, for use by the factory and the Head Office in Estaimpuis.

The energy generated will save in the region of 120 tonnes of CO₂ a year and is equivalent to the average annual energy consumption of 136 families.



Carrefour commendation

French supermarket chain, Carrefour, has evaluated our Corporate Social Responsibility (CSR) performance and awarded us a Silver Medal. This applies to our sites in Bagnatica, Etain, Strzelce, Estaimpuis, Leper, Sallent, Foetz, Moyaux and Rosporden (with Barrow to be included in 2015).

“ While sustainability is incredibly important, I am concerned that it lacks a sense of structure – understanding – consistency. There are too many examples of people and organisations claiming good citizenship without a sense of whether that is contributing to the greater good. I think it is better to claim less and be more authentic.”

Mark Robson
Group Purchasing Director

THE SUSTAINABILITY ROADMAP EXPLAINED

Theme 4



OUR PEOPLE

Owner
Cecile Berny

HR Manager, Estampuis factory

Deputy
Malcolm Allan
Chief HR Officer

THEME 4: OUR PEOPLE

Continued

Our approach

We focus on engaging our colleagues and ensuring that they achieve their full career potential through training, coaching and development programmes. These include:

- The Annual Personal Development Review which is the main forum for discussing performance, needs and aspirations.
- A talent management and succession planning process which is reviewed annually through peer group feedback and used to develop personal development plans.
- McBride coaches (numbering over 50) are accredited via a University programme and they support their colleagues. This is allied to coaching skills training for managers which they can take back into their teams.
- Training programmes run by internal or external specialists covering a wide array of subjects from leadership to technical and specialist skills.
- Our Group-wide McBride Development Programme (MDP) is innovative and successful and in the UK we operate a First-Line Management scheme which is shortly being run outside the UK and in local language.

Our Mission, Vision and Principles (MVP) place a strong emphasis on communication. The Executive Management Team publishes a core brief for the whole business supported by local monthly team briefs and “lean” communication cells. Our internal SharePoint site known as “The Village” covers daily news and updates across a wide range of subjects, and provides a broad business and knowledge resource.

We run a range of recognition programmes such as the POP Awards (Passionate About Our People) in the UK which, on a monthly basis, recognises colleagues achievements under the MVP principles, via nomination by their colleagues.

We have a regular Employee Opinion Survey (EOS) across the whole Group, presented in 12 languages, which traditionally has a very high response rate (over 85%). Targets for ‘Happiness in the Workplace’ is part of the Sustainability Roadmap and the EOS will measure this and guide us on future actions.

“ Sustainability is critical and is the only way to a better future. Take our products – we use resources such as water, which will be under more strain over the coming years. We therefore need to be more aware of these issues while continuing to control costs and working closely with our customers.”

Sybil Saelens
Central HSE Coordinator, leper



Responsibility is in our nature

Our leper team, working with a local organisation, the Environmental Council of Ypres (leper), launched its Nature at Work project in April 2014. The aim is to rehabilitate parcels of unused land within industrial sites in order to stimulate local flora and fauna species and create a more attractive environment.

The project came about through our many years of co-operation with the leper city authority and the identification of two parcels of land adjacent to our manufacturing and distribution centres that were ripe for rehabilitation.

On the day that the project was launched, 45 enthusiastic McBride employees and their families planted about 1,500 native shrub and tree species such as hawthorn, rowan and yew, on the land adjacent to the factory. Meanwhile, the land next to the distribution centre, which is grassed over, will be managed to stimulate wildflower growth and attract insects and birds.



THEME 4: OUR PEOPLE

Continued

Healthy living at work

Our Bagnatica site has partnered with the local health department to roll out a 'health at work' programme. This includes raising employee awareness, questionnaires (with associated follow up) and the adoption of good practice. Initially, the team at Bagnatica has chosen to focus on the following:

- Nutrition – healthier options in the canteen and vending machines along with access to information about diet and nutrition.
- Exercise – including access to a gym and games such as table tennis, sports competitions and organised activities such as cycle rides, runs and walks; along with an awareness campaign promoting use of the stairs and the inclusion, within pay packets, of general advice on exercise. In addition, about 70% of the employees on site have been issued with pedometers (provided by a local health organisation). They are instructed in its use and can access a bi-monthly report on their walking habits.

This follows a similarly successful programme at our Hull site, organised as part of an NHS initiative, where we have achieved bronze status and are well on the way to a silver award.



A Barrow load of fun

In September 2013, our team at Barrow treated more than 200 family members to a day of fun and entertainment at their place of work. The day included factory tours, face painting (for kids and adults), a bouncy castle, raffles, competitions, magic and a barbeque, all raising funds for three local charities, the North West Air Ambulance, Alice's Escapes and St Mary's Hospice.

The feedback was excellent, including:

“My kids want to know when they are coming back.”

“I have never heard of a manufacturing line being described as ‘cool’.”

Learning at Work week 2014

Learning at Work Week (LAW) is an annual awareness campaign by the Campaign for Learning, an independent charity. Learning at Work Week highlights the importance and benefits of learning and development. It promotes an inclusive approach and supports the extension of learning opportunities to all employees in an organisation.

McBride was an active participant in LAW between 19th and 23rd May 2014. We created and ran a teaser campaign in early May, followed by group wide emails and posters distributed across the company.

Our LAW activities were arranged by the Learning and Talent Development (L&TD) team which used the opportunity to refresh and re-launch their information pages on our internal web portal, The Village. Over the week the team encouraged employees to access the rich collection of supplementary information available to assist in their personal and professional development. A number of topics were highlighted during the week, including:

- Personal Development
- Coaching
- Mentoring – the launch of the Developmental Mentoring page on the Group intranet 'The Village'
- First Line Management/ Line Manager development
- Languages, external activities, developmental plans, links to careers, learning styles

There was also the opportunity to connect to a series of free online development questionnaires. There was a fantastic response to the LAW campaign, with over 1500 visits to the L&TD pages and a large number of enquiries about the development opportunities available.

“ Each time we are listening to someone, each time we are trying to find a solution for somebody, each time we make a colleague happier... it's sustainability but we are not always aware that it is.”

Cecile Berny

HR Manager, Estaimpuis

THE SUSTAINABILITY ROADMAP EXPLAINED

Theme 5



COMMUNITY AND SOCIETY

Owner
Malcolm Allan
Chief HR Officer

Deputy
Ken Blamires
Group Planning Executive

THEME 5: COMMUNITY AND SOCIETY

Continued



Our approach

Our Mission, Values and Principles are clearly stated internally and externally. These are supported by more detailed policies that guide behaviours in the workplace and include Health Safety and the Environment and business ethics (covering conflicts of interest, compliance with competition laws/regulations, bribery and information control). All employees are made aware of and our managers commit to the principles set out in these statements, which are available on the McBride website. The mechanisms through which we communicate our business principles and engage employees in the McBride business culture are described on page 24.

All of our sites are subject to independent ethical audits in association with our customers. We are members of the Supplier Ethical Data Exchange (SEDEX) system, which is accessed by participating customers and holds details of all audits, actions taken and where best practice has been achieved.

Our relationships with communities and wider society take many forms. As described on page 37, we work with our industry partners to promote consumer safety and reduce the environmental impact of our products. The communities close to our sites are in some cases long-standing and in all cases important. These relationships are formalised through employment and liaison with local authorities or may be informal through individual or site-wide volunteering and charitable donations.

As well as running the company....

Chris Bull, McBride CEO has taken part in the annual 21k leper run in Belgium. In 2013 he was joined by Francis Lietaert, our Business Unit Director for France, Benelux and Scandinavia, whom has taken part in the race for every one of its ten years. From the beginning the event has been sponsored by McBride and in 2013, 1200 runners took part in both races, and in recent years we have also supported local colleagues in a "start to run" scheme to promote personal fitness.

Heritage and design

The first McBride business was established in Manchester in 1927 and moved to its present site in Middleton in 1945. As well as being a significant local employer, this long association with Middleton is exemplified by McBride's Chief HR Officer who chairs the local community committee, including Council officials, that liaises with the Heritage Lottery Fund.

Commenting on McBride's association with the committee, Malcolm Allan, Chief HR Officer said:

“ While we are now a leading international business, we have strong historic roots in Middleton. Edgar Wood and J. Henry Sellers have left a remarkable legacy to the boroughs of Greater Manchester, therefore, in true McBride fashion we are making a practical contribution to this exciting project.”



The committee, working with partners such as the Greater Manchester Building Preservation Trust, has been instrumental in a plan to raise awareness of the Middleton-born architect Edgar Wood, a pioneer of Arts and Crafts and Art Nouveau and contemporary of Charles Rennie Mackintosh. Wood was born in 1860 and between 1897 and the late 1920s was seen as being a radical practitioner of Arts and Crafts design; described by noted architectural historian Nikolaus Pevsner as 'that remarkable Manchester architect'. Working closely with Oldham-born architect J. Henry Sellers, Wood designed houses, churches, banks, warehouses, schools and offices throughout Greater Manchester. The committee is proposing to leverage the Wood story and legacy to generate the cultural, tourism and economic benefits for Manchester that Mackintosh brings to Glasgow.

THEME 5: COMMUNITY AND SOCIETY

Continued



Making it with McBride

In October 2013 our Middleton site was again involved in sponsoring the local 'Make it in Manufacturing' competition. This was part of a national charitable campaign aimed at changing the negative perceptions young people have about manufacturing. During one day events, young people are challenged to form their own mini-manufacturing companies, gaining advice and guidance from industry experts and advocates and learning about the careers open to them.

As one of the teacher's said:

“An excellent event, well organised and executed. It would be great to work with McBride in the future.”



Working with The Manufacturing Institute, this was the sixth time that McBride had sponsored the challenge. This year, ten schools from across Greater Manchester participated in the event at the Norton Grange Hotel in Rochdale. Each team of Year 9 pupils was tasked with creating a brand new multi-liquid cleaning product for a customer of their choosing. Pupils had to use their creativity and business acumen to develop a product that

would satisfy Customer Consultants and appeal to the potential 'investors' in a Dragon's Den style format. The advisor, customer and investor roles were taken by McBride volunteers including CEO Chris Bull and managers from manufacturing, engineering, training, design, sales, logistics and HR.

The feedback was universally positive, with all pupils rating the day as excellent or good and 94% of them stating that they had a much better understanding of manufacturing. Importantly, the proportion of pupils expressing an interest in a manufacturing career increased from 45% to 73% over the course of the day.

The winning team was All Hallows RC College in Salford, which will now participate in the North West England final.



“Sustainability for me, means we must strive do everything we can to ensure our children's children have the same access to the planets resources that our generation has enjoyed. By building sustainability into every aspect of how we manage the business and our own lives, hopefully we can contribute to delivering a better future.”

Ken Blamires
Group Planning Executive

“I think of it like this, the need for sustainability is for us to compete, for the planet to survive. To compete we need to respond to our customers' sustainability goals and be more resource and cost efficient. To survive we all need to act with the long term good of the planet in mind.”

Malcolm Allan
Chief HR Officer

PERFORMANCE REVIEW

30 Accidents

35 Effluent generation

31 Energy

36 Waste

34 Group water usage



PERFORMANCE REVIEW

ACCIDENTS



Accidents

The number of accidents involving more than three days lost time in the 12 month period to end June 2014 was 113 (2013: 116). Due to the lower number of hours worked in the period, the accident frequency per 100,000 hours worked was flat at 1.4 (2013: 1.4). Despite the overall reduction in lost time accidents, both the rate of seriousness and the risk rate showed a further increase in-line with the prior year trend. This was driven by a small number of accidents, which resulted in extended absence from work.

Reviewing last years (2013) accident and near miss data raised concerns that a small number of sites were not capturing and reporting fully on minor accidents.

We therefore expended significant effort in ensuring that common reporting systems were implemented across all sites and as a result have seen considerable increase in data captured; with an additional 101 total accidents reported at four of these sites.

This we believe to be increased reporting, and not as a result of poorer performance. The total accidents across the Group fell to 607 (2013: 612), despite the 101 additional accidents captured and previously noted.

Lost time incident trends 2008-2014



Accident frequency and rate of seriousness trend 2008-2014



Several sites showed improvement in the total number of accidents, lost time accidents and the associated frequency rates. It is pleasing to report that Bagnatica in Italy saw a step change improvement this year.

Analyses of the causes of the lost time accidents indicate that main causes were due to factors of handling, lifting and carrying at 27%. Slips, trips and falls were at roughly the same level as the prior year at 22%. These two factors accounted for almost half of the reported lost time accidents. Manual handling is a priority subject for the Group and is included within the Group HSE objectives for the coming year.

The Group intends to standardise the way we assess handling tasks, prioritise actions, train and refresh our colleagues in this critical subject.

The Group has a strong Health and Safety awareness programme supported by training initiatives. During the year we provided all first line managers in the UK factories with a comprehensive four day health, safety and environmental training which led to a nationally recognised qualification. We believe this initiative will have a significant impact on the safety culture of the business. Next year we aim to replicate this initiative across the rest of the Group.



PERFORMANCE REVIEW

ENERGY

Total Group energy* consumption reduced by 6% to 616,402 G Joules (2013: 652,470 G Joules), reflecting a combination of energy saving initiatives, lower production volumes overall, despite increasing the proportion of bottles blown in house to 85%. Energy efficiency also improved compared to the prior year but still remains lower than the base year 2009 efficiency; however we are pleased that both energy consumption and efficiency are showing the benefits of the focus on Energy by our site based Energy champions.

Oil and gas consumption was also lower compared with the prior year. This was in part due to a less severe winter requiring less fuel for heating, but also due to energy reduction initiatives put in place.

All electricity used by the three factories in Belgium is 'Green', either from solar panels or purchased on Green contracts from our electricity supplier. During the reporting period, approval was given for a further solar panel installation at the Estaimpuis factory in Belgium, with the benefits expected due in the next full year.

Green electricity accounts for 21.2% of the Group's total energy consumption (2013: 20.2%). This remains in line with our objective of 20% of energy sourced from renewable sources. The Group is examining alternative options for further use of and potential sources of green energy but the overriding objective of the Group is to reduce overall energy consumption and thereby improve our long term energy efficiency in line with our 2020 targets.

Green Energy performance

	2009	2010	2011	2012	2013	2014
% of green energy as % of total energy of Group	11.2	21.0	21.0	20.6	19.5	20.4
% of solar energy as a % of total energy of Group	0.2	0.5	0.8	0.8	0.7	0.8
% of green sourced energy as a % of total energy of Group	11.4	21.5	21.8	21.4	20.2	21.2

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

In the 12 month period to end June 2014, the proportion of bottles blown in house was 85% (2013: 83%); the higher percentage blown in-house figure represents a fall in the number of purchased bottles at our main Household liquid production sites in Western Europe. Total bottle production across the Group was down 1% and total bottle consumption was 3% lower than the prior year.

In Strzelce Poland, we have invested in further blow moulding capacity as part of our expansion in the region to meet the growing demand for Private Label products in Poland and Germany, the four additional blow moulders were commissioned in the last quarter of the current financial year. The main impact of this additional capacity on energy consumption will therefore come into play over the next 12 months, but will in part be offset by reduced demand within the West European markets.

All sites have energy reduction programs in place and are participating in improvement projects set up by local authorities or recognised sector federations; e.g. in the UK the Group is involved in the Energy Savings Opportunity Scheme (ESOS) in conjunction with Envantage to identify further opportunities to improve energy efficiency in our UK factories.

Estaimpuis in Belgium closed off its first 'accord de branche' energy reduction plan for the chemical industry sector for the period 2005-2013 which achieved a reduction of energy of 22%; and the factory has recently subscribed the new 'accord de branche', which has now commenced.

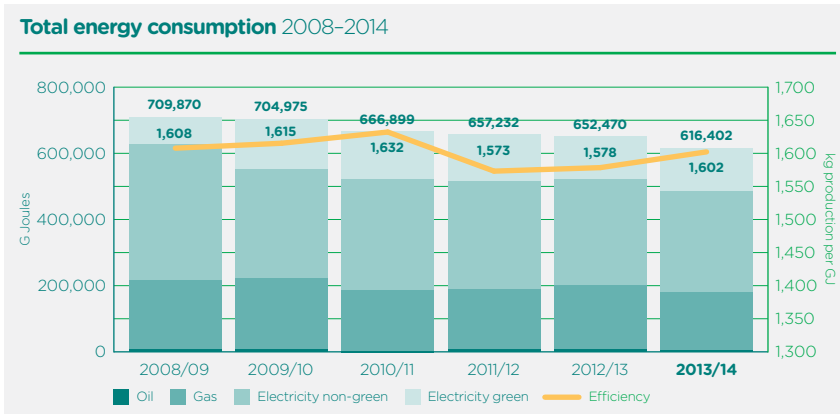
Energy based on renewable sources currently accounts of 21.2% of the Groups energy, with further solar panels being installed. Non green electricity account for almost 50% of the Group's needs at present with Gas providing 28% of the Group's energy, with fuel oils now account for at less than 1% of the Groups energy needs.

* Energy usage and efficiency data for the prior year to June 2013 have been restated, a bridge for all items restated is provided within the Appendix section of the Sustainability report pages 40-41.

PERFORMANCE REVIEW

ENERGY

Continued



Targets

The Group's Energy efficiency 2020 target is 1,930 kg production/GJ. During the year we achieved 1,602 kg production/GJ (2013: 1,578 kg production/GJ), an improvement in the right direction but more to do. The Group however remains in line with the target of a minimum of 20% of energy renewably sourced and has installed more solar panels this year but again recognises this is an area for further potential for the Group.

For further information on the actions and initiatives we have been taking during the year to improve our energy efficiency goes to page 22 in the Sustainability Report.

Greenhouse gas emissions.

Total emissions* fell by 5% compared to the prior year to 54,816 tonnes CO₂e (2013: 57,615 tonnes CO₂e). Scope 1 emissions from oil and gas fell by 12% compared to the prior year resulting from a milder winter and initiatives to improve lagging and insulation at a number of our sites, resulting in the Group's lowest Scope 1 emissions in the last five years.

Scope 2 emissions from Electricity fell 4%, continuing the prior year reduction resulting in overall emissions down 5%, the equivalent of over 3,000 tonnes less CO₂e generated before the impact of Green Energy is taken into account. Scope 2 emissions have fallen for the last three years.

Our CO₂ efficiency therefore improved slightly to 18,017 kg production per tonne CO₂e (2013: 17,875 kg production per tonne CO₂e).

* Absolute Emissions and efficiency data for the prior year to June 2013 have been restated, a bridge for all items restated is provided within the Appendix section of the Sustainability report pages 40-41.

A number of initiatives are being shared across the Group by our Energy champions to reduce emissions including installation of sub meters in our factory at Sallent in Spain, compressed air leakage programmes, and new compressors with heat recovery, insulation and investment in more efficient blow moulding machines. Other initiatives such as investigation into lowering water processing temperatures have had beneficial results on reducing energy required for heating process water.

The recent contract for material handling equipment for the whole Group replacing all fork lift trucks with new ones. As part of this programme, the remaining gas fork lift trucks were replaced by electrical ones and a more energy efficient combination of batteries and high efficiency chargers is estimated to reduce our CO₂e emissions by almost 500 tonnes of CO₂e per annum.

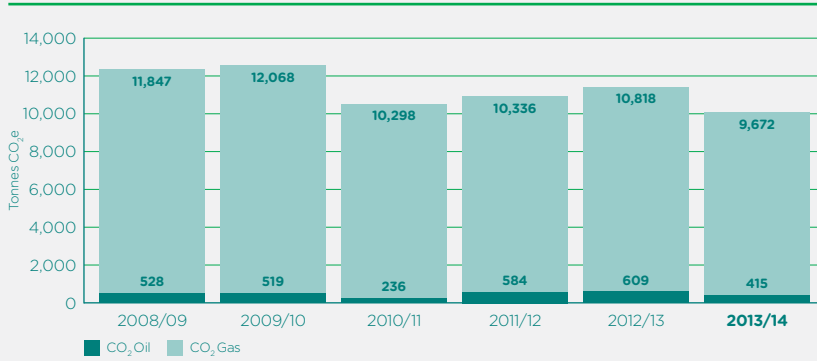


PERFORMANCE REVIEW

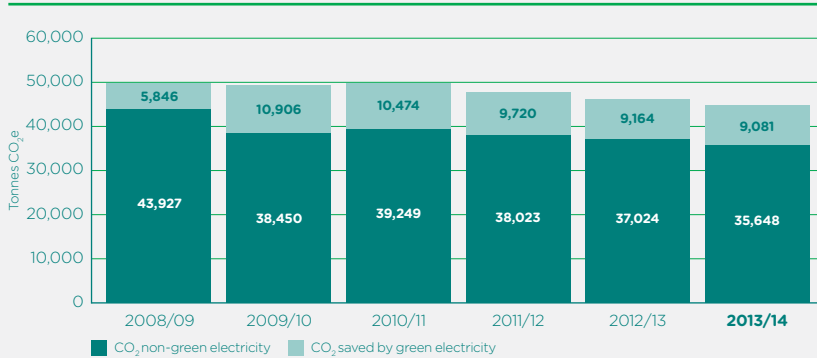
ENERGY

Continued

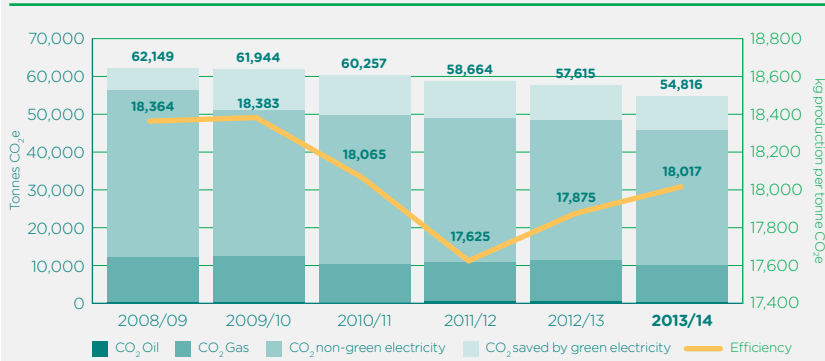
GHG emissions Scope 1 2008-2014



GHG emissions Scope 2 2008-2014



GHG emissions 2008-2014



CO₂e targets

The Gross CO₂ efficiency of the Group has improved to 18,017 kg product per tonne CO₂e (2013: 17,875 kg product per tonne CO₂e), when the impact of green sourced energy is included the efficiency increases to 21,594 kg product per tonne CO₂e (2013: 21,255 kg product per tonne CO₂e).

The Group has a target of 22,037 kg product per tonne CO₂e as its 2020 objective. Progress is being made towards this target but we need to further accelerate the progress made in reducing absolute energy consumption, continuing to deliver on our energy efficiency initiatives and maintain a minimum of 20% of energy from renewable sources to meet our targets.



PERFORMANCE REVIEW

GROUP WATER USAGE

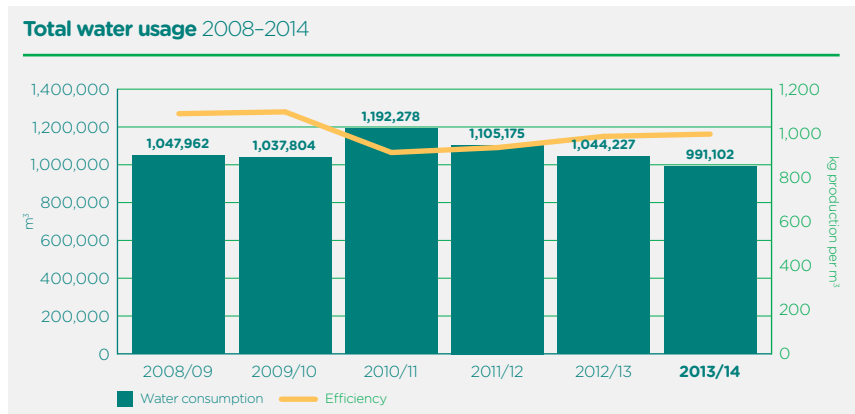
Water is a key component of the Group's operations being used as a key ingredient in the finished products leaving our factories. Water is used to ensure products are at a suitable concentration for safe and effective performance by the consumer.

Water is also used in process as part of our hygiene and cleaning processes between production batches. Increasing hygiene standards are putting further demands on water usage.

Total water* usage fell by 5% in absolute terms to 991,102 cu meters (2013: 1,044,227m³) continuing a four year trend in water usage reduction.

The Group's water efficiency improved by 1% to 996 kgs production per m³ water (2013: 986 production per m³ water).

The Group continues to explore ways to further reduce water use. For example the Bagnatica site in Italy, has been able to reduce the amount of water used within its cooling systems, resulting in significant savings of almost 50% in total water used at the site, down over the last two years from 196,157 m³ to 89,622 m³.



* Water usage and efficiency data for the prior year to June 2013 have been restated, a bridge for all items restated is provided within the Appendix section of the Sustainability report pages 40-41.

PERFORMANCE REVIEW

EFFLUENT GENERATION

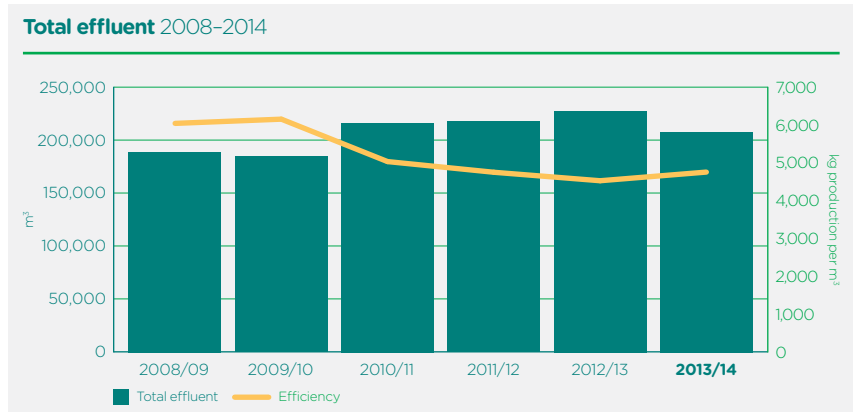
The effluent* generated by the Group showed a significant improvement with a reduction of 9% on an absolute basis while the efficiency also increased to 4,755 kgs production per m³ effluent (2013: 4,527 kgs production per m³ effluent).

Much of the water used by the Group is for cleaning purposes, a necessity due to the large product portfolio which requires many small production runs with clean downs in between batch production.

The combination of an increasing proportion of concentrated products within the product mix and increasing internal hygiene standards to meet the requirements of external accreditation bodies such as IFS means the Group now undertakes a greater number of clean downs, and therefore it is particularly pleasing that our effluent efficiency has improved during the period.

The Group is however aware the many of our larger sites are reaching a plateau in their performance and further gains in efficiency may be difficult to realise.

The Group is now reporting its water usage and emissions via CDP and going forward will aim to further provide further details on water usage and disposal as part of our standard reporting.



* Effluent generation and efficiency data for the prior year to June 2013 have been restated, a bridge for all items restated is provided within the Appendix section of the Sustainability report pages 40-41.

PERFORMANCE REVIEW

WASTE

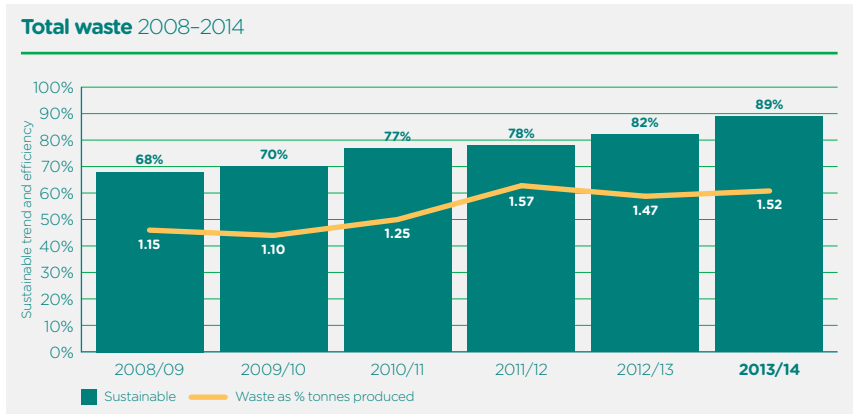
Our targeting of reducing waste and increasing the amount of waste that is reused, recycled or recovered has continued to improve as we continue to drive our operational efficiency objectives.

Total amount of waste leaving our sites as a percentage of production increased slightly to 1.5% (2013: 1.4%).

However, what we consider to be the increasingly important KPI i.e. the amount of sustainably treated waste (reused, recycled or recovered) further increased to 89% of total waste, up from 82% last year.

The improvement in waste management has been delivered despite the fact that we have higher requirements on hygiene standards which results in greater waste of protective packaging within the process e.g. protection of empty bottles.

The Group and industry as a whole is continuing to expand its programme of waste segregation to further identify, separate and report more streams of waste for recovery, reuse and recycling for example paper packaging and wooden pallets. It is not just important to know what is leaving our sites but to know what the end use of waste streams is.



Our lean activities also highlights stored, redundant items and improves housekeeping, all of which contribute to waste generation in the short term whilst providing a platform for long term efficiency gains.

A further improvement has been seen in the reduction of the amount of waste going to landfill which reduced by over 40% and is part of a longer term goal of zero waste to landfill.



APPENDIX

1. Overview

Management and governance of the Group's CR and sustainability activities

The Board has overall responsibility for maintaining and enhancing the Group's CR policies, guidelines and code of conduct which are available from the Group's website at www.mcbride.co.uk. The Chief Executive Officer is accountable for ensuring that the Group operates in accordance with these policies. The Group monitors its performance through rigorous management systems and key performance indicators. Detailed reports are prepared by the Chief HR Officer every six months and submitted to the Group's Executive Directors who report any issues of major significance to the Board.

As a minimum, the Group seeks to comply with existing laws, regulations and best practice guidelines governing its activities in each of the markets in which it operates, and in many areas standards exceed minimum compliance requirements. We have senior management representation on various trade associations and we adhere to industry association guidelines. Our policies and principles apply to every director, manager and employee in all our businesses across our global operations; they also extend to our supply chain. For example, suppliers are selected not only on the basis of specification, quality, service and economic factors but also, where possible, on their commitments to minimise the impact of their operations on the environment and to CR more generally.

Our approach to the environment, product safety and health and safety in our operations, to how we treat our people, our customers, our suppliers, our local communities and other key stakeholders is embedded in our culture and values and outlined in the following policies which are available from the Group's website at www.mcbride.co.uk.

- Policy on Business Sustainability
- Policy on Business Ethics
- Policy on Health and Safety
- Policy on Environmental Sustainability
- Policy on Product Responsibility
- Policy on Animal Testing
- Policy on Product Packaging
- Policy on Enzyme Management

CR principles

Our aim is to build a long-term successful and sustainable business based on strong, positive relationships with all our stakeholders. We recognise the importance of social responsibility in our business and the contribution it makes to our success.

Sustainability Reporting

This is the 11th Sustainability Report and the second which is aligned to GRI reporting principles. Data given in the report have not been independently audited, although discussions have been held with potential assurance partners. The Group commissioned an external advisor to work with McBride to further evaluate relevant and measurable sustainability KPIs.

The report covers all 17 manufacturing sites and warehouse operations during 2013-14.

Stakeholder Engagement - community, social, employees

A full stakeholder review was completed by the Sustainability Steering Group in 2012/13 and we have held more in depth engagement with some stakeholders including major customers during the current year.

Employees

Our employees are the lifeblood of our business. We depend on their commitment and we recognise that the effective management of people is critical to achieving our business objectives.

We continue to invest in the resources necessary to maintain a competitive advantage in the markets in which we operate. Our code of ethics aims to promote a culture where all employees behave with honesty, discretion and respect when dealing with all stakeholders.

Details of our engagement with employees are given in section 4 of this appendix.

Community/Social

McBride seeks to play an active role in the local communities in which it operates. As well as providing significant employment opportunities, we aim to make positive contributions to these communities, building goodwill and a reputation as a good neighbour and employer.

This year there has been no single Group activity addressing our social and community responsibilities but there have been hundreds of small site-based activities all geared at helping local organisations and people in a variety of different ways. A small number are recorded in the report.

APPENDIX

Continued

Customers

Our business is built on our customer relationships and we strive at all times to be the chosen provider of Private Label Household and Personal Care products to the leading grocery retailers around the world. By working closely with our customers at all levels of the business we can understand and meet their needs through consumer focused product and category development, excellent customer service and a joint focus on minimising cost. Our ability to respond to our customers' needs in a timely and effective way is key to our success and we have continued to work on strengthening the depth and breadth of our relationships with them during the past year. Top-to-top meetings have been held with senior executive teams from major European retailers, and also with a number of the leading retailers in Asia. We are continuing to seek to forge strategic partnerships based on deep category understanding and a responsiveness that is second to none in our Private Label categories of Household and Personal Care. International customer teams have been established for multinational customers and we continue to roll out a leading category management programme to work more closely with retailers to drive both the growth of the Private Label business and work closely with them to understand their sustainability agendas and objectives.

Customer service is the Group's main operational priority and is a highly visible benchmark that directly influences our ability to maintain commercial leadership, and supports the Group's overall growth strategy. Success is measured in this area by reference to the ability to deliver products ordered by customers in the correct volumes and within agreed timescales. This year we are pleased that our CSL reached 98% (2013: 96%)

We treat our customers' Private Label product offerings as brands in their own right. We support our customers with guidance in product and category development and undertake regular consumer panels. Ongoing product testing ensures our products are delivered to the highest consistent quality.

2. Economic

Summary data on McBride plc financial performance is provided on page 47 of this report. More detail can be found in our Annual Report & Accounts, available on the company website.

3. Environment

The Group is committed to making continuous progress in minimising the environmental impact of its operations and building a business which is sustainable in the long term. We endeavour to comply with and in places surpass all relevant legislative requirements and industry standards and use the best practicable means to continually improve our environmental performance. This is supported by comprehensive internal environmental management systems, the use of KPIs and achieving external environmental accreditation for our operations. Thirteen sites now hold the ISO 14001 accreditation and we are working towards accreditation for all our manufacturing sites.

Following agreement with a local authority in June 2014, environmental costs have been provided in relation to historical environmental contamination at one of our sites in Belgium. Short-term precautionary measures are in place to mitigate the possible impact of any potential future contamination and an action plan running over 20 years has been agreed to mitigate the pollution and its potential future impact. Accordingly a discounted provision of £2.5 million has been recognised in relation to the agreed plan.

None of our facilities are in or near areas of high diversity, natural habitats or special scientific interest. This is checked when permits to operate are granted by national or local authorities. None of our products impact diversity or protected areas.

APPENDIX

Continued

The major source of our direct energy consumption is gas which is used for facilities heating and so varies by season.

Restatement of prior year Environmental data

During the current reporting period, the Company identified differences in the reported usage of Gas, Electricity, Water usage and discharge at two of our UK production facilities for the year ended June 2013. A detailed bridge of the restated figures is provided below pages 40-41 and items impacted by the restatement are identified by an*.

Total Group energy* consumption reduced by 6% to 616,402 G Joules (2013: 652,470 G Joules), reflecting a combination of energy saving initiatives, lower production volumes overall, despite increasing the proportion of bottles blown in house to 85%. Energy efficiency also improved compared to the prior year but still remains lower than the base year 2009 efficiency; however we are pleased that both energy consumption and efficiency are showing the benefits of the focus on Energy by our site based Energy champions who continue to meet regularly and share best practice.

Indirect energy consumption is entirely from mains electricity except in Belgium. All Belgian sites (Estaimpuis and Ieper) have contracts for the supply of energy with Green Certificates confirming that energy consumed is without CO₂ emissions (i.e. hydro-generated). In addition, both the Estaimpuis and Ieper sites have installed solar panels on the roof which generate a small but important proportion of electricity.

Proportion of Green and Solar energy 2013-14

	Kwh
Energy derived from solar panels	1,437,956
Purchased Green electricity	34,886,647
Non green electricity	85,069,167
Gas	48,360,643
Fuel oil	1,481,982
Total Group Energy	171,236,395

	Green electricity purchased	Solar Energy
% of Belgian electricity use	96.0	4.0
% of Group electricity use	28.7	1.2
% of Group energy use	20.4	0.8

APPENDIX

Continued

*Restatement of prior year Environmental data

During the current reporting period, the Company identified differences in the reported usage of Gas, Electricity, Water usage and discharge at two of our UK production facilities for the year ended June 2013.

The differences, initially within Energy usage, were identified whilst preparing documentation for the ESOS (Energy Saving Opportunity Scheme) initiative.

A review was therefore undertaken of all sites environmental data collected from our UK manufacturing sites, and identified differences at the Middleton and Bradford sites resulting in restatement of data at site and Group level.

The impact of the restatement on Group Environmental performance and KPIs are show below.

Energy and emissions

Sustainability KPIs	Reported Group Value 2012-13	Change for UK factory restatement 2012-13	Restated Group Value 2012-13	Change
Group Energy performance				
Total Energy used KWH	193,011,620	-11,755,553	181,256,047	-6.10%
Total Oil usage KWH	2,174,714	0	2,174,714	0.00%
Total Gas usage KWh	61,550,085	-7,458,822	54,091,243	-12.10%
Total Electricity usage KWh Standard Grid	92,632,680	-4,296,731	88,335,949	-3.30%
Renewable Electricity KWH	36,654,141	0	36,654,141	0.00%
Of which Solar Power	1,314,029	0	1,314,029	0.00%
% Renewable Energy	19.0%		20.2%	+1.2%ppt
Group production tonnes				
	1,029,841		1,029,841	
Eco Efficiency KWh per tonne produced	187.4		176.0	6.10%
Group CO₂ performance				
Total Scope 1 tonnes	12,919	-1,492	11,427	-11.50%
Total Scope 2 tonnes	48,250	-2,062	46,188	-4.30%
Total Emissions	61,169	-3,554	57,615	-5.80%
Eco Efficiency KG production per tonne CO ₂	16,836		17,874	6.20%
Site adjusting items				
Middleton Gas usage KWH	10,780,779	-7,458,822	3,321,957	
Middleton Electricity usage KWH	26,143,510	-4,296,731	21,846,779	
Middleton Total energy restatement KWH	36,924,289	-11,755,553	25,168,736	

APPENDIX

Continued

Restatement of water usage and discharge

Sustainability KPIs	Reported Group Value 2012-13	Change for UK factory restatement 2012-13	Restated Group Value 2012-13	Change
Group Water performance				
Total water used m ³	1,002,715	41,512	1,044,227	4.1%
Total water supplied m ³	783,845	41,512	825,357	5.3%
Total water withdrawn m ³	218,870	0	218,870	0.0%
Group production tonnes				
Eco Efficiency KG production per m ³ used	1,029,841		1,029,841	
	1,027		986	
Site adjusting items				
<i>Middleton Water supplied m³</i>	<i>109,868</i>	<i>91,579</i>	<i>201,447</i>	
<i>Bradford water supplied m³</i>	<i>114,048</i>	<i>-50,067</i>	<i>63,981</i>	
<i>Total Middleton & Bradford m³</i>	<i>223,916</i>	<i>41,512</i>	<i>265,428</i>	

Sustainability KPIs	Reported Group Value 2012-13	Change for UK factory restatement 2012-13	Restated Group Value 2012-13	Change
Group Effluent				
Total discharged m ³	232,207	-4,703	227,504	-2.0%
Group production tonnes				
Eco Efficiency KG production per m ³ discharged	1,029,841		1,029,841	
	4,435		4,527	
Site adjusting items				
<i>Middleton Water discharged m³</i>	<i>4,394</i>	<i>848</i>	<i>5,242</i>	
<i>Bradford water discharged m³</i>	<i>12,799</i>	<i>-5,551</i>	<i>7,248</i>	
<i>Total Middleton & Bradford m³</i>	<i>17,193</i>	<i>-4,703</i>	<i>12,490</i>	

The impact at the Group consolidated level for 2012-13 period is that the reported values for Energy consumption and CO₂ emissions have been overstated and water usage and discharge were understated. Reporting processes are being reviewed and external verification of environmental data is being examined for the reporting period to End June 2015.

APPENDIX

Continued

Green House Gas emissions*

Total emissions* fell by 5% compared to the prior year to 54,816 tonnes CO₂e (2013: 57,615 tonnes CO₂e). Scope 1 emissions from oil and gas fell by 12% compared to the prior year resulting from a milder winter and initiatives to improve lagging and insulation at a number of our sites, resulting in the Group's lowest Scope 1 emissions in the last five years.

Scope 2 emissions from Electricity fell 4%, continuing the prior year reduction resulting in overall emissions down 5%, the equivalent of over 3,000 tonnes less CO₂e generated before the impact of Green Energy is taken into account. Scope 2 emissions have fallen for the last three years.

Our CO₂ efficiency therefore improved slightly to 18,017 kg production per tonne CO₂e (2013: 17,875 kg production per tonne CO₂e).

No GHG emissions other than CO₂ are reported currently, nor do we measure and report on ozone depleting substances. These are only found in closed cooling systems and are gradually being replaced.

Water usage and discharge*

Total water* usage fell by 5% in absolute terms to 991,102 cu meters (2013: 1,044,227m³) continuing a 4 year trend in water usage reduction.

The Group's water efficiency improved by 1% to 996 kgs production per m³ water (2013: 986 production per m³ water).

Water is a key component of the Group's operations being used as a key component in the finished products leaving our factories ensuring products are at a suitable concentration for safe and effective performance by the consumer.

It is also used in process as part of our hygiene and cleaning processes between production batches and increasing hygiene standards are putting further demands on water usage.

The effluent*generated by the Group showed a significant improvement with a reduction of 9% on an absolute basis with the efficiency also increased to 4,755 kgs production per m³ effluent (2013: 4,527 kgs production per m³ effluent).

Much of the water used by the Group is for cleaning purposes, a necessity due to the large product portfolio which requires many small production runs with clean downs in between batch production.

The combination of an increasing proportion of concentrated products within the product mix and increasing internal hygiene standards to meet the requirements of external accreditation bodies such as IFS means the Group now undertakes a greater number of clean downs, and therefore it is particularly pleasing that our effluent efficiency has improved during the period.

Waste

Our targeting of reducing waste and increasing the amount of waste that is reused, recycled or recovered has continued to improve as we continue to drive our operational efficiency objectives.

Total amount of waste leaving our sites as a percentage of production increased slightly to 1.5% (2013: 1.4%).

However, what we consider to be the increasingly important KPI i.e. the amount of sustainably treated waste (reused, recycled or recovered) further increased to 89% of total waste, up from 82% last year.

The improvement in waste management has been delivered despite the fact that we have higher requirements on hygiene standards which results in greater waste of protective packaging within the process e.g. protection of empty bottles.

This year we have made further improvements in the reduction of the amount of waste going to landfill which was reduced by 45% and is part of a longer term goal of zero waste to landfill.

Studies have shown that the environmental impact of most of our products is greatest during use so efforts have focused on developing laundry and cleaning products that work well without high temperatures. Other efforts on product concentration not only reduce water and packaging content but also reduce transportation impacts.

Carbon Disclosure Project (CDP) emissions and Water/supply chain reporting

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

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

APPENDIX

Continued

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

McBride submitted both Emissions and supply chain including water usage and discharge to CDP in 2014.

Last year McBride achieved a rating of 75C out of the maximum 100 for both its Emissions and supply chain submissions.

4. Labour practices

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. There is a focus 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.

We recognise that to be successful the business must recruit, retain and develop its people and help them to achieve their full potential. We provide equal opportunities for all in recruitment, selection, promotion, employee development, training and reward policies and procedures. We are committed to adherence to international human rights standards. We have no involvement in the use of child labour or forced labour in our business and check the status of our overseas suppliers in this respect. We do not tolerate unfair discrimination of any kind. We also comply with applicable national laws and industry standards on working hours and insist

on high standards of personal behaviour from our employees. There are a number of initiatives in place to recruit and retain people within the McBride organisation:

- The annual Personal Development Review scheme reviews individuals' performance and assesses development opportunities, which could include secondments to other sites. The review provides a forum where an individual's needs and aspirations can be discussed.
- A talent management and succession planning process allows for the most capable to be identified and considered for appropriate development within the Group. 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 have 52 McBride accredited coaches in the business whose role is to support and encourage other colleagues to improve their performance and development. Our "Building Our Coaching Culture" programme helps managers to develop a coaching style within the business.
- Training (both internally and externally facilitated) is available to all employees and everyone is encouraged to participate and be involved in courses that will maximise their potential. A number of courses are run with participants from across different functions, sites and divisions which help employees develop an understanding of our global operations, and behaviours and principles of colleagues across the Group.

Our McBride Development Programme (MDP) (which extends across the Group) is highly successful and innovative and in the UK we also operate a First-Line Management programme which we are now looking to run in other parts of Europe in local languages.

Employee Opinion Survey (EOS) Regular opinion surveys are undertaken of all staff to measure and monitor employee satisfaction. These surveys provide an opportunity for employees around the world to express their views and feed back to management their opinions on issues which affect both them and the business. The results are used to develop action plans to improve communication and engagement.

Our MVP programme is aimed at building on our cultural strengths, better engaging our people and driving alignment of purpose. The programme is helping to build a workforce that has behaviours and a culture aligned to the Company's strategy and objectives. Communication is central to MVP and this is supported around the Group by site visits by senior management, open discussions and briefings, listening groups. It has become our practice to hold Q&A sessions between the executive team and colleagues at all visits, conference and Management Development programmes Regular information bulletins are cascaded down through the business and a management conference is held once a year to publicise the Group's strategy and performance, and assess how local site objectives support the Group objectives.

We also have local activities such as suggestion schemes and the Passionate about Our People (POP) Award, a UK-wide Colleague Recognition Scheme. The scheme was introduced in January 2012 and MVP Teams at each site are responsible for agreeing the winner(s) each month.

APPENDIX

Continued

The award aims to recognise and reward colleagues for exceptional performance in line with the principles of MVP and Operational Excellence (OPEX):

- Great Quality
- Customer Satisfaction
- Lowest Cost
- Involving all of our Colleagues
- Elimination of Waste

Health and safety

McBride strives to maintain a safe workplace at all locations in which it operates. We continue to ensure that our business activities are undertaken in a responsible manner and in accordance with relevant statutory 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. Health and safety is driven by risk assessments, regularly updated, which drive site improvement plans.

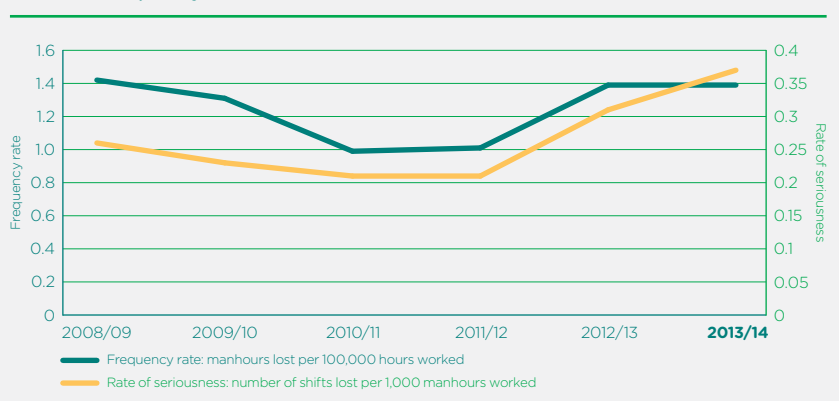
These are followed through common KPI reporting systems and managed through comprehensive internal health and safety management systems which are verified by external independent parties. The four UK sites are verified through joint audits carried out by the Company. Insurers and brokers who audit against the internal management standard on health and safety. Eight sites hold OHSAS 18001 certification.

Injury and illness

The Group is pleased to confirm that once again it has had no fatalities during the year. All accidents and major incidents are reported internally and are investigated fully to determine appropriate corrective and preventative measures. Incidents that result in more than three days lost time are monitored. This year the number of >3 day lost time accidents decreased to 113 (2013: 116).

Year	LTI's >3 days	Frequency Per 100,000 hours worked	Rate of Seriousness	Risk Rate
2000-01	148	1.79	0.25	0.67
2001-02	144	1.78	0.27	0.70
2002-03	117	1.47	0.28	0.64
2003-04	149	1.72	0.27	0.68
2004-05	158	1.88	0.31	0.76
2005-06	117	1.44	0.29	0.65
2006-07	162	1.96	0.35	0.83
2007-08	160	1.72	0.36	0.79
2008-09	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
2011-12	97	1.01	0.21	0.46
2012-13	116	1.39	0.31	0.65
2013-14	113	1.40	0.37	0.72

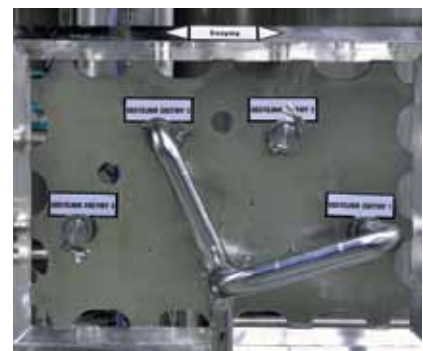
Accident frequency and rate of seriousness trend 2008-2014



(Seriousness = days lost through accidents x 1000, divided by hours worked. Risk Rate = square root of seriousness x frequency)

Our major risk of illness is occupational asthma and we continue to monitor exposure to airborne enzymes and to record incidence and prevalence of sensitisation. This information is fed into procedural control and risk assessment. Training on risks from all hazardous chemicals is provided regularly to all employees with potential for contact and also to visitors and contractors who might be exposed.

McBride has installed a new enzyme handling equipment in our factory at Strzelce in Poland as part of the recent expansion of manufacturing capability in Poland.



APPENDIX

Continued

5. Human rights

We take the issue of human rights seriously and continue to strengthen our policies and management systems in this area. Our employee policies are set locally to comply with local law within the overall Group framework and we monitor the employment practices of our supply chain.

Our business ethics and business sustainability policies set out clear standards of behaviour that we can expect all our people to demonstrate and adhere to and underpins our social, ethical and environmental commitments and sends a clear message to our stakeholders of our commitment to responsible business practice.

We carry out third party ethical audits which are run under the Sedex System wherever possible or, alternatively, under a specific retailer's own system. All conform with the Ethical Trading Initiative (ETI) and our sites are independently audited at a frequency determined by risk. We maintain full data disclosure under the Sedex System for all sites regardless of audit frequency.

6. Society

We have in place strong business principles which apply to all employees and set a minimum standard for their behaviour in all their business dealings. Failure to comply with our core business principles is a matter for disciplinary action.

Policies covering business ethics and risks (covering conflicts of interest and compliance with all relevant laws and regulations, including competition, anti-bribery and dealing with sensitive information) were formalised with a group approach and implemented in 2011. They were reviewed in the past year and can be found on the website www.mcbride.co.uk.

These policies include a clear statement that donations to political parties or causes will not be made. Lobbying is undertaken only via trade associations on issues of interest to the whole industry such as regulatory proposals and texts.

All business units have been assessed for risks relating to corruption. All directors, senior executives and colleagues in commercial, purchasing and other "at risk" functions have been trained in anti-corruption policies and procedures. There have been no incidents of corruption in the past year, no legal action taken in relation to anti-competitive behaviour or anti-trust or monopoly practices and no fines for non-compliance with regulations.

All sites undergo ethical audits by external consultants and any non-conformances and observations are addressed. Those sites supplying into the UK have their audit reports loaded onto the SEDEX web site so that they can be viewed by participating customers.

7. Product responsibility

McBride is committed to understanding safety issues related to its products and for ensuring that all products are suitable and safe for their intended use. Our product responsibility policy is supported by comprehensive management systems that reflect legal and regulatory compliance as a minimum standard and cover raw material use and product assessments, labelling and packaging requirements. McBride contributes to voluntary initiatives on product safety by industry associations such as A.I.S.E. (International Association for Soaps, Detergents and Maintenance Products). Product safety evaluations are made in our operations without tests on animals. Our animal testing policy statement is available

from the Group's website at www.mcbride.co.uk. We support the development and acceptance of alternative product safety evaluation methods that reduce or replace the use of animals.

There have been no fines or non-compliances to any laws or voluntary codes relating to our products, safety impacts, labelling, claims, advertising etc.

All products are subject to EU legal requirements with respect to safety and labelling.

Systems are in place at all sites for the recording of, and responding to, complaints about products from consumers.

Products are continually assessed for potential for improvements to impacts at all stages of the life cycle. Improvements are undertaken both as a company e.g. bottle light weighting, packaging reduction, and on an industry basis e.g. product concentration of Laundry Liquids and Fabric Conditioners.

Legislation

We continue to be actively involved in the key National and European Trade Associations of relevance to McBride's product portfolio. This activity is especially important as implementation deadlines for new legislation approach.

Biocidal Products Regulation

We are working to rationalise the products that McBride will support in future through the biocidal products authorisation process. To date the only active substance of interest to McBride to obtain Annex 1 approval is Hydrochloric Acid and dossiers for products containing this active will be prepared.

APPENDIX

Continued

Other activities include monitoring of developments on potential dual regulation of cosmetics with secondary biocidal claims and on the recently introduced EU Biocidal Product Regulation.

Classification, Labelling and Packaging Regulations (CLP)

McBride's scale and competence within its research and development teams and legislative expertise means we are well placed to ensure our customers Private Label products are compliant with the latest European wide product safety legislation

Work continues to ensure that all relevant McBride products (in the region of 7,000) have been accessed and new product classifications determined on the basis of the information available and we have identified opportunities to reformulate products where appropriate.

Our research and development teams supported by our raw material suppliers, our SAP and back office processes have taken up the challenge to identify the current classification of all our products and what changes to classification are required under CLP. A series of steps including where necessary reformulation, packaging changes, product testing and new label design working in conjunction with our customers have been implemented to ensure compliance with the legislation. Products sold across national borders requiring multi-lingual labels provide a particular challenge for smaller pack formats.

Working closely with customers and label suppliers to ensure a smooth introduction of the new style labels over the next twelve months will be key to the success of this complex and challenging process.

Cosmetics Regulation

McBride began notification of cosmetic products in line with the new regulation in March 2012. New Cosmetic Product Safety Report requirements for safety assessments and updated tools for compliance with Product Information Dossiers have also been implemented.

Registration, Evaluation and Authorisation of Chemicals Regulation (REACH)

McBride is predominantly a downstream user of chemicals, supplied mostly by companies within the EU. McBride advised all of its suppliers of its uses of substances supplied in time to meet the 2013 registration requirements. McBride is obligated to confirm that it handles/ uses substances in accordance with the requirements detailed in the extended safety data sheet (eSDS) provided by the supplier. A process has been agreed/partially implemented between Regulatory Affairs/Development/ Health & Safety to ensure that the required evaluations are conducted on received substance eSDS to remain compliant. A project team is currently working to implement software to generate SDS automatically from SAP formulation database.

The European Chemicals Agency, ECHA, has continued to add to its Candidate List of Substances of Very High Concern. McBride monitors substances affected and impact on the chemicals supplied to the business. This is essential in order to be able to respond promptly to inquiries from customers or consumers.

Certification

McBride plc has BRC or IFS certification in place in the majority of its sites. See page 48 for site accreditation.

Product Environmental Footprint (PEF)

McBride has been active in the pilot studies of Household cleaning product foot printing in France and this pilot scheme has now been adapted for a pan European study on selected products in association with the A.I.S.E. and again McBride are taking an active role in supporting these studies.

Sustainable Palm Oil

During the year McBride plc has been accepted as a member of the Roundtable on Sustainable Palm Oil. (RSPO). The RSPO aims to transform markets to make sustainable palm oil the norm. In McBride's case we use a number of ingredients such as surfactants derived from palm kernel oil (PKO) and palm oil derived from a complex international supply chain involving growers, traders, importers and manufacturers. This is a therefore a considerable challenge to identify Certified Sustainable Palm Oil (CSPO) derived material.

Transport

We now have an additional qualified "Safety Advisor for the Carriage of Dangerous Goods", covering carriage of materials on Belgian sites.

GROUP FIVE-YEAR SUMMARY

	Year ended 30 June				
	2014 £m	Re- presented 2013 £m	2012 £m	2011 £m	2010 £m
Revenue	744.2	761.4	813.9	812.4	812.2
Adjusted operating profit	22.0	23.6	29.5	29.0	50.0
Amortisation of intangible assets	(1.4)	(1.1)	(1.7)	(2.9)	(2.0)
Exceptional items	(34.5)	(7.5)	(9.7)	(12.3)	(12.8)
Operating (loss)/profit	(13.9)	15.0	18.1	13.8	35.2
Net finance costs	(7.4)	(6.0)	(6.0)	(6.7)	(5.6)
(Loss)/profit before tax	(21.3)	9.0	12.1	7.1	29.6
Taxation	2.2	(3.5)	(3.0)	(1.8)	(7.5)
(Loss)/profit after tax	(19.1)	5.5	9.1	5.3	22.1
Earnings per share					
Diluted	(10.5)p	3.0p	5.0p	2.9p	12.1p
Adjusted diluted	5.3p	7.3p	9.7p	9.3p	18.1p
Payments to shareholders (per ordinary share)	5.0p	5.0p	5.0p	6.8p	6.8p
	At 30 June				
	2014 £m	2013 £m	2012 £m	2011 £m	2010 £m
Non-current assets					
Property, plant & equipment	143.4	173.6	175.6	190.9	179.9
Intangible assets	26.3	34.1	35.7	38.6	38.4
Other assets	14.6	6.2	2.9	3.1	3.5
	184.3	213.9	214.2	232.6	221.8
Current assets	245.4	231.9	229.8	252.1	218.6
Current liabilities	(229.4)	(246.9)	(252.9)	(278.9)	(229.4)
Non-current liabilities	(131.7)	(92.2)	(78.7)	(80.4)	(86.3)
Net assets	68.6	106.7	112.4	125.4	124.7
Net debt	84.7	86.8	81.2	83.7	60.0

ACCREDITATIONS

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



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



Site certification 2012

We are gradually moving from the ISO 9001 Quality Standard towards the BRC/IFS standards required by our customers. Below is a map of the McBride site accreditations

Site	Quality and product safety			Environment	Occupational health and safety	Ethics	GMP cosmetics	Sustainability
	ISO 9001 Quality	BRC	IFS	ISO 14001 Environment	OHSAS 18001 Occ H&S	Sedex Ethical self assessment	ISO 22716 cosm GMP	A.I.S.E. charter coverage
Barrow	No	Yes	No	No	No	Yes	na	Yes
Bradford	No	Yes	No	Yes	No	Yes	yes	na
Hull	No	Yes	No	Yes	No	Yes	yes	Yes
Middleton	No	Yes	No	Yes	No	Yes	na	Yes
Bagnatica	No	No	No	Yes	No	No	na	Yes
Estaimpuis	No	Yes	Yes	Yes	Yes	Yes	na	Yes
Etain	No	No	No	Yes	No	No	na	2014 yes
leper PC	No	No	Yes	Yes	Yes	No		Yes
leper HH	No	Yes	Yes	Yes	Yes	Yes	na	Yes
Moyaux	No	Yes	Yes	Yes	Yes	Yes	na	Yes
Rosporden	No	Yes	Yes	Yes	Yes	Yes	internal audit done to approve conformity	Yes
Sallent	No	No	Yes	Yes	Yes	Yes	na	Yes
Brno	Yes	Yes	Yes	No	No	Yes	yes	na
Foetz	No	Yes	No	Yes	Yes	Yes	na	Yes
Strelze	No	Yes	No	Yes	Yes	Yes	na	2014 yes
China	No	Yes	No	No	No	Yes	na	na
Malaysia	No	GMP	No	No	No	Yes	na	na
Vietnam	No	GMP	No	No	No	Yes	na	na
Production sites: 18		12	5	13	8	15	leper HH and PC calculated as two separate sites	
% of production sites covered		67	28	72	44	83	60	100

ABBREVIATIONS

A.I.S.E.	European Federation of Trade Associations for the Detergent & Cleaning Product Industry
BRC	British Retail Consortium
CDP	Carbon Disclosure Project
CLP	Classification, Labelling & Packaging Regulations 2008
CSR	Corporate Social Responsibility
CO₂e	green house gases expressed as carbon dioxide equivalents
EOS	Employee Opinion Survey
FLT	Fork Lift Truck
FTSE4GOOD	System for objective measurement of performance of companies that meet globally recognised standards of corporate social responsibility
GHG	Greenhouse Gas
GRI	Global Reporting Index for socially responsible reporting of sustainability performance
HSE	Health, Safety & Environment
IFS	International Food Standards
ISO 14001	ISO Environmental Standard
KPI	Key Performance Indicator
LED	Light Emitting Diode lamps - lower energy consumption lighting
LPG	Liquid Petroleum Gas
LSPL	Laundry Sustainability Project - Liquids, developed by the industry via A.I.S.E.
MVP	Mission, Vision & Principles programme
NPD	New Product Development
OHSAS 18001	Occupational Health Standards
R&D	Research & Development
REACH	Registration, Evaluation and Authorisation of Chemicals Regulation 1999
eSDS	extended Safety Data Sheet
SCOPE 1	Emissions from the burning of primary fuels such as gas, oil, coal
SCOPE 2	Emissions from use of secondary fuel, electricity, which vary depending on the manner of generation of the electricity
SCOPE 3	Emissions not arising within the boundary of the facilities e.g. transportation and product use

CONTACT DETAILS

Head Office

McBride plc

Middleton Way
Middleton
Manchester M24 4DP
Telephone: +44 161 653 9037
Facsimile: +44 161 655 2278
www.mcbride.co.uk

McBride Business Services Limited

Central Park
Northampton Road
Manchester M40 5BP
www.mcbride.co.uk

UK

Robert McBride Ltd

Middleton Way
Middleton
Manchester M24 4DP
Telephone: +44 161 653 9037
Facsimile: +44 161 655 2278
www.mcbride.co.uk

Western Europe

McBride SA

6 Rue Moulin Masure
7730 Estaimpuis
Belgium
Telephone: +32 56 48 2111
Facsimile: +32 56 48 2110
www.mcbride.co.uk

Rest of the World

Central and Eastern Europe

McBride Polska

ul. Matejki 2a
47100 Strzelce Opolskie
Poland
Telephone: +48 774 049100
Facsimile: +48 774 049101
www.mcbride.co.uk

South East Asia/Australasia

McBride Hong Kong

Unit 06, 26th Floor
No. 1 Hung To Road
Kwun Tong
Kowloon
Hong Kong
Telephone: +852 2790 8480
Facsimile: +852 2790 8484
www.mcbride.asia

McBride Australia Pty Limited

Suite 7, 400 Canterbury Road
Surrey Hills
Melbourne 3127
Australia
Telephone: +61 3 9831 2216
Facsimile: +61 3 9831 0423
www.mcbride-anz.com.au

McBride Zhongshan Limited

Jianye Road
Zhongshan Torch High-tech Industrial
Development Zone
Zhongshan
Guangdong
PR China
528437
Telephone: +86 760 8528 2878
Facsimile: +86 760 8858 9903
www.mcbride.asia

Fortune Laboratories Sdn Bhd (Fortlab)

Wisma Fortune, No 4, Jalan 16/12
Section 16, 40200 Shah Alam
Selangor Darul Ehsam
Kuala Lumpur
Malaysia
Telephone: +603 5510 0385
Facsimile: +603 5511 2105
www.fortlab.com

Newlane Cosmetics Company Limited

22 VSIPII, Street 1, Vietnam Singapore
Industrial Park II
Binh Duong Industry - Service - Urban
Complex
Hoa Phu Ward
Thu Dau Mot Town
Binh Duong Province
Vietnam
Telephone: +84 650 389 536
Facsimile: +84 650 389 535
www.fortlab.com

McBride plc

5th Floor (East)
40 Bernard Street
London WC1N 1LE
United Kingdom

Telephone: +44 (0) 20 7822 3900
Facsimile: +44 (0) 20 7833 2843

www.mcbride.co.uk

OUR ON-LINE RESOURCES

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



McBride's Sustainability Reports can be viewed on-line by scanning the QR code above or from: www.mcbride.co.uk/our-responsibilities/reports

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

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

