



Progress with 'Growth';
reinvigorating 'Prepare'

Corporate responsibility

Sustainable product and design



Objective: To design, create and supply value products, which are safe to use, whilst minimising environmental impact.

Link to strategy: To ensure that our sustainability capabilities become integral to product development and customer proposition.

See page 2

Environmental



Objective: To continue reducing our environmental impact through efficient and effective process design, production and operational sustainability.

Link to strategy: Continued focus on sustainability defined activities and continued improvement in managing waste in our manufacturing processes.

See page 4

Social



Objective: To create an environment where people want to work and are able to give their best.

Link to strategy: To ensure that a framework is in place to allow all colleagues to have the opportunity to reach their potential.

See page 5

Community



Objective: Ensuring that McBride's products and operations benefit our people, local communities and wider society.

Link to strategy: Measure and promote McBride's positive impact on society.

See page 6

The efficiency initiatives we are executing are contributing significantly to our sustainability progress in all aspects of our business – for our people, our products, our customers and the environment.



compacted
products cut emissions
and reduce packaging




Cruelty Free
international certified
products in our
portfolio



small plastic beads
eliminated
from our products
since 2015

91.5%
of waste generated
recycled, reused and
recovered




water use down
7.2%



energy
consumption
reduced
by 2.6%



active
participation in
A.I.S.E. initiatives



green energy
3.3%
of total energy



committed
to the support
of Sustainable
Palm Oil

Corporate responsibility *continued*

Sustainable product and design

Product and design



Objective: To design, create and supply value products, which are safe to use, whilst minimising environmental impact.

Link to strategy: To ensure that our sustainability capabilities become integral to product development and customer proposition.

Our responsibilities

Consumer choices are increasingly driven by environmental and social concerns and we must respond to this in order to ensure the long-term success of the Company.

Sustainability

We take environmental responsibilities seriously and, where possible, work with customers and accredited ecological bodies to reduce potential environmental impact.

Our Sustainable Packaging Strategy

At the beginning of 2019, we launched our Sustainable Packaging Strategy. The basis of the strategy is to use design as the fundamental framework to develop sustainable packaging. We believe that making packaging recyclable is a key role for McBride to play in the EU plastic strategy and circular economy. Being on top of the waste pyramid, we believe that reducing or eliminating non-recyclable plastics in our production would have a big impact for the environment.

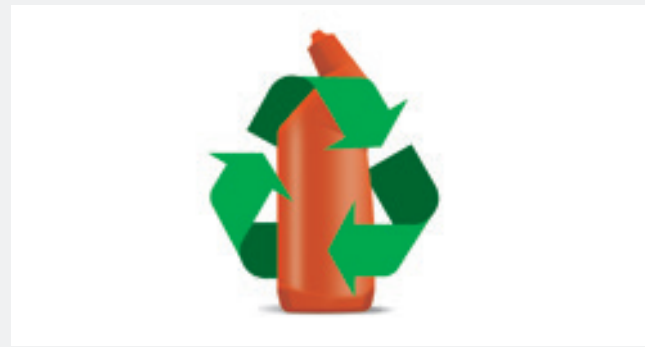
Our efforts in 2019 have been focused on three main activities:

1

Incorporate Post-consumer Recycled (PCR) in our packaging: to show responsibility and to increase recycling rates to support the circular economy.

50% Post-consumer Recycled PET (R-PET): We have achieved full technical feasibility to produce 50% R-PET across all categories and sites.

50% Post-consumer Recycled PE (R-PE): We are testing 50% R-PE in our sites and we target technical approval by December 2019.



2 Our route to fully recyclable packaging: we identified that multi-layered plastic in our doypacks was impossible to recycle.

In order to improve the sustainability profile of this product, we have developed the first mono-material doypack. This will improve recycling rates of these products across the countries we operate in. This was introduced in January 2019 and is made entirely from one fully recyclable material (polyethylene). This product received the Tesco Award for Innovation in March 2019.



3 'Right' weight of our packaging: targeting the lowest weight possible, whilst preserving packaging functionality using our computer simulation technology and industrialisation procedures during the development.

We are using the latest design and performance prediction technologies that allows us to produce some of the lightest bottles in the markets in which we operate without compromising on functionality and packaging performance.



Health and safety

We are fully aware of our quality and safety responsibilities to our customers and to consumers who use our products.

Development of a Superior Child Impeding Closure (SCIC) doypack

Product safety is key to our business. In 2018 we completed the introduction of our Superior Child Impeding Closure (SCIC) approved laundry tub and in 2019 we developed and approved the SCIC doypack zip. Full implementation will be completed by May 2020.



Our Trio. The new generation of laundry capsules

The water soluble pods have proved successful with consumers in the laundry category as well as in the auto dishwasher category. The growth of the water-soluble pods market requires further innovation in design and shape with an increase speed to market. Pod designing requires a deep coordination between our marketing team's aspirations, our industrial capabilities and even our third party filling machine suppliers. We have decided to invest in the development of internal skills and the most recent digital tools to bring these innovations in pods design to the market quicker.



Animal testing

Our animal testing policy ensures we do not test products on animals, nor request testing of products or ingredients by any supplier or third party.



Corporate responsibility *continued*

Environmental

Production and operations



Objective: To continue reducing our environmental impact through efficient and effective process design, production and operational sustainability.

Link to strategy: Continued focus on sustainability defined activities and continued improvement in managing waste in our manufacturing processes.

Sustainability activities

In the last twelve months we have focused on two key areas of sustainability: compaction and sustainable packaging by design.

Compaction

We have developed a full range of laundry liquid formulations that can now be dosed at 55ml per wash compared to 65ml, a 15% reduction in dosage. This has been launched in most of the countries we operate in and our customers will directly see the benefits of packaging weight reduction, optimised logistics and less resources used to obtain the same performance level.

We have also launched our new triple chamber laundry capsules. The capsules are convenient for our consumers and encourage our standard laundry liquid users to switch to this new compacted product. This high-performing, controlled dose capsule has panelled well across Europe and is driving our overall chemical consumption down year-on-year.

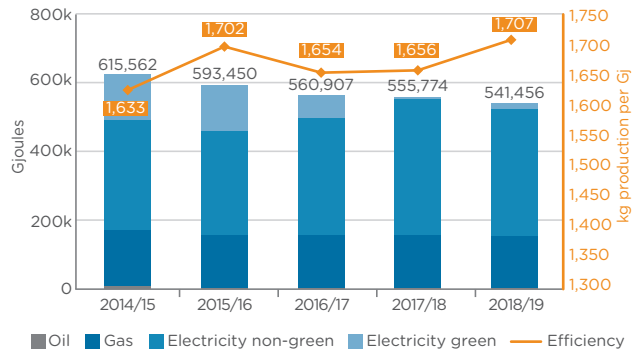
Sustainable packaging

We have continued our efforts to improve the recyclability of our packaging portfolio. We have developed the first mono material doypack that can be more easily recycled. The product has been launched in the UK and we are trialling this across Europe.

Our capsule tub packaging is fully recyclable and we are working towards having 50% post-consumer recycled content in both our tubs and lids in order to align with the plastics in the circular economy, as guided by the EU plastics strategy.

We now have technical capability in our plants to produce R-PET with 50-100% recycled content. We are currently testing to have R-PE technical approval by December 2020.

Total Group energy consumption



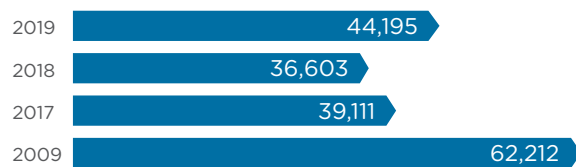
Total Group energy consumption reduced to 541,456 Gjoules (2018: 555,774 Gjoules) during the year. At the same time we achieved energy efficiency of 1,707kg production/Gjoule (2018: 1,656kg production/Gjoule). The Group's efficiency increased over the year due to the closure of a number of sites.

Greenhouse gas

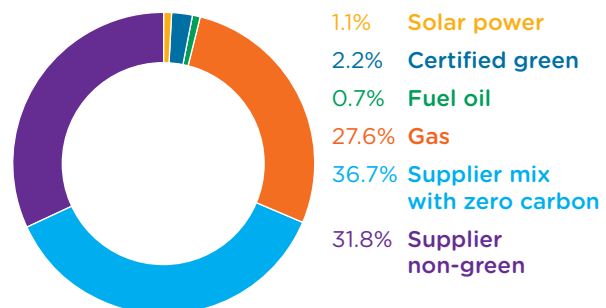
We have been calculating our Scope 1 and 2 GHG emissions since 2008 in accordance with the relevant GHG Protocol Corporate Accounting and Reporting Standards and latest emissions factors from recognised sources, based upon market values.

The overall impact on our operations for Scope 1 and Scope 2 emissions was 44,195 tonnes of CO₂e emissions (2018: 36,603 tCO₂e) with CO₂e efficiency of 20,908kg product/tCO₂e (2018: 25,138kg product/tCO₂e).

Net Scope 1 and 2 CO₂e emissions (tonnes CO₂e)



Split of energy source index including green element of supplier grid mix 2018/19



The Group is committed to improving its long-term energy efficiency and, as such, we actively assess alternative green energy sources that will help reduce our overall energy consumption and wider environmental impact.

Social

Our people



Objective: To create an environment where people want to work and are able to give their best.

Link to strategy: To ensure that a framework is in place to allow all colleagues to have the opportunity to reach their potential.

Employee support

A key principle of our business success is creating a culture whereby all colleagues across the Group are recognised as a valuable asset and supported to become fully engaged, aligned and achieve their full potential.

Our SMART Growth HR strategy recognises that each phase of our 'Manufacturing our Future' strategy requires different styles, skills and experiences. Our recruitment, talent management and training and development programmes ensure the Group maintains a large pool of talent to deliver its strategic objectives.

Diversity

We recognise and value all forms of diversity in our employees and endeavour to promote diversity in our workplace to enhance the success of our business.

Gender split 2019

Female Directors



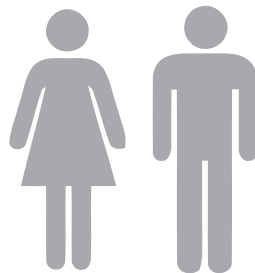
Female executive leadership



Female senior management



Female total workforce

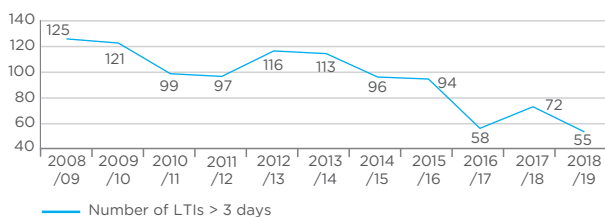


Gender pay gap reporting

We report annually on our gender pay gap to meet our UK legal obligations. Our Gender Pay Gap Report is available on our website.

Wellbeing

We strive to maintain a safe workplace at all locations we operate in and all colleagues participate in the development, promotion and maintenance of a safe and healthy environment.



Health and safety at Holstebro

Over the last year the site has made a number of changes to promote safe choices, such as courses on 'Risk assessment and Health and Safety Culture' for all production staff, and weekly 'Safety Walks' carried out by managers/leaders. As a result of their efforts, our Holstebro colleagues celebrated 100, 150 and 200 days without a lost time accident.

Their commitment to health and safety will continue with a string of courses this Autumn to educate all employees on interpersonal skills, teamwork, safety, and quality.



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. This has led to an understanding within the Group of the issues associated with these statutes.

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.

Our Supplier Code of Conduct sets out the standards of behaviour we expect from all of our suppliers. As a minimum standard, we adhere to the provisions of the ETI and require every supplier to ensure that our Code of Conduct is complied with, along with national and other applicable law. Our Supplier Code of Conduct is published on our website and any breach of the Code may result in a termination of business relationship with a supplier.

Our Anti-Slavery and Human Trafficking Statement (available on our website www.mcbride.co.uk) enshrines our obligations under the Modern Slavery Act 2015. We are committed to ensuring there is transparency in both our own business and in our approach to tackling modern slavery in our supply chain.

The outcome of our policies and procedures is that there have been no known instances of any form of discrimination, slavery or human rights violation.

Corporate responsibility *continued*

Community

Community and society



Objective: Ensuring that McBride’s products and operations benefit our people, local communities and wider society.

Link to strategy: Measure and promote McBride’s positive impact on society.



Charitable trust

Purpose:

- To support colleagues
- To support the community
- To support wider society

Mission:

“To give every child of a McBride colleague the opportunity to have a grant towards their further education and to support our colleagues with charity activities in the interest of their health and wellbeing.”

Vision:

To offer grants for further education (university/ apprenticeships) to our colleagues’ children, who are undertaking a supplementary course of study that leads to a recognised national qualification.

To donate to selected charitable causes, local or wider society, championed by colleagues, aimed at promoting health, participation and wellbeing.

During 2018/19 the new trustees board has continued to focus on driving awareness of the charitable trust and working on our three areas of activity.

1. Education

The educational development of McBride colleagues’ children has continued to be a focus for the charitable trust this year. In 2018/19 we have awarded a total amount of £19,000 to 96 colleagues’ children with educational grants to support their learning in further education. The donation has again been received positively by our colleagues and their children as a great support for their learning.

2. Wider society

Theme 2018/19

We will look to support areas of poverty particularly in respect of children (orphanages, homeless, nurseries) via InKind Direct.

McBride continues to support InKind Direct with stock donations and this year we have donated £4,500 of stock in support of their chosen charities.

3. Wellbeing

We support activities that improve wellbeing and generate funds for our chosen cancer charities in 2018/19. We continue to encourage our colleagues to get active, take part and raise money for local or national cancer charities. We have financially supported many activities this year including:

1. many of our UK commercial colleagues ran the Manchester 10k together in aid of their chosen cancer charity. They also organised a pub quiz for even more colleagues to get involved;



2. our QHSE function (Quality, Health, Safety and Environment) team led a McBride safety quiz which was completed by over 2,000 colleagues across our European sites. It was a great success, not only in raising awareness of safety within our teams, but also raising money for a Belgian cancer charity;
3. the Middleton site led a world environmental event day, which also had a quiz where over 140 colleagues participated. The event included litter picking with Spring the Frog from Spring Hill Hospice and a childrens’ ‘build a fish from waste plastics and paper’ competition; and



4. our Estaimpuis site organised and participated in a number of activities to raise money for Think Pink. Think Pink is an organisation that informs, raises awareness and supports scientific research specifically targeted at breast cancer. Numerous colleagues took part in local running competitions, used their bike to commute to work and participated in a 10K steps event to raise funds for Think Pink.

This year we have supported wellbeing activities to the value of £7,641.



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



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