



Creating growth

McBride plc Corporate Social Responsibility Report

2018



Corporate responsibility

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

£20,000
awarded by the
Charitable Trust



small plastic beads
eliminated
from our products
since 2015

89.4%

of waste generated,
recycled, reused
and recovered



water use down
2.6%



energy
consumption
reduced
by 1%



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



green energy
1.1%
of total energy



committed
to the support
of Sustainable
Palm Oil

Environmental

Production and operations

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

Link to strategy:

- **Grow** Launch of our five-year sustainability plan 2019–2024. Further focus on improvement in managing waste in our manufacturing processes



Sustainability plan

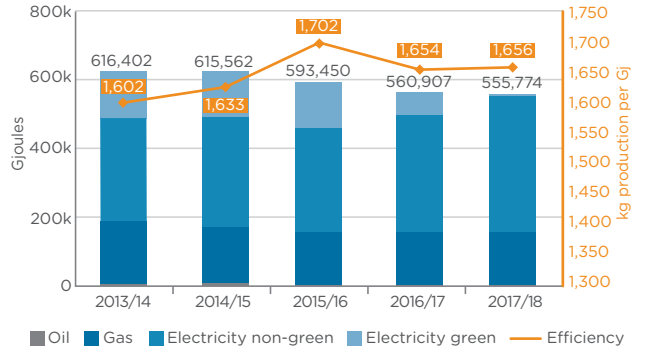
Our five-year sustainability plan will be launched in the first half of the 2019 calendar year, focusing on all aspects of sustainability that relate to our operations and products, our people and communities and our impact on the environment. The plan will allow us to continue to deliver in the key areas most important to our customers and other stakeholders. We are aware of a growing need to address issues like plastics and, as part of our plan, we are building these into our packaging design programmes to support the reduction in packaging weight and to increase the recycled content in a range of our plastic packaging. The sustainability plan outlines additional initiatives for our operations and services, which include further formulation compaction and the removal of chemicals of concern. We also have plans to create more sustainable offices, with new sustainability champions leading on recycling and energy saving initiatives. With respect to our people and communities, we are also proud of all the charity and community activities already undertaken across the McBride Group via the McBride Charitable Trust. The five-year sustainability plan will support the continuation of our operational excellence model.

Working together to reduce waste

Examples during the year include:

- in Estaimpuis, energy consumption has been reduced by replacing old machinery. A new server room air conditioning system and the replacement of two air compressors has reduced electricity usage for a more eco-friendly and cost efficient approach;
- in Rosporden, colleagues are considerate about their own environmental impact by sorting food waste in the cafeteria and ensuring waste is recycled wherever possible; and
- in Barrow, colleagues have extended weekend shut-down procedures across the site in those areas where it has been identified that machinery is not required. Further energy reduction has been achieved through the implementation of LED design solutions for high-end users of energy such as dust extraction and heating and the removal of other equipment that wastes energy. A drive on communication about the importance of saving energy, has lead colleagues to be proactive in thinking of ways to operate in a more sustainable way.

Total Group energy consumption



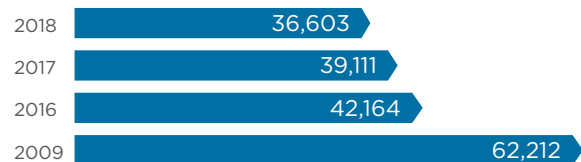
Total Group energy consumption reduced by 1% to 555,774 Gjoules (2017: 560,907 Gjoules) during the year. At the same time we achieved energy efficiency of 1,656kg production/Gjoule (2017: 1,654kg production/Gjoule), a similar level to last year, but still a strong improvement from previous years, confirming the benefits of our continued operational excellence model.

Greenhouse gas

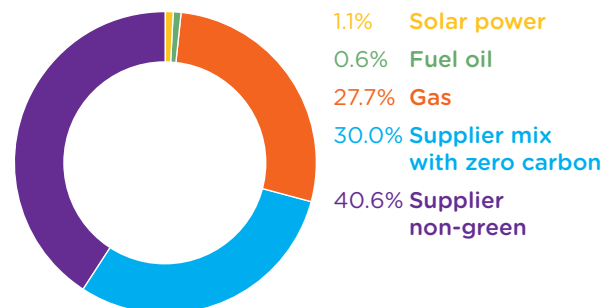
We have been calculating our Scope 1 and 2 GHG emissions since 2008 in accordance with the relevant GHG Protocol Corporate Accounting and Reporting Standards and latest emissions factors from recognised sources, based upon market values.

The overall impact on our operations for Scope 1 and Scope 2 emissions was 36,603 tonnes of CO₂e emissions (2017: 39,111 tCO₂e) with CO₂e efficiency of 25,138kg product/tCO₂e (2017: 23,719kg product/tCO₂e).

Net Scope 1 and 2 CO₂e emissions (tonnes CO₂e)



Split of energy source index including green element of supplier grid mix 2017/18



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

Corporate responsibility continued

Social

Our people

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

Link to strategy:

- **Prepare** 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 2018

Female Directors



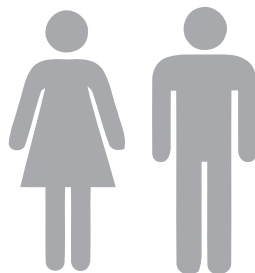
Female executive leadership



Female senior management



Female total workforce



500 days for Rosporden

In July, Rosporden colleagues celebrated 500 days without a Lost Time Incident, breaking their previous record of 258 days. The achievement shows great teamwork and commitment to health and safety in the workplace driven by the local leadership team and Quality, Health, Safety and Environment management.



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.

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.

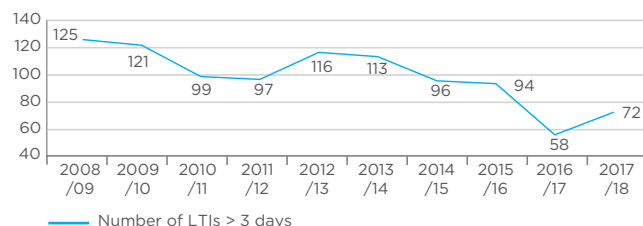
Our Anti-Slavery and Human Trafficking Statement (available on our website www.mcbride.co.uk) enshrines our obligations under the Modern Slavery Act 2015. We are committed to ensuring there is transparency in both our own business and in our approach to tackling modern slavery in our supply chain.

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.



— Number of LTIs > 3 days

Product and design 

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

Link to strategy:

- **Grow** To ensure that our sustainability capabilities become integral to product development and customer proposition

Our responsibilities

We are fully aware of our quality and safety responsibilities to our customers and to consumers who use our products. We also take environmental responsibilities seriously and, where possible, work with customers and accredited ecological bodies to reduce potential environmental impact.

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.

Eco labels

Our scientists have developed product ranges for our customers which meet the major Eco labels for household products in Europe. The acquisition of Danlind has further consolidated our range in this area by adding products specifically manufactured for Nordic countries. We now have accreditations available covering European Eco label, Blue Angel Eco label and Nordic Swan Eco label.

To qualify for these Eco labels, products have to comply with a tough set of criteria. The environmental criteria, set by a panel of experts from a number of stakeholders, including both consumer and industry organisations, take the whole product life cycle into account - from the extraction of the raw materials to production and packaging and transport, right through to end use and then the potential for recycling. This life cycle approach guarantees that the products' environmental impact is reduced in comparison to similar products on the market but also ensures that fitness-for-use criteria are met to guarantee good product performance for the customer.



Compacted products providing effective cleaning performance

In the European market, detergents are becoming more concentrated; this has allowed for a reduction in raw materials and packaging, in turn reducing waste and CO₂ emissions. During 2018, we launched our latest innovation, a 14ml soluble sachet, which is over 40% more compacted than leading brands in the market. The soluble capsule allows for a controlled dose, ensuring only the correct level of ingredients are used, minimising the impact on the environment and cost of wash for the consumer.



Safe and effective packaging

Product safety continues to be a driver in our development process, be it in the ingredients used in product formulations or the packaging used to contain our products. Our packaging is designed to safely transport and protect products and we are one of the first manufacturers to launch to the European market, detergent containers compliant with the new Product Steward Programme, a voluntary initiative launched by the International Association for Soaps, Detergents and Maintenance Products to promote best practice in the industry in relation to the safety and wellbeing of consumers.



Corporate responsibility continued

Community

Community and society



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

Link to strategy:

- **Grow** To measure and promote McBride's positive impact on society

At McBride we have made the conscious decision to increase our contribution to charity through several means in order to help those who are in need in our society.



Charitable Trust

McBride's Charitable Trust continues with their mission to provide financial support to McBride colleagues' children in their further education through an educational grants programme and to support colleagues with charity initiatives in the interest of their health and wellbeing, by donating to selected charity organisations with a focus on cancer in either their local or wider community.

The purpose of the Charitable Trust is:

- to support colleagues;
- to support the community; and
- to support wider society.

During the year, a new trustee board has focused on driving awareness of the Charitable Trust and has secured a five-year plan for the Trust's three areas of activity.



1. Education

The Trust has continued its aim to provide grants and donations to individuals and charities in line with its Deed of Trust. Specifically, during the year the educational development of McBride colleagues' children has continued to be a focus. In 2017/18 the Trust awarded a total of £20,000 to 120 children in the UK and Continental Europe to assist them in their studies. The initiative has been received positively by colleagues and their children as a great support for their learning and development. Each year the Charitable Trust continues to encourage employees to apply for a grant that can be applied to their children's tuition, books and other education expenses.



2. Wellbeing

The Trust continues to support colleagues by driving initiatives that promote colleague health and wellbeing, whilst generating funds for chosen charities. This year the Trust has encouraged colleagues to be active and participate in different ways of raising money for local and national cancer-related charity organisations.

Initiatives supported by the Trust include:

- a team walk up Mount Snowdon to raise money for the British Lung Foundation;
- an assault course in aid of Macmillan Cancer Research in which 18 colleagues participated;
- longest Golf Day, in support of Macmillan Cancer Research with participation from members of UK Finance and UK Operations team;
- world Environmental Awareness Day to support local charity Springhill Hospice with activities including a robot-making competition for colleagues' children using plastic found in the home;
- wellbeing activities organised by Belgian colleagues to support Think Pink Belgium;
- a variety of quizzes, bake sales and organised walks for colleagues and their families; and
- a safety quiz at all McBride locations which was completed by over 1,400 colleagues across the UK and Central Europe.

The Trust donated £1 for every single participant taking part in these initiatives.

During 2017/18 the Charitable Trust has supported wellbeing initiatives to the value of £7,200.



3. Poverty

We continue to focus our efforts on supporting children who are homeless, in nurseries or orphanages by providing In Kind Direct with stock donations and through additional financial contributions. The organisation redistributes surplus or obsolete stock to a wide range of UK charities and McBride's products are of practical help to many organisations helping communities across the UK. During 2017/18, McBride distributed £24,000 worth of goods to In Kind Direct.

This year, Finance colleagues also donated their time to work in one of In Kind Direct's warehouses to re-distribute stock from suppliers directly into the charity network. As well as supporting the charity, the experience allowed colleagues the opportunity to collaborate and develop their team working skills.



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Winner of Best Annual Report at the IR Society Best Practice Awards 2016



Winner of Most Effective Communication of Company Investment Proposition at the IR Society Best Practice Awards 2017
Winner of Best Annual Report at the IR Magazine Awards - Europe 2017



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.