

Investing for growth

McBride plc Corporate Social Responsibility Report 2017

Welcome to the McBride plc Corporate Sustainability Report

McBride plc is Europe's leading supplier of Private Label Household and Personal Care products. The Company develops and manufactures products for the majority of retailers and major brand owners throughout the UK, Europe and Asia. Headquartered in Manchester, UK, McBride operates across 12 countries, with 17 manufacturing facilities producing over 1.1 billion units a year and employs 4,100 employees globally.

For more information visit
www.mcbride.co.uk

Corporate responsibility

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



compacted
products cut emissions
and reduce packaging



LTIs > 3 days
down by
38%



small plastic beads
eliminated
from our products
since 2015

87%
of waste generated,
recycled reused
and recovered
sustainable waste



water use down
9.7%



energy
consumption
reduced
by 5.5%



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



green energy
12.26%
of total energy



committed
to the support
of Sustainable
Palm Oil

Environmental

Production and operations

Objective: reducing our environmental impact through efficient and effective process design and production.



Link to strategy

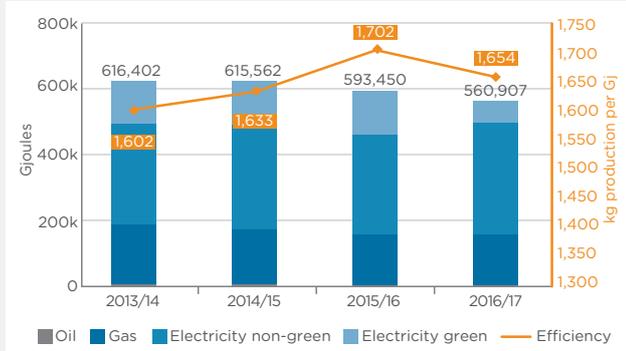
- **Grow** Further focus on improvement in managing wastage in manufacturing process

Working together to reduce waste

We train and motivate our colleagues to work in a sustainable manner and encourage the sharing of experience and practice across all locations to apply internal best practice across the Group. Examples during the year include:

- our Barrow site has undertaken a number of waste initiatives, including on-line recycling and grinder systems, which has led to the elimination of laundry tablets being sent to landfill; and
- at our Ieper plant, the simple idea of replacing staples with velcro on our boxes of blow moulded bottles not only reduced the safety risk, but also led to increased longevity of the boxes equivalent to a 95-tonne waste reduction in cardboard per year.

Total Group energy consumption



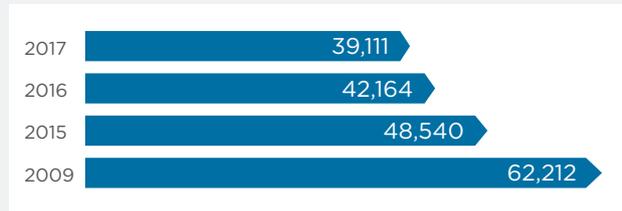
Total Group energy consumption reduced by 5.5% to 560,907 Gjoules (2016: 593,450 Gjoules) during the year. At the same time we achieved energy efficiency of 1,654kg production/Gjoule (2016: 1,702kg production/Gjoule), a 2.9% decrease from last year, but still a strong improvement from previous years and confirming the benefits of our continued operational excellence model.

Greenhouse gas

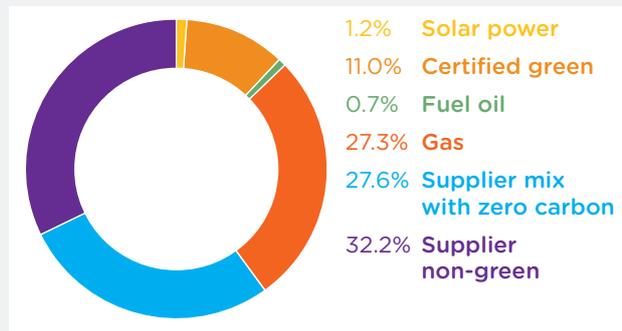
We have been calculating our Scope 1 and 2 GHG emissions since 2008 in accordance with the relevant GHG Protocol Corporate Accounting and Reporting Standards and latest emissions factors from recognised sources, based upon market values.

The overall impact on our operations for Scope 1 and Scope 2 emissions was 39,111 tonnes of CO₂e emissions (2016: 42,164 tCO₂e) with CO₂e efficiency also slightly down to 23,719kg product/tCO₂e (2016: 23,955kg product/tCO₂e).

Net Scope 1 and 2 CO₂e emissions tonnes CO₂e



Split of energy source index including green element of supplier grid mix 2016/17



“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.”



Social

Our people



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

Link to strategy

- **Prepare** Framework in place so that all colleagues have the opportunity to reach their potential

Employee support

A key principle to 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 2017

Female Directors

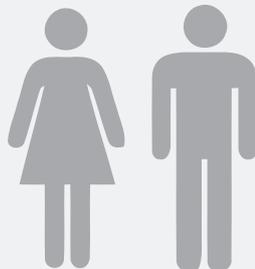
1/6 17%

Female senior management

14/52 27%

Female total workforce

1,660/4,149 40%



Wellbeing

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



Our 'Safety is in Your Hands' campaign aimed at reinforcing safety culture across the Group. It has led to significant improvements, resulting in a 38% reduction in the number of lost time incidents more than three days.

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 Anti-Slavery and Human Trafficking Statement (available on our website www.mcbride.com) 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.

Product and design



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

Link to strategy

- **Grow** Sustainability capabilities become integral to product development and offer to customer

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.



Microplastics

Microplastics are small pieces of plastic material typically under 5mm in size and originate from a variety of different sources.

We used small plastic beads in some of our Personal Care products, however, acknowledging the environmental effects of these beads, particularly on marine life, we recognised that we could provide consumers with products that delivered a similar exfoliating performance without the need to use plastic. Since 2015 we have phased out all small plastic beads from all our Personal Care products using suitable alternatives ensuring an equivalent high-quality performance.

Community

Community and society



Objective: ensuring that McBride’s products and operations benefit local communities and wider society.

Link to strategy

- **Grow** Measure and promote McBride’s positive impact on society

While major successes against poverty are won globally, social divergence is growing in western economies. Governments are reducing support for local charities through several austerity measures. 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

Some years ago, McBride established a Charitable Trust with the underlying aim of providing financial support to colleague’s children during their study. We have now extended both the financial reach and the support objectives of the trust through new statutes. The new statutes define the criteria for all initiatives to be subject to the Charitable Trust support and a new Trustees’ Board has been established.

During 2017/18 the Charitable Trust will focus on three areas:

-  **1. Education**
-  **2. Wellbeing**
-  **3. Poverty**

1. Education

McBride is pleased to operate a further education grant scheme. Colleagues’ children who undertake a university course or apprenticeship are offered an award to support their education.

In 2016/17, McBride awarded 122 grants in Continental Europe and 31 in the UK, amounting to £23,243 towards further education.



2. Wellbeing

McBride fully supports efforts of colleagues who participate in wellbeing activities related to our Company theme. Each year the trustees will decide on the theme that will be supported. For 2017/18, the theme is Cancer Research, together with further charity events the Company chooses to support through local initiatives.

McBride Belgium strives for improved wellbeing as a way to motivate its workforce to maintain their physical condition.

On 2 July 2017, twelve Estaimpuis colleagues accepted the challenge to undertake a 6 or 12km run in Zulte, Belgium and to raise money for Think Pink.

Think Pink raises breast cancer awareness and finances scientific research to help fight the most widespread cancer among women.

With ideal weather conditions to cope with this challenge, each colleague made it to the finish and contributed to the very first McBride donation to Think Pink.

And what’s more... McBride won the prize for the most sporty company in the ‘Dwars door Zulte’ running race for the second time in a row!



3. Poverty

In 2017/18, we will focus our efforts on supporting children who are homeless, in nurseries or orphanages through In Kind Direct.

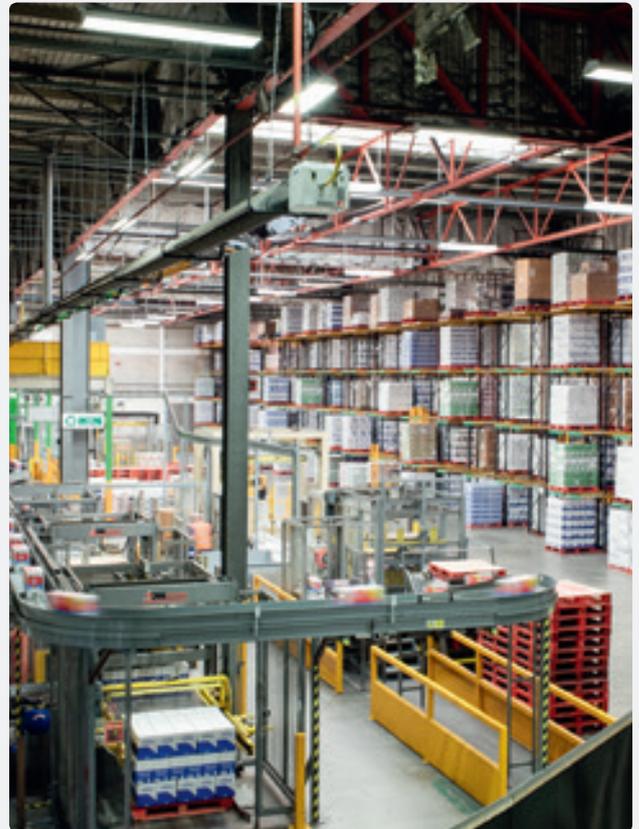
Donations in kind

McBride continues its ongoing support of In Kind Direct through providing donations of stock materials and through additional direct financial contributions. In Kind Direct redistributes surplus or obsolete stock to UK charities. The organisation reaches a wide range of charities and our products are of practical help to many organisations helping communities across the UK.



In the period July 2016 to June 2017 we made three stock donations which benefited 1,476 voluntary and community organisations. The stock donated amounted to 97 pallets of product, with a total estimated retail value of £116,000, in addition to a direct financial contribution of £25,000. McBride made its first donation of goods in 2010 and since then has donated a total of £640,000 in estimated retail value.

Here is just one example of where we have touched people's lives through our donations:



Community Gateway Association, Preston

Community Gateway Association (CGA) is a housing association with community at its core. It manages around 6,200 homes in Preston, Lancashire.

CGA delivers a wide range of support and activities for its tenants and works with a number of partners to meet the diverse range of needs faced by the community. Some of the services offered include job clubs, benefit and debt advice, and vocational training for young people.

In addition to these services, the team also helps tenants who are in crisis by giving them food and goods packages.

McBride donated a range of products, including items such as shower gel, washing up liquid and handwash, which the charity redistributed among service users.

“Many of our tenants struggle to find the funds for food, let alone for more expensive products such as toiletries, household cleaning items and clothing. With the help of In Kind Direct, we have been able to assist many tenants with these basic needs.”

Julie Lee
Income and Financial Inclusion Manager



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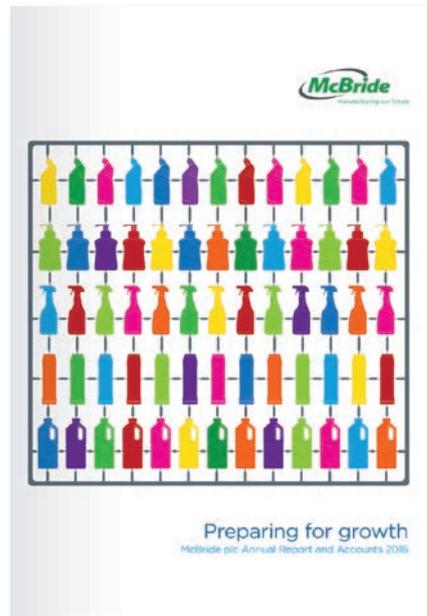


Winner of Best Annual Report at the IR Society Best Practice Awards 2016



Award winner
Europe 2017

magazine



Winner of Best Annual Report at the IR Magazine Awards - Europe 2017



FTSE4Good

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



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