



United Biscuits
environmental report 2012



Overview

2012 – Fifth Consecutive Year of Progress

United Biscuits (UB's) environmental programme has delivered an outstanding level of achievement since it was started back in 2008. When we launched the programme we published clear timebound goals and have since provided annual reports on progress. In this summary we are proud to report that we have achieved four key goals several years ahead of schedule and have set challenging new targets to replace them.

5 years of UB's Sustainability Programme have delivered:

- 34% reduction in carbon emissions since 1996
- 52% reduction in water use since 2007
- Zero waste to landfill across all UB sites
- 17% reduction in the environmental impact of our packaging since 2003
- The launch of the first biscuit wrapper recycling scheme in the UK
- 40% reduction in transport carbon emissions since 2005
- Over 20 million lorry miles taken off UK roads
- Market leading use of 100% certified sustainable palm oil with over 70% segregated through the supply chain
- Increased auditing of raw material suppliers so that over 95% are now on the Supplier Ethical Data Exchange (SEDEX) system.



United Biscuits has also achieved Platinum status for the third year running in Business in the Community's Corporate Responsibility index 2012. Platinum companies demonstrate that corporate responsibility is embedded in strategic decision making and have demonstrated improved performance over several years

UB agreed to the sale of the KP Snacks business at the end of 2012 and so these figures will be the last to incorporate the achievements from those sites. Going forward we will just include the achievement from our biscuit sites.

Reducing carbon emissions

Target: Achieve a 35% reduction in carbon emissions by 2020 compared to 1995

Achievement

- Since 1995 UB has reduced its carbon emissions by 34%
- Excluding the KP snack factories the achievement to date increases to 36%



TARGET ACHIEVED

UB is delighted to confirm that it has achieved its carbon emission target **eight years ahead of schedule**. This is an exceptional achievement for a business that operates 51 biscuit ovens that stretch a total of 3.2 kilometres in length.

In order to bake over a million biscuits a day and reduce our carbon emissions UB delivered a wide range of initiatives that reduce energy use while still meeting our production goals. This includes improved energy management systems and investment in new energy efficient plant, equipment and lighting systems. In France our sites use a lot of nuclear energy while in The Netherlands and Belgium UB also uses electricity from renewable generators.

Going forward UB is working with a leading energy company to identify and implement further savings. It is also carrying out research with Brunel University and the Carbon Trust on joint projects to model energy use and identify scope for further efficiencies.

As a result of achieving our original target early, we have created a new ambitious goal of a 45% by 2020, with the same 1995 starting point.

we're committed to lowering



new target:
45% reduction
in **carbon emissions**
compared to **1995**

Reducing waste

Target: Achieve zero waste to landfill by 2015
Achieve a 5% reduction in waste incinerated for energy

Achievement

- UB achieved zero waste to landfill by the start of 2012 – three years earlier than our original deadline
- Waste incinerated for energy in 2012 reduced by 8%



TARGET ACHIEVED

Compared to 2006 when we were sending 9,000 tonnes of waste to landfill, UB is proud to say that across all of its sites it now sends zero waste to landfill. The great majority of UB's waste is now recycled into new materials made from metal, paper and cardboard. A small percentage cannot be recycled and is incinerated in locations near our sites and recycled into energy instead.

Achieving this goal has required every single person in all parts of the business to change the way they worked to help us reduce the amount of waste generated in the first place and then to maximise the level of recycling. It also involved working with suppliers to ensure that ingredients and other materials were provided in formats that could be reused or recycled and that excessive packaging was avoided.

While UB has achieved its original zero waste to landfill goal it also now wants to ensure that we minimise any waste sent for incineration and a 5% reduction per year target has been set.

new target:
5% per year
reduction in **incinerated waste**



Reducing water use

Target: Achieve a 45% reduction in water use by 2020 compared to 2007

Achievement

- Since 2007 UB has reduced its water use by 52%
- Excluding the KP snack factories the achievement to date decreases to 32%



TARGET ACHIEVED

The water saving achievement has been driven particularly by the Teesside crisp making factory which was by far UB's largest water using site and which benefited from a £2m investment in a new water recycling facility.

The Teesside facility was included in the KP snacks business sold at the end of 2012 and so the level of water use and the amount of saving reduced dramatically in the business.

Since 2007 UB (excluding KP Snacks) has reduced its water use by 32%. This is a very creditable achievement, saving nearly two hundred thousand cubic meters of water a year. It has been achieved through a range of measures from re-using rain water in toilet cisterns to new nozzles on taps and hoses to reduce waste.

Going forward UB will retain its 45% target to aim at with its biscuit business.



Driving environmentally friendly transport

Target: Achieve a 40% reduction in transport emissions by the end of 2012 compared with 2005

Achievement

- 40% reduction achieved



TARGET ACHIEVED

UB is delighted to have achieved its stretching logistics target which was increased from the original and quickly reached goal of 22%.

Achievements include:

- Pioneering the use of 100% waste oils as fuel for heavy goods vehicles
- Participating in the governments trial of longer trailers
- Using canal transport to replace lorries in Belgium
- Optimising product pack, case and pallet fill to maximise the load on our vehicles
- Sharing vehicle facilities with customers, suppliers and even competitors to reduce empty running.

As a result of these initiatives we have taken over 20,000,000 lorry miles off the roads since 2005 – the equivalent of a single vehicle driving around the world eight hundred times.

Having achieved its initial goal, UB's Logistics team have now set themselves a higher target.



reduced lorry miles:
the equivalent of
800 times
around the world

new target:
50% reduction
in **transport emissions by**
2020 compared to 2005

Reducing packaging

Target: Reduce the environmental impact of packaging by 20% by 2015 compared with 2003

Achievement

- Environmental impact of packaging **reduced by 17%** by end of 2012 compared to 2003

Packaging provides one of the most obvious forms of waste to consumers, so it's an important issue to address. However, we must remember the vital role played by packaging in delivering products to people in great condition. Packaging protects the product on its journey from factory to store, to a person's home by keeping the products in good condition. Packaging prevents significant environmental damage from food waste.



UB aims to provide perfect product to the consumer while also minimising the environmental impact of its packaging. UB regularly reviews new technologies and packaging formats so that we can help the business and our consumers to be more environmentally friendly. For example, we have changed the size of the outer bag of our McVitie's mini's product to reduce the packaging by 11% but also reorganised case and pallet fill so that we have doubled the number of packs per pallet, which has also reduced the number of lorry journeys.



McVitie's is also the first biscuit manufacturer to launch a scheme that makes all biscuit wrapping 100% recyclable for the consumer. teaming up with an organisation called TerraCycle UB offers a facility for the consumer to recycle their wrappers while also raising money for good causes.

all biscuit wrapping

100%

recyclable

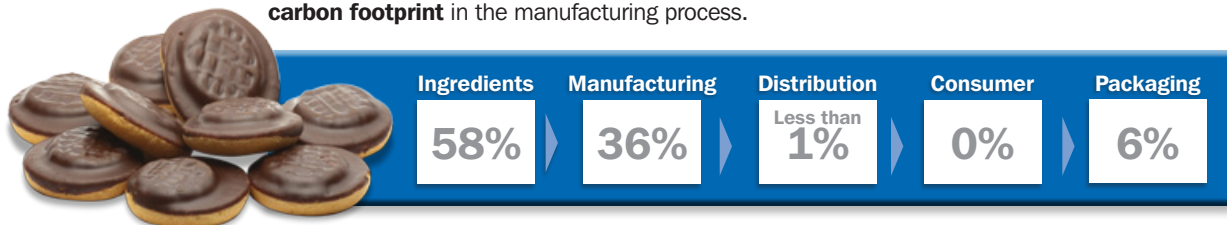
Sustainable sourcing

With ingredients accounting for over half of the total carbon footprint of UB's products, it is vital that UB works with its suppliers to ensure they're working on reducing their environmental impacts as well. Having a good relationship with suppliers is vital to guarantee the provenance of the materials being bought and to ensure that UB's products are produced in an ethical and sustainable manner.

UB insists that all of its suppliers meet the Ethical Trading Initiative Base Code, which requires that no child labour is used, working conditions are safe and hygienic, living wages are paid, working hours are not excessive, and no harsh or inhumane treatment is allowed.

Over the past few years, UB has continued to expand its ethical assessments of new and existing suppliers using the SEDEX (Supplier Ethical Data Exchange) system. From 11% in 2008 we now have **over 95% of UB's raw material suppliers on the SEDEX** system. UB is also working as part of a wider food manufacturing industry group to share ethical audit information.

If we look at the carbon footprint of one of our products, in this case a **McVitie's Jaffa Cake** (see diagram below), you will see that, as the manufacturer, we have **less than half of the carbon footprint** in the manufacturing process.



By working to improve the carbon footprint of our suppliers and optimising packaging, as well as maintaining focus on our own operations, we can do a lot more to improve the environmental footprint of our products.

Palm Oil

Sustainable sourcing of palm oil is one area UB has made great progress with so far. UB began using segregated sustainable palm oil in 2009 and was one of the first manufacturers in Europe to achieve this. All UB biscuits that contain palm oil have been made from certified sustainable palm oil (CSPO) since mid 2010. Over 70% of this oil is certified at source and segregated through the supply chain.

In 2012 UB was awarded top marks in the **WWF Palm Oil Buyers' Scorecard**, and was the only company in its volume category to receive the highest score of nine points. UB has also **reduced palm oil use by over 40%** since 2005.



Sustainable sourcing

Chocolate

We have developed different approaches to managing the sustainability issues

surrounding our chocolate supply chains. In the Netherlands, we have block chocolate products sold under the Verkade brand. Since 2008 all Verkade chocolate products are made from Fairtrade certified chocolate, a move that added 20% to the world market of Fairtrade cocoa. This well recognised sustainable accreditation is well suited for block chocolate products. To produce Fairtrade chocolate biscuits we would be required to use other available Fairtrade ingredients and these are sometimes less suitable. For example we use sugar from European grown sugar beet, whereas Fairtrade would require us to use sugar from sugar cane grown overseas.

To help manage the balance of our chocolate sourcing, we have joined the World Cocoa Foundation (WCF). The WCF is running several programmes to support the cocoa farmers in three key areas:



World Cocoa
Foundation

- Promoting better labour conditions, farmer organisations and developing the community
- Improving the quality and quantity of cocoa fields through better farming practices and good farm management
- Strengthening the community and employing sound environmental stewardship and responsible farm practices.



Sustainable sourcing

Working with farmers

As part of our sustainable sourcing strategy, UB has developed close working relationships with some of our cereals suppliers and commissioned work with the **Royal Agricultural College** on sustainable farming. We are already working with seed developers and farmers to help them develop and trial new (non GM) strains of wheat to that are naturally more disease resistant. The aim is to improve natural disease resistance, increase yields with reduced farming and improve the quality for biscuit making

UB is also a proud founding sponsor of the **Prince's Countryside Fund** that supports people who care for Britain's countryside. Through the Fund they are also supporters of the **Plunkett Foundation** which supports village shops in rural communities.





United Biscuits (UK) Limited

Hayes Park, Hayes End Road,
Hayes, Middlesex. UB4 8EE