

United Biscuits Achieving Sustainability 2009 Update



Delivering real progress against clear goals

At the start of 2008 United Biscuits (UB) formally launched its 'Achieving Sustainability' environmental programme. This was not about broad intentions and 'greenwash' but included clear, specific goals, to measure and demonstrate our progress. We published an update on our progress at the end of 2008 and we are now reporting on our progress to the end of 2009.

After just two years working towards our environmental targets we are already finding it necessary to raise the bar as we have achieved targets early. Our water target has been accomplished with ten years to spare, our logistics target has been comfortably exceeded with three years left and we have merged our UK and Northern Europe carbon emissions target after the Northern Europe element was achieved at the beginning of 2009.

2009 UB Sustainability Headlines

- 5% reduction in factory carbon emissions in 2009 – achievement to date 28% since 1995 against our 35% goal by 2020
- Zero food waste to landfill goal achieved one year early
- 44% reduction in non food waste to landfill in 2009, zero non food waste to landfill goal brought forward to 2012 from 2015
- Water use reduced by 28% since 2007, exceeding 25% target ten years early. New 45% target set for 2020
- Packaging reduced by 13% since 2003 – target 20% by 2015
- Transport carbon emissions reduced by 29% since 2005, exceeding 22% by 2012 target. New 40% target by 2012 has been set
- One of the very first food manufacturers in Europe to source sustainable palm oil that is segregated throughout the supply chain. All UB products that contain palm oil will be made with certified sustainable palm oil from mid 2010. We have also reduced the amount of palm oil used by 40% since 2005.

UB was given a 'Big Tick' award by Business in the Community in 2009 as recognition for the progress it was making with its environmental programme.



Employee and community involvement

Our achievements reflect an outstanding effort by our employees, who have embraced fully our environmental agenda. We are running a roadshow at all of our sites, highlighting the progress we are making and giving employees information on how they can save emissions in their personal lives. As an example, at our Harlesden site, employees collectively pledged to save over 110 tonnes in carbon emissions, which would in turn save them £40,000.



Employees at one of our site roadshows trying a simulator to help them drive more economically

We have also run environmental poster competitions for employees' children and local primary schools that have links with our sites, to help raise awareness of environmental issues.

Costs and Savings

Making the business greener has involved considerable investment. The water recycling plant cost £1.9m and £300,000 has been spent improving recycling facilities across the business.

Against this we have benefited from reduced energy and fuel costs and increased revenues from recycled materials. In total in 2009 our carbon foot print improved as follows:

Factory emissions	9,125
Logistic emissions	2,247
Total emissions saving in 2009	11,372 tonnes of CO ₂



Group carbon emissions reduced (in thousands of tonnes):

2006 203	2007 202	2008 194	2009 183
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This was achieved despite increasing production over this period.

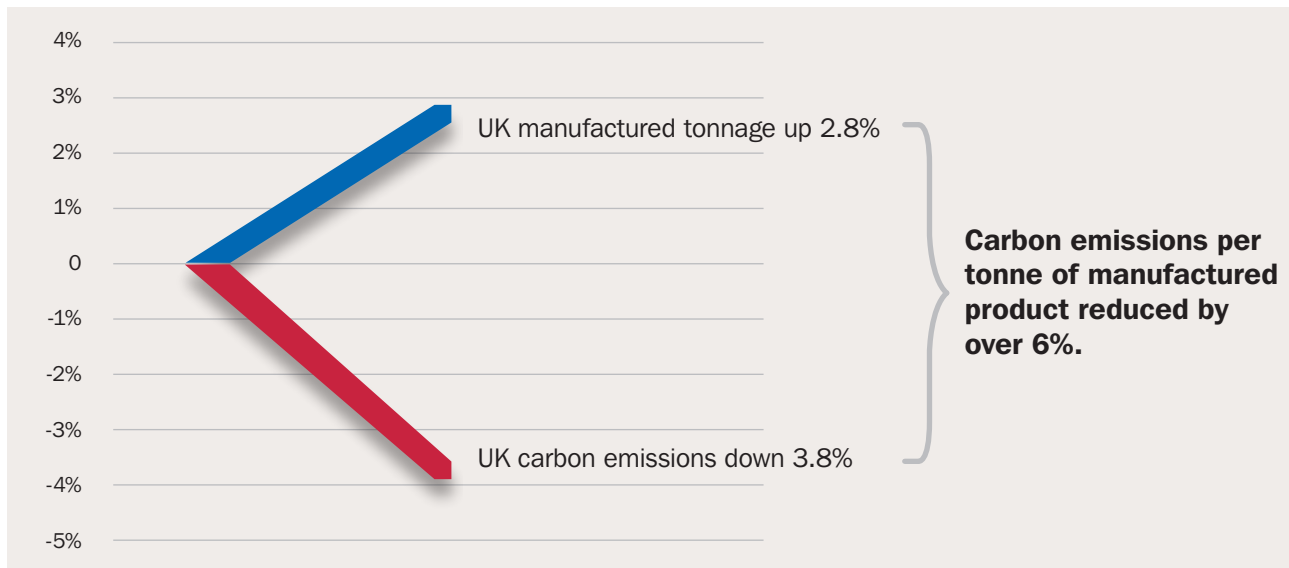
Reducing carbon emissions

Target: to achieve a **35%** reduction in carbon emissions by 2020 compared to 1995.

In total our carbon emissions fell by **5%** in 2009 compared to 2008. As a result we have now achieved a **28%** reduction in carbon emissions since 1995.



In the UK we achieved a reduction of carbon emissions of 3.8% on last year despite an increase in manufactured tonnage. Our emissions per tonne reduced by over 6%.



The energy savings were driven by the introduction of improved energy management systems that help us monitor exactly where energy is used in our sites and when. This has helped us introduce a range of energy saving measures. For example we now monitor when ovens are switched on at the start of production to ensure that they are not heated up too early and left wasting energy before the products are ready to be cooked.

In Northern Europe we achieved a reduction in emissions of 14.8%. While some efficiency savings were achieved, the bulk of this saving was achieved by switching to an electricity supplier generating power from renewable sources.



Reducing waste sent to landfill



Target: Achieve **zero** food waste to landfill by 2010.

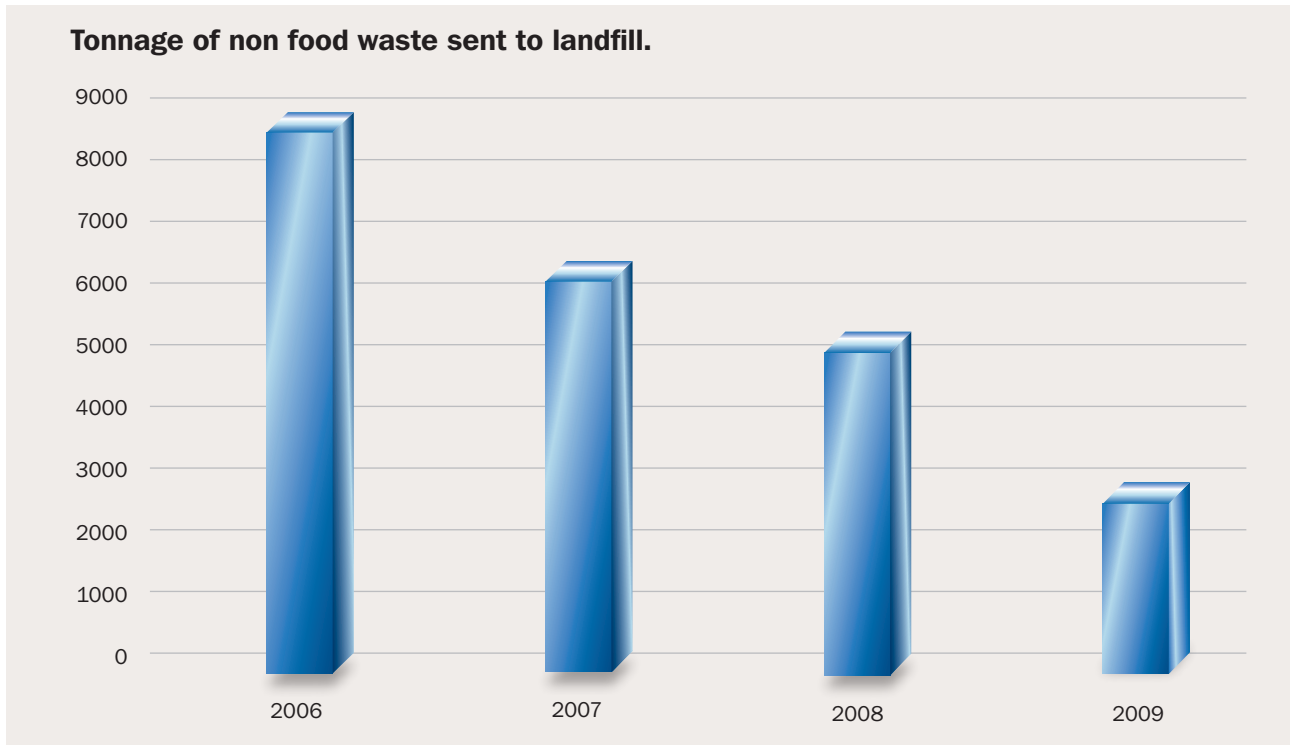
Target: Achieve **zero** non food waste to landfill by the end of 2012 (brought forward from 2015).

Non food waste to landfill reduced by **44%** in 2009.



We have achieved our zero food waste to landfill target, comfortably before the 2010 deadline. At the launch of our environmental programme we were recycling 97% but now we have improved our processes so that **no food waste goes to landfill at all**.

With non-food waste to landfill, we have done so well that we have brought our target date forward from 2015 to 2012.



In 2009 we worked hard to build on the 19% reduction seen in 2008. We have introduced a range of measures to maximise recycling and reduced the amount of waste being brought into the business. We have also changed to recyclable containers for some ingredients. As a result, **we have more than doubled the waste reduction seen in 2008**.



Reducing packaging waste

Target: Reduce packaging by **20%** by 2015 compared with 2003*.

We have now reduced our packaging by **13%** since 2003.

Examples of packaging improvements in 2009 include:

We reduced the thickness of more of our snacks film by 17% which reduced our packaging by 200 tonnes.



We also reduced the volume of our bags of mini biscuits by 30%, which in turn reduced the volume of packaging by approximately 22 tonnes.



We are continuing to move our packaging to more sustainable formats and so moved our Masterpieces selection box from a tin to a cardboard carton.



“ UB’s appetite for more demanding sustainability targets is clear evidence of the business benefits of continuing to drive efficiency of resource use. Producing more, using less, has to be the key focus for the sector as a whole in order to meet the twin challenges of climate change and food security. UB’s record shows what can be achieved. ”

Andrew Kuyk, Food and Drink Federation (FDF) Director of Sustainability and Competitiveness

*per tonne of product

Reducing water use

**TARGET
ACHIEVED**

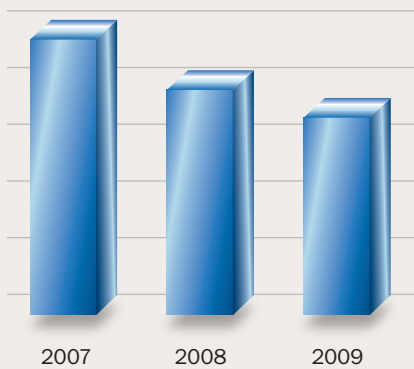
Old Target: Achieve a **25%** reduction in water use by 2020 compared to 2007 – achieved with ten years to spare!

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

**NEW HIGHER
TARGET SET**

By the end of 2009 we had achieved a **28%** reduction in water use since 2007.

UB water use



All UB sites have made progress in reducing water over the last two years without compromising our high food hygiene standards. The progress we have made is the result of employee commitment, lots of small investments eg into spray nozzles for taps and trigger valves for hoses, plus one item of major investment – a water recycling plant at Teesside.

Water is not a big ingredient in our products and Teesside is by far our biggest water using site. McCoy's crisps are made at Teesside and water is used to wash and transport the potatoes and raw crisps until they are fried. Costing nearly £2m, this substantial plant will enable us to recycle nearly half a million cubic meters of water a year.



“ *United Biscuits was one of the first companies to join the Federation House Commitment and we've been impressed by the significant water savings they have made. The significant cost savings and volume reductions already achieved by United Biscuits and other companies are great examples of what is possible.* ”

*Simon Drury,
Envirowise Strategic Partnerships Director*

Teesside water recycling plant

**TARGET
ACHIEVED**

Driving environmentally friendly transport

Old Target: Achieve fewer and friendlier food transport miles, with a **22%** reduction in our transport carbon emissions by 2012 compared to 2002.

New Target: Achieve a **40%** reduction to transport carbon emissions by 2012, compared to 2005.

By the end of 2009 we had achieved a **29%** saving in transport carbon emissions compared to 2002.

**NEW HIGHER
TARGET SET**

We have made great progress in comprehensively beating our transport emissions target with years to spare. In fact all of these savings have been achieved since 2005 and so we have moved the start date of the new target.



“

United Biscuits demonstrated a holistic and thorough approach and real innovation with auditable and recorded results. They reduced environmental impact, reduced operating costs and demonstrated credible improvements in performance. They had also worked hard to get buy-in from their workforce and their suppliers and to challenge some existing preconceptions.

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Source: Judges at the Chartered Institute of Logistics and Transport Awards

Our logistics environmental achievements include:

- Since 2005 we have taken a total of over 9 million lorry miles off the roads
- Converting our waste vegetable oil to be used as biodiesel, which has reduced our transport emissions by 1,400 tonnes, the equivalent of 1 million truck miles per year
- Optimising case and pallet fill to improve load efficiency has reduced vehicle mileage by more than 550,000 in the last two years
- Increased transport collaboration with retail customers, suppliers and even competitors such as Nestlé has saved 250,000 miles per annum
- Last year all UB lorry drivers passed the NVQ II Driving Commercial Vehicles qualification which included training on how to drive more economically
We have also introduced driver incentives for economical driving
- We have introduced satellite tracking in all vehicles to enable us to monitor fuel economy and help drivers avoid congestion
- The above measures have helped us achieve an 8% improvement in fuel economy in our vehicles.

Our achievements have been recognised by various industry awards including the Chartered Institute of Logistics and Transport and Motor Transport Industry awards.



Chartered Institute of Logistics and Transport award for environmental improvements won in 2009



The Motor Transport Partnership Award won in 2009 for our transport collaboration with Nestlé which reduces empty running, saves truck miles and reduces environmental impact



Some of the 50 UB drivers who passed the NVQII in Driving Commercial Vehicles

Increasing sustainable sourcing

Target: Ensure new and existing suppliers continue to meet UB's specific requirements for ingredient sourcing, have strict ethical standards and are working towards sustainable growing.

Achievements: One of first food manufacturers to source a supply of segregated sustainable palm oil.

Systematic audit of new and existing suppliers.

UB was pleased to announce in November that it has secured a supply of certified sustainable palm oil that is segregated throughout the supply chain so that we can be sure that the palm oil used in our products is from sustainable plantations. **We are one of the first manufacturers in Europe to achieve this, with all UB biscuits that contain palm oil being made from certified sustainable palm oil from mid 2010.** The deal was also commended by the World Wildlife Fund:

“ WWF is pleased to see a major manufacturer taking action to meet its targets. We hope that this will encourage many other palm oil users across the world to follow. ”

Adam Harrison,
Senior Policy Officer covering palm oil at the WWF

In addition to sustainable sourcing we have also reduced the amount of palm oil that we use by over 40% since 2005 and we support the moratorium on the further destruction of the rainforest for palm oil cultivation.



Auditing new and existing suppliers

During 2009 we have also continued to expand our ethical assessment of new and existing suppliers using the SEDEX (Supplier Ethical Data Exchange) system. UB is part of a working group of other big food and snack manufacturers within SEDEX, working in synergy to agree common requirements and a consistent approach to improve ethical standards across our joint supply chain and help our suppliers avoid duplication of costs and effort.

We insist that our 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.

In addition the SEDEX questionnaire has now been expanded to require suppliers to report on their environmental activities, which ensures that our sustainability agenda is supported.





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