



# OUR PLAN TO BE SUSTAINABLE. FOR LIFE.

Economy. Environment. Community.



mclaren  
packaging



blue box  
design



interlok  
divisions

## CONTENTS

[Click on title to read more](#)

### FOREWORD

### SUSTAINABLE STRATEGY. FOR LIFE.

#### OUR 6 FOCUS AREAS

Compliance & Measurement

Design & Products

Ambassadorship

Reduction

Avoidance

Offsetting: Removal

#### OUR SUSTAINABILITY TIMELINE

## FOREWORD

“There is no waste in nature. Plants grow by absorbing carbon from the atmosphere and nutrients from the soil then, when they die and decompose, carbon is released back into the atmosphere and nutrients back to the soil supporting life for the next plant. As humans we have developed a different strategy – take, make, waste. We remove raw materials from the ground with no way of replacing them and emit greenhouse gasses into the atmosphere with no way of removing them. This approach is unsustainable.”

**Craig Gibson, Sustainability & Business Improvement Manager**



**GLOBAL  
POPULATION OF**

**7.8b**

**APPLYING PRESSURE TO  
OUR PLANET**

The global population is increasing exponentially applying unprecedented pressure to our planet. The effects of humans' overexploitation of natural resources and ecosystems have become obvious in recent years. Something needs to change to protect the planet's future.

## FOREWORD

### The Reality

The World Economic Forum predicts that **by 2050 there will be more plastic than fish in the world's oceans** and the last time **CO<sub>2</sub>** was at the current level, **humans did not exist.**

### The Opportunity

**The good news is that we can mitigate the worst of the effects climate change will have on our planet. However we must act now!**

The climate and other sustainability issues are high on the global agenda, generating plenty of green investment, development of green technology and political initiatives to contribute towards a sustainable transition.

Packaging that preserves its contents, reduces waste and enables efficient recycling of the material, allows us to make a greater contribution towards a more sustainable existence.

McLaren Packaging has a 40 year track record of focusing on what matters most to our customers and employees and we thought we were doing our bit for the environment. We invested in solar panels to produce renewable energy for our production. We invested in a renewable energy company, CorrBoard Bioenergy Ltd, to produce green energy to make our corrugated board. And we invested in recycling equipment so that waste material from our processes can be reused as part of the circular economy for paper.

The reality is that we need to do much more!

**Our goal is to deliver a sustainable business that has minimal impact on the environment and a positive impact on the communities that we operate in.** To ensure we achieve this we've developed a clear approach supported by investment and dedicated resources.

We have joined the United Nations (UNs) Race to Zero campaign, British Print Industries Federation (BPIF) Climate Change Agreement and are setting ourselves ambitious targets to drive change. We will hold ourselves to stringent environmental accreditations and reporting to demonstrate the improvements we are making.

The report lays out our plan highlighting some of the work that has been completed to date. We are at the beginning of our journey, there will be plenty more to come along the way!



**SUSTAINABLE  
STRATEGY.  
FOR LIFE.**

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## OUR VISION

To be Sustainable. For Life.

## OUR VALUES



### Community

Promote ethical behaviour to support our people at work, at home and in our wider business community.



### Principled

Endeavour to ensure all our actions are economically, environmentally and socially sustainable.



### Collaborative

Work together; to listen, learn and grow - developing sustainable solutions to overcome the major challenges in our path.



### Responsible

Strive to make the right choices and take ownership of our actions, to protect each other and the planet, now and for future generations.

## OUR 6 FOCUS AREAS

Click each icon to read more



### Compliance & Measurement



### Sustainable Design & Products



### Ambassadorship



### Reduction



### Avoidance



### Offsetting: Removal

**Our goal is to deliver a sustainable business that has minimal impact on the environment and a positive impact on the communities that we operate in.**



**Sustained business performance**

Jobs for employees and profits to invest



**Social responsibility**

Contribute to the welfare of local communities



**Environmental justice**

Lowest possible impact for the products that we produce

A close-up photograph of a hand holding a clear glass filled with water. The water's surface is perfectly still, creating a clear, inverted reflection of a dense green forest. The background is a soft, out-of-focus green, suggesting an outdoor setting. The lighting is natural, highlighting the texture of the water and the skin of the hand.

**“Sustainability needs  
to be part of our  
DNA, not simply a  
task to achieve.”**



**OUR 6 FOCUS AREAS. COMPLIANCE & MEASUREMENT.**

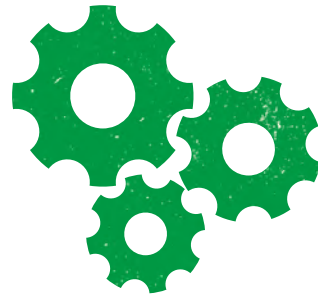


Being transparent and sharing our sustainability journey is key. By communicating our goals and actions we share our accountability to one another, our customers and interested parties.

A collective approach is the best way to achieve results.



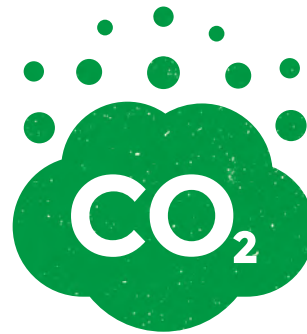
**Obtain ISO 14001  
accreditation for  
McLaren business  
by 2022**



**Roll out to all  
group companies  
by 2023**



**Measure and report  
scope 1, 2 and 3  
carbon emissions for  
all group companies  
by end 2021**



**Fully adopt a  
Greenhouse Gas  
(GHG) corporate  
standard**

OUR 6 FOCUS AREAS. COMPLIANCE & MEASUREMENT.



## Carbon Reporting Case Study

**By Mark McCracken, Trainer**

On any journey, you must establish a starting point. We identified that we needed to take more informed decisions, however for this to be effective we needed to understand the what, where, why and how much.

This resulted in us contacting Carbon Footprint expert Leigh Holloway from Eco 3 Design and creating our own Carbon Reporting Tool, which allowed us to measure our carbon footprint and establish a base line for increased sustainability and carbon reduction efforts.

The report allows us to break down our carbon emissions into key areas such as Utilities (Gas and Elec), Transport (Goods in and Out), Raw Materials, Travel (Staff Commute and Business) and Waste on a monthly, quarterly, and annual basis.

The data has already allowed us to initiate projects including LED light conversion across units 1 and 4, heating upgrades and improvements with more planned for the year ahead.

It is clear that the accuracy, credibility and transparency of our reporting will be key to us moving forward.

## Did you know?

**Producing 1 tonne of paper from recycled material rather than virgin saves 4.4 tonnes of trees and 58% Greenhouse Gas (GHG) emissions.**

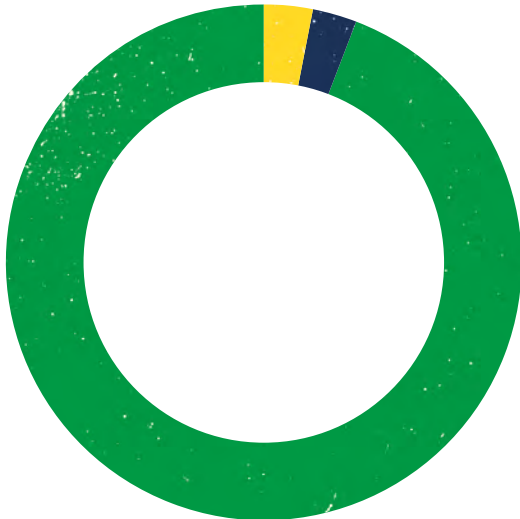
OUR 6 FOCUS AREAS. COMPLIANCE & MEASUREMENT.



Let's take a look at where we have been and where we are now...

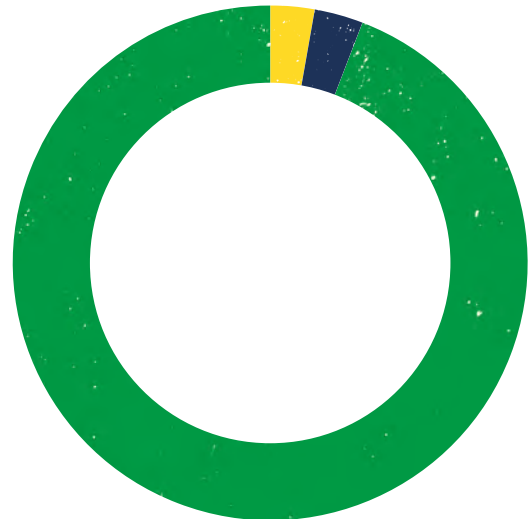
Total Carbon Emissions 2018

9,759



Total Carbon Emissions 2020

10,001



**Scope 1**

Covers direct emissions from owned or controlled sources, such as fuel combustion, company vehicles, company facilities.



**Scope 2**

Covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company, such as purchased electricity, steam, heating and cooling for own use.



**Scope 3**

Includes all other indirect emissions that occur in a company's value chain, such as transportation and distribution, leased assets, business travel, capital goods, use of sold products etc.

## OUR 6 FOCUS AREAS. COMPLIANCE & MEASUREMENT.

### Our CO<sub>2</sub>e story

At first glance, it appears our journey so far has only resulted in an increase in CO<sub>2</sub>e output, and that would be accurate.

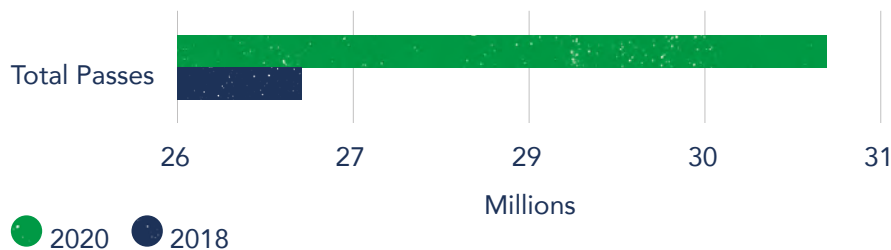
Since our baseline measurement in 2018 we have indeed created more CO<sub>2</sub>e, **with a 2.5% increase in total emissions over the two years**, but that is only part of the story. Over the same period, we have grown as a business with new equipment, increased staff numbers, increased production and transport, all of which add to our emissions.

At the same time, we have learned and improved on our reporting knowledge and capabilities, which allows us to expand on the information and put into context how we have improved.

### Measurement

It was important to understand not only our total emissions but to have a measurement upon which we could see improvement or indeed decline. We quickly realised that the simplest and most accurate method of achieving this was to base our measurements against every unit of raw material we processed into our system ending with a finished product – classified as a **Pass**. This meant we could calculate and measure our CO<sub>2</sub>e Per Pass.

### Here's where the journey starts to look better.



Production output has **increased by 14% over the period** with total passes increasing from 26.9M to 30.6M. This allows us to then break down our total CO<sub>2</sub>e figure to a level where it can be attributed to a single pass value.



Here the story starts improving even more as we can now see that in the 2 year period we have **reduced our CO<sub>2</sub>e per pass by over 12% from 0.36 kg/p to 0.32 kg/p**. Plenty more work to be done here!

## OUR 6 FOCUS AREAS. SUSTAINABLE DESIGN & PRODUCTS.



Sustainable design incorporates an **environmentally friendly approach, considering natural resources as part of the design process.** Integrating a set of sustainable design principles for sourcing, efficient resource use and recycling will assist in our journey to reduce emissions associated with our products.

Through Life Cycle Analysis (LCA) we will be able to **show our customers the environmental impact of their products and identify alternatives** to help them reduce their impact and offer lower carbon alternatives.



**By end 2021**

**Offer lifecycle analysis (LCA)  
for all products to all customers**

**By 2022**

**Offer 100% recyclable packaging  
in all formats**

**Offer 100% recycled packaging  
in all formats**

**Offer 100% sustainably sourced  
materials in all formats**

## OUR 6 FOCUS AREAS. SUSTAINABLE DESIGN & PRODUCTS.



Forest Stewardship Council (FSC) accreditation, the global forest certification system enabling consumers to identify, purchase and use wood, paper and other forest products produced from well-managed forests and recycled materials, **was extended in 2020 to include both tubes and divisions (corrugate and solid board in 2017).**

We can now offer our customers packaging that comes from a sustainable forest, sourced ethically. It is important that we recognise the social and economic importance of protecting the environment and we are fully committed to complying with the requirements of the Environmental Protection Act 1990 and the EU Regulations 995/2010.



### **Paper Based Tubes**

We firmly believe round and shaped paper-based tubes are the ideal packaging format for whisky customers who want to differentiate their brands and showcase the premium nature of their products in a sustainable way.

Paper packaging comes from sustainable sources, can contain a high percentage of recycled materials and can be widely recycled. We want to take responsibility for the impact of our products once they leave our factory and want them to have a second life by being recycled into new products. Whisky is our most famous export, enjoyed the world over, which means we need to make products that can be widely recycled in any country.

**For this reason we have invested in new equipment that allows us to produce round tubes with paper bases in addition to those with metal bases. These have the same premium look you are used to but, as they are made entirely of paper, can be recycled easily no matter where in the world they end up. Coming to a shelf near you in 2021!**

We are also developing our shaped tubes to enable the metal bases to be removed, allowing for ease of recycling. Once you have finished your whisky just remove the base, pop the metal base in with your cans and the tube in with your paper.

## **Did you know?**

**The natural bio-based and biodegradable alternative to fossil-based products, corrugated board is made from paper and starch made from wheat or maize. Corrugated paper packaging is 100% recyclable and fibres can be reused up to 25 times. The corrugated industry is sustainable by design, circular by nature.**

## OUR 6 FOCUS AREAS. **AMBASSADORSHIP.**



As a long-standing family business with many long service, committed employees, we understand that the **best made plans are only as good as the people involved in making them happen.** We also know that doing our bit to tackle climate change requires action by everyone in all aspects of their life – at home, at work and requires people to encourage others to do the same.

Therefore, in this focus area, we're embarking on an ambitious plan that aims to support everyone in living a more Sustainable Life and provide assistance to likeminded individuals and organisations who are trying to achieve the same goals.



**Enable a 20% reduction**  
in emissions within  
our community by  
2022 using 2021 as  
a baseline



**Create 10 sustainability ambassadors**  
across the  
business by 2021



**50% of promotional spend**  
supporting  
initiatives  
that promote  
sustainability



OUR 6 FOCUS AREAS. **AMBASSADORSHIP.**

## Broar Whisky for Water Challenge

### Whisky for Water

Blue Box Design, our Stirling-based specialist in the design and manufacture of bespoke presentation boxes, produced premium whisky packaging to highlight sustainability and raise funds for record-breaking Atlantic rowers the MacLean brothers' chosen charities.

MacLean's Pillage and MacLean's Spillage aimed to highlight the need for sustainable production and packaging to help counter the environmental damage caused by plastic packaging waste in the oceans, as witnessed first-hand by the MacLeans in their 3,000 mile cross-Atlantic row, with the ultimate goal of raising funds for **Feedback Madagascar** and **Children First**.

"Having seen the devastating environmental damage caused by plastic packaging waste in the oceans first-hand during our cross-Atlantic row, our aim was to highlight the need for sustainable production and help raise funds for our chosen charities," commented Lachlan MacLean.

The packaging produced by Blue Box Design for the unique whiskies is paper-based – designed and manufactured in Scotland, saving on unnecessary CO<sub>2</sub> emissions caused by the importing of packaging products from across the world.



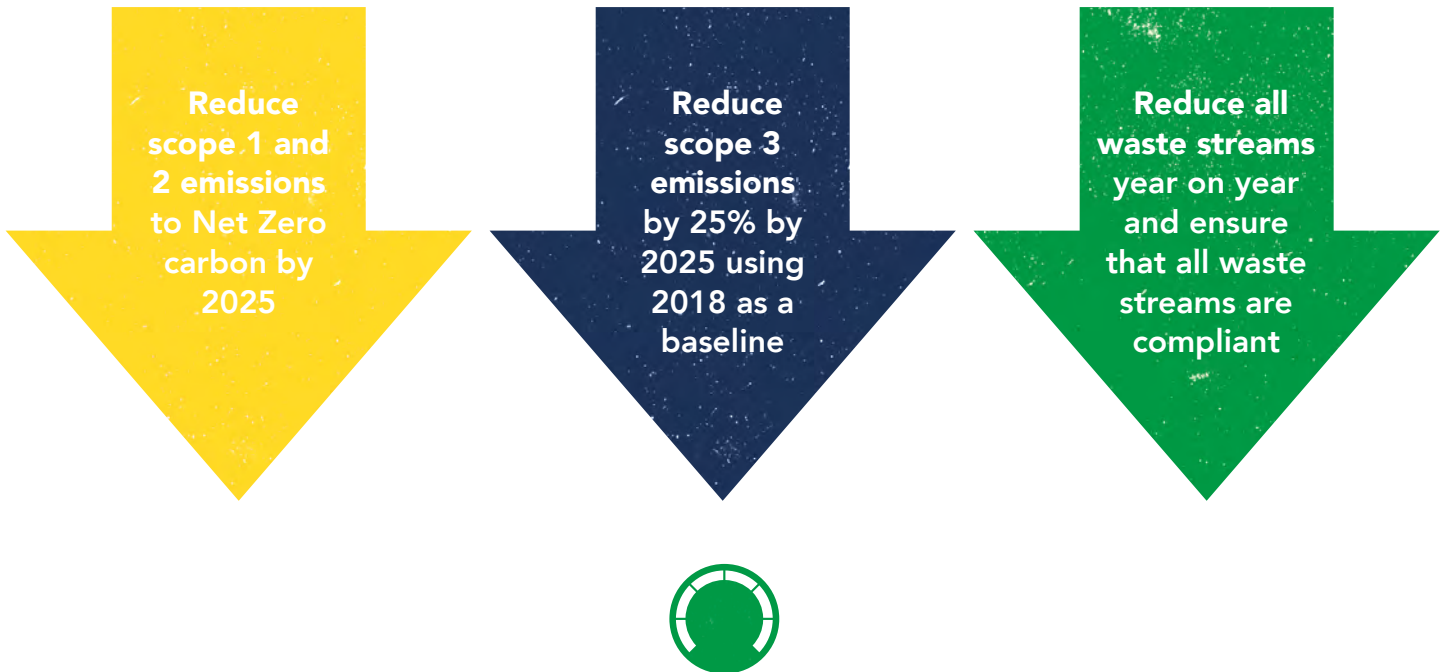
The Whisky for Water challenge resulted in **£340,000** raised by Team Broar



## OUR 6 FOCUS AREAS. REDUCTION.



Our aim is to reduce our scope 1-3 emissions significantly in the future using key milestones along the way. The challenge will be that, as our business grows, the operations will produce more emissions. We are therefore **aiming to reduce both our absolute emissions and those associated with each product we produce**. This will require improvements throughout our value chain driven by collaboration with suppliers, hauliers and customers alike.



**Example, SMART sub-meters have been installed on all key conversion equipment to measure power consumption and identify opportunities to reduce usage.**

### Focus on recycling

One of the areas where there is room for improvement both at home and at work is recycling. In the UK, we currently recycle only 42% of our domestic waste, a rate that has declined since 2018. In 2019, we introduced Dry Mixed Recycling bins to allow for the separation of waste that can be recycled, but was previously destined for landfill.

Waste 2020	Weight Tons	Note
Dry Mixed Recycling	5	No longer going to landfill

## OUR 6 FOCUS AREAS. REDUCTION.

### Cycle to Work Programme

A key part of our 'Sustainable. For Life' journey is employee wellbeing and healthy living. The Cycle to Work Programme is a great way to keep fit and active, access huge savings on the cost of a new bike and equipment and reduce CO<sub>2</sub> emissions associated with the daily commute.

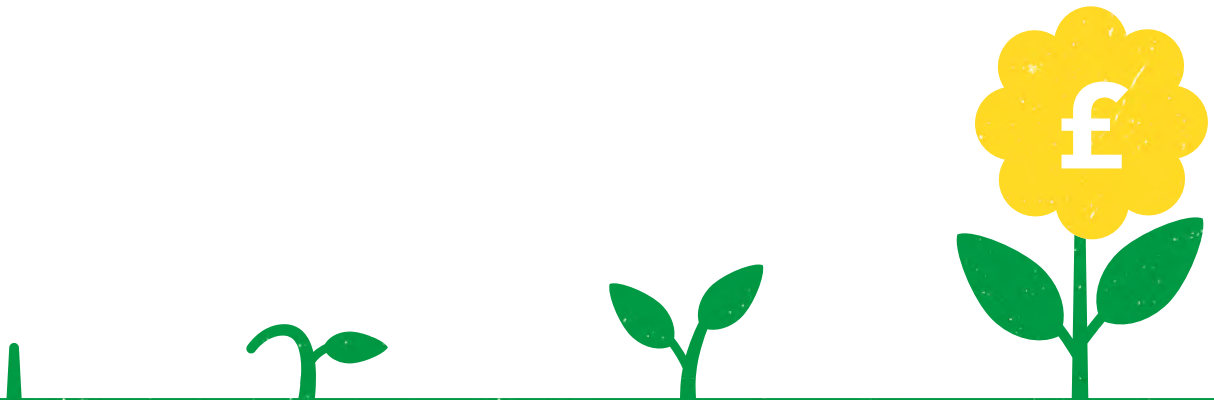
We chose a scheme run by Caboodle in partnership with Halfords. This scheme gives everyone access to a range of bikes to suit every budget and skill level. The scheme allows anyone to buy a bike and any safety equipment. And rather than pay full retail price, using a salary sacrifice system supported by the business, employees save on tax and NI, meaning a £400 bike only costs around £270 spread over 12 months of payments straight out of an individual's wages.

**So, costs reduced, CO<sub>2</sub> reduced, fitness increased.**

The response to our first window has been brilliant. 12 applications in 3 weeks from across the company, who have now all taken delivery of a shiny new bike. The response has been so encouraging we have had to upgrade and improve our parking facilities in Port Glasgow for bikes and installing a new bigger shelter to keep everyone's new wheels dry and away from the ever-changing Scottish weather.



**12 applications in 3 weeks**



## Green Deposits by Alasdair Miller, Financial Director

The Group's commitment to sustainability is reflected in its financing strategy with a significant amount of funding placed with one of its banking partners, Barclays, in the form of a Green Deposit. This deposit is earmarked against **'green bonds'** that are linked to a wide range of projects in pursuit of the transition to a **low carbon economy**, including energy efficiency, renewable energy, green transport, sustainable food, agriculture and forestry, waste management and greenhouse gas emission reduction, all assured annually by an accredited third party.

In defining a framework of eligible activities that have a positive environmental impact, and for which the Group's deposits can be used to support, Barclays has collaborated with Sustainalytics, a leading global provider of environmental, social and corporate government research and ratings.

**The Group's green deposits with Barclays are earmarked for a portfolio of projects, 91% of which are in Europe, 49% of which relate to renewable energy and energy efficiency projects, 30% earmarked for transport projects, and which as part of the total green bonds currently held by Barclays, have a positive CO<sub>2</sub> impact of 1,829,190 tonnes.**

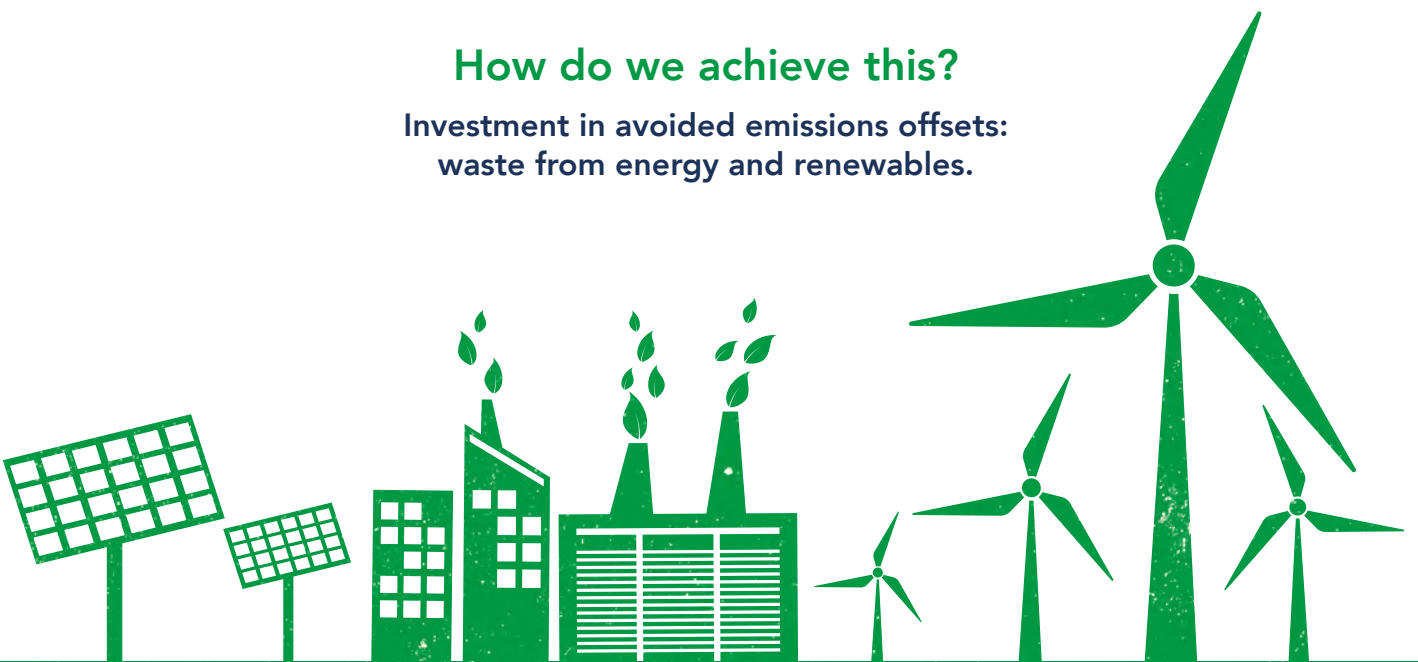
## OUR 6 FOCUS AREAS. AVOIDANCE.



The burning of coal, natural gas, and oil for electricity and heat is the largest single source of global greenhouse gas emissions. By switching to renewable sources of electricity and investing in energy storage, we have an opportunity to reduce our emissions and contribute to a cleaner atmosphere.

### How do we achieve this?

Investment in avoided emissions offsets:  
waste from energy and renewables.



**Avoid scope 1 and 2 emissions**  
through direct investment in low carbon technology.

**Example 1:**

25% joint venture in waste-to-energy Anaerobic Digester  
[www.corrboard-bioenergy.co.uk](http://www.corrboard-bioenergy.co.uk)

**Example 2:**

Solar array producing 30% of power.

OUR 6 FOCUS AREAS. AVOIDANCE.

## CorrBio Case Study

### The Problem

We remove raw materials from the ground with no way of replacing them and emit greenhouse gasses into the atmosphere with no way of removing them. This approach is unsustainable.

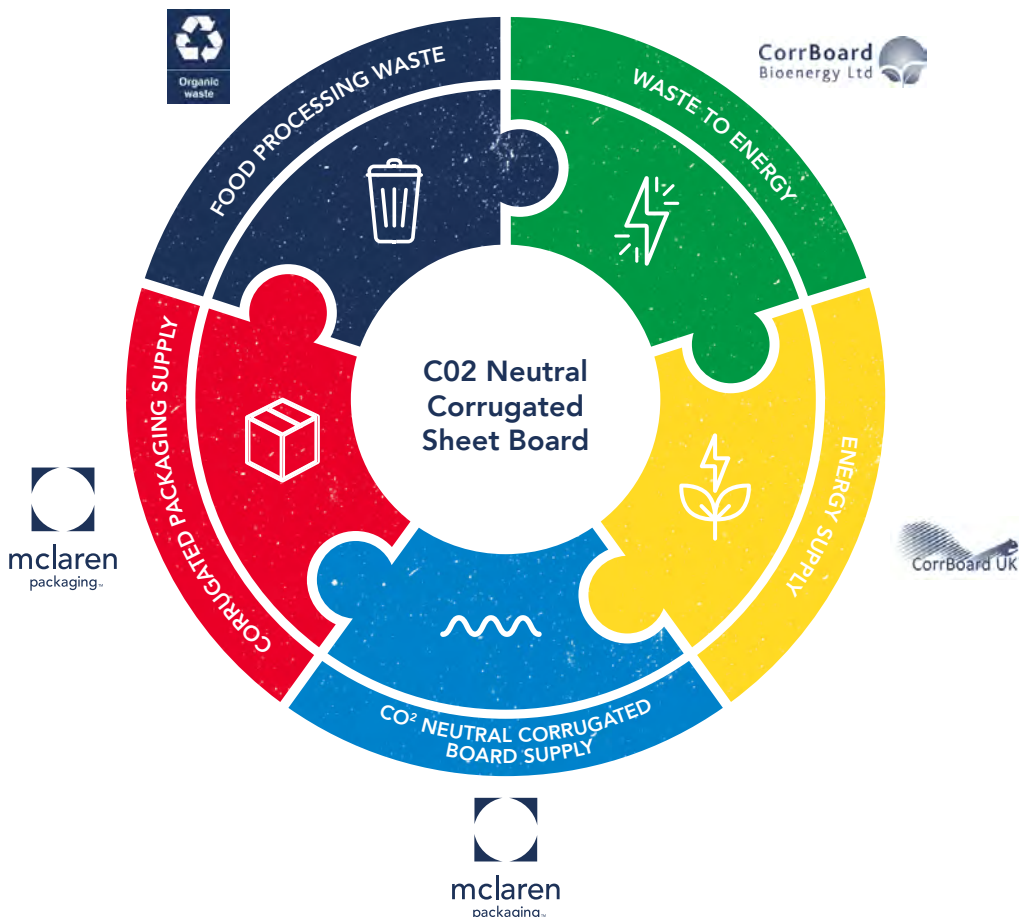
### The Solution

We have learnt about the circular economy, inspired by nature, aimed at eliminating waste altogether. **The paper industry already has a mostly circular model**, but what about emissions associated with the energy requirements of producing and recycling paper? We have invested in CorrBoard Bio Energy Ltd: the world's first sustainable energy generation facility fuelled by organic waste to provide heat and power for the manufacture of corrugated sheet board.

### The Results

25,000 tonnes of organic waste diverted to anaerobic digester unit – **biogas is produced and burned generating heat and electricity for the manufacture of corrugated board.** Electricity generated exceeds the demands of the corrugated sheet plant next door and remainder is exported to the grid to help power our operations at Port Glasgow.

**Creating a circular economy for the food and drinks industry.**



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**30%**  
of electricity  
from renewables

**Since 2015**

1,520 solar panels  
producing 400,000 kwh  
electricity per year.

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**CO<sub>2</sub> savings since  
installation:**

765 tonnes of CO<sub>2</sub> saved,  
equivalent to 97,562,150  
smartphones charged.

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## OUR 6 FOCUS AREAS. OFFSETTING: REMOVAL.



The loss of nature is not only causing further accumulation of carbon in the atmosphere, but also lessening the ability of our natural systems to reduce atmospheric carbon concentrations. Nature can and must play a critical role in our plan.

**Become carbon neutral in our own operations from 2021 onwards by investing in transparent and certifiable local projects.**

### Nature Based Solutions



Take responsibility  
for all emissions



Focus on local  
reputable schemes



Woodland  
Carbon Code



Peatland  
Code



# The UK needs to plant 32,200 hectares of new woodland every year

(roughly 53.2 million trees)  
for next 30 years (equating to  
1.5 billion) to meet Net Zero  
aspirations by 2050. The Scottish  
Government is aiming to be  
planting 18,000 hectares per year  
(30 million trees) by 2024 with a  
target to have trees covering 21%  
of land vs 19% currently.

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## Carbon Removal

Nature-based climate solutions effectively **remove carbon from the atmosphere**, while further benefiting people and the planet, by protecting and restoring important ecosystems and natural habitats.

These include direct emissions, such as from use of natural gas (scope 1 emissions) and transport (scope 3 emissions) as well as emissions from our employees' commutes to work and business travel (scope 3 emissions), which are difficult to avoid today.

We believe **emissions should be eliminated where they are created**. We have therefore opted to invest in local afforestation projects in Scotland.



New mixed woodland planting, Argyll & Bute, Scotland.

68,000 trees over 34.5 hectares

Aspen, Beech, Birch, Cherry, Norway Spruce, Oak, Scots Pine, Sycamore, Willow

9,500 tonnes CO<sub>2</sub> captured

# Our Sustainable for life timeline



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**“What you do  
makes a difference,  
and you have to  
decide what kind of  
difference you want  
to make.”**

**Jane Goodall, Scientist & Activist**

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# BE PART OF THE JOURNEY WITH US

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