

Environment Statement 2011



1 Description of Company Activities

Muntons has over 90 years grown to become a significant international player in the supply of malts, malt extracts, homebrew kits for beer and wine, flours and flakes and many other malted ingredients relevant to the food and drinks industry. Muntons is passionate about environmental protection and continuously looking at innovative ways to reduce its carbon footprint through many supply chain initiatives. Currently Muntons ranks 20th in the Sunday Times Best Green Companies List and has ISO14001 certification for environmental management. Since 1999 Muntons has consistently outperformed its Climate Change emissions targets set by government and has a strong recognition that low carbon working practices have social, economic and environmental benefits.

THE SUNDAY TIMES



BEST GREEN COMPANIES

Muntons also operates globally through a network of key distributors and partners and via our two permanent offices in Seattle and Singapore. Situated in the prime maritime malting barley growing areas of the UK we source our barley predominantly from within 50 miles of each plant. The Company produces an impressive range of malted ingredients comprising malt extract, barley syrup, ultrafiltered dark speciality extracts, an equivalent range of spray and band dried products, a full range of barley and wheat based flours and flakes, and a wide range of home beer and wine making kits. This range is ever-expanding through the productive and customer focussed introduction of new products developed in our Centre for Excellence.

Our food manufacturing activities generate high quality co-products such as barley screenings, malt culm and wet grains, which are valuable in terms of nutrition and sold as animal feed in accordance with the Feed Materials Accreditation Scheme (FEMAS) regulations. Waste water is treated on each site and the small amount of residual solid material disposed of through local licensed waste management contractors. Our Bridlington site incorporates reed bed clarification that supports natural wildlife.

Both installations draw water from the ground via boreholes. Steam is generated by small boilers fuelled primarily by gas, with gas oil as an emergency backup. Our malt kilns are fired by the most energy efficient heaters in the world (Varicon and Varinox) that contribute to the UK goal of carbon reduction to alleviate global climate change. Surface water run-off is discharged directly to the river or groundwater through interceptors to remove oil apart from areas around the effluent plants and waste management areas, where as a precaution the drains discharge for further processing in the Wastewater Treatment Plant.

We are strongly committed to continuous improvement of our operations and are always receptive to proven new technologies for recycling and reuse that are more environmentally friendly. Our passion for sharing our vision and experience for environmental protection is fundamental to our business model. This drive and enthusiasm runs throughout our supply chain and wider networking opportunities.



Certificate of Registration

ENVIRONMENTAL MANAGEMENT SYSTEM - ISO 14001:2004

This is to certify that:

Muntons PLC
Cedars Maltings
Needham Road
Stowmarket
IP14 2JG
United Kingdom

Holds Certificate No: EMS 98872

and operates an Environmental Management System which complies with the requirements of ISO 14001:2004 for the following scope:

The development and manufacture of milled products, flaked products, malt and cereal extracts, dried malt cereal extracts and homebrew kits. The production of malt and animal feed products.

For and on behalf of BSI:

Robbie
Managing Director, BSI Management Systems (UK)

Originally registered: 13/01/2006

Latest Issue: 13/01/2009

Expiry Date: 05/03/2012



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2 Assessment of Significant Issues

An in depth appraisal of Muntons environmental impact through our Environmental Management System has provided us with a comprehensive Register of Aspects and Impacts. Two key environmental areas are the consumption and discharge of water, and the use of energy, mainly gas and electricity.

The overall environmental impact of our operations is low because we have comprehensive controls in place to ensure that we operate professionally and we are proud of our record of being one of less than a handful of food manufacturing companies to have for three consecutive years been recognised as a top performing company through the Sunday Times Best Green competition. This external benchmark is one way we seek to avoid the 'greenwash' in some businesses where green or environmental issues are discussed but little action is taken to make continued improvement and make real and sustainable improvement.

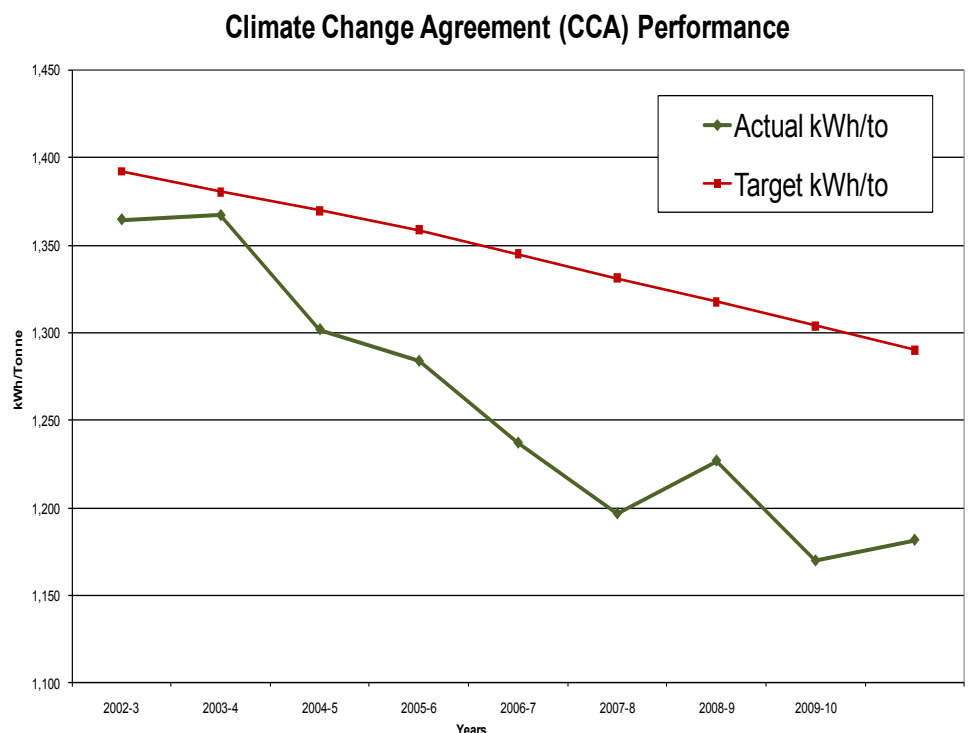
3 Summary of Emissions, Wastes, Raw materials consumed, Energy, Water

As part of the requirement of the Company's Environmental Permit (previously known as a PPC permit), analysis of all emissions, waste, raw materials, energy and water are monitored on a regular basis.

3.1 Emissions, Energy Use and Carbon Footprint

3.1.1 Energy Usage

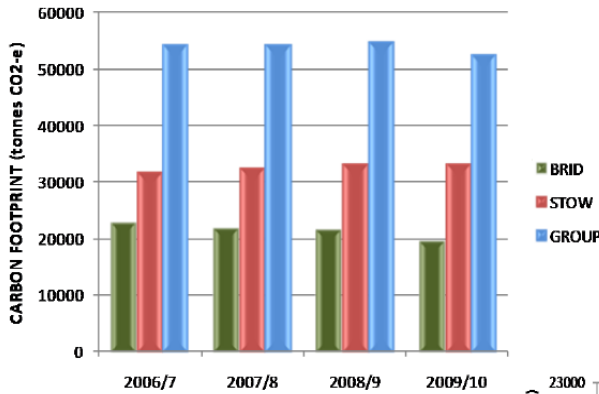
Muntons plc is committed to a continuous reduction in energy use. Since 1999 we have been part of a Climate Change Agreement via a collective of UK maltsters. Our target is to use 12% less energy per tonne of product made from 1999 to 2010. Achieving this gains us a reduction in the Climate Change Levy. The step changes have been made through a programme of capital investment and adoption of best practice such that we are already working at the theoretical minimum energy usage for the process. We continue to look for opportunities to save energy by improved monitoring and targeting and keeping apprised of potential new technologies.



3.1.2 Carbon Dioxide Emissions to Air

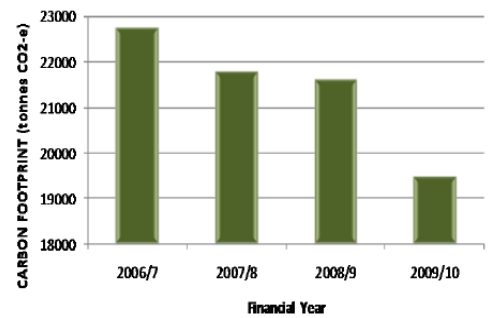
Our manufacturing environmental impact is also regulated by the amount of carbon dioxide we emit. An absolute level of emissions is permitted beyond which we would have to trade carbon on the EU market. Our allocation of 'carbon credits' is based on historic usage. Target maximum emissions are set by the UK government through its National Allocation Plan with malting being classed as part of the food industry. Whenever production increases the absolute level of carbon emission would almost inevitably increase for the same type of production equipment. However, we have managed to install exceptionally efficient new kilning technology in our maltings that has given us headroom for production expansion in our malted ingredients division.

CARBON FOOTPRINT MUNTONS PLC



**4%
REDUCTION**
in Group Carbon Footprint in 2010 even with higher production!

CARBON FOOTPRINT BRIDLINGTON

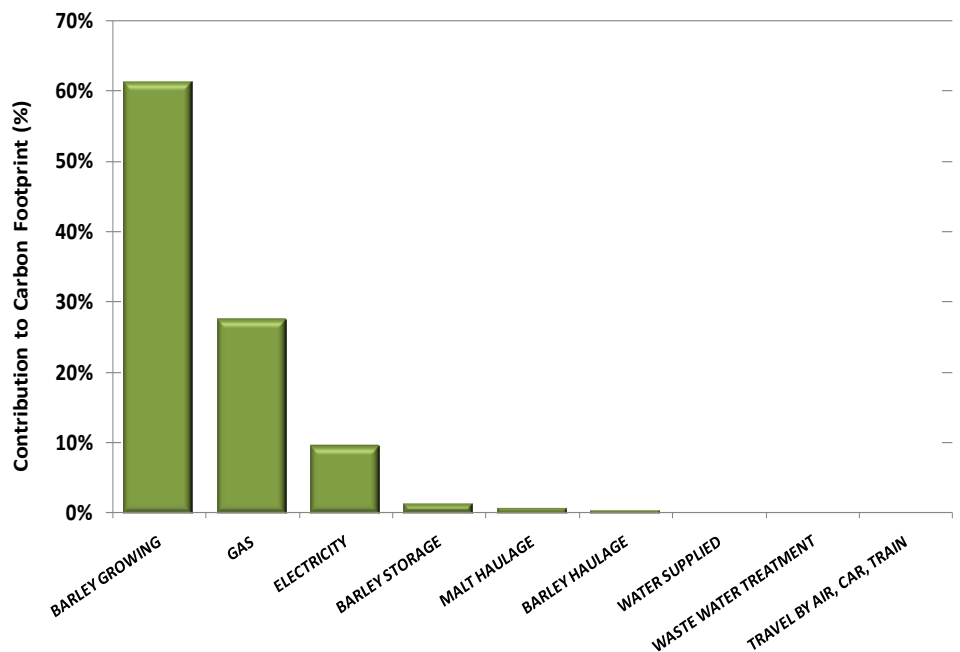


Reductions in Energy use in one area of the business help offset increased energy use as we increase production elsewhere

3.1.3 Carbon Footprint

Muntons have undertaken a comprehensive carbon footprint analysis for its supply chain from farm to malt. Working initially with the trade association, the Maltsters Association of Great Britain (MAGB), a detailed assessment of carbon footprint from farm to malt has been made. Subsequently using a variety of carbon models the figures have been refined and validated. We generally report scope 1 and 2 emissions because of the inherent variability in assumptions when extending to scope 3.

Around 60% of this supply chain footprint is attributable to barley growing and approximately 80% of that is linked with production and use of nitrogen fertiliser. For malting operations alone the main contributing areas are gas and electricity use accounting for 90% of our processing footprint. This pattern is similar for our other malted ingredient processing lines.



Low Carbon Malt : Muntons continue to champion carbon saving in the supply chain and have been active in supporting the development of alternatives to conventional fertilisers that would very significantly reduce the barley growing carbon footprint whilst saving farmers money on fertiliser usage. Showing our strong commitment to this we have undertaken to produce all of our malt as *Low Carbon Malt* within 5 years. This will be achieved through a combination of alternate fertiliser use, support of precision farming and investment in fundamental research on energy use.

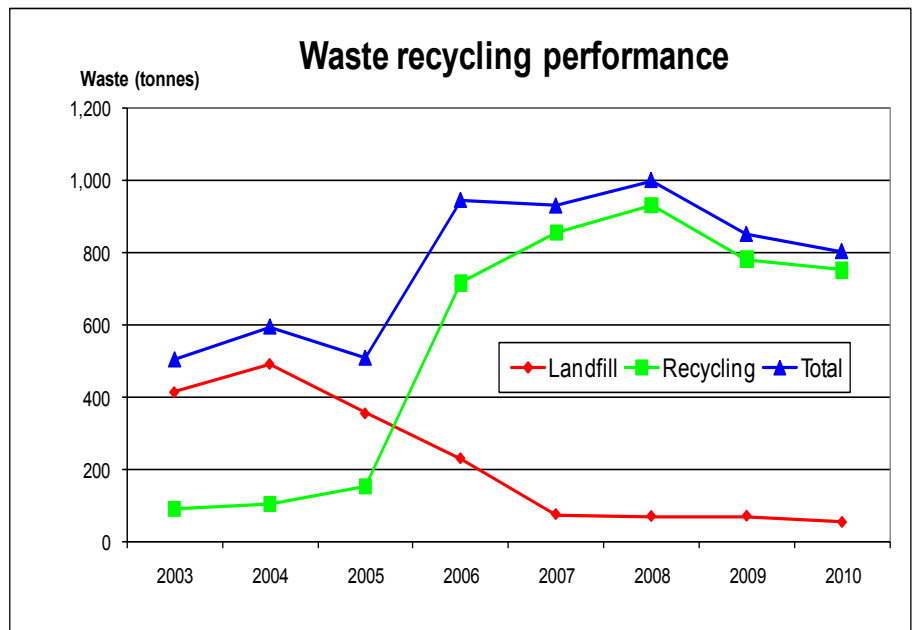
Muntons is also proud to be a member of the Centre for Low Carbon Futures. This is a consortium of leading universities in climate research at Sheffield, Hull, Leeds and York universities. The group is coordinating best practice in the region and developing methodologies for assessing the benefit of green alternatives against other types of project when competing for capital support in business.

3.2 Waste

Waste is carefully monitored enabling us to improve our recycling.

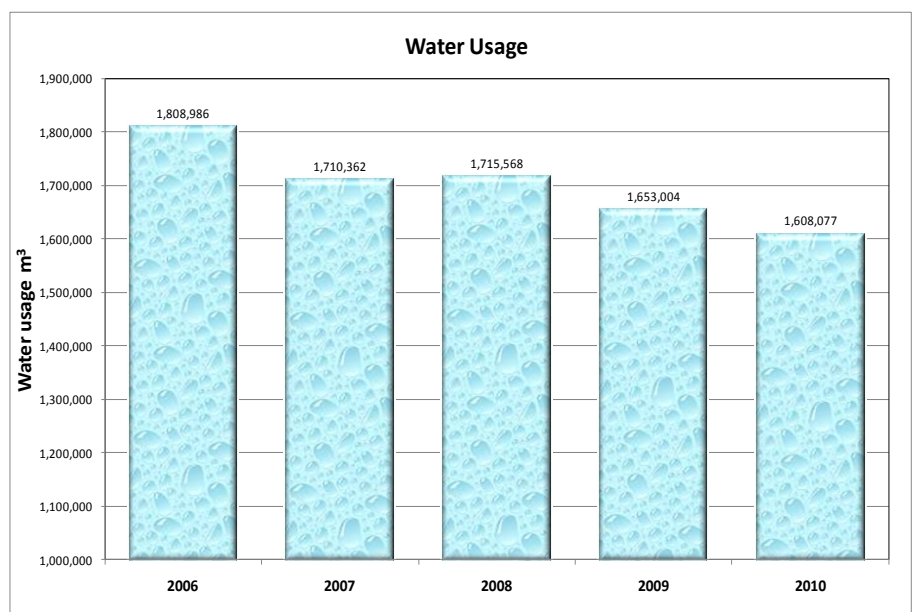
Total levels of waste have increased, but in line with greater production and new types of manufacturing processes introduced in response to market and customer demand. We still maintain vigilance for opportunities to further reduce or recycle as food safety requirements allow.

Of our total waste 60% is composted. We successfully divert wastes from landfill such that we recycle 100% of scrap metal and 70% of general waste.



3.3 Water

Muntons has made a concerted effort to reduce water used in process. Between the years 2005 and 2010 we significantly increased production volume and new process additions at our Stowmarket plant. However, by careful control of water usage and tailoring production to demand our consumption has been controlled. Some of the water reduction was due to slowed production for renovation work in our malting plant at Bridlington.



4 Other Environmental Performance Factors

Muntons plc maintains a comprehensive environmental audit policy with weekly internal audits being conducted in various areas of the plants across our group. In addition, BSI carried out audits of the ISO14001 Environmental Management System and reconfirmed Certification to the standard.

As part of our aim to encourage green initiatives we have this year introduced a formal Green Travel Policy (see box, right). A recent review of company car emissions showed that overall our fleet emits 19% less carbon in 2010 compared to 2009. This has been achieved by the introduction of some extremely fuel efficient vehicles as older cars are replaced.

Through the Carbon Trust the government introduced the Industrial Energy Efficiency Accelerator (IEEA) programme which Muntons was a participant in. Phase I of this scheme confirmed that our maltings are effectively operating according to the current best available techniques, but nonetheless made some suggestions for longer term solutions to further improve energy utilisation. These benefits will only be realised if research is supported by government to investigate the novel manufacturing designs suggested. Muntons is already supporting some confidential research in these areas.

Training is a key feature of raising environmental awareness within the Company, and all members of staff receive a detailed environmental induction reinforced by a comprehensive refresher programme highlighting system changes and championing successful initiatives.

Muntons Green Travel Policy (abridged)

- We reduce our dependency on car travel on company business to essential business users. Business users are incentivised to choose vehicles with lower carbon emissions.
- We encourage the use of rail travel where appropriate; where this is not a viable option due to scheduling or excessive cost we arrange for the hire of a temporary vehicle for that journey only.
- Videoconferencing and teleconferencing will be used to avoid travel wherever possible. Skype is installed on laptops to connect key business personnel.
- Muntons supports the Cycle2Work scheme.

5 Environmental Policy

Muntons has an Environmental Policy that is briefed to all members of staff clearly defining areas of responsibility. It was updated in 2010 and is reviewed at least annually at senior level to ensure it is implemented in a positive manner, and remains a key part of induction for all new staff.

6 Significant Changes Since Previous Statement

Our progress in all areas has continued against a baseline of compliance with ISO14001.

7 Name of Accredited Environmental Verifier

The British Standards Institution (BSI)

Our next Environmental Statement will be in 2012. For further details please contact:

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