

# Our responsibilities

At the heart of Glanbia's CSR is the Group's commitment to the sustainable development of our business and to making a positive contribution to our local communities.

CSR is increasingly seen as a crucial element of any business. Consumers want to shop more in line with their personal values, as well as getting more value for money while still purchasing safe, nutritious and healthy foods. Sustainability is high on the global agenda as the world strives not to exhaust natural resources or cause severe ecological damage. Companies recognise that they can make a significant social contribution, on top of their economic and environmental impact, by engaging and working with their local communities.

## Governance and risk management

A cornerstone of managing our business responsibility is a strong commitment by Glanbia's Board and management to all aspects of good corporate governance and risk management. The Board has overall responsibility for the stewardship of the Group including annual and strategic business plans, capital expenditure programmes, acquisitions and disposals together with dividend, treasury and risk management policies. The Board comprises 21 members including a Non-executive Chairman, Senior Independent Director and three Executive Directors. Further information on the Board, Directors' statement of corporate governance and information on risk management are contained in pages 38, 36 and 45 respectively.

## The environment

We are committed to continuous environmental improvement at all of our operations. The Energy Star Programme, sponsored by the US Environmental Protection Agency and the Department of Energy, is a national call to action to improve the energy efficiency of America's commercial and industrial sectors by 10% or more. In 2008, our businesses in the USA were formally accepted for membership of this programme, which is a strong statement of intent on their part to reducing their carbon footprint.



Waste water which is a by-product of milk processing is polished, stored and reused in plant boilers in Gooding.

In Ireland, there is a carbon reduction programme for Irish processing facilities, with dedicated resources in place. Food Ingredients Ireland appointed a Carbon Footprint and Sustainability Manager in 2008, to complement a fulltime engineer focusing on energy efficiencies in what is a very energy intensive business. This business is working closely with the Government through the policy formulation phase on global warming initiatives in order to balance the future potential growth of the industry with the emissions reduction programme. This is in addition to ISO14001 accreditation for environmental management systems and IS393 accreditation for energy management. Other key environment initiatives include an active recycling programme with over 12 tonnes of paper recycled during the year, together with 33 tonnes of cardboard, 7 tonnes of plastic, 51 tonnes of timber and 420 tonnes of stainless and mild steel.

## Sustainability

The barrel cheese and whey plant in Gooding, Idaho, is the world's largest barrel cheese facility, with a total processing capacity of over four million litres of milk daily, producing 4.5 million litres of raw whey per day and 149,000 tonnes of cheese annually.

Despite the sheer scale of the Gooding plant, its manufacturing operations are almost water-neutral as the operations team get the most out of precious water resources. Waste water, which is a bi-product of processing, is polished and stored in silos. 1.4 million litres of this water is used in plant boilers with other waste water reprocessed in an anaerobic treatment plant. The gas generated in this activity is used to heat water for cleaning at the plant and the treated water is used to irrigate corn and alfalfa grown on the 1,200 acres surrounding the plant.

## Our responsibilities (continued)



Barretstown Camp.

These crops are fed to supplier cows, whose milk is then sent to the plant to start the cycle again. That is the essence of sustainability and its good economics.

Other efficiency measures at Gooding include enhanced receiving bays which reduced the number of bays from six to four while allowing 31,000 litres of milk to be uploaded in 12 minutes, 24/7. Milk hauliers are using new, lighter tanker trucks, delivering better mileage, reduced energy consumption and lower costs.

### Corporate giving and volunteerism

In Ireland Glanbia continued its support for the GAA which represents strong community values and actively promotes health and fitness with the sponsorship of the Kilkenny and Waterford senior hurling teams in the provincial and All Ireland championships as well as the National Hurling League. Glanbia has been a long-term sponsor of the senior, intermediate, under 21 and minor hurling

panels in both counties. Kilkenny's famous black-and-amber jerseys carry the 'Avonmore' logo while in 2008, the Waterford jerseys sported the 'Yop' brand.

The Group continues its strong association with Junior Achievement Ireland through ongoing employee volunteering whereby the Group allows people time out to mentor primary and secondary school students, particularly on business subjects.

As part of our CSR initiatives, we select a local charity and make a multi-year commitment to not only fund a need but provide employee volunteers to serve that charity. In 2008, Glanbia selected two new charities to work with.

In Ireland, the Group choose Barretstown. This is a specially designed camp, providing a programme of adventure, activities and fun, which helps children with serious illness, such as childhood cancer, to regain their confidence and self-esteem through



Shriner's Hospital for Children.

**We pride ourselves in being a local company and we try to be a good corporate citizen and give back to the communities where we have a presence.**

therapeutic recreation. This initiative has a consumer dimension through its direct association with Consumer Foods and the Avonmore brand. This is about increasing awareness for Barretstown to help capture the benefits of mutual social responsibility, where consumers are increasingly using their brand choices to support ethical or social issues and as a means to get more involved and participate in these causes. Apart from the corporate and Consumer Foods business financial commitments, eight champions have been appointed around the Group to raise employee awareness and support their fundraising efforts. Collectively, these are targeting a

In recognition of the importance of CSR to us, Glanbia is undertaking a review of CSR and EHS (Environment, Health and Safety) around the Group during 2009, with the aim of formalising key group-wide policies, and promoting continuous improvement in all our standards and practices.

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The combined heat and power plant at Ballyragget.

contribution of approximately €1 million over a three year period from 2008. Ultimately for Consumer Foods and Glanbia the goal is to make a meaningful and measurable contribution to Barretstown.

Food Ingredients USA and Nutritionals have partnered with Shriners Hospital for Children in Salt Lake City, for the period 2008 and 2009. Shriners Hospitals for Children is a network of 22 paediatric hospitals in the USA, Canada and Mexico. They specialise in providing care for children under 18 with orthopaedic conditions, burns, spinal injuries and cleft lip and palate. All services are provided free of charge. The Glanbia donation, of US\$35,000 in 2008, is being used to upgrade the parent lounge and laundry facilities, followed by parent bedrooms. Similar to Ireland, a group of employee champions in the USA will promote and support employee fundraising to complement corporate giving.



As one of the largest employers in the Magic Valley region of south-central Idaho, Glanbia is regarded as one of the top employers in terms of opportunity, development and reward. The Group also has a good reputation as a generous benefactor having made pledges of over US\$226,000 to various charities and public institutions in 2008 alone. The highlight of the year was the Glanbia Charity Challenge golf tournament, which has been one of the largest fundraisers in Magic Valley since its inception in 1994. Set at the bottom of the Snake River canyon at the beautiful Blue Lakes Country Club, the Glanbia Charity Challenge has raised a total of US\$883,000 and benefited 36 local charities since it began.

#### **Strong health and safety performance**

Overall this has been a good year for the advancement of Health and Safety (H&S) and legal compliance. Steady progress has been made in audit scores and in the further integration of H&S and risk management processes across all businesses.

Glanbia continues to invest in improving both the plant infrastructure through capital investment and the management of H&S compliance through investment in H&S personnel and training. During 2008, 993 employees received approx 6,800 days of H&S training.

#### **Social performance**

Glanbia is committed to developing and nurturing internal talent. This will help ensure that the Group has the people, capabilities and skills in place needed to support the continued growth and internationalisation of Glanbia. For more information on our social performance please refer to the dedicated 'Our people' section of this report on pages 26 to 28.