

Our journey of growth and sustainability



Glanbia US Cheese and Whey
2012 Sustainability Report

About this report

This is our first Sustainability Report and it shares our journey of growth and sustainability in our US Cheese and Whey businesses. We are part of Glanbia plc, an integrated global nutritionals and large-scale global dairy business. Glanbia plc employs over 4,500 people worldwide in 14 countries and its shares are listed on the Irish and London Stock Exchanges.

The scope of this report is focused on our business-to-business US dairy operations. This encompasses the four facilities that represent all of the locations in the US where Glanbia is processing raw milk or raw whey. Three are in Idaho: cheese manufacturing in Twin Falls, cheese and whey manufacturing in Gooding and whey manufacturing in Richfield. Collectively these operations are referred to in this report as ‘Glanbia Idaho’. The fourth facility is our joint venture with the Greater Southwest Agency, a cheese and whey manufacturing operation in Clovis, New Mexico. We refer to this operation as ‘Southwest Cheese New Mexico’. Across this report, the data relating to these four plants combined is called ‘Glanbia Total’. In addition, many of the whey products produced in these locations are sold through Glanbia Nutritionals Ingredient Technologies (GNIT) and where appropriate we have referenced that business. Glanbia plc has other businesses in the US that are outside the scope of this report. In essence, this report covers the entirety of our cheese and whey manufacturing operations in the US.

All data published in this report covers calendar years 2010 and 2011, using 2009 as the base year unless otherwise stated. In a few cases we provide data from 1991 (our first full year of operation in Idaho) to the present to provide historical context. The performance metrics and discussion reflect our most material sustainability issues, from both our customers’ point of view and for us as a business. We believe this report is a fair and transparent perspective on the sustainability performance of our US Cheese and Whey operations, based on data that we have collected as diligently and completely as possible. The data is not audited or externally assured.

This report was prepared with reference to the Global Reporting Initiative (GRI) G3.1 guidelines including the Food Processing Sector Supplement. Therefore, we self-declare this report is consistent with GRI Level B. A full GRI Index is available as part of our online report on our website at www.glanbiausa.com/2012sustainabilityreport.



“Glanbia” means “pure food,” from two Gaelic words: “Glan” meaning pure and “Bia” meaning food.

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Our sustainability strategy includes engaging with and developing all of our employees and working with our local communities to contribute to the enduring social support that makes life satisfying.



Chapter 1:

Our journey of growth and sustainability

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From humble beginnings as an Irish dairy co-op in the 19th century, Glanbia has grown to become the leading American-style cheese-maker in the US and a leader in dairy processing. Guided by a pioneering spirit, common sense, stewardship and a commitment to community, we have followed a model of responsible scale and steady innovation. We now employ more than 1,000 people in the western US and serve customers and consumers around the world. Our environmental footprint is among the lowest per pound of product, and we are systematically continuing to reduce it while simultaneously strengthening the social and economic fabric of the communities in which we work and live. Here is the story of our journey.

Our story is one of pioneers and farmers,
common sense, community and growth.

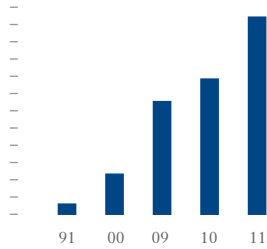


Our heritage: Glanbia began as a co-operative of Irish dairy farmers steeped in the social and political fabric of the late 19th century.

Pioneering spirit: After a century of hard-won progress but with growth limited by European Union quota restrictions in Ireland, in 1990 Glanbia looked west to new horizons and acquired a small cheese facility in Idaho. Our growth combined the common sense of the farmers of the southeast of Ireland with the pioneering spirit of the dairymen of the western US.



1. Our journey of growth and sustainability



Sales growth: From \$100 million in sales in our first full year of operations in Idaho in 1991 to more than \$1.7 billion in sales in 2011.



Responsible scale: We operate large, efficient plants and locate them near high-volume milk producers, who themselves are among the most efficient in the world. This approach produces the most nutritional value for consumers with the least environmental footprint.



Sustainable scale: Sustainability is an integral part of our strategy and our operational model. With each capacity expansion or new facility we brought all our lessons learned to reduce environmental impact and process more milk with less waste. We have worked diligently to ensure that our scale and efficiency stay focused on producing economic value that is in harmony with our environmental and social commitments.

We are committed to environmentally responsible large-scale processing, steady growth and continuous innovation.



Driving toward zero waste: Inside our plants we have a systematic focus on driving out waste and optimizing our use of resources. Guided by our internal GPS, the Glanbia Performance System, our drive for zero waste is a 'win-win-win': good for our bottom line, good for the environment and good for creating an exciting 'continuous improvement' culture that is inspiring for our people.

Growing to meet increasing global demand:

The world's population is forecast to grow by up to a billion more people on the planet by 2025, mainly in developing regions with emerging middle classes and rising incomes. To help meet increased demand for dairy products we are committed to deliver the highest quality nutrition in the most sustainable way.





Science-based research and development: There is an increased emphasis on health and wellness and a growing awareness of diet and lifestyle. Our innovation program is bringing the goodness of dairy to people in new ways and we are investing in research and development to increase the use and value of whey products and dairy nutrients.



Global presence: Expanding steadily from being primarily a domestic producer, we are now selling cheese and whey products in 49 international markets.



Expanding innovation: At our new Glanbia Cheese Innovation Center (opening in 2013), we will bring to our cheese products and customers the same innovation and collaborative new product development that we have operated successfully for whey products in our Glanbia Innovation Center since 2009.

We are active in a wide range of collaborative relationships...



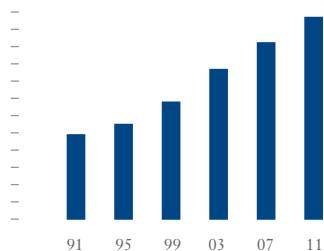
Reducing greenhouse gases: Even though our process operations are only a small part of dairy's lifecycle greenhouse gas (GHG) emissions, we are playing a leading role with the Innovation Center for US Dairy in pre-competitive, multi-stakeholder initiatives to achieve the breakthrough goal of reducing all dairy GHG emissions by 25% by 2020.



Collaborating with customers: We are working with our customers on a number of exciting initiatives that enhance sustainability and reduce overall environmental footprints, including new supply chain configurations, ageing cheese more quickly, applications to extend shelf life and various reductions in packaging.

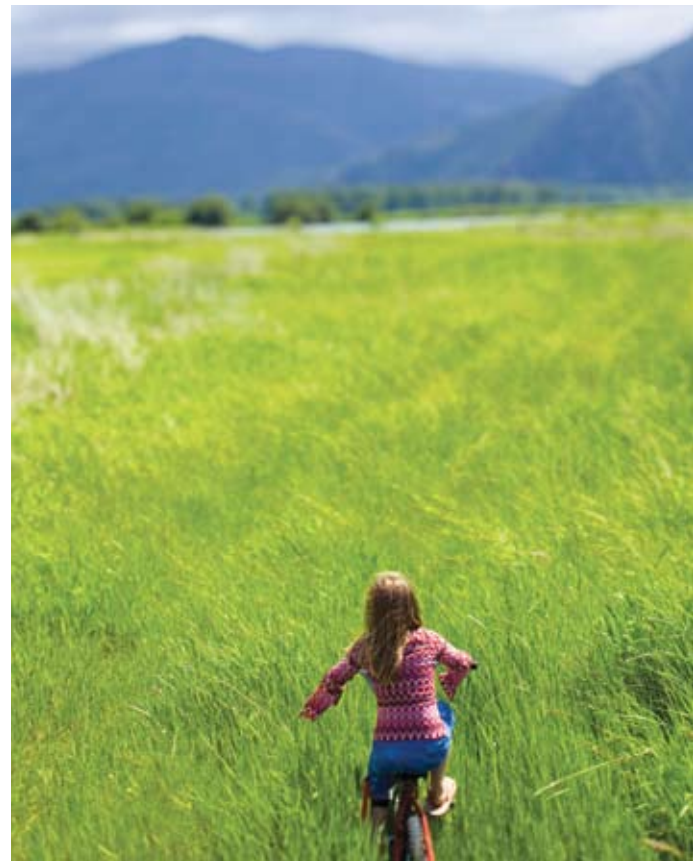


Caring for our neighbors and friends: In every community where we live and work, you'll find Glanbia funding and employees at work, from food banks to local hospitals, housing projects to community gardens, balloon rallies to little leagues. These are our friends and neighbors, and we are deeply committed to them.



Charitable contributions:
Cumulatively we've given over \$2 million to worthy causes in our local communities since our first full year in Idaho in 1991.

From pioneering stewards to industry leaders: We are the largest American-style cheese manufacturer in the US. We are committed to further improving our best practices and to helping the US dairy industry successfully manage and resolve the sustainability challenges of the 21st century.



Welcome from John Moloney, Group Managing Director, Glanbia plc



“Being sustainable requires reducing the impact behind the farm gate, processing as efficiently as possible and maximizing the nutrition from the milk we are taking into our operations through science-based innovation.”

Dear stakeholder,

Welcome to the first Glanbia US Cheese and Whey sustainability report, which I am pleased to present to you. As a Group, our commitment to sustainability is delivered every day by the local actions of our employees, our milk suppliers, our customers and our industry partners working together. This ensures that we achieve the highest standards of health and safety, product excellence and innovation and greater environmental effectiveness.

From small beginnings in Idaho in 1990, we have grown to become the largest American-style cheese maker in the US today. As we have grown, our sustainability responsibilities and efforts have increased too. We have worked hard to develop pragmatic solutions that enable us to process more milk and capture more nutritional value while using less scarce resources like energy and water. While this is the ‘right thing to do’ it also makes economic sense for us as a business as it adds value by improving our performance, reducing waste and optimizing our use of resources. Although design, engineering and technology all play a part, credit is due to all our US Cheese and Whey employees for achieving continuous improvements in our sustainability performance.

In recent years we have invested a significant amount of time and resources in developing a more formal methodology focused on increasing our operational and environmental performance. Glanbia Idaho has been at the forefront of building this systematic approach which we call our Glanbia Performance System or GPS for short. Nearly all employees are

engaged with GPS projects and throughout this report you will see that their success in finding sustainable solutions has steadily reduced energy use, lowered GHG emissions, decreased water used in processing and cut wastewater and solid waste generated. In parallel, our US Cheese and Whey operations have increased recycling, created biogas from waste for use in operations and reduced the volume of chemicals used by over 30%.

It would be remiss of me not to mention our related activities in Ireland, where we are the #1 Irish dairy processor and operator of one of the largest integrated dairy processing plants in Europe. Our Irish operations are also guided by our commitment to sustainability. Key highlights of their sustainability performance include being the first Irish dairy processor to earn the Carbon Trust Award, a globally recognized certification for carbon emission reduction, and being the first dairy processor in the world to utilize Kubota Membrane Technology to reduce biochemical oxygen demand in wastewater treatment. Our Irish dairy business also has significant milk supplier sustainability support mechanisms including a best practice approach to sustainable milk production, improving farm efficiency and herd-health screening.

As the global population expands towards a projected nine billion people on the planet by 2050 and as western populations age, our industry is faced with great opportunity and great challenge. The opportunity is to bring the goodness of dairy to new consumers and to meet the changing health needs of existing consumers. The challenge is to do this in the most sustainable way. Being sustainable requires reducing

the impact behind the farm gate, processing as efficiently as possible and maximizing the nutrition from the milk we are taking into our operations through science-based innovation.

Glanbia has a long-term commitment to nutritional innovation and research and development. This has enabled us, independently and in collaboration with our customers, to develop a wide range of products and ingredients that are meeting the nutritional needs of consumers at almost every stage of the human lifecycle, from infant formula, to cheese for growing families, to performance products for athletes and applications for healthy ageing. We are building on the success of this approach in our whey protein business with an \$11 million investment in our new Cheese Innovation and Customer Collaboration Center in Idaho.

Our customers are at the heart of everything we do. We are deeply committed to supporting them in the commitments they make to their customers and consumers. After reading this report, I hope you will have a good sense of our commitment, and of our heritage of stewardship, our strong environmental, health and safety performance and our sustainable growth model.



John Moloney

GROUP MANAGING DIRECTOR, GLANBIA PLC

Welcome from Jeff Williams, President and CEO of Glanbia Foods, Inc.



“We are proud of our track record in sustainability, driven by science, investment and the ‘can-do’ entrepreneurial attitude of our great workforce.”

Dear interested friends,

Sustainability is often referred to as CSR in the corporate world, and while CSR may officially stand for Corporate Social Responsibility, for me it could just as easily mean Common Sense and Responsibility. That’s really how I view our sustainability efforts—they are about doing the common sense things every day that build a stronger business, that make economic sense, that produce more quality products and that serve our customers better, all by working in ways that are responsible towards the environment and the community.

I am immensely proud of what Glanbia and the Idaho dairy industry have achieved since we first made our pioneering move to Idaho with its fledgling dairy industry in 1990. We have grown side by side. Idaho is now one of the top three milk-producing states and Glanbia is the leading manufacturer of American-style cheese and whey products. Our journey west continued in 2004 when we partnered with the Greater Southwest Agency, a group of dairy cooperatives, to build the Southwest Cheese plant in New Mexico.

In 2011 the combined sales for Glanbia Foods in Idaho and Southwest Cheese exceeded \$1.7 billion, compared to sales of less than \$100 million when we first came to Idaho.

Glanbia is continually focusing on increasing efficiencies, investing in innovation to deliver more value from our product mix and investing in commercial resources to deliver those products to new markets.

The plants we operate are among the most efficient in the US and we are relentless about improving this efficiency. However, our processing operations and transportation are only a small part of the total lifecycle impact of dairy operations. That is why, in

GLANBIA'S SUSTAINABILITY STRATEGY

Glanbia is a scale dairy processor with industry-leading efficiencies, striving to systematically drive out waste at every level. At Glanbia today, as it has been from the beginning, the essence of who we are is straightforward: dedicated pioneers and careful stewards, committed to nurture, grow, and sustain the lives of our employees, customers, consumers, and communities.

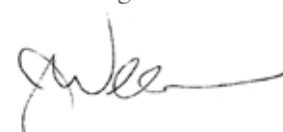
- We align ourselves with the most efficient milk producers in the country, keeping lifecycle environmental footprints low.
- We work to sustain the economic vitality of the stakeholders in our value chain.
- We are a good neighbor and enhance the communities in which we operate.
- We are good stewards of the resources entrusted to us.
- We provide a respectful and safe workplace and provide reward and opportunity for employees.
- We innovate new ways to extend the excellence of dairy and deliver nutrition that meets a growing range of consumers' needs at various stages of their lives.
- We are committed to the highest standards of food safety and quality. We treat the reputation of our customers and the health of our consumers as sacrosanct.

In addition to improving our own operations, we have been heavily committed to the dairy industry efforts being led by the Innovation Center for US Dairy to reduce greenhouse gas emissions across the entire lifecycle of dairy by 25% by 2020. This commitment, one of the largest by any industry in the country, is important because it addresses the concerns many stakeholders have about the carbon impact of milk production and affirms that the dairy industry is a leader in proactively reducing its impact.

We are proud of our track record in sustainability, driven by science, investment and the 'can-do' entrepreneurial attitude of our great workforce. We are proud of our charitable contributions and

our involvement in the community that makes the places we are located better environments in which to work and live.

We remain committed to continuing to build our economic foundation and to assuring our patrons, our employees and our communities that we will keep striving to do all we can to sustain the financial support necessary for a vibrant and sustainable future together.



Jeff Williams

PRESIDENT AND CEO, GLANBIA FOODS, INC.

Our material impacts, risks and opportunities and our related 2010-2011 performance.

After interviewing key customers about our sustainability work, and reviewing and analyzing a large number of potential impact, risk and opportunity areas, we determined that we have important impacts, risks and opportunities in six major areas. We believe these six are the most material to our stakeholders as well as to us as a business. We summarize here the performance we have achieved in each area during 2010 and 2011.

1. Economic foundation: growth and scale

Performance:

\$1.0B

2009 revenue

\$1.2B

2010 revenue

\$1.7B

2011 revenue

\$70M

Wages and benefits to employees in 2011

1,117

Total number of Glanbia employees by end of 2011

\$1.4B

Total amount spent with local suppliers in 2011

Assessment and context:

- Sales increased 29% in 2011 compared to 2010, and 70% compared to 2009. In our first full year in Idaho in 1991, sales revenue was about \$100 million; this increase of over 1,500% in the past 20 years reflects the economic value we have built.
- For the rural communities in which we are located, our wages and benefits are a vital contributor to overall economic prosperity.
- Despite a variety of economic and market forces, we have increased total number of employees every year since 1991.
- 100% of our milk supply is within 100 miles of our plants and the money we pay our local dairy producers generates an estimated 19,200 local dairy industry jobs.

2. Nutrition and innovation

Performance:

830M

pounds of American-style cheese in 2011

170M

pounds of whey products in 2011

2

Glanbia collaborative innovation centers

Assessment and context:

- Cheese provides excellent nutrition and complete protein for our growing world population.
- Glanbia Collaboration Center since 2009 has developed innovative new products in collaboration with customers using whey proteins and other dairy ingredients; Glanbia Cheese Innovation Center, for similar innovative new cheese products, is opening in 2013.

3. Environment

Performance:

☒ Exceeded target ☒ Achieved target ☐ Almost achieved target

Electricity Goal: -6% Result: -10% <input checked="" type="checkbox"/>	Wastewater Goal: -10% Result: -18% <input checked="" type="checkbox"/>	Technical permit violations Goal: Reduce Result: -50% <input checked="" type="checkbox"/>
Natural gas Goal: -6% Result: -5% <input type="checkbox"/>	Wastewater concentration (BOD/COD) Goal: -10% Result: -16/19% <input checked="" type="checkbox"/>	Air emissions permit violations Goal: None Result: None <input checked="" type="checkbox"/>
CO ₂ footprint Goal: -6% Result: -16% <input checked="" type="checkbox"/>	Chemical usage Goal: -10% Result: -33% <input checked="" type="checkbox"/>	Hazardous waste Goal: 4/4 plants certified by 2014 Result: 3/4 plants certified by 2011 <input checked="" type="checkbox"/>
Water Goal: -10% Result: -27% <input checked="" type="checkbox"/>	Waste and recycling Goal: Improve Result: +7% <input checked="" type="checkbox"/>	Truck fleet MPG Goal: +3% Result: +17% <input checked="" type="checkbox"/>

Assessment and context:

- We set goals in 12 prioritized areas and improved in all 12, exceeding our goals in seven and fully meeting them in four others.
- We engaged 'Focused Improvement' teams, our GPS system for manufacturing excellence, specialty project teams, and engineering and capital investment efforts to systematically achieve the improvement targets we set for ourselves.
- We now have further improvement goals established in all 12 areas for 2012-13.

4. Dairy farms and dairy lifecycle

Performance:

Animal welfare

independently audited and verified through quarterly checks on every farm, with 100% of our producers meeting or exceeding standard in both 2010 and 2011.

Manure management

680 inspections for manure management by Idaho Department of Agriculture (2.5 per producer per year). In 2011, 99.1% of our suppliers achieved zero discharge violations, and 98.6% achieved zero repeat non-compliance findings of any kind.

Dairy lifecycle CO₂

In collaboration with the Innovation Center for US Dairy, we are actively supporting a range of initiatives aimed at reducing total dairy lifecycle CO₂ by 25% by 2020.

\$10,000

donated each year for four scholarships for students pursuing dairy-related university study.

\$750,000

donated to three major dairy research centers to support advanced dairy R&D.

Assessment and context:

- We are putting into action our commitment to identifying and solving the environmental challenges of the dairy industry and helping to sustainably feed the world.
- In addition to our own work, to help lead the way in lowering dairy's lifecycle impact, several of Glanbia's dairy producer suppliers have initiated major methane digester and solar energy projects on their farms.

5. Our employees: safety and engagement

Performance:

21%

reduction in 'total incidents' safety rate.

10%

reduction in 'lost-time' safety rate.
2011 'lost-time' rate was 3.48
per 200,000 hours worked.

70%

of workforce is engaged in improvement activities; employee turnover is down by 62% at Glanbia Idaho since 2005 and by 40% since 2007 at Southwest Cheese New Mexico.

Assessment and context:

- Our safety rates are average or better for our industry, but safety continues to require our focus, particularly at Southwest Cheese New Mexico. We have made progress in building a culture of safety among our relatively new workforce in New Mexico and are systematically working to improve safety performance there.
- Our employee engagement is strong and growing, with active participation and ever-improving employee survey scores.

6. Our local communities

Performance:

\$200,000+

donated per year to Idaho charities in 2010 and 2011, and more than \$2 million since our first full year in Idaho in 1991.

\$2.5M

pledged to Clovis, New Mexico grade schools (\$250,000 per year for 10 years).

Assessment and context:

- Our employees choose where we contribute; we're deeply connected to our local communities and the charities that matter to them.
- In addition to direct financial support, we have also supported local food banks and community gardens, donating more than 6,000 pounds of produce in 2011 and untold amounts of in-kind cheese and whey products.



Chapter 2:

Operational and economic performance

- 20 Economic value created
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Our operational and economic performance is the foundation of our sustainability activities. It is a reflection of the value we create for customers, consumers and shareholders.

Our commitment to economic and manufacturing excellence underlies our support of the environment and of one another and is deeply consistent with our agricultural, Irish, western US heritage. On our journey for the past century, economic success for us has gone hand-in-hand with stewardship of the environment, care of land and animals by our farmer-suppliers and being part of the fabric of our local communities.

Our economic and operational foundation is strong.

2011 wages and benefits

\$70M

paid to more than 1,000 employees in Idaho and New Mexico in 2011



More than

\$1.4B

paid to local farmers for their high quality milk in 2011



Combined sales of more than

\$1.7B

for Glanbia Idaho and Southwest Cheese New Mexico



Focused improvement:

50+

'Focused Improvement' teams to drive out waste and improve sustainability

Cheese

830M

pounds of award-winning cheese produced in 2011



150

Glanbia improvement projects
implemented in 2011



Dairy ingredients

170M

pounds of whey protein and other
dairy ingredients manufactured
in 2011



In total

8.0B+

pounds of milk processed into cheese
and whey products in our Idaho and
New Mexico facilities in 2011



Indirectly funded an estimated

6,600

jobs on dairy farms in Idaho and
New Mexico and

12,600

local dairy support jobs—injecting nearly

\$800M

into our communities, in addition to the
wages and benefits of our employees



Engagement

300

employees have taken part in ‘Boot Camps’ and
‘Focused Improvement’ projects as part of GPS



Our economic performance reveals the inherent value we are able to create.

“We are significant contributors to the economic well-being of the communities in which we operate.”

Our growth in the US from regional cheesemaker towards becoming a global leader in cheese and nutrition has been a steady evolution. Though our initial facilities were modest, as we grew, we continuously incorporated the newest technologies and designs. This eventually culminated in the commissioning of our state-of-the-art facility in New Mexico.

Manufacturing excellence is a fundamental component of our approach to sustainability. As we drive superior manufacturing efficiency and effectiveness, we achieve improved environmental performance. We also make better products and create a more rewarding

and engaging work culture for our employees. This integrated win-win-win is central to our view of sustainability.

Our economic performance reflects our responsible growth as a company, and the growing importance of Glanbia to the economic well-being of each of the communities in which we operate.

In 2011, total combined sales for Glanbia Idaho and Southwest Cheese New Mexico exceeded \$1.7 billion, a 29% increase over 2010, and up 70% from 2009. The comparison of today's revenues to sales of less than \$100 million in our first full year of operation in 1991 and about \$400 million in 2000 is a testament to Glanbia's steady growth and major investment over the last 20 years.

We distributed \$70 million in wages and benefits to more than 1,000 employees in Idaho and New Mexico in 2011. We are important, even essential contributors to the economic well-being of our local communities. Our 375 employees in Gooding, Idaho represent more than 1 of every 10 residents there, and our 350 employees in Clovis, New Mexico make up one of the largest non-government workforces in the community of over 37,000 people. In Richfield, Idaho, our 120 employees comprise more than 25% of the population and our 200 employees in Twin Falls, Idaho are an economic mainstay within the city.



Operational excellence and sustainability: Generating win-win-win value is the foundation for all our sustainability work.

In 2011 we were responsible for indirectly funding an estimated 6,600 jobs on dairy farms in Idaho and New Mexico, and 12,600 dairy support jobs—as we paid more than \$1 billion to our dairy producers in the two states. Those 19,200 jobs injected nearly \$800 million directly into our communities, in addition to the wages and benefits of our employees.¹

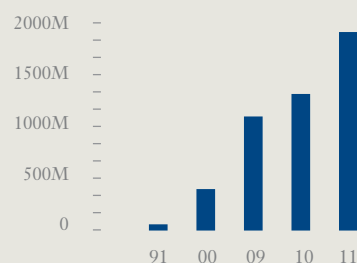
Supporting this economic engine has been our ability to produce and grow sales of our award-winning cheeses, and to innovate with and grow sales of whey and other dairy-based products. In 2011, Glanbia Idaho and Southwest Cheese New Mexico produced a combined volume of over 830 million pounds of cheese and more than 170 million pounds of value-added whey and other dairy-based products.



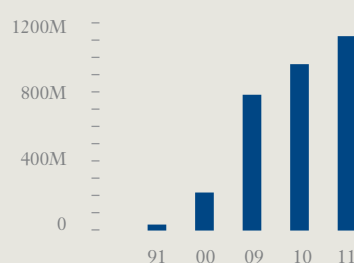
Award-winning cheese:

Glanbia has won 55 medals at the US and World Cheese Championships since 1998—including three “Gold” out of 11 total medals in 2011.

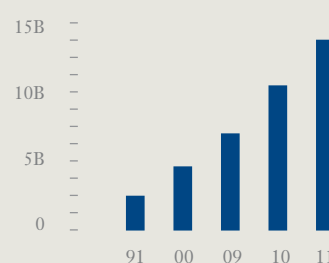
We have been growing steadily and substantially.



Sales growth (in dollars): 2011 sales exceeded \$1.7 billion—an increase of 29% over last year, 70% over 2009 and 1,500% since we began our first full year of operation in 1991.



Volume growth (in pounds): From 30 million pounds of cheese in 1991 to 1 billion pounds of cheese and whey products in 2011, we have increased volume 35-fold in the last 20 years.



Idaho milk volume growth (in pounds): From less than three billion pounds in 1991 to more than 13 billion pounds in 2011, Idaho’s dairy industry has grown in large part due to Glanbia.

\$1.7B

total sales for Glanbia Idaho and Southwest Cheese New Mexico in 2011—an increase of 29% over 2010.

3,500%

increase in volume growth since 1991.

10B lbs.

increase in overall Idaho milk volume from 1991-2011.

¹Job and income estimates are based on the Boise State University research analysis of the Idaho dairy industry conducted by professors Don Holley and John Church, *The Economic and Fiscal Impacts of the Idaho Dairy Farming and Dairy Product Manufacturing Industries*, 2008.

Glanbia Performance System—our GPS.

In 2011 we launched the Glanbia Performance System, what we call GPS. A completely integrated ‘work system’, GPS incorporates industry best practices into operational principles to deliver breakthrough results. The true heart of the effort is to develop a zero loss culture through everyone every day learning and improving. The GPS system is influenced heavily by the most advanced manufacturing systems in the world. We have customized GPS to operate in the dairy industry from that base.

In 2011, GPS principles and teams were instrumental in permanently resolving what had been recurring safety, operational and environ-

mental challenges, while reducing costs and improving delivery to our customers.

Why is GPS critical to our sustainability?

With the introduction of a formal methodology such as GPS, sustainability is not a separate initiative within Glanbia but is woven into the fabric of our everyday activities. Through GPS, we have been able to systematically improve the reliability of all of our operations, equipment and processes. Glanbia views sustainability as broader than just the environment. Sustainability means economic success hand-in-hand with social value, in ways that respect the environment.



Driven to improve: Our GPS teams are passionate about continuously improving and systematically holding those gains.

GPS: Increasing engagement, improving performance.

50+

'FI' (Focused Improvement) teams have formed to systematically drive out waste.

300

employees participated in GPS Boot Camps or Focused Improvement teams in 2011.

150

GPS improvement projects were successfully implemented in 2011.

70%

of all employees have been engaged in GPS improvement activities or training.



GPS teams in action: Operational excellence and systemic improvement are central to our approach to sustainability.

Our employees are engaged in driving continuous improvement.

“We have robust product quality systems and processes in place and have achieved the highest levels of food safety certification in the world.”



To us, sustainability also includes all of our stakeholders, our employees, our communities, our shareholders and our patrons. GPS enables us to drive out waste (including non-value-added time, any material to landfill, lost product to the waste treatment plant or municipal drain systems, or non-premium product) and the savings from those projects enable us to pursue the other aspects of our strategy to create a true, fully integrated sustainability.

Operational excellence to assure product quality, safety and security

Our facilities have strong and challenging quality programs in place. All our facilities have obtained SQF (Safe Quality Foods) Level 3, the highest level of food safety certification in the world. This has been achieved through the Glanbia Quality System programs we have been building on for many years. The SQF Program is supported by the Global Food Safety Initiative (GFSI). GFSI is a business-driven initiative for the continuous improvement of food safety management systems to ensure confidence in the delivery of safe food to consumers worldwide. We have built the systems and processes to achieve this standard in service of consumers' demand for increased food safety assurances. Those consumer expectations move

through the supply chain, with retailers and foodservice providers asking suppliers to provide verifiable proof that robust food safety control systems have been effectively implemented. These systems must be properly validated and show evidence of continuous monitoring procedures. Our SQF system is audited on an annual basis by external auditors to ensure we exceed expectations.

We have extensive audit matrices in place to consistently monitor all aspects of our processes to ensure food safety within our facilities. From the time the milk enters the plant to the time cheese and whey ship from the facility we have comprehensive testing programs to ensure we don't receive or ship any products without full release through our SAP-based program.

All our facilities follow stringent HACCP (Hazard Analysis and Critical Control Point) plans. HACCP is a management system in which food safety is addressed through the analysis and control of biological, chemical and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product.

As part of our quality training, we have programs focused on five key areas: Traffic Patterns, Infrastructure, Equipment Design, GMP's (Good

Manufacturing Practices) and Sanitation. Monitoring these key areas helps to maintain a safe production environment. The plants are involved in extensive environmental testing at each facility to ensure complete sanitation is in place and that there is no risk to our customers or consumers.

Food safety is paramount to the continued sustainability of our facilities. Quality is one of our four GPS 'Non-Negotiables'. In maintaining our operational system excellence and the highest level of inspection processes, we have never had a product recall.

Our commitment to the taste and aesthetic appeal of product quality has also been recognized by the outside world. Glanbia has won 55 medals at the World and US Cheese Championships since 1998.

With the introduction of GPS at our facilities, we now have ongoing teams involved in systematically and continuously improving product quality and food safety. One of the tools we use is FMEA (Failure Mode and Effect Analysis) in which we investigate any potential risks in the process and put mitigation measures in place before any issue might arise. 'Critical to Quality' is another tool we are using in our facilities, in which we have a clear decision path for an operator in the production process to make go/no-go decisions.



GPS: 300 employees, 50 teams, hundreds of improvements, a culture of engagement.

Assuring the security of our plants and processes

Security of our products is absolutely essential to our operations. We are continuously focused on ensuring that the security of our sites exceeds the requirements of the Food Safety Modernization Act as well as all customer requirements.

Neither Glanbia Idaho nor Southwest Cheese New Mexico has ever experienced a malicious security breach. As part of our routine improvement work, all Glanbia Idaho facilities will be undertaking significant security upgrades in 2012. Southwest Cheese New Mexico included best-practice security features in its initial construction.



Chapter 3:

Innovating to maximize the value of dairy

- 30 The nutrition challenge and Glanbia's dual strategy
- 32 Glanbia's Collaboration Center and Cheese Innovation Center
- 34 Innovations

The global population has already passed seven billion people this year and is projected to grow to nine billion by 2050. As a result, the food industry must increase its ability to provide sustainable food sources that supply the calories and essential nutrients for growth, development and healthy living for this increasing world population. This challenge is made greater by needing to sustain the health and address the wellness issues of both the over-nourished and undernourished on the planet. Many of the health and wellness issues in the western world do not revolve around food scarcity but around too much food or the wrong foods. Food processors will have to meet all of these needs simultaneously and Glanbia's core approach to sustainability is centered on continuously innovating in order to meet this fundamental challenge.

The nutrition challenge and Glanbia's dual strategy.



“Dairy is unique, a perfect raw material for nutritional products. In collaboration with customers, we design and produce innovative ingredients efficiently, in environmentally responsible ways. That combination provides our customers with critical advantages in the marketplace.”

Jerry O'Dea

President and CEO
Glanbia Nutritional Ingredients
Technologies (GNIT)

Glanbia's contribution to providing more sustainable food sources to a growing world population is through two major strategic objectives. The first is to produce cheese and dairy products at industry-leading levels of efficiency with minimal waste, thereby providing nutrient-dense food with the lowest carbon footprint and the least environmental impact. The second strategic objective is to innovate to create new products that maximize the health benefits from all the nutritional elements inherent in milk. In this section, we review this dual approach and outline the innovations we have created to produce more value from milk.

Dairy provides superb nutrition

Dairy is uniquely positioned to provide a solution to the challenge of seven billion people needing healthy nutrition. No other natural food contains all the nutritional quality found in milk. Milk is a unique product that can sustain life independent of any other food source.

Milk has long been celebrated for its calcium content, but milk is also loaded with a wide range of nutrients, amino acids, minerals, and proteins that provide essential elements for bone development, muscle synthesis, healthy teeth, neurological signaling, enzyme catalysis, hormone synthesis, and anti-body synthesis.

At Glanbia, we package the nutritional value of milk into a variety of products and ingredients. These include cheese, whey protein concentrates, lactose and milk minerals. We produce more than 100 different ingredients derived from milk that are used in food products found in grocery stores and homes around the world, providing nutrition, texture, flavor and structure.

The world needs protein—and whey protein is one of the most bio-available proteins on the planet today

Raw milk contains 3.6% protein. Other sources of protein may lack one or more essential amino acids, making them ‘incomplete proteins’. Milk proteins, however, are among the very best sources of dietary protein in terms of quality and essential amino acids and are considered complete proteins.

Because protein quality is becoming more important for applications in areas such as growth, ageing and sports nutrition, dairy ingredients are an ideal choice to provide nutrition and functionality.

Glanbia's dual response to the nutrition challenge

To sustainably meet the dietary needs of our rapidly growing world population, Glanbia is focusing first on capturing as much value from the raw ingredients as possible and second, on integrating these ingre-

dients into foods that consumers want to eat and that also support their nutritional or health needs.

We believe we are an industry leader in both efficiency and innovation and we are investing to improve our performance in both areas.

More than a decade ago we recognized that the skills and methodologies required to develop innovative products were different from the skills required to be operationally excellent. At that point, we set up our Nutritionals division to focus on core research and innovative solutions development for whey proteins and milk minerals.

As a result, we now have a unique, extensive product portfolio of innovative nutritional and functional ingredient solutions. We have created a strong development capability driven by our customer-centric Collaboration Center (opened in 2009), which will be supplemented by our Cheese Innovation Center (opening in 2013) both located in Twin Falls, Idaho.

In the Collaboration Center and the Cheese Innovation Center, Glanbia's focus is on using milk, whey and milk-derived ingredients to meet the requirements for a wide range of finished food, beverage and supplement applications. Our approach is science-based rapid new product development with targeted external clinical trials in collaboration with our customers.

WHEY PROTEIN APPLYING SCIENCE AND INNOVATION HAS TURNED A WASTE PRODUCT INTO A NUTRITION RESOURCE

In the cheese making process milk splits into curds and whey. The curds become cheese and, as hard as it is to believe now, whey used to be considered a waste product and was spread on agricultural land or used as animal feed. When we began our investment in whey protein research, we recognized that whey had much more potential, but even we have been amazed by how great that potential has turned out to be. Whey can be used in nutritional ingredients and products for infants, athletes, baby boomers and the elderly. It can aid muscle development, fat loss, immunity, performance recovery, heart health and bone health. As a result whey is one of the most bio-available proteins on the planet today and has a key role to play in providing the world with protein.



Collaboration with customers is creating exciting new products quickly that are exactly matched to consumers' needs.

“Glanbia was the winner of the gold medal for reduced sodium cheese at the 2010 World Cheese Championships.”

We continue to invest in whey research and maintain strategic links to universities and clinical research organizations to help advance the leading edge of nutritional science. We are mining the milk stream for each unique fraction or peptide and researching how we can apply those to the needs of consumers.

As our research grows to be even more focused and advanced, we expect to push the boundaries even further of what can be accomplished with this miracle food. Our innovation strategy squarely hits the simultaneous triple bottom line of bringing economic prosperity to our shareholders, dairy patrons, employees and communities, through meeting our societal needs for healthy, complete nutrition, while minimizing impact on the environment by most efficiently and effectively utilizing all the components in the raw milk we receive into our plants.

New Cheese Innovation Center

The success of our whey research and development at our Glanbia Collaboration Center, along with changing customer requirements, encouraged us to replicate this model of innovation and collaboration for cheese. Though we have

always produced high quality cheese products, we have historically had some challenges in quickly responding to changing market needs.

Cheese, like whey, is an excellent source of nutrition. As well as calcium and other essential nutrients, cheese also has high levels of complete protein. American cheddar cheese, for example, contains 14 grams of protein in a 2-ounce serving.

One of the goals for our Cheese Innovation Center has been to focus on reducing the sodium and fat content of our cheeses, while still preserving their great texture and flavor. Glanbia was the winner of the gold medal for reduced sodium cheese at the 2010 World Cheese Championships, so we are off to a good start.

Cheese plays a core role in the nutrition of the American child. ‘Mac and cheese’ and ‘grilled cheese sandwiches’ have been children’s favorites for generations and are stealth ways that parents use to help their kids eat food that provides them the protein and calcium they need for healthy development. We must continue to innovate so new versions of these products meet the changing health needs of our youngest consumers.



Innovation based on dairy's complete nutrition foundation: Milk is an ideal and sustainable raw material from which Glanbia develops a wide variety of nutritional and functional products.

The dairy industry has a substantive body of research underway to investigate how the milk fat in cheese behaves differently in our bloodstream than 'bad fats'. Recent research shows that cheese does not in fact contribute to cardiovascular disease. Cheese is a natural food with one of the cleanest labels on the market and we strongly believe in

its nutritional value. With our own innovation and industry research, we are focusing on and improving this value and helping increase consumer awareness of health, nutrition and dairy's role.

As well as American consumers, we are also focused on making cheese that can appeal to the taste and

traditions of consumers in emerging economies such as Asia, South America, the Middle East and North Africa, as we endeavor to supply these areas with an affordable source of high-quality nutrition.

Our innovations are contributing to healthier people and a healthier planet.



Reducing sugar: Optisol 2000 is a dairy protein-based binding system that reduces sugar in cereal clusters, granola and cereal bars, while simultaneously adding protein.



Reducing food waste: Barflex is an innovative whey protein ingredient providing a functional protein that extends food shelf life.

We have created a range of key breakthrough products that are using the full benefits of whey to provide important contributions for people and for the planet. Here are two examples of how our products are addressing some of the sustainability challenges of our times.

Reducing sugar

A major challenge for lifestyles in the western world is too much sugar in our diets. Glanbia is at the forefront of creating ingredients that address the requirement to reduce sugar while still allowing consumers to enjoy the products they want to eat.

Optisol 2000 is a dairy protein-based binding system that reduces sugar in cereal clusters, granola and cereal bars, while simultaneously adding protein. Rather than binding grains together with sugar, Optisol achieves this with protein.

Our Glanbia Nutritionals Ingredient Technologies' (GNIT) Optisol 2000 binding system for sugar reduction was the winner of an Institute of Food Technology (IFT) 2012 Food Expo Innovation Award. Optisol was one of only four recipients of the prestigious annual award and the only ingredient among the winners. GNIT's Optisol was honored for its outstanding innovation, for providing a solution to a food science and technology challenge and for its benefit to both food

manufacturers and consumers.

The panel of nine judges from industry, academia and government commended Optisol 2000 for its ability to significantly reduce sugars without compromising the quality characteristics of food products. Viewed as an innovative alternative to high-intensity sweetening, the judges also recognized the novel approach of using a whey protein to address the functional challenges associated with low-sugar foods.

Reducing food waste

Another major sustainability issue facing all of us today is how to feed the billions of people on our planet while simultaneously preserving the planet to enable sustainable food production. We can make a good start by not throwing so much food away! Surveys estimate that fully one in three bags of groceries in the developed world ends up in the trash. Part of the reason is the products pass their expiration date. GNIT is developing products that extend shelf life to help address this issue. Our proprietary Barflex product is an innovative whey protein ingredient that provides a functional protein that extends shelf life while maintaining a desired chewy texture in nutrition bars, meeting the needs of our customers and their consumers while reducing overall food waste.





Chapter 4:

Environmental responsibility

38	Environmental performance summary
40	Glanbia's sustainability policy and strategy
41	Environmental reporting format
42	Reduce carbon footprint
45	Reduce water consumption and impact
52	Recycle, reuse, reduce
56	Test, comply, assure
60	Reduce transportation impact

We are working to reduce our environmental impact up and down our value chain, from behind the farm gate of our dairy producers until the product is delivered to consumers. Within our own operations, though, is where we can have greatest impact and this is our primary focus.

Our culture is one of consistently incorporating new technologies that reduce environmental impact and diffusing our 'lessons learned' into all our new projects.

For 2010 and 2011, we set formal goals in 12 environmental areas that we identified as the most material to our customers and other stakeholders and to us as a business.

We achieved significant improvement in all 12 environmental areas, fully meeting or exceeding our goals in 11 of the 12. Our commitment to environmental responsibility runs deep. It is part of our roots and a vital part of our future.

In 2010 and 2011, we achieved significant improvement in all 12 of our targeted environmental performance areas.

Chemical usage

-33%

2-year goal: reduce by 9.8%
2-year result: reduced by 33%



MPG

Truck fleet miles-per-gallon

+17%

1-year goal: improve by 3%
1-year result: improved by 17%



Water consumption

-27%

2-year goal: reduce by 9.8%
2-year result: reduced by 27%



Technical violations

-50%

1-year goal: 'reduce'
1-year result: reduced technical violations by 50% in Idaho, maintained zero violations in New Mexico



CO₂ footprint
-16%

2-year goal: reduce by 5.9%
2-year result: reduced by 16%



Wastewater volume

-18%

2-year goal: reduce by 9.8%
2-year result: reduced by 18%



Hazardous waste

Goal by 2014: have all 4 plants federally certified at lowest level of hazardous waste

2-year result: 3 of 4 plants now certified, 4th in process of certification



Electricity consumption

-10%

2-year goal: reduce by 5.9%
2-year result: reduced by 10%



Waste and recycling

+7%

1-year goal: 'improve'
1-year result: improved recycling by 7%, reduced waste by 6%



Chemical Oxygen Demand (COD)

-19% COD

2-year goal: reduce by 9.8%
2-year result: reduced by 19%

Biochemical Oxygen Demand (BOD)

-16% BOD

2-year goal: reduce by 9.8%
2-year result: reduced by 16%



Air emissions

2-year goal: maintain zero permit violations
2-year result: two consecutive years of zero violations



Natural gas consumption

-5%

2-year goal: reduce by 5.9%
2-year result: reduced by 5%



Our sustainability policy and strategy: Setting outstanding environmental performance as a cornerstone.

Within our GPS program, 'sustainability' is one of our four 'Non-Negotiables'. Sustainability for us means that in addition to strong economic performance and steady innovation, we also reduce our environmental impact and support the communities in which we operate our plants. Our GPS program is helping us build our zero waste culture, including a zero-pollution and zero-environmental-incidents mindset.

Glanbia pursues environmental excellence as an essential element of both our core strategy and our daily operations. We have set outstanding environmental compliance as a cornerstone. Now we are building on that foundation to pursue industry-leading initiatives that enhance customer and shareholder value and fully reflect our concern for the environment and our respect for our communities.

OUR ENVIRONMENTAL GOALS

ENVIRONMENTAL PERFORMANCE AREAS

Reduce carbon footprint

Electricity
Natural gas and biogas
Carbon footprint

Reduce water consumption and impact

Water
Wastewater volume
Wastewater chemicals (COD & BOD)

Recycle, reuse, reduce

Chemical usage
Waste and recycling

Test, comply, assure

Regulatory compliance
Air emissions
Hazardous waste

Reduce transportation impact

Truck fleet fuel

Our environmental reporting format: A true reflection of our performance.

All of the measurements presented in this report are based on consumption or volume per-gallon-of-milk-processed, expressed as a ratio. This provides a true reflection of the performance of our facilities. Most of these environmental metrics have three graphs: (1) the three Glanbia Idaho facilities grouped together; (2) Southwest Cheese New Mexico by itself; and (3) all four plants combined as the Glanbia Total measure.

The challenges vary. Southwest Cheese New Mexico is a state-of-the-art plant with newer equipment and technologies in operation just since start-up in 2005; our Glanbia Idaho facilities have continued to innovate and improve through 20 years of operation. But in all cases, we present and compare 'apples to apples' on a like by like basis, both in terms of performance and challenges.



Clockwise from top left: Gooding, Idaho; Twin Falls, Idaho; Richfield, Idaho; Southwest Cheese, Clovis, New Mexico.

Electricity



Goal

2-year goal:

-5.9%

Reduce electricity consumption by 3% per year (cumulative 5.9%)

Result

Goal exceeded:

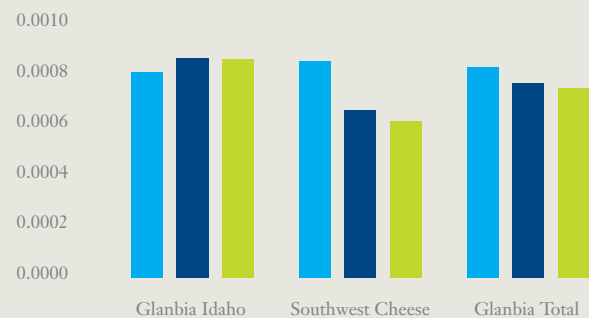
-10%

reduction in electricity consumption across all four facilities

Total electricity consumption

MMBTUs used per gallon of milk processed

■ 2009
■ 2010
■ 2011



What we did

Multi-functional energy taskforce implemented lighting, air compressor and heat recovery projects. Southwest Cheese New Mexico participated in the Energy Star Project.

We incorporated new technologies as part of our 2009 Southwest Cheese New Mexico expansion including using water rather than glycol as a cooling medium, heat recovery projects and lighting use reduction initiatives.

Context and discussion

In 2010, our Glanbia Idaho facilities experienced a slight increase in electricity usage per-gallon-of-milk-processed. This was due to projects undertaken for business or environmental reasons that did not increase production but increased electricity usage. An example of this is the Gooding, Idaho wastewater treatment plant upgrade to reduce our wastewater impact. This project represents good sustainability practice but increased electricity consumption. In 2011, this trend was reversed due to intense project focus on reducing energy.

2012-2013 goals

Reduce energy use 3% per year at Glanbia Idaho facilities.

Achieve Energy Star goal of 10% reduction in energy consumption over five years at Southwest Cheese New Mexico.

Natural Gas



Goal

2-year goal:

-5.9%

Reduce natural gas consumption by 3% per year (cumulative 5.9%)

Result

Goal almost achieved:

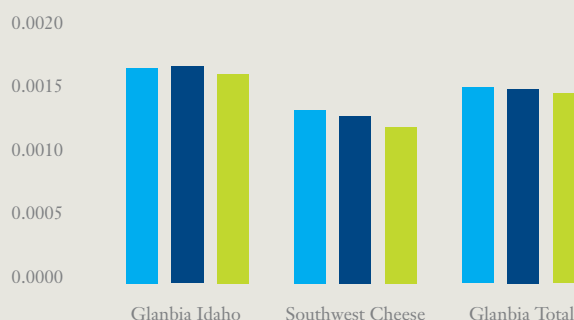
-5.3%

reduction in natural gas consumption across all four facilities

Natural gas/propane/LNG consumption

MMBTUs used per gallon of milk processed

■ 2009
■ 2010
■ 2011



What we did

The wastewater treatment plants we have built in Gooding, Idaho and Southwest Cheese New Mexico generate biogas that would otherwise be flared off as waste. We viewed this as a valuable on-site green resource. We began to use the biogas at the two sites, leading to a reduction of natural gas consumption by 17% for our plant boilers.

Focused Improvement projects have reduced natural gas consumption across all our operations by just over 5%.

In March 2011, our Richfield, Idaho plant began using Liquid Natural Gas (LNG) in lieu of propane. Natural gas is not available in Richfield. Use of LNG rather than propane reduces the intensity of greenhouse gases emitted which in turn reduces the carbon footprint.

Context and discussion

A Focused Improvement (FI) team was commissioned in 2011. The team was chartered to improve biogas collection and enhance the boiler capture of biogas. The team developed many improvements, including reducing the number of blowers, increasing biogas distribution and reducing energy usage. The team was so successful that we are now waiting on government-issued air permit revisions to be completed so our boiler will be allowed to accept all the available biogas and benefit the environment.

2012-2013 goals

Reduce natural gas consumption by 3% annually (cumulative 5.9%). Increase use of biogas at Gooding, Idaho and Southwest Cheese New Mexico.

CO₂ Footprint

Goal

2-year goal:

-5.9%

Reduce carbon footprint by
3% per year (cumulative 5.9%)

Result

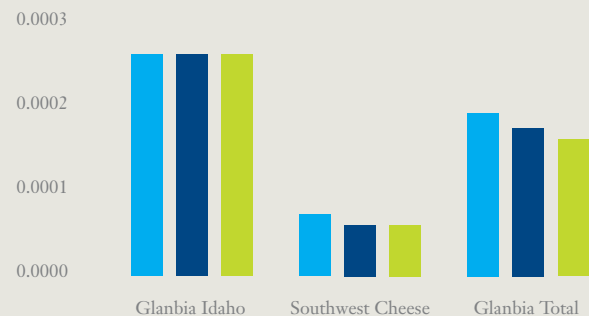
Goal exceeded:

-15.8%

reduction in carbon footprint across
all four facilitiesCO₂ footprint

MMBTUs used per gallon of milk processed

■ 2009
■ 2010
■ 2011



What we did

We implemented projects and taskforces focused on reduction of electricity and natural gas use.

Glanbia does not emit ozone-reducing substances that have been identified via the Montreal Protocol.

Recently, Glanbia eliminated the use of R-22 (refrigeration variant) at the Twin Falls, Idaho plant in favor of more ozone-friendly refrigerants (R-507 variants). All refrigerants are retained in closed-loop systems and are not emitted to the environment.

Focused Improvement projects have reduced natural gas consumption by more than 5%.

Beginning in March 2011, Richfield, Idaho's use of LNG in lieu of propane helped reduce our CO₂ footprint.

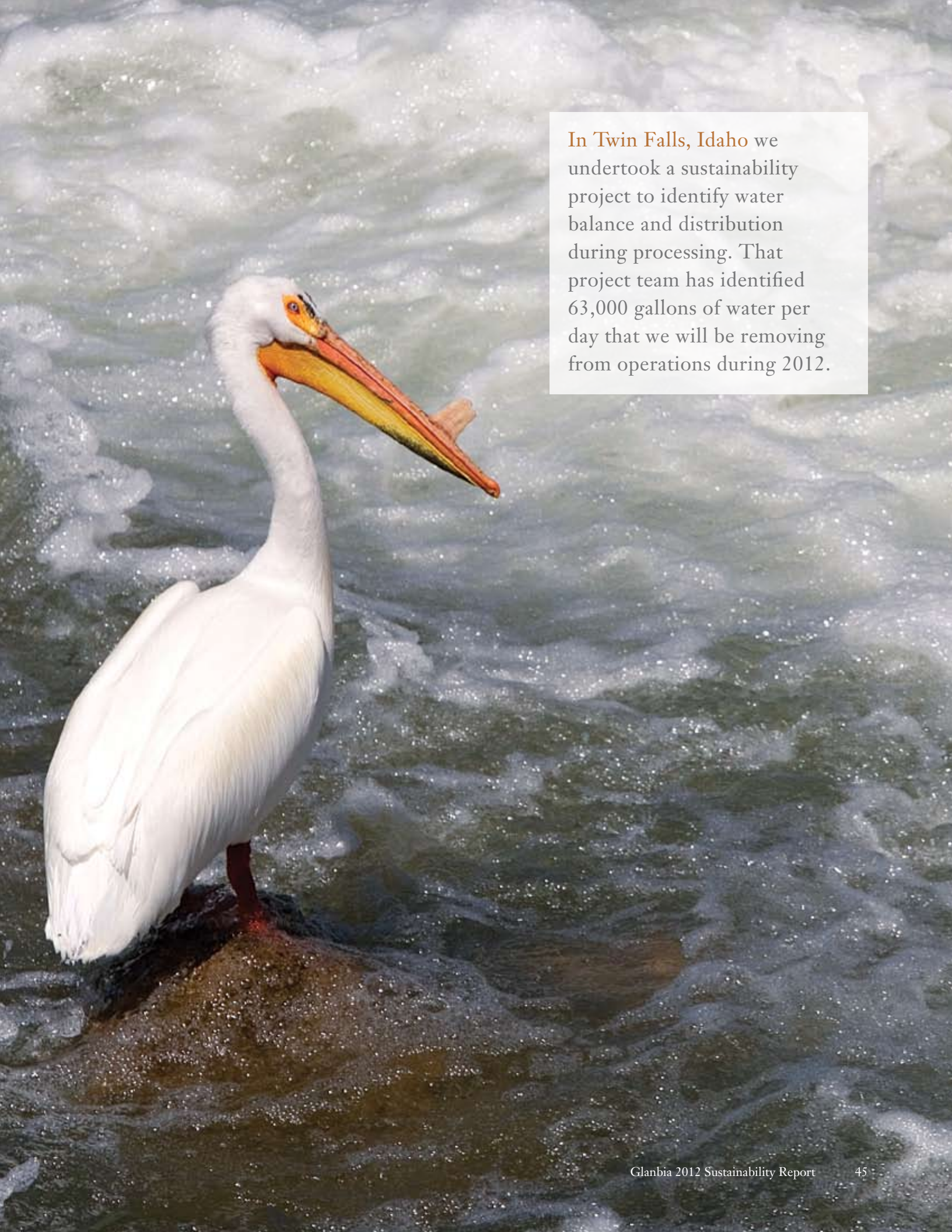
Context and discussion

Global warming is a key concern for many of our stakeholders, and one we take seriously. Since 2007, we have been tracking our GHG emissions to comply with both consumer demands and most recently with a US federal mandate.

2012-2013 goals

Reduce carbon footprint by 3% annually for Glanbia Idaho and 1.5% annually for Southwest Cheese New Mexico.

In Idaho: American White Pelicans are a common bird, shown at right near Twin Falls on the Snake River that runs through much of the state.

A white pelican with a long, orange and yellow beak stands on a dark, wet rock. The bird is facing right, looking towards the viewer. The background is a turbulent, foamy waterfall or rapids, with white water and dark greenish-brown water. The lighting is bright, creating highlights on the bird's feathers and the water's surface.

In Twin Falls, Idaho we undertook a sustainability project to identify water balance and distribution during processing. That project team has identified 63,000 gallons of water per day that we will be removing from operations during 2012.

Water



Goal

2-year goal:

-9.8%

Reduce water consumption by 5% per year (cumulative 9.8%)

Result

Goal exceeded:

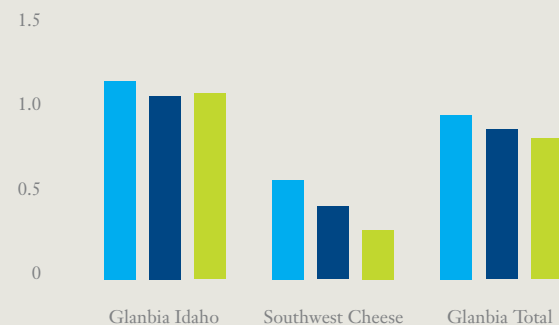
-26.6%

reduction in water consumption across all four facilities

Total water consumption

Gallons of water used per gallon of milk processed

■ 2009
■ 2010
■ 2011



What we did

Glanbia Idaho reduced water consumption by 14%. Southwest Cheese New Mexico reduced it by 49%—saving 350,000 gallons of water per day.

Our Glanbia Idaho facilities reduced water usage through engineering projects to increase polished water recovery and reduction of the use of water as a heat exchange mechanism.

As part of the Southwest Cheese expansion in 2009, we increased our polished water and incorporated design changes to remove numerous inefficiencies. We also conducted loss-focused daily reviews and implemented refined cleaning practices.

Context and discussion

What we have achieved over the last two years in water conservation is one of the Glanbia team's proudest accomplishments. Water conservation is critical for our local communities and we take our

responsibility for that seriously. In our process, milk is received as a raw ingredient. The solids are converted into final products and the water content (approximately 87%) is reclaimed through advanced membrane systems and then used in cleaning and other processes. We call this recovered water 'polished water' and our focus on maximizing it and returning it to the environment is a key component of our water reduction strategy.

2012-2013 goals

Implement a closed loop refrigeration system in Twin Falls, Idaho that will reduce water use by 50,000 gallons per day. Glanbia Idaho overall has a goal to reduce water use by 3% annually, an aggressive target as our operations are at a mature stage.

Southwest Cheese New Mexico, with a different challenge of sustaining already world-class performance, has the goal of maintaining the 49% reduction achieved in the last two years.

Wastewater



Goal

2-year goal:

-9.8%

Reduce wastewater volume by
5% per year (cumulative 9.8%)

Result

Goal exceeded:

-18%

reduction in wastewater volume across
all four facilities

Wastewater volume

Wastewater volume in gallons per gallon of milk processed

■ 2009
■ 2010
■ 2011



What we did

Wastewater in Glanbia Idaho was reduced by 6%; Southwest Cheese New Mexico reduced wastewater by 29%.

We tightly monitored spills and implemented the most efficient use of cleaning flushes.

We installed instrumentation upgrades and visual alarms to alert operators immediately to follow up and rectify issues.

Context and discussion

The Southwest Cheese New Mexico and Gooding, Idaho plants have full wastewater treatment facilities. Wastewater from both of these sites is applied to adjacent farmland as irrigation water after treatment at our on-site facilities.

At our Twin Falls, Idaho plant we send wastewater directly to the local municipal treatment plant (no pre-treatment).

2012-2013 goals

All facilities have a goal to reach the Dairy Handbook target ratio of 1.2.

Southwest Cheese New Mexico met this target in 2010 and continues to improve. Their minimum goal is to fully maintain their current wastewater volume, which has already been reduced to an all-time low. They will work with the New Mexico Environmental Department and the local Clovis wastewater treatment plant to negotiate the discharge permit conditions to allow our treated wastewater to be routed to the City of Clovis for land application to city parks. Southwest Cheese New Mexico is exploring a capital project for this.

Glanbia Idaho is targeting a 3% reduction per year (5.9% cumulative) in all effluent parameters including wastewater volume.

Wastewater concentration



Goal: COD

2-year goal:

-9.8%Reduce COD by 5% per year
(cumulative 9.8%)

Result: COD

Goal exceeded:

-18.9%

reduction in COD

Goal: BOD

2-year goal:

-9.8%Reduce BOD by 5% per year
(cumulative 9.8%)

Result: BOD

Goal exceeded:

-15.7%

reduction in BOD

What we did

We implemented a strong focus on loss reduction, root cause analysis and the institution of permanent fixes.

We divided Southwest Cheese New Mexico into five waste streams and installed automation to report on each one of them.

Cheese processing introduces natural chemical substrate into the wastewater effluent stream. At Glanbia, this chemical substrate is measured with COD (chemical oxygen demand), BOD (biochemical oxygen demand) and TKN (Total Kjeldahl Nitrogen). COD, BOD and TKN are three measurements we use to indicate the level of natural contaminants in our wastewater effluent. These are good measures of a plant's operational and material effectiveness. We monitor them at a regular frequency in each facility and the results of these tests drive focused improvement activities.

Context and discussion

Our Twin Falls, Idaho plant does not measure COD as the city requests that wastewater be tested for BOD instead. The resulting BOD ratio is high because it is tested before it goes for treatment.

TKN is measured at Gooding, Idaho, Richfield, Idaho and Southwest Cheese New Mexico but not at Twin Falls, Idaho per the permit. TKN continues to be a challenge for Glanbia Idaho and an area of strong focus for 2012.

2012-2013 goals

3% per year (cumulative 5.9%) reduction of chemical concentration in our wastewater streams.

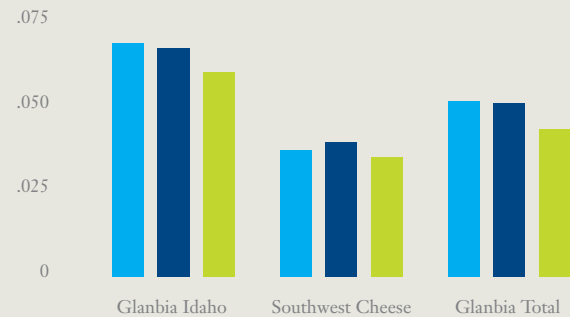
Wastewater concentration



COD

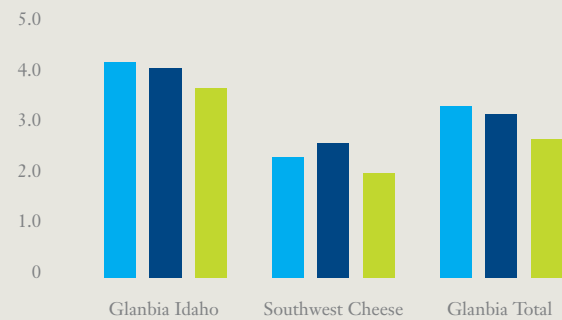
COD pounds per gallon of milk processed

■ 2009
■ 2010
■ 2011



% of milk loss based off COD

■ 2009
■ 2010
■ 2011



BOD

BOD pounds per gallon of milk processed

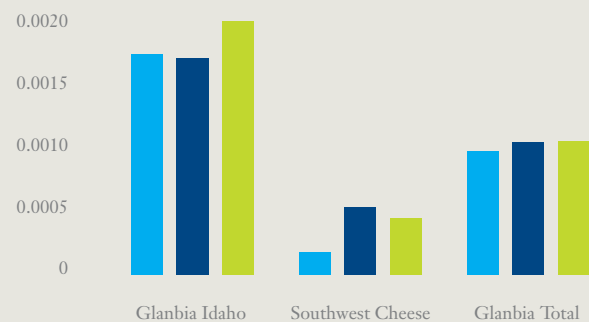
■ 2009
■ 2010
■ 2011



TKN

TKN pounds per gallon of milk processed

■ 2009
■ 2010
■ 2011





NITROGEN LAND APPLICATION AND CROP UPTAKE

Our treated wastewater provides nitrogen for local farmlands.

Three of Glanbia's facilities, Gooding and Richfield in Idaho and Southwest Cheese in New Mexico, land apply treated wastewater onto farmland. Treated wastewater is rich in nitrogen, which when applied in conjunction with a nutrient management plan is beneficial for crops and soil and most of the farmlands require no additional fertilizer.

We sample the soil annually to monitor the effects from the application of our treated wastewater to the farmland. At our Gooding and Richfield facilities, the average nitrogen loading numbers are well within the permit allowance of 150%. All additional nitrogen loading is managed via crop rotation. The permit allowance, which is based on a comprehensive University of Idaho

study, is the optimum amount to grow an effective crop while maintaining environmental integrity.

In 2010 and 2011, Southwest Cheese New Mexico experienced inefficient nitrogen uptake by crops. Clovis suffered extreme drought with the worst weather in the past 109 years with almost no rainfall, very high daily temperatures and wind. The nitrogen values, as a result, reflect these poor environmental and crop growing conditions. Even under these extreme conditions, soil analysis indicated nitrates were well within permit tolerances. Without rain, however, nitrogen uptake in the soil will not improve. Southwest Cheese is resolving this concern by working with the City of Clovis to direct its effluent to the city's wastewater treatment facility.

Nitrogen Uptake	Year	Facility	% Nitrogen Uptake
Building Healthier Soil	2009	Richfield Idaho	133
		Gooding Idaho	107
		Southwest Cheese New Mexico	35
	2010	Richfield Idaho	138
		Gooding Idaho	141
		Southwest Cheese New Mexico	331
	2011	Richfield Idaho	135
		Gooding Idaho	127
		Southwest Cheese New Mexico	435

Chemical usage

Goal

2-year goal:

-9.8%

Reduce chemical usage by 5% per year
(cumulative 9.8 %)

Result

Goal exceeded:

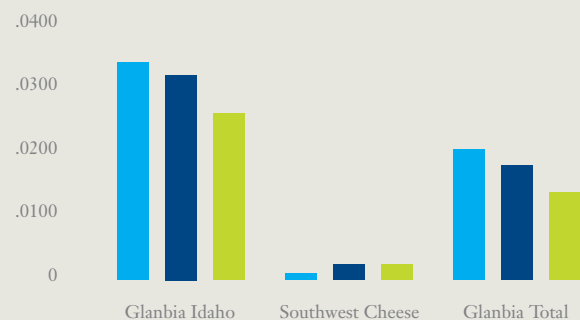
-33.3%

reduction in chemical usage across all
four facilities

Chemical usage

Chemicals used in pounds per gallon of milk processed

■ 2009
■ 2010
■ 2011



What we did

We made major improvements in automation, with all chemical usage reported on a daily basis and all out-of-specification usage highlighted and action taken to resolve any issues arising.

We worked closely with our chemical vendors to support improvements.

A Focused Improvement (FI) team at Southwest Cheese New Mexico identified losses on our high-volume permeate lines and successfully implemented changes to reduce acid usage, reducing acid used for cleaning by 40%.

Context and discussion

We are careful to ensure that reduction in chemicals usage does not impact our standards of sanitation for our plant and equipment.

Cleaning strength is continuously monitored to ensure they are at the optimal usage with no compromise to superior plant sanitation.

2012-2013 goals

Reduce chemical usage by 5% per year (cumulative 9.8%).

Waste and recycling



Goal

1-year goal:

Improve

recycling and build better data systems

Result

Goal achieved:

+7%

increase in our recycling across all four facilities

Recycled cardboard

Pounds of recycled cardboard per gallon of milk processed

■ 2010
■ 2011

* Because we previously had no explicit goals in this area, we set only two goals: to improve and to build better data systems. Data is only available for 2010 and 2011. We will continue to build up our waste and recycling data.



What we did

In Glanbia Idaho, we increased cardboard recycling by 3.5% and metal recycling by 18% while reducing the number of wood pallets by 9%.

We reduced landfill volume by 6% in Southwest Cheese New Mexico and reduced the number of waste collection movements by 14%, reducing truck emissions.

We recycled over 630,000 pounds of cardboard in 2011, an increase of more than 40,000 pounds from 2010.

At all facilities we recycle cardboard, aluminum, oil and print cartridges. At Glanbia Idaho, we also recycle other metals while at Southwest Cheese New Mexico we also recycle plastic and Styrofoam.

Context and discussion

We have identified some gaps in recording our waste data. In addition, we have not actively quantified and tracked solid waste generated at our facilities. We will put in place systems to address these gaps.

After compiling a strong baseline of data, we are planning to set goals to reduce landfill footprint and increase recycling in 2012-13.

2012-2013 goals

Increase our recycling rates; reduce our waste volumes by 2% per year (cumulative 4%).

We have set a baseline goal of increasing the recycled content in our packaging.



RECYCLED CONTENT IN PACKAGING

We reuse some shipping and packing materials and are beginning to increase our recycled content in packaging.

Glanbia facilities consciously choose packaging supplies from recycled or reused components where possible.

Our 40 lb box corrugate material is made from 30% recycled material.

Our 640 lb box is in a reuse scheme where some boxes have been in use 20+ years. After our box is received by the customer and cheese

is used, the box components are sent back to re-conditioning plants and reused.

One of our 640 lb box suppliers was recently added to the Green Tier rank of Wisconsin companies committed to exceeding standards for environmental regulations.

55-gallon chemical drums are returned to the chemical supplier for reuse.

Recycled volumes

Glanbia Idaho

Category	2010	2011
Wood Pallets	3,497	3,198
Cardboard (in lbs.)	361,862	374,406
Metals (in lbs.)	83,001	96,896

Regulatory compliance



Goal

1-year goal:

Reduce

technical permit violations; maintain zero substantive permit violations

Result

Goal achieved:

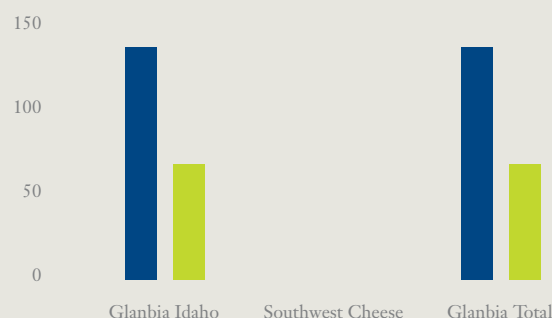
-50%

reduction in technical permit violations; zero substantive permit violations

Technical NOVs

Number of notices of violation received in 2010 and 2011

■ 2010
■ 2011



What we did

We seek to comply with all regulatory permits; any inability to do so is known as a Notice of Violation (NOV). Most are called technical NOVs and occur from simple equipment failure or small food spills. Our policy is to quickly and openly report any non-compliance to the permit-issuing agency. While we view all NOVs as serious concerns, none has ever impacted a National Waterway in the last 10 years or disrupted any city's treatment works.

Glanbia Idaho reduced technical permit violations by 50%. Southwest Cheese New Mexico has never had any technical permit violations.

Glanbia Idaho focused both operating teams and GPS efforts at reducing our NOVs in 2011. NOVs are viewed as one of our 'Non-Negotiables' and we are continuing to work toward fully eliminating all NOVs.

Context and discussion

Despite our significant improvement, in light of the NOVs Glanbia Idaho did receive in 2011, the Twin Falls, Idaho plant is commissioning a capital expenditure project in 2012 to further reduce NOVs. This will achieve greater equalization and retention time for our effluent. We plan to segregate clean effluent streams from chemically-loaded ones and have the latter undergo treatment before entering the municipal treatment plant. Through this project, focused improvement efforts, and greater operational control methods, we will improve compliance and move closer to our goal of eliminating all NOVs.

2012-2013 goals

Maintain zero substantive permit violations, and further reduce technical NOVs.

Air emissions



Goal

1-year goal:

Zero

air emissions permit violations

Result

Goal achieved:

Zero

air emissions permit violations

NO_x, SO_x, and other potential allowable emissions

(in tons/year)

CO: Carbon monoxide

VOC: Volatile Organic Compounds

PM: Particulate Matter

SO_x: Sulphur OxidesNO_x: Nitrogen Oxides

Location	CO	VOC	PM	SO _x	NO _x
Twin Falls Idaho	4.54	0.43	0.85	2.23	26.94
Gooding Idaho	37.76	2.47	3.41	0.27	44.90
Richfield Idaho	8.86	0.90	8.98	4.71	54.16
Southwest Cheese New Mexico	106.00	27.10	21.40	174.30	45.30

What we did

The manufacturing of whey and cheese results in the emission of gases into the atmosphere. Though Glanbia is not required to have in-line monitoring of our air emissions, we nonetheless conducted an engineering study to determine the “potential to emit”. These figures represent the maximum air emissions Glanbia Idaho facilities are capable of when operating at full capacity. Southwest Cheese New Mexico holds a minor source air permit that is currently under a technical revision to increase usage of biogas to our processing plant boiler. Our systematic daily operational controls helped assure no permit violations.

Context and discussion

While we are pleased to have succeeded in having zero air emissions permit violations of any type from 2009 to 2011, our challenge is to continue to maintain or reduce our minimal air impact. Glanbia engineers are committed to performing an air impact study for each process that could potentially improve our air emissions status, and collectively we are all striving to maintain our record of zero air emissions permit violations.

2012-2013 goals

Both Southwest Cheese New Mexico and Glanbia Idaho have the goal of maintaining zero air emissions permit violations.

Our hazardous wastes are low and we are driving them to zero.

Glanbia is committed to reducing hazardous waste generation at our sites. Though the manufacturing process does generate some hazardous waste, we seek to minimize it. Further, since our GPS goal is zero waste, hazardous waste presents itself as an ideal front for sustainability initiatives.

Three of our four facilities are classified as having the lowest hazardous waste footprint. The Twin Falls, Idaho, Richfield, Idaho, and Southwest Cheese New Mexico facilities are classified as CESQG (Conditionally Exempt Small Quantity Generators). This is the smallest categorical footprint available under

the federal government's RCRA (Resource, Conservation, and Recovery Act) rules and regulations.

Gooding, Idaho is the only Glanbia location to be classified as a SQG (Small Quantity Generator). This is the middle categorical footprint available under RCRA rules and regulations.

The Gooding, Idaho facility is committed to reducing its waste in order to become a CESQG. With the additional environmental staff now at that location, our goal is that Gooding will become a CESQG before 2014.



Truck fleet Miles-Per-Gallon



Goal

1-year goal:

+3%

Increase truck fleet MPG by 3%

Result

Goal exceeded:

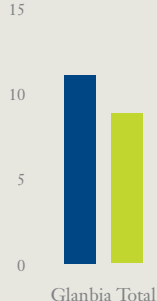
+17%

improvement in truck fleet MPG
for Glanbia Total

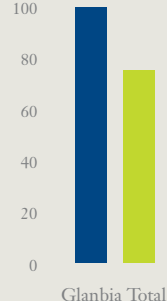
Truck fleet MPG



Truck fleet
% idling
time



Truck fleet %
of base year oil
consumption



What we did

We revamped our transportation department and only began collecting a full range of truck fleet data in 2010. As part of this major initiative, we implemented a range of programmatic improvements including route optimization, idle time reduction (from 11% to 8%), improved technology, installation of navigation units to monitor truck locations, speeds and engine activity, increase of service intervals (resulting in a 25% reduction in oil consumption), tire management programs and installation of aerodynamic trailer flares. Together these efforts helped us improve our truck fleet miles-per-gallon from 4.1 to 4.8.

Context and discussion

Transporting milk from a farm to a processing facility is an essential part of our operation. In Idaho, 100% of our patron dairies are within a 100-mile radius of our plants, with over 85% of our milk volume within just 36 miles. In New Mexico, 100% of our milk supply is within 100 miles and 60% is within just 10 miles of our plant. This proximity is a key factor in making our milk hauling per pound of product among the lowest in the world.

2012-2013 goals

Increase truck fleet MPG by an additional 7% per year (cumulative 14.5%).

In addition to ongoing work with all existing MPG improvement projects, in 2012 we are planning that all truck engines will be replaced with new motors that discharge fewer emissions, service intervals will be increased even further and we will be undertaking experiments with alternative fuels.



All our dairies are close—and we have improved our trucks' MPG by 17% in one year. Proximity and improving MPG are the key factors in making the environmental impact of our milk hauling per pound of product among the lowest in the world.

+17% MPG

2012-13: Improve our truck fleet's MPG by an additional 7% per year (cumulative 14.5%).



Chapter 5:

Commitment to our suppliers and the dairy industry

64	Best practice dairying
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66	Manure management
68	Dairy footprint
72	Technology use in dairy
74	Funding dairy research and education
76	Collaborating to solve dairy industry sustainability challenges

Our milk suppliers are vitally important to us, as is a dairy industry that assures the healthiest animals, the highest quality milk and continuous improvement in its environmental impacts. We like to say that milk is the blood that runs through our veins and at Glanbia we are heavily involved in supporting our producers and the wider dairy industry.

The lifecycle environmental footprint of dairy farming has been dramatically reduced over the past two generations, and we are strong collaborators with the Innovation Center for US Dairy in projects that are helping to continue this positive trend. Many of our own producers are showing the way with innovative sustainability projects including solar power systems and methane digesters. Whether on small traditional farms or large-scale ones, our animals are well cared for and environmental impacts are managed carefully. Finally, our commitments to dairy research and to the education of future dairy leaders are helping continue dairy's tradition of sustainably nourishing the world.

BEST PRACTICE DAIRYING

Sustainable dairies come in all shapes and sizes.

Our dairy processing operations in the US and Ireland have farms of all shapes and sizes in their milk supplier bases. As a result, best practice dairying is specifically customized for each region in which we operate.

In Ireland, for example, frequent rain produces abundant grass for grazing, and raising cows on pastures like the one pictured here is the most sustainable dairy practice. In Idaho and New Mexico, on the other hand, high desert climates where water is scarce means that irrigating to grow grass to graze cows would be less environmentally responsible. Thus, large-scale dairies like the one in Idaho pictured to the right represent the most appropriate environmental practice.

As a global dairy company, we recognize that latitude exists in farm size but we do

not compromise on milk quality or animal welfare. The high quality milk we require can only be produced by attention to detail by our farmers and high standards of animal care. The farming model that supports our plants in Idaho and New Mexico is primarily large-scale dairy farming. Feed is provided by locally-grown forage, such as alfalfa and corn silage, which is supplemented by corn and other crops from different regions of the US. The lifecycle environmental impact of growing some crops far from our plants where water is plentiful is smaller than growing them in our regions, even after the environmental impact of transportation is factored in. GHG emissions, water and waste are critical environmental concerns that we are actively managing and improving our performance on year-over-year.



“Milk is the blood that runs through our veins.”



Our farm sizes vary, but our commitments to milk quality and animal well-being are absolute.

“Our dairy producers regularly implement the newest best practices and technologies on their dairies to ensure animal welfare is a top priority.”

Animal welfare

Animal welfare is a guiding principle for our suppliers, as our dairy producers understand the best quality milk comes from cows that have been well cared for. Our dairy producers regularly implement the newest best practices and technologies on their dairies to ensure animal welfare is a top priority.

While we have confidence that our dairy producers are working hard to maintain animal welfare on their farms, Glanbia also ensures we are independently verifying this. Animal welfare checks are performed on a quarterly basis on each farm via Glanbia’s field representatives—our employees whose job is to check animal well-being and act as a communication link between the farms and our management team.

Our animal welfare checks include both visual assessments of animal health and housing conditions, as well as inspections of milking procedures, feed quality and labor management. This guarantees the integrity of the care for the animals that supply the central ingredient for our dairy products. These quality checks by our Glanbia field representatives are in addition to the quality assessments performed by the state’s Department of Agriculture. In 2010 and 2011, 100% of our dairy producers met or exceeded the animal welfare standard.

Animal welfare is regarded with the utmost seriousness at Glanbia. Many of our dairy patrons are happy to open their farms to consumers at any time to show off the hard work that goes into producing our milk every day and to display the level of care they give their animals.

Manure and waste management

Manure and waste management from farms is a key concern many stakeholders have in relation to large dairies. Idaho has an award-winning state program to ensure strong regulation of this area. Idaho dairies are inspected on average 2.5 times per year. Glanbia receives and monitors documentation relating to all these inspections for each of our dairies. We particularly focus on discharge violations; Idaho has one of the most rigorous requirements around discharge violations in the country. In many other states, dairy-men can only receive a discharge violation if they discharge into a waterway. In Idaho, the violation applies whether the discharge is onto land or into water. We are proud to report that in 2010, 98.8% of our dairy suppliers achieved zero discharge violations and in 2011, 99.1% of all our suppliers achieved zero discharge violations. More broadly beyond discharge violations, 98.6% of all our producers in 2010 had zero manure management repeat noncompliance violations of any kind and 97.9% had none in 2011.

SOLVING CHALLENGES
SCALE AS A PATH TO SUSTAINABLE



Systematically analyzing and working toward sustainability.

New Mexico and Idaho have the largest and fifth largest average herd size in the nation respectively. Their cows are also among the most productive, with New Mexico ranking first and Idaho seventh in milk per cow. This high level of productivity means our GHG emissions per gallon of milk processed are among the lowest in the US.

Such large, productive farms also allow our suppliers to embrace new technologies and innovate in many aspects of their business, including sustainability.

At the same time, this scale dairy model also presents challenges in terms of animal welfare and manure management. Our producers are committed to best practices in both these areas and are demonstrating that well-managed scale can provide effective solutions. Collectively we are using our scale to produce the enormous volumes of nutrient-rich food required by the world in ways that are sustainable for the earth and for the animals in our care.

Dairy's environmental footprint has been shrinking dramatically and the world needs us to continue this trend.

2%

The dairy industry contributes less than 2% of all GHG emissions in the US.



79%

fewer animals required for modern dairy practices than dairying in the 1940s.



63%

The carbon footprint of a gallon of milk produced in the US in 2007 was 63% less than it was in 1944.



65%

less water required for modern dairy practices than dairying in the 1940s.



77%

less feed required for modern dairy practices than dairying in the 1940s.



90%

less land required today compared to 1940 to produce the same amount of milk.



According to the FAO, in 2050 the world will require 100% more food because of our increased population and the growing middle class.

Due to constraints on natural resources, 70% of this food production will have to come from efficiency-improving on-farm technology.

Though this seems challenging, the dairy industry already has a great track record of improving productivity using technology and best practices.

"FAO" is the Food and Agriculture Organization of the United Nations. Comparisons of environmental impact between modern dairy practices and those of 1944 based on J. L. Capper, R. A. Cady, & D. E. Bauman, *The environmental impact of dairy production: 1944 compared with 2007*, Journal of Animal Science, June 2009.

SOLVING CHALLENGES
IDAHO DAIRY POLLUTION PREVENTION INITIATIVE



Public-private partnership to prevent pollution.

Since the mid-1990s, Idaho has successfully managed dairy waste on all dairies with a comprehensive statewide program. The Idaho Dairy Pollution Prevention Initiative is an unusual public-private partnership formed to resolve environmental challenges not fully addressed by national and state regulations. Through the program, Idaho Department of Environmental Quality, Idaho State Department of Agriculture (ISDA), University of Idaho and Idaho Dairymen's Association work together with the Environmental Protection Agency (EPA) to effectively manage dairy waste in Idaho.

In 1995, about 25% of all Idaho dairies discharged waste into roadside ditches, streams and groundwater. About 70% of the violating herds were under the 200-cow minimum for regular EPA inspections. These herds were only inspected when a complaint was filed. The Idaho dairy industry wanted to address this issue. They capitalized on the frequent presence of ISDA inspectors and expanded their role. Each dairy and its waste storage and handling system would now be inspected for compliance at least annually. State legislation and rules were developed in early 1996

to provide ISDA with authority to require full containment of dairy waste. Under the new rules, dairies found to be in noncompliance cannot sell milk until they agree to implement a plan for corrective action. Inspections on all dairies now average 2.5 times per year, with more frequent inspections for dairies not in total compliance.

The results have been significant. Discharge violations have dropped from 25% of all dairies in 1995 to currently under 1%. Unlike most states, all Idaho dairies, even the smallest, are inspected and thus included in the compliance statistics.

The Idaho Dairy Pollution Prevention Initiative was recognized in August 1998 with Vice President Al Gore's Hammer Award for reinventing government. In 1999, EPA awarded Silver Medals to the EPA employees who had contributed significantly to the development and implementation of the partnership. The initiative was also named a semifinalist of the Innovations in American Government Award, sponsored by the Institute for Government Innovation at Harvard University's John F. Kennedy School of Government.



QUALITY PATRON OF THE YEAR

A passion for quality that has been rewarded twice.

In 2011 the Ted Baar Dairy was the recipient of Glanbia Foods' highest honor, Quality Patron of the Year. As winners, Ted Baar, Jr., and his wife Kim also received two all-expense-paid tickets to Ireland, Glanbia's headquarters...for the second time. "My wife found out in advance but kept it quiet. During the event, I started to see what was happening and that's when it hit me. Okay, I am the winner, that's great!" Baar said. Baar is Glanbia's first-ever repeat winner, winning this same award back in 1993. Each year, the award rotates between recognizing small, medium and large dairies, and this year medium dairy operations were considered.

The suppliers are assessed on the strictest quality standards over the course of the year, and Baar's 700-cow facility in Jerome, Idaho led the way through a great deal of hard work. "I couldn't have won this award without my long-term employees who understand the value of quality milk and animal health. I also have to give thanks to my Dad and Mom for teaching me that quality matters, along with my vet and nutritionist," said Baar. "Long-term relationships and dedication to quality always pay off." The Baar family has been in the dairy business for three generations and has been a patron of Glanbia for more than 20 years.

“I could not have won this award without my long-term employees who understand the value of quality milk and animal health.”

Dairy farmer Ted Baar, Jr.



It is critical that we meet the current generation's food needs—while ensuring that future generations can do the same.

“The CO₂ footprint for a gallon of milk produced in the US has been reduced by 63% since 1944.”

UN Food And Agriculture Organization (FAO)

Technology use

At the heart of sustainability and social responsibility for us is the role of technology on the dairies that supply milk to Glanbia. Our approach to the use of technology for the milk that goes into our cheese and dairy products is first and foremost to be certain that the technology is safe and sustainable. After that, the specific products we offer are based on what the market requests. Within our portfolio, we offer a range of products made from organic milk, traditional milk, milk from cows designated as being treated with rBST (bovine growth hormone that has been FDA-approved as safe but has raised some consumer concerns) and milk that is rBST-free.

Ensuring wholesome, safe food for our customers is our number one priority and it is central to all company operations and supply programs.

As the global population grows, the land, water, nutrients and other resources needed to produce food will increase. Therefore, we believe the most responsible position we can take is to assess all the emerging agricultural technologies, and scientifically determine which ones are safe and sustainable. Then our

producers and suppliers have the flexibility they need to embrace any of those safe and approved agricultural technologies when and as they choose, as a means of helping us produce the most nutritious food while using the fewest resources.

From Glanbia's perspective, that means that on-farm technology needs to continue to improve to obtain more milk from each cow. While increasing efficiency, we can also increase sustainability and decrease the environmental impact that comes from producing our products.

A focus on sustainable practices

The fact that we are partnered with such large, efficient farms allows our supply base to embrace new technologies and to be innovators in many aspects of their business, including sustainability. Although our dairy farmers aren't directly tied to our internal sustainability efforts, we feel proud of their initiative and want to celebrate some of the sustainable practices our dairy farmers are implementing on their own that increase energy efficiencies, reduce waste, save fuel, lower operating costs and reduce environmental impacts.

RUSSELL VISSER
BIG SKY WEST DAIRY, GOODING, IDAHO



A big dairy making a big difference with digester diligence.

Running a 4,700-cow dairy east of Gooding, Idaho, Russell Visser knows you cannot have milk without cows, cows without manure, and milk and manure without a good plan, which for Russell includes a methane digester.

“We have a two-fold purpose with our digester,” Visser explained. “One is to reduce odor on the dairy and be a good neighbor; we don’t want to ruin anyone’s barbecue night. The second is to be good stewards of our land. We achieve this with a digester and that feels good.”

Big Sky West Dairy’s anaerobic digester uses a biological process much like the natural digestive system, breaking down organic matter to produce methane gas. The gas powers two large generators that produce electricity. Beyond power, manure is also a sustainable product with multiple other uses. “We dedicate full-time resources to managing our manure pre- and post-digester,” Visser said. “Being a large dairy operation sometimes gets a bad name for not being ‘green.’ But we have dedicated people focused on making sure we are doing the best job we can in this area, period.”

Through the digester, the manure is converted into 1.2 megawatts of electricity, sold to Idaho Power. This is enough energy to power 900 homes for a year. In addition, Big Sky West produces 34,000 cubic feet of ammonia-free fiber that is sold at retail as a natural landscape fertilizer. This new product is an alternative to peat moss or compost, helping prevent peat bogs from being overharvested.

Meanwhile, 40 percent of the solids from the digester provides for the cows’ bedding needs. This reduces costs and increases cow comfort. Finally, the fluid that comes out of the digester is returned to the farmland as an organic fertilizer for the crops they grow for their own dairy cows.

“It’s incredible how it’s a win-win-win-win,” Visser continued. “We produce electricity, use the liquids as fertilizers, use the solids for animal bedding, all while reducing odor and lowering our carbon footprint. God calls us to be good stewards of the land. I live on my dairy with my family and I take this seriously.”

Glanbia has pledged \$750,000 to fund dairy research in three important centers in three different states.



\$350,000

pledged to South Dakota State University over a 10-year period.



\$250,000

pledged towards building INCLES, a cutting-edge dairy research center in Idaho.



\$150,000

to support the University of Wisconsin's plan to create a new world-class dairy research and education facility.

Glanbia believes dairy research and the development of young dairy leaders are two key enablers for the sustained future success of the industry. We maintain strong ties to universities in Idaho and New Mexico and support research in other key dairy states. The three initiatives that we are currently supporting are different but all contribute to ensuring the long-term success of a vibrant sustainable dairy sector.

South Dakota State Jackrabbit Dairy Council

On a collegiate level, Glanbia's sustainability work translates into investing in tools for students to learn how to operate and succeed in a dairy environment focused on quality and innovation. In 2010, Glanbia pledged \$350,000 to South Dakota State University over a 10-year period to help develop and build a new dairy production and research and development center in Brookings, South Dakota. John Lanigan, Senior Vice President at Glanbia, is an active member of the Jackrabbit Dairy Council and helped establish an agreement with the University that all students attending from Idaho will receive tuition on an in-state basis.

Idaho National Center For Livestock And Environmental Studies (INCLES)

Glanbia is investing in a project designed to launch the Magic Valley around Twin Falls, Idaho to the

top of today's cutting-edge dairy research. INCLES—the Idaho National Center for Livestock and Environmental Studies—is a proposed dairy research center being designed to assess the environmental impact of Idaho dairies and implement various methods to reduce their carbon footprint. Because of the principles that guide sustainability at Glanbia, our decision to pledge \$250,000 towards building this research center came naturally. While INCLES continues its capital campaign, we are looking forward to our partnership with the center to do our part in helping our area's most significant industry.

University of Wisconsin Center For Dairy Research

The University of Wisconsin Center for Dairy Research (CDR) has long been home to excellent dairy research scientists and their short cheese courses have helped bring knowledge to many in the industry. The facilities there, however, have not kept pace with changes in the industry, with no renovation since the plant was built in 1950. CDR has recognized this and put together an ambitious plan to upscale its facilities, training center and equipment, ensuring that the facilities are keeping up with the scientists. Glanbia has committed to support the University's plan to create a new world-class dairy research and education facility in the proposed new Babcock Hall.

HARRY HOOGLAND
KOWZ R US DAIRY, CASTLEFORD, IDAHO



Solar savings shine.

The reflection shining off the solar panels in front of Harry Hoogland's 2,100-cow Idaho dairy will catch your attention on a sunny day. The 30-panel unit, installed in January 2012 by Renewable Energy Northwest, is this fifth-generation dairy farmer's conscious effort to find ways to reduce his carbon footprint. It's also one of the first on an Idaho dairy.

"It's important to be at the forefront of environmental issues," Hoogland said. "I've always been receptive to new ideas, trying things differently, getting better at being a dairy farmer and being aware of what's around me."

The panels collect solar energy and use it to heat well water to temperatures needed to clean milking systems in the barn, wash milk silos and sanitize calf milk bottles. Before this new solar system was installed, water was heated by propane, a source of carbon emissions. Now, an on-demand electric water heater is all that is needed to supplement the solar system during cloudy days and at night, resulting in a dramatically lower carbon footprint from this critical process of the dairy.

"Initially, it was the cost savings that captured my attention," Hoogland said, "but I think it's a

great benefit that I can also lessen the farm's environmental impact."

After combining an Idaho Power grant and a United States Department of Agriculture (USDA) Sustainability grant, purchasing and installing the panels was actually a minimal investment for Hoogland. The panels have a 20-year life span and the pay-back on the investment is seven years.

"Right now, we're only using the solar energy captured for half of the day because of our water tank size," Hoogland explained. "Once we install a 1,000-gallon hot water tank, we will reduce the need for the supplemental on-demand electric water heater and have enough hot water for both day and night shifts. That's exciting."

Hoogland has made other notable efforts to reduce his dairy's carbon footprint and be a responsible steward of the land through his nutrient management program and composting efforts on his farm. "Sustainability to me is continuously improving the land and animals around you. It's for the betterment of your farm and your community."

We are actively collaborating to solve the sustainability challenges in the dairy industry.



“Dairy Management Inc., and the Innovation Center showed real leadership in establishing the Sustainability Council to address both consumer perceptions and the environmental challenges for US dairy. The science-based multi-stakeholder approach, supported by research and development and the ambitious commitment to GHG reduction makes this an exciting initiative that Glanbia is very proud to be a part of.”

Niamh Kelly

Vice President of Strategy, Glanbia Foods, Inc.

Member of the Innovation Center for US Dairy Sustainability Council

We take pride in our dairy producers and their forward-thinking practices. It inspires us in our commitment to sustainability when we realize those closest to our food source have sustainable practices close to their hearts.

Though the US dairy industry contributes less than two percent of total US greenhouse gas emissions, there is a significant level of concern from consumers and other stakeholders about the environmental impact of the dairy industry.

Glanbia is focused on minimizing the environmental impact of our own operations and we have made significant in-roads in achieving important reductions. However, the actual processing of milk into cheese and whey products accounts for just six percent of the total lifecycle GHG impact of dairy products.

Over 70% of the lifecycle GHG emissions for dairy in the US are generated behind the farm gate, with over 20% in the production of

feed for the cows and over 50% in the production of the milk itself.

Though many of our farmers are engaged in individual activities at the farm level, it is clear that a more concerted comprehensive effort is required to achieve meaningful reductions.

Glanbia is proud to be part of an industry-wide, multi-stakeholder approach that represents this concerted effort. We are members of and strongly support the Sustainability Initiatives of the Innovation Center for US Dairy.

The Innovation Center defines sustainability as “providing consumers with the nutritious dairy products they want, in a way that makes the industry, people and the earth economically, environmentally and socially better—now and for future generations.”

This is a vision we are happy to endorse as it aligns closely with our own sustainability philosophy.



A VISION FOR THE DAIRY INDUSTRY

Finding opportunities for innovation and growth.

The Innovation Center for US Dairy provides a forum for the dairy industry to work pre-competitively to address barriers to and opportunities for innovation and sales growth. The Innovation Center aligns the

collective resources of the industry to offer consumers nutritious dairy products and ingredients, and promote the health of people, communities, the planet and the industry.

Our commitment is to be an industry leader in sustainability.



“Sustainability and conservation make good business sense. Consumers want affordable, high-quality products produced in ways that protect natural resources and the communities and people they touch. As a farmer, and as chair of both the Innovation Center Sustainability Council and Southwest Cheese, I see sustainability initiatives in action at many points in the supply chain. I am excited about the progress being made on all of these fronts.”

Mike McCloskey

Co-Owner, Fair Oaks Dairy
Chair, Innovation Center for US Dairy Sustainability Council
Chair, Southwest Cheese

The commitment of the US dairy industry to reduce GHG emissions by 25% by the year 2020 is the equivalent of taking 1.25 million passenger cars off the road each year.

The Sustainability Council has chartered a range of project teams to develop ‘a roadmap to reduce greenhouse gas emissions and increase business value’. The roadmap outlines a portfolio of high-priority projects that are estimated to increase business value by \$238 million and reduce GHG emissions by approximately 11%, nearly half of the ambitious 25% goal.

These projects are broad-ranging and address sustainability issues at all stages of the lifecycle from ‘cow to consumer’.

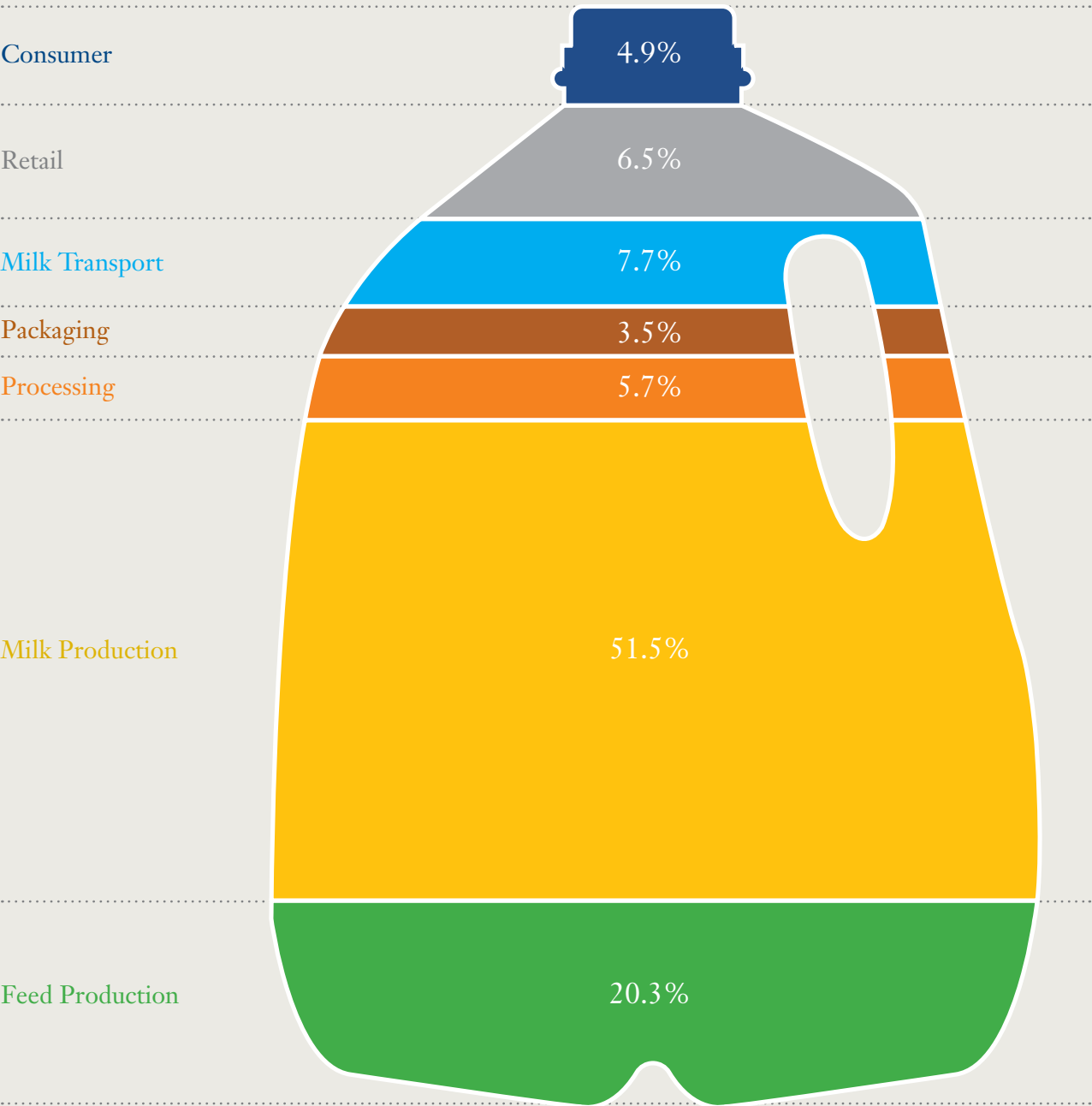
As well as carrying out projects to reduce environmental impact, the Sustainability Council has been rigorous about establishing a

concrete baseline of accurate data about the environmental impact of dairy as well as helping align public perceptions with that data.

Glanbia has been heavily engaged in these efforts, as well as in the cheese lifecycle analysis (LCA) project, submitting data from our Idaho and New Mexico plants for the project. The preliminary industry LCA average for cheddar is 8.3 pounds of CO₂ per pound of cheese produced, and the total water LCA footprint for the same block of cheese is 95 gallons of water per pound of cheese produced.

The LCA for cheese has been peer reviewed by experts and submitted to the International Journal of Life Cycle Assessment. This is critical in establishing confidence within the scientific community and among other stakeholders and responsible critics.

Greenhouse Gas Emissions: Across its entire lifecycle, the production of one gallon of fluid milk emits 17.6 pounds of CO₂ equivalent. Here’s the percentage of those GHG emissions associated with each gallon of milk, from farm to table.



Greenhouse Gas Emissions of Fluid Milk in the US, University of Arkansas, 2010. Based on environmental and consumption data from 2007-2008. Natural variability in data ranges from 15.3 to 20.7 lbs CO₂e. The total fluid milk carbon footprint is approximately 35 million metric tons, with a 95% confidence range from 30 to 45 million metric tons.



Chapter 6:

Commitment to our people and our communities

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At the heart of our journey of growth and sustainability are the people who work in our operations and who live in our local communities. Farming and dairy co-operatives have always been central to rural communities and are integral to our long dairy heritage. We are major employers where we operate and vital economic contributors. Our role extends from creating satisfying work to helping to improve the lives of those people who live close to our operations, through volunteering and sponsorship of projects that make a difference.

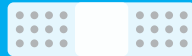
The cornerstone of this is to keep people safe and to minimize our environmental footprint. This helps us to ensure that everyone goes home to their families each night and that we are managing resources in a sustainable way for future generations. Our people with their integrity and accountability, in collaboration with our local communities are central to who we are as a company.

We are putting into action our genuine commitment to our people and our local communities.

Injuries reduced by more than

21%

since 2009



Lost-time rate

3.5

per 200,000 hours worked



Employee turnover reduced by

62%

at Glanbia Idaho since 2005 and by

40%

at Southwest Cheese New Mexico since it came into full operation in 2007



Supporting our communities

\$2M

donated to over 20 local Idaho charities since 1991



Schools

\$2.5M

pledged to the Clovis Municipal Schools Foundation, donated at \$100,000 per year for 25 years



Recognizing our farmers

274

trips to Ireland awarded to dairy farmers for quality milk production



Nourishing our communities

6,000+ lbs

of fresh vegetables grown in the Gooding Community Garden and donated to local food banks and worthy groups



Scholarships

\$10,000

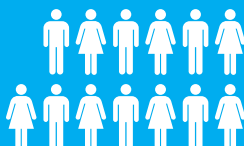
annually for four scholarships for children of employees and patrons



Number of employees

13

graduated from our two-year team leader certificate program



Jobs created

192

new employees added since 2009



We are first and foremost committed to the safety of our people.

OUR FOUR NON-NEGOTIABLES

1. Safety
2. Quality and food safety
3. Sustainability
4. Housekeeping and sanitation

Safety

At Glanbia we are guided by a set of core beliefs we describe as our ‘Non-Negotiables’. They define the operational values and foundational principles of GPS. Our ‘Non-Negotiables’ when combined with ‘Engaging Everyone Everyday’ create the parameters that enable all Glanbia employees to make both day-to-day decisions and longer-term decisions that ensure ‘we do the right things in the right way’.

The health and safety of every employee is paramount at Glanbia. Every employee is expected to take a leadership role in eliminating injuries. We are convinced that all injuries are preventable and all operating hazards that have potential to result in injuries or occupational illnesses can be controlled. Employees must place a conscious and individual importance on their own safety and the safety of the people with whom they work. Simply stated, working safely is a requirement for employment at Glanbia.

Safety performance

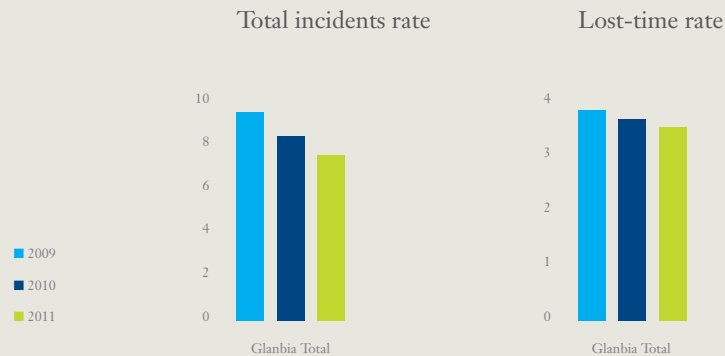
In 2010, the leadership team at Glanbia established our four ‘Non-Negotiables’ and took a hard look at our safety performance across the operating units. We established several programs that were best

practice and we began our formal journey to zero injuries. These programs were integrated into the Safety Pillar of our GPS program at each Glanbia site and were the cornerstone of our employee engagement effort. So far, the decrease in injuries and in the seriousness of those injuries has been compelling. But, we have more work planned and we believe that full engagement by all our employees can result in zero injuries.

Our safety performance has improved each year since 2009. We have reduced all injuries by more than 20%—and we have lowered the number of lost-time injuries by 10%. Our current lost-time rate is 3.48 per 200,000 hours worked, which is better than average in our industry. However, we are still not yet at a world-class rate, and we are still not at zero. So, while we are encouraged by the progress we have been making, we are fully dedicated to working even more diligently to achieve ever-lower rates and we fully believe we can achieve zero injuries.

The safety performance reported here represents all four Glanbia sites. At our three Idaho plants, our safety rates are particularly low and have shown steady and substantial improvement. In our Southwest

Safety: Over the past two years, we have reduced our total incidents rate by 21% and our lost-time rate by 10%.



Cheese plant, however, despite best-in-class facilities, it has been challenging to achieve world-class safety performance. This is because of a relatively new workforce there with less experience with complex manufacturing than our employee base in Idaho, where we have many employees who have long tenure with the company.

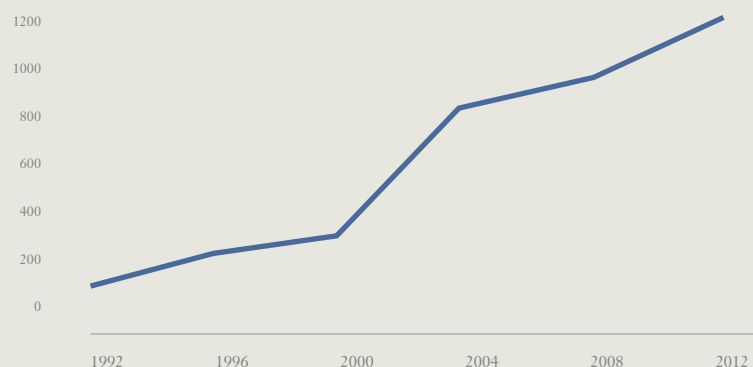
We have made significant progress in reducing the severity of injuries at all four of our sites and in building a culture of safety and of trust about reporting safety issues. We will not be satisfied with our performance, however, until we attain world-class performance in this area. We are focused on ensuring the lessons learned from our Idaho operations

are integrated in a systemic way into our Southwest Cheese New Mexico facility to achieve this high level of safety performance across all of our sites.

Employment growth

We have added jobs every year for each of the past 20 years, despite a challenging economic climate since 2008.

Total number of employees: 10-fold growth over 20 years.



We have a deep commitment to growing employment and to developing all our people.

Training and development

Glanbia has a strong track record of management and leadership development. We have a number of key programs that have been independently developed and tailored to give our employees the skills to perform to the best of their abilities and to equip them with the right

skills to move to the next level of management and leadership.

These programs include our Team Leader Certification Program, Maintenance Apprenticeship Program, Management Trainee Program and Management Development Program.



Developing our future executives: Attendees from US Cheese and Nutritionals at the Management Development Program.

NIKI CARNELL
BUSINESS ANALYST



“I couldn’t be more grateful to Glanbia for investing in my future, starting all those years ago with a scholarship.”

Glanbia scholarship recipient comes full circle.

When Niki Carnell received a Glanbia Scholarship as the child of a Glanbia employee in 2006, she didn’t expect she would be starting her career back in Idaho, much less at Glanbia. After graduating from Lewis & Clark College in Portland, Oregon with her degree in Communication, Carnell was given the opportunity to work as a Customer Service Representative for cheese sales.

“Working at Glanbia has been a surprising experience for me. One of the misconceptions I think some in our community have, and I had as well, is that Glanbia is

a small dairy manufacturing company, when that is not the case at all. Glanbia is a global, dynamic company with various moving parts all over the world.”

In 2012, Carnell moved from Twin Falls, Idaho to Madison, Wisconsin to be part of Glanbia Nutritionals.

“Our global footprint is so large and diversified; I am thrilled to have an opportunity to move to the Nutritionals business unit,” Carnell said of her new role.

“That is one of the exceptional qualities of Glanbia; there are endless opportunities for people to grow.”

Management development

In 2011, 25 high-potential managers from across Glanbia’s global community, including eight from the US Cheese and Nutritionals Business Units, attended the Glanbia Management Development Program. This program is designed to develop leadership and strategic capability in high-potential managers. Participants are challenged with business-critical projects, providing the opportunity to put their newly

learned skills to the test in cross-functional teams. Our business unit team, comprised of managers from Idaho and New Mexico, took home first place across all of Glanbia globally with their project work and presentation.

Maintenance apprenticeship

This four-year program was instituted four years ago in an attempt to enhance the level of knowledge, competency and

capability within our maintenance teams at each of our Idaho manufacturing operations. At present, 13 apprentices are in the program with four more to be added in 2012. We had our first graduates from this program in 2012. Our target is to have as many as 16 in the program at one time. Individuals work the day shift in the plants to gain practical experience and then do classroom work in the evenings at our local college.

Our people are our most valuable resource—and our investment in them reflects that.

KEEPING IT FUN

This year, we are keeping it fun and spicing it up with the GPS rewards system.

This system awards points for various activities. These include participation on charity committees, attending specific meetings, generating improvement forms, organizing our summer picnic and many other activities.

Employees then get to log on and redeem their points from our reward collection, consisting of over 4,000 items including electronics, sports and fitness merchandise, lawn and garden furniture, and personal accessories.



Scholarships and tuition assistance

Glanbia understands that youth are the future of the dairy industry. With the demand to feed nine billion people by 2050, dairy is at the center of responding to the challenges of nourishing the world and thus we specifically need talented, driven and passionate people who are willing to make a commitment to the dairy industry. At Glanbia, we are acutely aware of the challenges of building exciting, compelling careers in rural locations. This is why we invest heavily in education where people have the opportunity to learn and develop the skills necessary for us to remain world leaders in dairy product production.

Glanbia provides four \$2,500 scholarships each year, two for children of our employees or milk patrons and two for individuals who are interested in attending South Dakota State University and majoring in dairy science, operations management or manufacturing-engineering technology.

Rewarding employee engagement

As an integral part of helping to drive our manufacturing excellence, GPS is also the framework we use to support employee engagement. It is rewarding for all of us to be part of a continuous improvement culture and to team together with colleagues to control and improve our work. In order to encourage the type of behaviors we need to help our GPS system be successful, we introduced an element of fun into the process. In 2011, we rolled out a slot machine program ('Slots-O-Fun') and gave our employees a chance to win prizes to reward them for their engagement activities! Prizes won on Slots-O-Fun included trips to Ireland and \$5,000 jackpot prizes.

BARNEY KRUEGER
SENIOR VICE PRESIDENT, TECHNICAL SERVICES



“At every level of the company, our employees have an unwavering dedication to doing the right thing.”

Integrity inspires.

“A defining element that sets Glanbia apart is our culture of ethics, responsibility and accountability. At every level of the company, our employees have an unwavering dedication to doing the right thing. For us, honesty, fairness, quality and responsiveness are guiding principles—and integrity is an underlying value we live by. From food safety performance to

environmental stewardship to running our businesses and community involvement, our actions come down to one simple principle—doing the right thing for the right reason. When I first joined Glanbia in 1988, I was inspired by the passion exuded by the employees. More than 24 years later, I am still inspired and just as excited about working for the company.”

IAN CHECKETTS
MANAGEMENT TRAINEE IN CHEMICAL ENGINEERING



“I am confident that the Management Trainee program will fulfill my initial objective: to become a successful leader in a technical role.”

Dedicated to building leaders.

“Before finishing college I was faced with a full spectrum of engineering career options. I was determined to choose an option that would provide me the most opportunity to lead in a technical role. Glanbia’s Management Trainee program has provided the opportunity for me to personally lead and oversee critical parts of operations. Additionally, I have been

assigned to and succeeded in solving critical technical issues that arise in the dairy manufacturing environment. Glanbia’s management is dedicated to the program as well, providing me the training and tools needed to succeed in leadership and, most importantly, strong mentoring from engineering and business leaders within the company.”

The Glanbia Performance System (GPS) is our framework for engagement.

	Female	Male	Minority	White
Senior Executives	13%	87%	6%	94%
Managers	20%	80%	14%	86%
Employees	26%	74%	29%	71%
Glanbia Total	25%	75%	26%	74%

Diversity for Glanbia Total 2011: Dairying in the US has traditionally been mostly male and mostly white. This is reflected in our ratios of men, women and minorities. We are working to increase our number of women and minorities to best reflect the markets in which we operate.

Employee turnover

Because of our growth, the personal and professional development we have provided for employees, our Glanbia Performance System (GPS) activities and our strong employee engagement practices, we have been able to steadily reduce employee turnover. Since 2005, employee turnover in Glanbia Idaho has trended downward significantly. Employee turnover at Southwest Cheese New Mexico has also declined during the five years we have been in operation there.

In an effort to focus resources on continuing to reduce our turnover, we created our Recruitment and Retention Taskforce in 2007. Ongoing initiatives by the Recruitment and Retention Taskforce continue to review

and address issues related to employee satisfaction with the company and their overall employment experience.

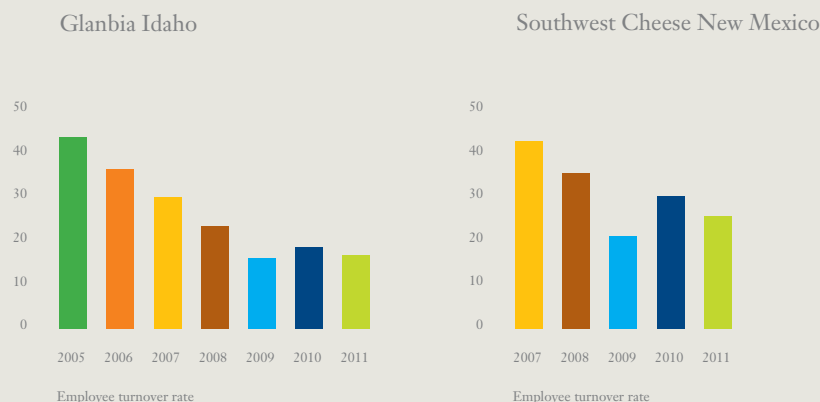
Our goal for 2012 is to reduce turnover rates to less than 15%.

Our human resource challenges

We have several human resource challenges that our strategic HR programs and continued HR efforts are designed to resolve throughout 2012 and beyond.

- Recruitment and retention to specialized positions in the rural communities in which we operate can be a challenge.
- Our operations are in rural geographies, which creates challenges in recruiting top talent from either coast and from metropolitan areas.

Employee turnover: down by 62% since 2005 at Glanbia Idaho and by 40% since 2007 at Southwest Cheese New Mexico.



MICHELLE DENTON
FOCUSED IMPROVEMENT MANAGER



“To date GPS has proven itself to be a powerful way to maintain sustainable beneficial results for Southwest Cheese.”

Driving our culture of improvement forward.

“I joined Glanbia’s management trainee program straight out of college in 2004 and have held numerous positions over the last eight years. Being part of formalizing the Glanbia Performance System at Southwest Cheese has helped our whole team focus on our gap areas and center in on our Non-Negotiables—Safety, Quality, Sustainability and Housekeeping. Through GPS we have observed an exciting culture change where we are all trying to improve on our loss areas—Everyone Everyday. GPS methodologies are practices

we’ve always done but GPS has put them into a more standardized and structured format. To date GPS has proven itself to be a powerful way to maintain sustainable beneficial results for Southwest Cheese.

Our daily ‘Board Room’ meetings, as part of GPS, have increased awareness and accountability and provided a heightened focus on employee engagement. We look forward to seeing GPS continue being developed further over the coming years.”

- The physical nature of some operational positions can be demanding.
 - Our entry-level production and transportation milk hauler positions tend to be relatively physical and, given our 12-hour shifts, create a challenge for us to keep employees in these positions long-term.
- EEO/AA gaps (gender/race) are low, but we consistently pay attention to this challenge.
 - We are fortunate to have very few gaps in our Affirmative Action Plan, but we nonethe-

less strive diligently to ensure we have parity across all levels of our organization. We are committed to the recruitment and advancement of the best talent, regardless of race, gender, ethnicity, religion or sexual orientation. Our specific geographical locations along with the history of our industry make it a challenge for us to increase our race- and gender-diversity, but we believe that our active programs will continue to improve our diversity in 2012 and beyond.

ETHICAL SUPPLIERS

Glanbia is a member of Sedex, the Supplier Ethical Data Exchange, a not-for-profit, membership organization dedicated to driving improvements in responsible and ethical business practices in global supply chains.

The core Sedex product we utilize is a secure, online database that allows members to store, share and report information for four key areas: labor standards, health and safety, the environment and business practices. This provides assurance to our customers and a standard protocol for us to record our practices.

We are committed to nurturing our communities.

\$2M+

from direct Glanbia contributions and proceeds from our annual charity challenge

HABITAT 'BLITZ BUILD'

After awarding our largest-ever donation to one organization, Habitat for Humanity, in 2011, this June we partnered with them in a "Blitz Build." With the help of many in our community, we built homes for two families in just 5 days!



There's an expression that what a man does in public determines his reputation, and what he does in private reveals his character. We think the same sentiment is reflected corporately in Glanbia's quiet but substantial charitable investments in our local communities over the past 20 years.

Our pioneering spirit has challenged us to grow every aspect of our business, including our charitable giving. As the number of charitable needs continues to grow, and with the striking effects of the down economy hitting our communities, we feel blessed to be able to give back in a number of creative ways. We are determined to bring our communities along with us on our journey.

We share these stories in the hope that they not only will inspire, but also reaffirm our commitment to long-term social and civic sustainability. We will always strive to give more than we take and by working together, to make a difference in a quiet way.

Investing in community

Each year, Glanbia Idaho receives dozens of requests for charitable giving from various causes in the communities in which we manufacture cheese and whey products. That's why we empower our employees to help decide the ways to achieve the greatest impacts.

Southwest Cheese New Mexico annually gives to charities designated by the employees, as well as being the main sponsor of the Clovis Music Festival, and provides the economic stimulus activities for the Clovis Industrial Development Committee.

Glanbia Idaho's Charity Challenge: employee-driven and supported by our vendors, customers and dairy farmers

Glanbia Idaho's largest charitable giving comes from partnering with our suppliers and customers. Since 1994, Glanbia Idaho has hosted the annual Charity Golf Challenge at Blue Lakes Country Club in Twin Falls, Idaho. This event is run by Glanbia Idaho employees and the charity recipients—and each year the charitable giving grows bigger. Over the past few years, the tournament has raised more than \$100,000 annually.

The charity challenge selection committee is made up of Glanbia Idaho employees from all departments who ultimately work together to select the charity recipients based on presentations from the charities, on-site tours and voting based on group consensus.

We have been humbled to be able to provide significant help to more than 20 charities over the past 19 years, contributing more than \$2 million.

Gooding Garden: growing hope and vegetables

When you drive through the middle of Gooding, Idaho, you pass a small section of gardens. In rural Idaho that might not seem out of the ordinary; however, what grows there is hope. The Gooding Community Garden is a community effort launched in 2011. The mission of the Gooding Community Garden is to provide fresh nutritious food to those in need and create something beautiful in the middle of town. It started with volunteers and a vision—and produced a bounty.

Eric Moore, the Gooding Community Garden Manager who had the vision and passion to create the garden said, “The first year, we raised and delivered more than 6,000 pounds of fresh vegetables to local churches, pantries, kitchens, individuals and groups in both Shoshone and Gooding. This garden also contributed food to the local school district.”

Through volunteer labor, twenty 20’ X 25’ plots were created and from there churches, families, businesses, seniors, class projects, 4-H, and the University of Idaho took control to produce an abundance of riches. The 4-H extension plot got food out to more than 40 families; one garden became an outdoor classroom of empowerment for hearing-impaired students from the Idaho Deaf and Blind School.



Gooding Garden: Over 6,000 pounds of harvest—and a nourishing sense of hope.

The Glanbia Idaho contributions funded insurance for the land, buried irrigation systems and paychecks for employees including a small but special paycheck for one worker. Moore has fond memories of the paid help he received along the way. “Helping me install the system was a young man from the community who suffers from a mild form of autism. While installing the system, he received the benefit of hands-on experience, learned and applied new skills and developed a sense of worth. Glanbia’s donation paid this young person every two weeks. You should have seen his face on his first

payday; he laughed with tear-filled eyes.”

For many local farmers and businesses that joined this cause, there was no financial pay day—but rather a much larger sense of social sustainability and reward for doing good work.

This is the first but far from the last harvest from this garden. This coming 2012 season, the plots have already been lined up with socially-beneficial food projects as well as an Eagle Scout project that is a contemplative spot with native plants and a solar-powered water feature.

We support healing and education for the kids in our communities.

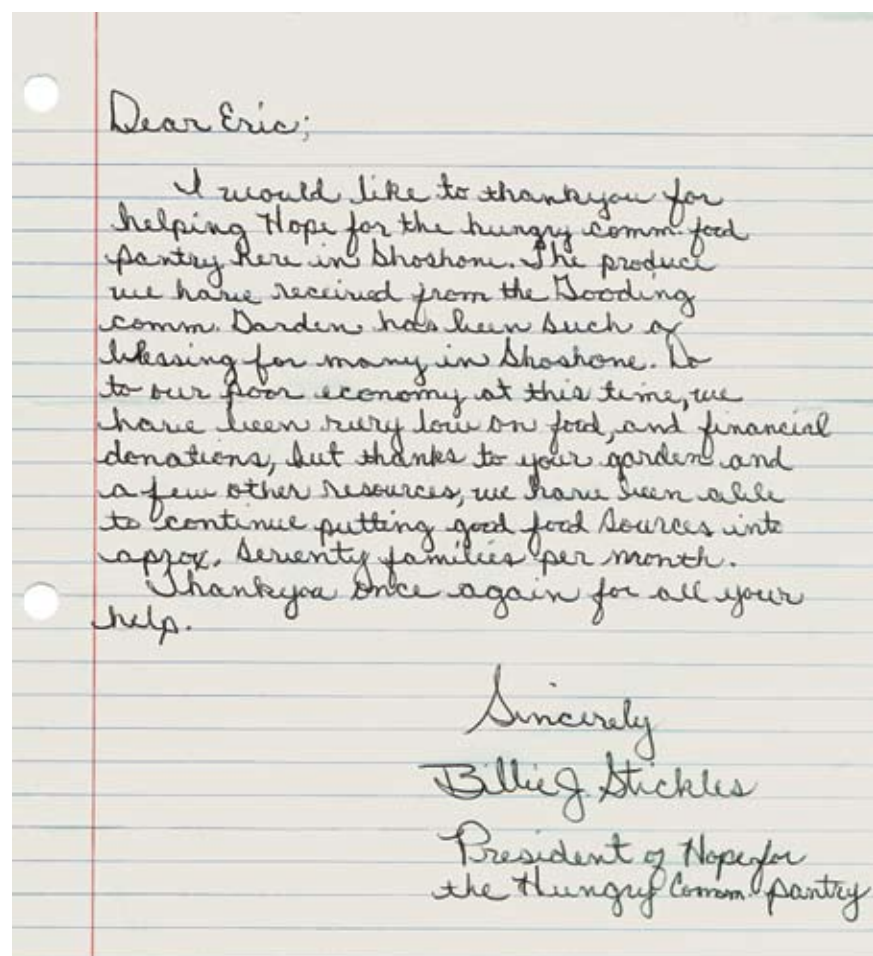
“Our investment made a huge impact on the look, feel and comfort of the Shriners Hospital family suites. That will make all the difference for the families staying there as their child is treated.”

Shriners Hospital: bright light for little patients

For more than 85 years, this one-of-a-kind system of 22 charity hospitals has made headlines by providing expert medical care to children under the age of 18 at no cost to their families. That generosity did not go unnoticed by Glanbia Idaho employees, especially after working with employees who had first-hand

experience of this type of specialized care (see story at right). In 2007, Glanbia Idaho employees selected Shriners as the recipient of a two-year pledge of \$70,000.

After meeting with the hospital in Salt Lake City, Utah it was clear where the money would be put to use. Shawn Athay, Vice President of Human Resources, said, “The hospital sent out a family satisfaction



Gratitude: The Gooding Garden nourished hundreds in our community, meeting a critical local need and leaving us gratified to be able to help.

RUDY JOZELIC
TWIN FALLS PLANT PRODUCTION MANAGER



“I like all the things Glanbia is doing for the community, and doing this for Shriners was real neat.”

Support is personal for one employee and his family.

Since they opened their first hospital in 1922, Shriners hospitals have cared for more than 800,000 children. One of these children is the son of long-time Glanbia employees Rudy and Enisa Jozelic. In 1995, their 2-year-old son went to Shriners hospital twice for hip surgery, each visit lasting about seven days. Since his surgeries, he's gone back every two years for checkups and received a clean bill of health at the age of 18.

Since Glanbia empowers its employees to help select charities, it wasn't a surprise when Shriners hospital

was selected as the charity of choice in 2007. Thanks to a generous matching program from our Ireland headquarters, Glanbia's investment went far in making families' stays more comfortable. And it was a sentiment not missed by the Jozelic family who thanks Glanbia for being aware and supportive of Shriners. Jozelic, Twin Falls Plant Production Manager, said “I like all the things Glanbia is doing for the community, and doing this for Shriners was real neat. If I won the Powerball, I would give the money to Shriners.”

survey after each admission and they found the family suites consistently received poor scores. Glanbia offered to redo the family lounge and suites that accommodate the families of the children who are patients of the hospital.”

Completed in 2009, you will now find four remodeled family suites, a new kitchen area and laundry space.

“Our investment made a huge impact on the look, feel and comfort of the area. That will make all the difference for the families staying there as their child is treated,” Athay said.

This cause inspired many Glanbia Idaho employees to help out above and beyond our corporate pledge. Employees worked with the local Shriners to provide volunteer assistance at their all-star football game fundraiser, selling blocks of cheese. All proceeds went to the charity.

Starts with the kids

Boys & Girls Clubs are safe places for children to learn and grow—all while having fun. They are a safe haven for children, including many whose only alternative is to be alone at home after school.

Since 2005, Glanbia Idaho has engaged in a collaborative relationship with the Magic Valley Boys and Girls Club in Southern Idaho. The charity was seeing a growing need for their youth program beyond their financial capabilities. In the past seven years, Glanbia Idaho has responded to that community need by donating money to help build a kitchen in the club to provide the children with nutritious snacks and mid-day meals in the summer months, as well as providing leadership and executive guidance as the organization blossomed.

We have an abiding commitment to the children...

“Since our start-up in 2005, we have continued to grow and to impact the community’s educational system—a passion for many employees.”

\$2.5M

committed to the
Clovis Municipal
Schools Foundation

A little Irish fun

All work and no play is not at all the Irish way! To both reward and incentivize dairy farmers to have the highest quality milk, Glanbia Idaho gifts trips to Ireland to two farmers each year. It gives a chance for the dairy farmers to learn about the dairy industry in a different country and to bond with other farmers and Glanbia management. Thus far, 274 dairy farmers along with employees and community members have taken the journey to Ireland.

Educational and outreach efforts in Clovis, New Mexico

Southwest Cheese sits outside Clovis, New Mexico, a small southwest community whose lifeline has become our processing plant. Since our start-up in 2005, we have continued to grow and to impact the community’s educational system—a passion for many employees.

Southwest Cheese New Mexico donates \$100,000 annually to the Clovis Municipal School Foundation. These funds help with resource needs inside the classroom—including technology for student learning and additional teacher aides for more one-on-one interaction.

We also provide individuals in our existing workforce with up to \$2,500 in tuition assistance each year, to encourage their continuing education.

Education isn’t the only giving path for Southwest Cheese New Mexico employees. Southwest Cheese New Mexico annually gives to charities designated by the employees and is the main sponsor of the Clovis Music Festival and the economic stimulus activities of the Clovis Industrial Development Committee.



Heartfelt support: George Chappell, President of Southwest Cheese New Mexico, with Clovis school kids.

CLOVIS MUNICIPAL SCHOOLS FOUNDATION
COMMUNITY COMMITMENT



Funding the future in New Mexico.

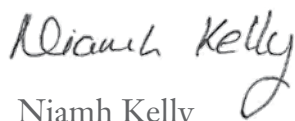
Clovis Municipal Schools established a foundation in 2009 for supporting programs for the students of Clovis Schools that were outside the normal budget for that school. “The funds for these programs are made possible by the generous contributions of individuals and businesses in our community,” the foundation explained. The foundation has established

several levels for these contributions with the highest level being the Legacy Member. This level allows the contributor to make an annual commitment to the foundation thereby enabling the scholarships and grants to be awarded every year. The foundation concluded: “Southwest Cheese is our top member of the Legacy category due to their 25-year commitment.”

In closing...

At Glanbia, we are proud of our strong record of sustainable growth. We are excited about the huge potential for our industry as demand for dairy products grows along with populations and incomes around the world. With these new growth opportunities come challenges and responsibilities, which we embrace. Glanbia is committed to continuing our long track record of stewardship of the environment and support of our people and communities. As we travel further on this journey, continuous improvement and transparency will remain our guideposts.

We welcome your comments on our first sustainability report. We look forward to working even more closely with all of our stakeholders to drive ever-stronger sustainability performance. Glanbia is committed through our sustainability work to supporting the future for our customers, employees, milk suppliers, communities and the environment. We welcome your input and discussion as we continue along this path.



Niamh Kelly
Sustainability Executive Sponsor
Vice President of Strategy
Glanbia Foods, Inc.

Share your thoughts with us at
sustainability_report_feedback@glanbiausa.com

Our sustainability work is a team effort.

This report was compiled through the collaborative effort of a team of employees across the business in many different disciplines. We would like to thank them for their dedication and input to this project. The successes we have highlighted in this report are only possible because of the hard work of all of our employees, because of everyone, everyday working to make Glanbia a better and more sustainable company. We thank all of our employees for their contributions on this journey.



Top row, left to right: Niamh Kelly, Vice President of Strategy; Chad Harris, Milk Procurement; Debbie Abrego, Director Environmental, Health and Safety, Southwest Cheese; Ian Checketts, Management Trainee

Middle row, left to right: John Mutchler, Executive Vice President Operations; Loren Ward, Director Research and Development; Michelle Denton, Focused Improvement Manager, Southwest Cheese; Peggy Watland, Executive and Public Relations Administrator

Bottom row, left to right: Shawn Athay, Vice President Human Resources and Organizational Development; Steve Christiansen, Director Glanbia Performance System; Whitney Beem, Customer Marketing Manager; Russell Barton, Partner, EKOS International

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