

## Carbon Management Policy

We believe that the climate change impact facing our planet from rising carbon emissions requires a specific commitment. This policy outlines our approach to reducing the significant carbon impacts of our business operations, namely energy use and fleet fuel consumption.

Graham's Dairies is family dairy with environmental responsibility as a core business principle. Since 2008 we have been committed to environmental improvement by developing an Environmental Management System and have set objectives and targets which we aim to meet by 2009.

### To this end we will:

Improve energy efficiency continuously by establishing and implementing effective energy programmes that support all operations and customer satisfaction whilst providing a safe and comfortable working environment throughout the company.

### Our Carbon Boundaries

In accordance with generally accepted principles for boundary setting for organisations, our carbon management policy is based upon the significant emission sources for which we have operational control:

- Direct energy consumption at our offices & factory
- Company owned vehicles
- Indirect energy consumption such as purchased electricity and daily emissions from employee travel to and from work.

Our approach to carbon management is based on the following principles:

- Deliver real carbon reductions instead of carbon neutrality through offsetting
- Apply the carbon management hierarchy to our key business decisions
- Create and deliver carbon reduction objectives and to review progress
- Engage and motivate our staff to deliver our carbon management programme
- Transparent reporting of our performance.

### Carbon Management Hierarchy

Carbon Management hierarchy initially focuses on avoidance followed by more efficient processes before considering the need to invest in new technology or renewable energy.

### Our key objectives for 2008/9

- Establish procedures to measure water and electricity consumption monthly
- Reduce Electricity Consumption by 10% by the end of 2009
- Reduce vehicle emissions by 5% by the end of 2009
- Reduce water consumption by 5% by the end of 2009
- Reduce the amount of waste sent to landfill by 10% by the end of 2009

We are currently working towards the Carbon Trust Standard which will enable us to demonstrate a commitment to and achievement of carbon footprint reduction. There are three main steps that we must achieve in order to calculate the footprint. These are defining the organisational boundary, defining the operational boundary and collecting the energy and emissions data and calculating the footprint. We must also create reduction targets and make clear reductions in our carbon emissions. Gaining the Carbon Trust Standard will show that we are acting effectively to respond to climate change.

This policy is communicated to our staff and is publicly available and our progress is available upon request.

A handwritten signature in black ink, appearing to read 'R. Graham', written over a horizontal dashed line.

Robert Graham  
Managing Director  
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