



Summary of progress in 2008.

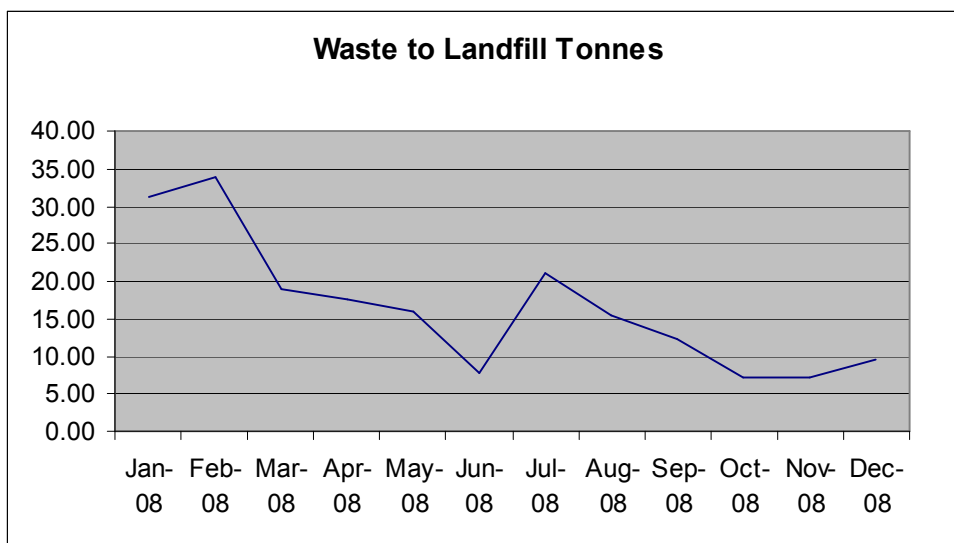
In 2008, Graham's Dairies started to look at ways to reduce the company's impact on the environment. The company's environmental policy was created in June and stated many intentions, objectives and goals for the following 6 – 18 months. Many of these goals have been realised, some several months ahead of schedule, due to hard work by all relevant members of staff.

Waste Management and Recycling

One of our biggest focuses for 2008 was reducing the level of waste that we send to landfill by increasing the amount of waste that we recycle. Graham's produces over 300 tonnes of solid waste per annum including cardboard, paper and plastic packaging. Of these waste materials, paper, cardboard, timber, polythene and dirty plastic packaging are all now recycled.

Our goal was to have reduced the amount of waste we send to landfill by 10% by the end of 2009. We have already reduced the amount of waste we send to landfill by around 73%, as can be seen in Figure 1 below.

Figure 1: Waste to landfill tonnage January – December 2008.

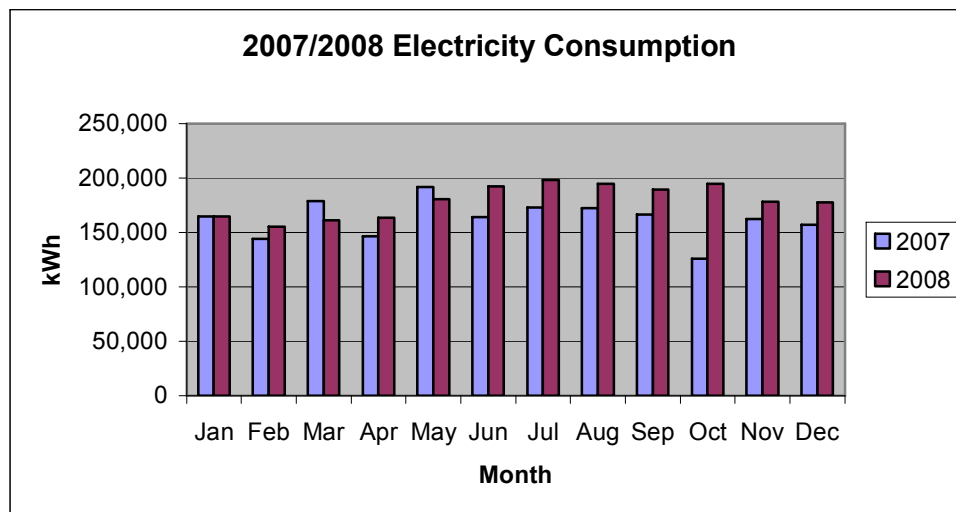


Energy Consumption

Another of Graham's' goals was to reduce electricity consumption by 10% by the end of 2009. Although production has increased over the past 12 months, leading to

increased energy consumption, over the past 6 months we have reduced our monthly consumption of electricity by almost 10%, as can be seen in Figure 2 below. This decrease in energy consumption is due to recent installation of energy efficient lighting in the production and processing areas of the factory. In addition, new energy efficient refrigeration systems have been installed which included the installation of one housed air cooled condensing unit, complete with fan speed controller for added efficiency in low ambient to run on refrigerant R507. As well as this, crash doors and strip curtains were fitted.

Figure 2: Electricity Consumption at Bridge of Allan site January 2007 – December 2008.



Figures 3 and 4 show the total litres of milk processed against the total electricity consumption for years 2007 and 2008 respectively.

Figure 3:

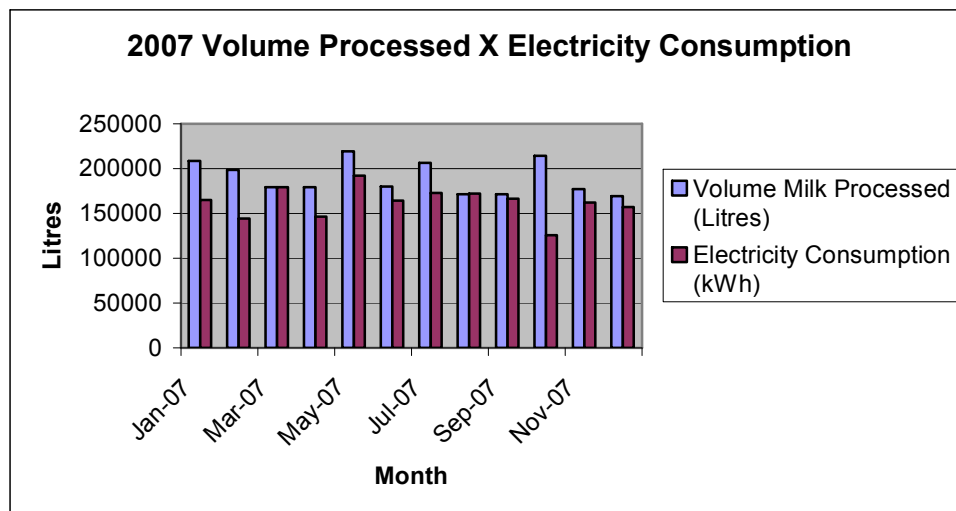
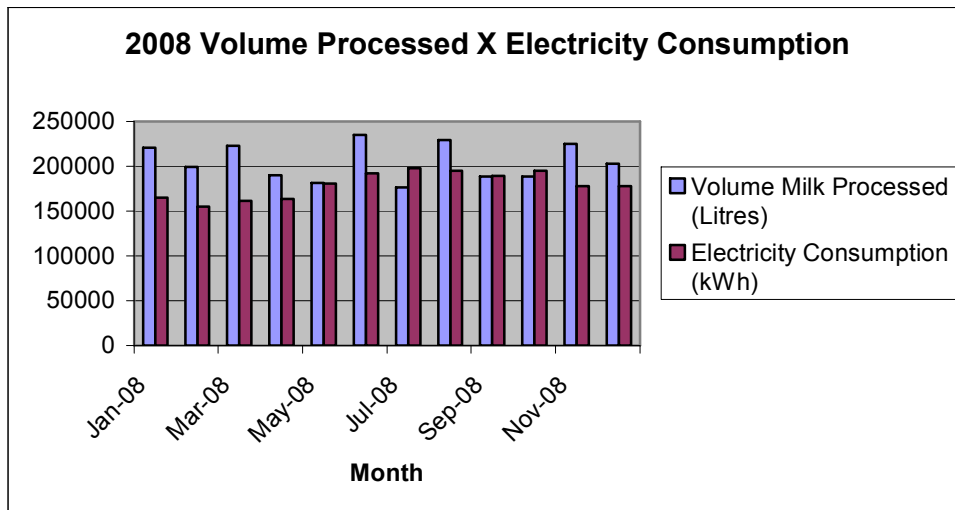


Figure 4:



Further Progress

Throughout the following year we will continuously look to make improvements to our procedures and processes in order to improve the company's environmental performance further.

We ran a second energy saving week at the beginning of February in order to boost the levels of energy reduction for the new year and ensure that energy saving is at the forefront of employees minds.

In 2009, Graham's are hoping to apply for the Carbon Trust Standard, which is an accreditation awarded by the Carbon Trust and recognises companies that have taken steps to reduce their carbon footprint. This will show a commitment to and achievement of our carbon footprint reduction.

We are also looking to continue working closely with the Carbon Trust, the Business Environment Partnership, Scottish Enterprise and Wren and Bell.

