



# SOCIAL RESPONSIBILITY

Report 2013



**Our Business  
Sustainability**



**Our  
Associates**



**Our  
Environment**



**Our  
Community**

*...striving to fulfill a purpose  
greater than ourselves.*

WE ARE COMMITTED TO...

**OUR  
BUSINESS  
SUSTAINABILITY**

**OUR  
ASSOCIATES**

**GRANDE'S**  
Mission & Culture

**OUR  
COMMUNITY**

**OUR  
ENVIRONMENT**

# Grande Cheese Company's

## SOCIAL RESPONSIBILITY REPORT

You are holding the first Grande Social Responsibility (GSR) Report. The values inherent to our social responsibility commitment have always been part of Grande's culture. We believe in and strive for the fulfillment of a purpose greater than ourselves, understanding that we do not live alone and that while we may not be able to change the world, we *can* change the world around us. Establishing deep roots, growing our community presence, and providing stability for all of our Associates, producer dairies, and our valued customers are essential components to fulfilling everything that Grande stands for and believes. Our goal with this initial GSR report is to share with you a review of Grande's progress thus far and our future plans related to our four social responsibility pillars: Grande's business sustainability, our Associates, the environment, and the communities in which we live and work.

Grande Cheese Company's commitment to being a socially responsible corporate leader begins by being aware of the issues in our four stated areas of focus, and then doing what we can to make a difference. This report is a chance for us to share

Grande's accomplishments thus far, establish our benchmark for today, set goals for the future, and develop plans to reach those goals. Our report measures progress against our goals and the improvement of our performance over time. We invite further discussion on our various topics, as the report will be used as a management tool for continuous improvement.

At the beginning of this, our more formal social responsibility journey, we surveyed a cross section of our Associates to determine what social responsibility means to our Associates, and we asked for assistance in strengthening our commitments and progress toward GSR. We have incorporated a number of those ideas; others may be added as social responsibility continues to evolve here at Grande.

On behalf of Grande's social responsibility team, we are proud to share the company's initial comprehensive report on our efforts. As you read and learn about GSR, please consider sharing your thoughts and feedback by visiting our website at [grande.com/SocialResponsibility](http://grande.com/SocialResponsibility) or emailing [socialresponsibility@grande.com](mailto:socialresponsibility@grande.com).



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# Grande's Commitment To SOCIAL RESPONSIBILITY



## MESSAGE FROM OUR PRESIDENT & CEO



Grande is a strong, established company with a rich, seven decade history and deep roots in the communities where our Associates live and work. Our brand is an influential factor in the marketplace, and our core values and ethics provide the foundation for our social responsibility plans. Sustaining and building Grande's brand requires focus, not only on today but tomorrow. Our challenge is balancing the short and long term as the key to delivering sustainable, profitable growth—growth that is good for our Associates, our customers, our business partners, our planet, our communities, and our tomorrows. As our Chairman John Candela has written, "organizations that do not build toward a better tomorrow...are likely navigating the Enterprise and its followers to an ill-fated destiny!"

Our Associates and their commitment to Trademark Excellence are the keys to Grande's success. Every individual in this organization is essential to that building process. They are proud of their company, what it stands for, and the opportunity to leverage our united resources to support community needs. Grande, through time, talent and treasure, provides for many different needs and truly contributes to a purpose greater than ourselves. I am proud of everyone involved for advancing these elements of our Culture in such positive ways.

Our Associates will play an even more critical role in advancing our social responsibility strategies going forward. Together, there are many ways that we can make a difference, and we are actively pursuing them—finding ways to act in the best interests of our Associates, our producer dairies, our customers, and our communities. Many years ago, Grande put Social Responsibility in the forefront. Today we are simply formalizing and communicating our progress.

Sincerely,

Wayne E. Matzke  
President



### GRANDE'S MISSION

*“...is to build, through outstanding performance of value-added strategies, a world-class dairy products trademark that generates the profits and capital necessary to reinvest in the future and the continuing process of fulfilling the commitments of our Corporate Culture.”*

### GRANDE'S CULTURE

*“...is based on pride in professional excellence, respect for the rights of Associates, a commitment to strengthen the financial security of all dedicated Associates and the fulfillment of a purpose greater than ourselves.”*

Written by our Chairman John Candela, these statements “define the common purpose and values that unite us as Associates” and “define Grande’s character, our vision, goals, objectives and codes of conduct, as well as the rights and expectations we have as Associates.”

These values have shaped Grande Cheese Company for more than 70 years and made our company the enterprise we are today, and what we continually strive toward as we go forward – an ethical, strong market contributor, solid corporate citizen, and an employer of choice in the community. We realize that our multi-talented Associates, working together toward common goals, are the keys to continued success.

### SOCIAL RESPONSIBILITY STATEMENT

*Leveraging Grande’s long-standing Mission and Culture objectives, to nurture and support a holistically sustainable business model that positively impacts the world around us, thus continuing to achieve our most fundamental culture commitment...the fulfillment of a purpose greater than ourselves.*

Social responsibility can be simply defined as how a company manages its business processes to produce an overall positive impact on society. This perspective is clearly visible in Grande’s culture and core values which reflect the social commitments we make to our Associates, producers, customers, and communities. These commitments allow us to perform with the highest standards of professional excellence, good governance, and strong ethics. We attract and retain quality Associates, provide meaningful support in our communities, improve the social and environmental impact of our business practices, and ultimately provide “the finest Italian cheeses that money can buy” and innovative whey-based protein powders to the marketplace. As a result, we are changing the world around us and fulfilling our commitment to achieve a purpose greater than ourselves.



## HOW DOES SOCIAL RESPONSIBILITY FIT INTO GRANDE'S BUSINESS STRATEGIES?

The use of the term 'corporate social responsibility' (CSR) began to enter the mainstream in the early 70's and as time progressed formal social responsibility evolved into a priority at many companies. We at Grande are aware of the surveys and studies indicating that a company's social responsibility policies increasingly factor into consumer decisions. However, the objectives of both sustainability and the achievement of a purpose greater than ourselves have for decades been fundamental principles underlying Grande's vision, even long before the formal drafting of our Mission & Culture statements, with a deeper

purpose totally unrelated to marketing objectives. Social responsibility is fundamental to Grande's culture and core values. It reflects the commitments we make to our Associates, producers, customers, and communities. We don't just 'talk the talk'...social responsibility is a principle that we believe in and embrace, and simply how we do business.

The GSR commitments outlined below reflect this mindset. Social responsibility is an evolving process, and as such we will need to regularly reevaluate these focus areas in order to address the commitments without compromising Grande's business profitability and sustainability.

## Social responsibility is an evolving process.

### OUR GSR COMMITMENTS

- As it regards Associates, nurture an environment of absolute respect for and between each and every Associate, provide talent management and training/development opportunities to create a workforce where all Associates can thrive and excel, while focusing on the health, wellness, and safety of all.
- Maintain product safety and regulatory compliance that far exceeds government standards.
- Focus corporate philanthropy that enriches life in the communities in which we live and work.
- Expand our environmentally sustainable management practices, including land conservation, erosion prevention, zero waste discharge, biodiversity, energy conservation, waste water management, and water conservation.
- Continue to build a profitable and sustainable business through our exclusive brand focus and unwavering commitment to world-class trademark excellence in products and services, which in turn substantially supports our customers' and producer dairies' sustainability.
- Uphold fiscal responsibility and capital reinvestment with a commitment to long-term sustainability vs. short-term gain.
- Ensure sound corporate governance and compliance practices.

# Organization



*“Filippo Candela named the new cheese company Grande, the Italian word for ‘greatness’.”*

## GRANDE'S HISTORY

The heritage of our company began over a century ago, in the small village of Montelepre, Italy, located on the sunny Mediterranean Island of Sicily.

The people of Montelepre took great pride in their close ties to agriculture, which at the turn of the last century was the mainstay of the region. For most, sunrise to sunset was spent planting, cultivating, and harvesting the crops, tending to the animals, and maintaining their vineyards and orchards in the surrounding countryside. Delicious and bountiful food, warmly shared with friends and family, was at the very center of their lives and served as a foundation to the storytelling that deeply rooted generations in tradition and heritage.

Wheat to make homemade pasta and fresh crusty breads, tomatoes, olives and olive oil, and an abundance of fruits and vegetables were often harvested from the family's own land...and cheese, wonderfully delectable Italian cheese, produced by artisan cheesemakers who made just a form or two a day from the milk of their small herds, almost always adorned the table.

It was into this culture that Filippo Candela, the founder of Grande, was born in 1891, and it was here that Filippo learned the art of making fine Italian cheeses.

In Filippo's early life, work was hard but family and friends were always close. This tight circle was expanded in a wonderful way when Filippo married Provvidenza in a small church in Montelepre in 1925. Affectionately called 'Enza', Filippo's wife was a source of both strength and pride for Filippo.

It was painful to think of being separated from his roots and the land he loved so much, but Filippo recognized the

difficult economic reality of the times. He looked across the Atlantic to America, a land of limitless opportunity, where he believed a person could rise to any level based on hard work and a dream.

Once in America, Filippo purchased a small dairy farm and orchard together with his first cousin. When he could finally support his wife and raise a family, he wrote to Enza to be reunited. Soon after, they began to form their family in the New World with the birth of their daughter.

The Great Depression made times on the dairy farm ever more challenging. Driven by his passion to succeed, Filippo made the decision to move to Wisconsin to find employment as an Italian cheese specialist. He arrived by train, on a snowy winter evening in 1940, a stranger, not knowing where he would be sleeping and able to speak only a few words of the English language.

Fate however assisted Filippo. In Wisconsin for only a short time, he met an Italian cheese buyer with whom he had been friends in the Old World. It was this meeting that sowed the seeds of a new cheese company, formed by Filippo and a handful of family and friends, which they named Grande, the Italian word for “greatness.”

With Filippo's knowledge and passion for the handcrafting of truly traditional Italian cheeses, he assumed the responsibility for making the cheese, while the others assumed the sales and administrative roles.

In the early days of the company, the Candela home became a gathering place for fellow immigrants and their families. Often the house would be full of relatives and co-workers who had now become friends, building bonds and making lifelong connections over the delicious meals Enza





would prepare. Integrity, warmth, compassion, sincerity, and a passion for the art of making fine cheese were principles continually revalidated in the discussions during lengthy dinners.

Filippo worked tirelessly to ensure the fledging company's success. It was not uncommon to work 15 hours a day, seven days a week, handcrafting cheeses in scalding water. It was during this time that their son John, who would in time become the Chairman of Grande, was born.

In the early years, Grande primarily made Italian eating and grating cheeses such as Provolone and Romano. Slow cured, as much as a year or longer, these traditional styles became favorites of Italian immigrant families across the United States who yearned to recollect the fond memories of fine food shared with family and friends in the Old

Country. In later years, pizza became popular and Grande began to produce its trademarked Mozzarella, which soon became recognized in fine Italian restaurants and pizzerias as the most exceptional of cheeses for pizza.

The unique taste of Grande's cheeses, derived from Filippo's unswerving passion for excellence, proved to be the impetus for the company's growth over the years to come. It ultimately took over half a century for Filippo to achieve his dream, but he was finally able to see his company establish itself in the marketplace with a reputation for making "The finest Italian cheese money can buy!"<sup>®</sup>

Today, more than 70 years after the founding of the company, Filippo and Enza's legacy continues to live through the integrity, interpersonal respect, and visible passion of all Grande Associates. Filippo's commitment to excellence and determination are the foundation of our heritage, and they have been preserved and nurtured through our formal Mission and Culture Statements.



# Our Business Sustainability

## INTRODUCTION

Business sustainability has been defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” What are we doing as a company to ensure that the business continues to operate and do well? Are we making sure that we are a competitive employer of choice with the ability to retain our top talent? Are we governing ourselves well and making good business decisions that factor in long-term growth versus short-term gains? Our leaders are aware that the decisions made today will affect Grande’s future, and they are cognizant of protecting the company and the Grande brand. Read on to see what Grande is doing to ensure the little cheese company started by Filippo Candela in 1941 has a bright, long future ahead.



*“A trademark that does not continually and consistently meet and exceed the expectation levels of the customer is worthless!”*

## EXCLUSIVE BRAND FOCUS & TRADEMARK EXCELLENCE

The Grande brand, and what it stands for, is the foundation of our business model. It is aggressively protected, supported, and enhanced daily, with each and every decision we make.

The strategic decision made in 1968 to no longer manufacture private label cheese was fundamental to establishing the Grande brand. While the volume opportunity available from private labeling is substantial, our most fundamental business principle is to be the very best we can be, not the very largest.

Trademark Excellence principles affect everything we do as a business...from the quality of the producer dairies that proudly display our Grande logo, to the trucks that haul our milk, to the daily decisions Grande Associates make regarding an unswerving commitment to the Trademark Excellent products, nothing but the highest standards of excellence are acceptable. It is not enough to merely exceed typical

marketplace standards—our goal is to redefine the benchmark standard in all that we do.

We have a deep conviction to develop and produce only the most authentic Italian cheeses, and that process begins with a world class milk supply used in cheesemaking recipes that have been refined for decades. Our cheeses are crafted using the perfect balance of time honored tradition and state of the art technology, then transported to market by a system of carefully vetted distributors. We place this level of dedication upstream in our model so that each time a restaurant owner serves a finished entrée, appetizer or dessert made with Grande cheese, his or her patron will know that restaurant cares



deeply about providing an eating experience like no other. The ultimate satisfaction from our passion for excellence comes when a patron returns again to his favorite restaurant, this time with several friends, to enjoy another dining experience featuring Grande cheeses as a main ingredient.

Adherence to this level of brand excellence is essential to the profitability and sustainability of the company, and is what sets us apart as “The Finest Italian Cheese that Money Can Buy.”® Ensuring the Grande brand value, based upon the principles of Trademark Excellence, is a principle embedded into the entire Organization in a deeply rooted internal process designed to protect, ensure, and improve upon the quality of all aspects of what we do.

As noted in Grande’s Spirit and Intent document, ‘A trademark that does not continually and consistently meet and exceed the expectation levels of the customer is worthless!’ As such, building a world-class trademark and brand is our life’s work.

## FISCAL RESPONSIBILITY & CAPITAL REINVESTMENT

In order for Grande to be a socially responsible company with strategies focused on our Associates, environment, and communities, Grande must, first and foremost, be a financially successful and sustainable company. Our executive and management staff sets strategic plans, goals, and budgets to ensure the profitable and sustainable long-term growth of the company, however always defined by ethical and responsible business practices. Part of that process involves reinvesting a substantial portion of our profits back into capital projects and initiatives that help ensure the company’s long-term sustainability—whether new products, capacity expansion, technology advancements, or other improvement projects.

## CUSTOMER SUSTAINABILITY

Grande strives to be a business solutions partner with our many customers, committed to nothing less than their total success and business future. We work with restaurant operators around the country on a daily basis to better understand and help address the business challenges faced in the marketplace. It is our job to help **our** customers grow their businesses by supplying the quality products and ingredients demanded by **their** customers.

One unique solution offered to our 100% Italian cheese customers is Grande’s Solutions @ Work® program. The program involves redesigning our customers’ menus to help effectively establish what sets them apart from the competition, sell more by highlighting the most unique and popular items, and reach their key demographic of customers by using an effective direct mail campaign.

In another part of our business we turn whey, a byproduct of our cheesemaking process, into innovative dried whey products which reduce fat, increase nutrition, provide functionality, and/or enhance flavor for our food ingredient customers’ products. The overall winning strategy in this situation is that we are creating value-added whey products for another segment of customers and assisting Grande’s overall sustainability by turning a former cheese making byproduct cost and disposal problem into a revenue stream.

**GRANIDE**  
SOLUTIONS @ WORK®



# Our Business Sustainability



*“Grande believes in leading by example when it comes to relationships with our farm families!”*

## DAIRY PRODUCER SUSTAINABILITY

Milk is the principal raw ingredient used to manufacture the cheese and whey products we sell, so the highest quality, dedicated and sustainable milk supply is critical to Grande's future.

Grande believes in leading by example when it comes to relationships with our farm families, as evidenced by our Producer Information and Services Mission Statement: “to be the preferred market of innovative producer dairies with an attitude and the passion to be considered among the most sustainable dairies in the nation, thereby ensuring a quality, producer based milk supply adding value to the Grande brand”. We truly live our commitment toward an ever improving, sustainable business for our producer dairies, and thus employ a unique staff to help the modern producer dairy address cow health, farm technology, environmental issues, site guidance, and training.

Grande supports our producers with a staff that includes a full-time herd health and wellness veterinarian to help ensure overall herd health and milk quality. We have also recently started training classes for mid-level farm managers to provide education on proper cow handling procedures. This helps fill the skills gap that has developed as farms have grown larger and more non-farm managers are now managing operations. In an effort to expand and enhance the service offerings to Grande dairies, we have added a bilingual professional to our staff. This individual assists in delivering key messages to front line farm employees related to milk quality, food safety, and animal welfare as well as conveying the

Grande culture. One important aspect of this role is to express to the largely Hispanic farm employees the passion behind the cheese made from the milk harvested on the farm, so they can embrace the important role each plays in creating our fine Italian cheese.



We seek and select only those milk producers with the desire to produce quality milk. It's also important to note that 34% of Grande's milk supply is produced with renewable power technology, such as methane digesters. Our producer dairies tend to be the ones doing the right things in and for their communities, such as promoting June Dairy Month, providing milk vending machines in schools, and donating to charities. Many of our dairy producers open their doors and allow school and youth groups to tour. They believe that it is important for our children to know where food comes from and that they are passionate about producing a high quality product.

Grande cows are fed a balanced ration that optimizes animal health and productivity. Grande's field services staff further provides its dedicated producers with support that monitors cow comfort, cleanliness, body condition and udder health. Dairy Producers who maximize cow comfort skills and have the attitude to be among the best dairy producers in the world reap the benefit through such



outstanding production per cow. Grande herds consistently produce 40% above Wisconsin and national herd averages.

Each cow on a farm generates an average of \$21,000 in economic activity for the local communities.

## FOOD SAFETY

Grande consistently delivers on its commitment to the absolute safety and quality of our products. We not only adhere to all applicable state and federal regulations but often go beyond them by utilizing recognized best practices at our manufacturing, distribution, and testing facilities. These practices include using the HACCP (Hazard Analysis and Critical Control Points) methodology to manage food safety and continuously updating facility pre-requisite programs. All of our processes are validated via internal auditing as well as auditing by customers and independent agencies and, where appropriate, the use of state-certified testing laboratories. Our product specifications often go well beyond the regulatory

requirements. In fact, our whey products are manufactured in two of the few Grade A facilities in the country.

Grande continues to demonstrate this commitment by pursuing '2000 Level 3 SQF Certification' for our food safety and quality management systems from the Safe Quality Foods Institute. 'SQF' is one of several internationally-recognized certifications promoted by leading global food retailers under the Global Food Safety Initiative (GFSI), which promotes a harmonized approach to managing food safety across the global food industry. Our first facility certifications are targeted for 2013.

## BUSINESS GOVERNANCE

It is important for any company to have checks and balances in place to ensure proper accountability to all stakeholders as well as adequate direction and guidance for management. Grande's board of directors monitors and oversees executive management, reviews and approves the company's strategies, and ensures Grande's accountability to all stakeholders. Additionally, in the past few years, we have increased the focus on internal control procedures and internal audits to provide responsible assurance that Grande is achieving objectives related to financial reporting, operating efficiency, law and regulation compliance. We want all stakeholders to have the confidence that there is proper oversight to ensure Grande will be a healthy, sound company for many years to come.

## GOALS & PRIORITIES

Business sustainability, as you can see, covers a wide range of initiatives and facets of the business. So, the goals in this area are far reaching. The following is just a sample of what we plan to do in in 2013/2014 to ensure organizational stability.

- Attaining GFSI (Global Food Safety Initiative) certification is a priority we are working toward. Our goal is to achieve, SQF (Safe Quality Food) Level 3 certification for Food Safety and Quality at all our facilities by the end of 2014.
- Maintaining compliance with the published and soon-to-be published regulations under the Food Safety and Modernization Act of 2011, FSMA.
- This period is budgeted to be one of the heaviest capital spending years that Grande has ever experienced. We are devoting significant capital resources to the expansion of two of our major product lines, knowing that this capital investment is necessary to ensure the long-term growth and availability of these products.
- Design plans are being completed for the construction of an integrated office, research and development lab, and customer service center, tentatively scheduled for completion in early 2016.

# Our Associates



*“Every Associate at Grande is absolutely essential to the building of our world-class dairy products trademark!”*

## INTRODUCTION

We aspire first and foremost to live the principles of our stated culture in reference to our Associates and as a result to achieve the employer of choice status in each of the communities where we operate. Every Associate at Grande is absolutely essential to the building of our world-class dairy products trademark; it is the Associate who breathes life into the spirit and intent of our Mission and Culture statements! As such, our culture is fundamentally dedicated to the respect of each Associate and a commitment to strengthening the financial security of all dedicated Associates. How are we doing? Read on to find out!

## HEALTH & WELLNESS STRATEGY

While Health Risk Assessments have been offered to Grande Associates since the early 2000s, we took additional steps in 2006 to further promote health and wellness as part of an overall strategy promoting a healthy workplace.

Health insurance costs have been steadily increasing for over a decade, and we are striving to ensure we are

able to continue offering our Associates affordable health insurance with good coverage. A healthier workforce can combat the ever-increasing costs of insurance, thus the entire Grande workforce can benefit from lower, stable premiums. Associates and spouses/domestic partners are eligible to participate in the Wellness & HRA screenings.

The wellness strategy focuses on a continuous improvement philosophy:

**Prevent**—prevent health issues by making health & wellness resources available to Associates

**Educate**—educate Associates on the importance of healthy lifestyle behaviors & the effects those behaviors have on Associate health

**Support**—create a supportive environment that provides Associates with the right tools to make overall healthy lifestyle choices for body, mind & soul

Grande recognizes that modifiable health risk factors cause 25% or more of health care costs, and that creating interventions that target these risk factors can reduce health care costs while improving the overall health of our Associates and their families. Our goals related to modifiable risk factors are listed in the table below.

<i><b>Modifiable Risk Factors</b></i>	
<i><b>Objective</b></i>	<i><b>Goal</b></i>
Health Screens - Participation	Increase participation by 10% yearly
Tobacco Use	Reduce by 15%
Hypertension	Maintain 9.8%
Prehyperetension	Reduce by 10%
Body Mass Index - High Risk	Wellness focus on physical activity & nutrition should impact positively

# Associates... our most important resource.

## SAFETY

The safety of our Associates is a top priority at Grande, where we have implemented a Safety Management System (SMS). The goals of SMS include:

1. Providing a roadmap for the improvement and integration of safety processes
2. Allowing for proactive measurement of processes
3. Providing a uniform approach to safety to allow for the leveraging of best practices

It is truly a **T.E.A.M.** Safety approach - **T**ogether **E**veryone **A**chieves **M**ore! The Safety Management System will be used to further Grande's Safety Vision.

The following values make up the safety vision at Grande:

- Safety is an absolute priority
- Every injury can be prevented
- Neat & orderly work environments produce higher efficiency, quality and safety
- Nothing we do is worth getting injured
- Safety is EVERYONE'S responsibility



Wherever possible, automation technology continues to eliminate some of the manual labor and lifting required of plant Associates. Several safety milestones were reached in 2012, including the following:

- April 13th – Distribution Center reached 13 years without a lost time incident
- June 2nd – Friendship facility reached 11 years without a lost time incident
- June 24th – Wyocena facility passed 1,000,000 hours without a lost time incident – and still counting!
- Mid July – Brownsville facility reached 650,000 hours without a lost time incident

When reached, milestones such as these are recognized with celebrations at our facilities, which help encourage and remind our Associates that everyone must continue working together to reduce, eliminate and/or minimize the potential for injury.

The goal is to embed safety as a key component of Grande's culture, a path that we have been moving along for many years. Strategic focus on objectives such as Days Away Restricted Time (DART) rates, incident rates, near misses, and workers' compensation claims will help us reach this goal.



# Our Associates



## TRAINING & DEVELOPMENT

Grande offers its Associates many opportunities to sharpen their skills and continue their education in an effort to advance their careers. We partner with a number of organizations to offer a wide variety of training opportunities for our Associates, including Microsoft computer skills courses, six sigma, maintenance training programs, and basic to advanced leadership courses. We want to enable our Associates to create the next generation of leaders from within the company whenever the desire and ability is there. To that end, well over 1,000 various classes, skills trainings, and leadership development courses have been attended by Grande Associates since 2007.

Grande also provides financial support to our Associates who choose to pursue additional degree programs, individual courses, and professional certifications to become successful in both current and future roles at Grande. We recognize that degree programs and professional certifications require a significant commitment on the part of the Associate, as well as a significant financial investment from the company, and thus created a tuition reimbursement program to assist Associates striving to increase their knowledge and skill set.

## DIVERSITY & INCLUSION



Every Associate has the right to be respected as an individual, treated fairly, have direct access to anyone in the company, ask questions and get answers, contribute, and have the opportunity to advance and grow based on ability. We strive to provide a safe work and learning environment for all to flourish in regardless of race, religion, or gender.

The general makeup of the Grande workforce is in the chart at right.

<b>Workforce Makeup</b>	<b>2011</b>	<b>2012</b>
Women as % of total staff	23%	24%
Minority / No Selection as % of total staff	7%	9%



## RECOGNITION & ENGAGEMENT

Grande wants Associates to know they are valued. We believe that our Associates feel most valued when they are informed—when they understand the business goals and plans and are able to offer feedback and comments. Engaged Associates are more loyal and likely to remain with the company, as well as more productive and customer-focused. That is why our President Wayne Matzke gives quarterly updates on the business and factors (both internal and external) that affect it. We also have been evolving and enhancing our Performance Management process over the past few years to include goals and thresholds for our Associates. In addition, we offer all Associates the opportunity each year to provide feedback through a confidential company survey that covers a variety of topics. We want to know if our Associates are satisfied, and if they are not leaders are expected to address any issues on a timely basis. We want Grande to be a great place to work and an employer of choice, so the engagement and opinions of our Associates is critical in reaching that goal.

While Grande's culture is strong, we recognize that we can push our engagement levels even higher, and embarked on a project to do just that in 2011. Wayne had a vision to create a communication venue where all Associates could come together on one day and benefit from networking and learning from one another. This vision became the **'Customer for a Day'** experience, which took place over four days in May, 2011. We were able to work through the challenge of providing the full customer experience to all of our Associates from each facility across the state without interrupting our business—no small feat from a logistics standpoint!

It was an informative, commemorative day designed to provide all Associates with a greater understanding of our company and the sense of pride in what has been built, while elevating the brand stature in the eyes of all Associates. Along with pride comes the Associate engagement and accountability to maintain and grow our company for future generations.

Additionally, the various teams and departments within the company continue to build engagement with Associates, every day, by focusing on three areas:

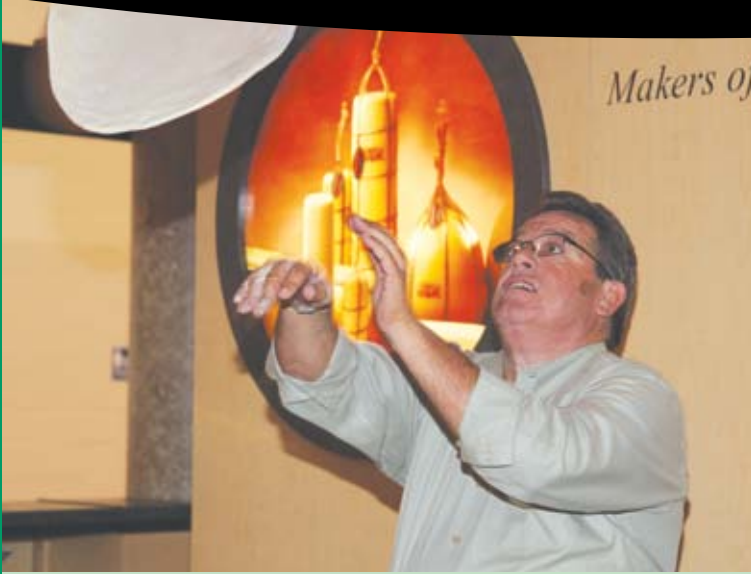
- Associates are aware of expectations placed on them
- Associates have the materials, equipment and knowledge to perform their jobs
- Associates have the opportunity to do their best every day

Our quarterly publication the *Grande Today* is one example of how we recognize and engage our workforce, with the company-wide distribution highlighting promotions, marriages & births, milestone anniversaries, and retirements as well as news of various noteworthy projects that Associates have been engaged in (Big Brothers, Big Sisters bowling, Relay for Life Events, volunteers & organizations, various other fundraisers or accomplishments). We also regularly update Grande's SharePoint site to share Associate status and life changes in a timely matter.

Grande celebrates the hard work, dedication, and accomplishments of our Associates throughout the year via several formal and informal recognition programs.



# Our Associates



## CUSTOMER FOR A DAY

Customer for a Day sought to accomplish three goals:

- Expose all Associates to the Trademark Excellence attributes that make our brand so unique in the various markets.
- Bring the various markets to our Associates.
- Recognize and appreciate our Heritage and Legacy while marking our 70th year in business.

Through the Customer for a Day experience, we succeeded in meeting these goals in the eight areas of focus below.

- Heritage / Social Responsibility – depicted our company history and timeline to our growth, presented in concert with our Social Responsibility statements
- Custom Ingredients Group – explanation of how we incorporate our whey products into formulations to positively impact the flavor and functionality of many branded products
- Piacci –introducing our smart new retail brand of cheese
- Milk Marketing – a travel through the countryside to learn about the cows that provide the highest quality milk to Grande
- Food Service – provided Associates the opportunity to see our National Food Show booth and watch several demonstrations related to our cheeses
- Solutions @ Work – a marketing program of menu design to insure our shop owners grow their businesses and further their success
- Grande Café – a place to gather with fellow Associates in celebration of our 70th year
- Fresh Curd – demonstration of many unique applications used primarily on the East Coast



**GRANDE**  
CHEESE COMPANY

## GOALS & PRIORITIES

Grande has a very solid culture with a heavy focus on the respect and care of our Associates which has been steadily evolving for the past 70 plus years. However,

we also realize there is always opportunity to do more. Some upcoming new programs follow.



### *Casual for a Cause*

Grande is debuting a pilot donation program in 2013 at the Home Office / Tech Center called 'Casual for a Cause'. The program allows participating Associates to wear casual attire on Fridays in exchange for a year-long commitment to donate \$5 per week to our new 'Charity & Disaster Fund', the funds of which will be used to assist Associates affected by disasters as well as local charities (as requested by Associates). The goal of the program is two-fold—a chance for our Associates to give back to each other and to their communities while dressing down and enjoying a more relaxed atmosphere in the office on Fridays. It's win-win, and we hope to report back next year with exciting stories of money raised and donations made!

### *Island of Comfort*

Our chairman John Candela shared his vision that Grande be able to provide even more comprehensive health care for all of our Associates & their families. The Island of Comfort strategy is designed to deliver comfort, reassurance, education and exceptional healthcare support to Associates and their family members. We want to put the individual at the heart of personalized care by creating a culture of health & wellness, delivering best in class health care benefits, providing consistent quality of 24/7 care and comfort, and delivering personalized care to Associates and their families through a team based and concierge style approach. The Island of Comfort is set for a 2013 implementation.

### *Vacation Donation Program*

We all seem to know a friend or fellow Associate who has gone through a personal tragedy or medical illness; in situations like those, available paid time off hours can be used quite quickly, and even if extended leave is granted, not receiving pay is an additional hardship. The Social Responsibility committee has been researching and networking with various local enterprises to learn about potentially creating a Vacation Donation Program. We still have information to gather, details to work out, proposals to make and approvals to get, but we have high hopes that this could be another program where Associates can help other Associates!

### *Volunteer Paid Time Off*

We have many Associates who volunteer their time to assist various organizations, as noted each year in the Grande Today's special insert each year that lists volunteers and organizations. There are many charities and other organizations in our communities that need extra help, and we also realize that our lives are so busy that there is not always enough time to spare for everything we want to do!! So, we are researching potential programs that would allow paid time off to Associates wanting to volunteer their time to help others. This research is still in the early stages, but is an example of another program that could benefit both Associates and communities.



# Our Environment

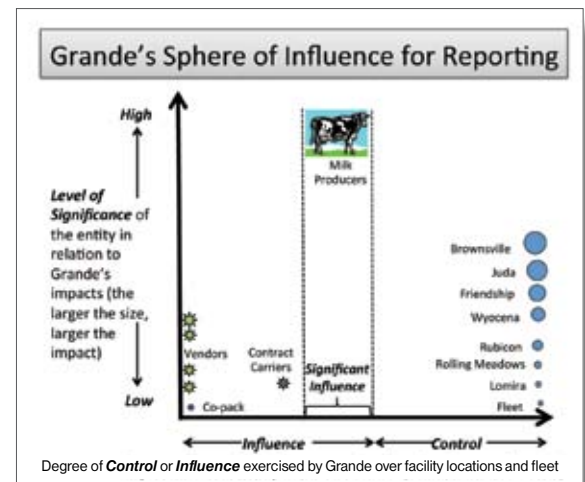


*“Grande diligently works to protect the land, water, and air in the communities in which we operate.”*

## INTRODUCTION

Grande’s commitment to protecting the environment is deeply rooted in our Mission, Culture, and heritage. Our passion for crafting products that proudly display the Grande brand began with the pure, natural crops found around the hillsides of Sicily, and continues today in the lush and fertile countryside of Wisconsin. With the same relentless attention to detail that provides our customers with the exceptional dairy products, Grande diligently works to protect the land, water, and air in the communities in which we operate. We work cooperatively with our producer dairies in implementing management practices designed not only to protect, but also improve, the environmental conditions in and around their farms. By working together, Grande, our producer dairies, and our suppliers are committed to maintaining and cultivating a vibrant and sustainable dairy industry wherever we conduct business.

We must note that the delicate balance between food safety, trademark excellence, and economic performance must be weighed against environmental strategies with responsible tradeoffs. Water can be reused, but doing so requires a capital investment. As we look at our sustainability programs, we are aware there are some items outside our boundaries that we have the ability to influence. Figure 1 gives a visual of Grande’s Sphere of Influence. Continue on to see more specific examples of how Grande is ensuring that we are doing what we can to protect our environment for the next generation.



## WATER CONSERVATION

Grande used 259.4 million gallons of water in 2011, and our usage will continue growing each year due to production volume increases and the ever expanding food and health safety regulations. We were, however, able to reuse 25.9 million gallons (10%) of water in Brownsville and Friendship for activities such as cleaning, ammonia compressor cooling, and feeding the boiler.

Grande’s philosophy related to water conservation is to design water conservation into new processes and capital replacement items. An air compressor replacement and a condensate recovery project helped us save 2.3 million gallons (1.9%) of water in 2011. We also completed water benchmarking projects at each of our facilities to help us identify major water uses and highlight economically feasible water use reduction projects.

# WASTE WATER MANAGEMENT

Grande is committed to meeting all Wisconsin Department of Natural Resources (DNR) and Environmental Protection Agency (EPA) regulations, and regularly goes above these requirements to do the right thing. We are proactive when working with the DNR, and try developing innovative ways to meet and exceed the understandably ever-increasing regulations. Grande’s overall philosophy of good environmental stewardship resonates well with the Wisconsin DNR and has helped us establish a positive working relationship.

Our plants continue evaluating internal processes to find methods that allow us to recover raw materials currently lost to the Waste Treatment Plant (WTP). Recovering these raw materials has several benefits, including reducing the WTP’s intake, reducing energy

intensity, and increasing the yield on both cheese and whey products.

Grande generated 65.3 million gallons of High Strength Waste (HSW) in 2011, which represents our largest environmental risk. The DNR has reduced land spreading limits over the years, which used to be a common waste disposal method. Without land spreading as a readily available option for waste disposal, Grande decided to pursue an innovative solution. We built a high strength wastewater anaerobic digester treatment system to serve as an alternative to relying on land spreading for waste disposal. In addition to allowing Grande to properly dispose of waste in an environmentally friendly way, this system produces biogas which can be used to offset energy demand within the production plant.



*Brownsville Waste Treatment Plant*

*Juda Waste Treatment Plant*

Another major accomplishment related to environmental goals was an aeration system overhaul that improved efficiency and treatment plant performance at our Brownsville facility. Once the equipment was selected for this upgrade project, a construction sequence for installation was developed that would not disrupt production. The new system was operational in June 2011. The chart below shows that even though intake to the aerobic waste treatment system has increased by over 15% since 2009, our new aeration system uses significantly less energy. (Energy consumption was not computed for 2011 because of the switch from the old aeration equipment to the new.) In summary, the new system has provided greater process control, reduced power consumption by 35%, and minimized the effects of seasonal changes.

<b>Year</b>	<b>Organic loading to the Oxidation Ditch (#/DAY BOD)</b>	<b>Annual Energy (kWh)</b>	<b>Energy Consumption (KW/BOD/DAY)</b>
2009	3,339	919,800	0.031
2010	3,798	1,006,632	0.031
2011	3,653		
2012	3.877	656,124	0.019



*“Grande’s commitment to protecting the environment is deeply rooted in our Mission, Culture, and heritage.”*

## WASTE WATER MANAGEMENT (continued)

Additional projects related to wastewater management include the following:

- A project to produce electricity in a turbine from the Anaerobic Digester biogas is being implemented. The turbine will convert methane to electricity for use in the Brownsville plant during peak electrical demand periods. With the anaerobic digester running at full capacity in 2012, we flared off 266,866 therms of methane--enough to replace 16% of the electricity used at the Brownsville plant.
- A project has been completed that generates a feed supplement for dairy cattle from our whey processing by-products, which were previously waste streams.
- At Friendship and Wyocena, our High Strength Waste is safely and economically applied to farm land as a replacement for nitrogen, potassium, and phosphorus in chemical fertilizers.

Brine disposal has become a major issue for the cheese industry. Tightened restrictions on chloride limits make land disposal near impossible. Of the 1.4 million gallons of brine that Grande generated in 2011, the majority was disposed of through local municipalities’ waste treatment facilities. Waste brine volumes will continue to increase along with Grande’s production, thus we are considering other environmentally friendly options to pursue, such as using brine to replace salt for road de-icing in Wisconsin winters.

The City of Hartford’s Waste Treatment Plant, which treats our Rubicon cheese facility’s waste, is required by the Wisconsin Department of Natural Resources (WDNR) to further reduce the chloride concentration in their waste water effluent discharged into the Rubicon creek. Grande is working to help the waste treatment plant in Hartford meet its 2012 permit limits by focusing on chloride reduction at the Rubicon plant.

The Horicon Marsh is downstream from our Brownsville Waste Treatment Plant discharge into



Kummel Creek, which is one of the head waters to the Rock River. Therefore, how we operate and handle our waste can have an effect on the entire Rock River ecosystem. The DNR wishes to reduce phosphorus back to pre-industrial levels in all Wisconsin rivers over the next 15 to 20 years, and Grande will be involved in this project as a result of our WTP discharge into these waters. We already comply with Wisconsin Pollutant Discharge

Elimination System (WPDES) phosphorus limits that will not be mandatory for another five years. However, since the amount of phosphorus we can discharge into the water systems is limited, we must find innovative ways to decrease the amounts we are putting into streams and rivers near our facilities. Water Quality Trading and Adaptive Management techniques are being explored in lieu of capital investment in equipment.

### ENERGY CONSERVATION

Almost seven years ago, energy teams were created to help Grande focus on energy conservation. Initiatives to provide energy-efficient and renewable energy based products have reduced our energy needs. The first round of energy savings projects identified the most responsible investments, and they were prioritized and implemented as resources became available. We sought assistance from consultants in conducting an energy study at the Brownsville plant in 2011 to identify the next wave of energy projects. Modular boilers and air compressors were identified as efficient ways to conserve energy, and capital for both has been included in long range spending plans. Energy conservation is also designed into new projects and replacement capital.

We chose 2008 as our base year to benchmark and track energy saved as a result of conservation and efficiency improvement efforts. Base lining our energy use allows us to identify the major energy users in our processes and consequently any corresponding reduction opportunities. Since 2008, our energy conservation projects have provided ongoing savings of 2.6 million kilowatt-hours per year and 108,482 therms of gas per year. The chart below highlights the energy project savings in therms of gas and kWh of electricity.

	2008	2009	2010	2011
<i>Therms of Gas</i>	9,869	-	30,958	67,655
<i>kWh of Electricity</i>	366,495	412,495	1,265,334	561,492





## Protecting our environment for the next generation.

### ZERO WASTE DISCHARGE

In 2011, Grande generated 1,179 tons of solid waste. Of that, 347 tons (29%) were recycled; the rest went into landfills. The typical expression related to zero waste to landfill strategy is ‘Reduce—Recycle—Reuse’, in that order. We’ve been adhering to this mindset at our facilities by recycling all major items, such as scrap metal and plastics.

At our Rubicon facility, we did ask ourselves an additional question—what are we **really** throwing away? After some observance, we discovered several missed recycling opportunities. The Rubicon facility partnered with the other plants to provide an additional recycling opportunity for smaller items which had previously been disposed of in area landfills. These smaller recyclable items are sent from outlying facilities to our Rolling Meadows facility via our transport trucks, where they are accumulated alongside other recyclable items and ultimately delivered to the recycler.

Our Rubicon, Wyocena, Juda, and Distribution Center facilities tracked the recycling of these small volume items collected over the course of 2012. The 118,693 pound total equates to 59.4 tons,

or 17% of the 347 total tons recycled in 2012. Diverting waste out of the landfill not only reduces our cost, but also eliminates putting waste (such as plastic) that never decomposes into our Earth.

Attempting to reach zero waste discharge is not always easy. In an attempt to decrease waste at our facilities, we evaluated new hand dryers at Rubicon which would have decreased paper towel usage by 40%. The decrease in waste could have been significant, but after testing, we had to discontinue use of these dryers once we realized they posed a potential food safety risk. Another recycling challenge for Grande is the blue plastic sheets and tote liners from the dice/shred totes used to store cheese. The sheets contain too many traces of fat and cheese to

recycle in normal streams, while these multilayered films we use to protect our products are not recyclable. We continue to explore disposal options for these items in an environmental-friendly way as they become available.

Type	Pounds Recycled
Cardboard	98,036
Paper	2,780
Wood	2,918
Plastic	14,959
Total	118,693





## BIODIVERSITY

Grande began exploring the concept of biodiversity in late 2010. The loss of biodiversity—the variety of animals, plants, their habitats and their genes—on which much of human life depends, is one of the world’s most pressing crises. It is estimated that due to humankind’s industrial effect on the world, the current species extinction rate is between 1,000 and 10,000 times higher than it would be naturally. The main drivers of loss are the conversion of natural habitats to farming and urban development, the introduction of invasive species to natural habitats, pollution / over-exploitation of resources, and harvesting wild plants and animals at unsustainable levels.

Grande intends to be proactive in this area of focus and works closely with the DNR, the United States Fish and Wildlife Service (USF&W), and county land conservation departments to identify biodiversity enhancement opportunities around our facilities. Some opportunities are more far-reaching than just within the properties we own—we are involved in projects such as the upgrade of the Horicon Nature Center, the restoration of the Oakfield Ledge, and watershed-wide improvements to the Lower Sugar River.



Our goal is to have two to four active projects in any given year. Some potential ways we can restore biodiversity at our facilities include the following:

- Restoring to wetland habitat 10 acres of old waste storage lagoons at Rubicon. More testing is required before we proceed.
- Restoring 9 acres of hillside at our Juda location to three different ecosystems – mesic savanna, dry mesic prairie and wet mesic prairie.
- Restoration of 17.7 acres of old ridge & furrow listed as wetlands in Wyocena. This site would be an ideal habitat for the State Threatened Blanding’s Turtle, which requires a matrix of wetlands, water for overwintering, and open uplands with looser soils for summer nesting. These turtles can live to be 120 years old, and do not reach maturity until about 20 years. Loss of habitat can easily decimate a local population. More testing is needed before a plan can be developed.

## GOALS & PRIORITIES

Grande now embeds Environmental Sustainability as a distinct critical strategic initiative. Several major sustainability focus areas have been built into a long range plan. They include the following:

- *Develop metrics for water, gas, electric, Green House Gas (GHG), waste water, and solid waste.* Once we have measurable, definable metrics, we can better track our use and consumption, and pinpoint areas for improvement.
- *Replace current boilers with High Efficiency Modular Boiler.* Our Brownsville facility’s current boilers are large and inefficient. We have budget approval to follow a consultant’s recommendation to replace these inefficient boilers with five modular boilers. This will take up less floor space and

allow for the use of ‘cow’ water (water removed in the whey evaporation process). This ‘waste’ water requires less energy to heat than well water, so we will be re-using water and conserving energy at the same time. It’s estimated that this new boiler system will reduce natural gas use by 360,000 therms per year. More details will be provided in future reports, after modular boilers installation.

- *Reduce well water by utilizing more reclaim water.* Utilizing reclaim water requires separate storage and distribution, which

in turn requires capital investment. We are working with consultants to define the most responsible approaches to reclaim water at Brownsville and Juda. The report was received at the end of 2012, so we can better identify cost-efficient projects for 2013 and beyond.



# Our Community

## INTRODUCTION

Grande has a passion for and a dedication to helping our communities, and we encourage our Associates to be active members in their communities. Our culture statement outlines our commitment to achieve a purpose greater than ourselves. Our GSR commitments help us achieve one element of that purpose by positively impacting both society as a whole and the communities in which we live and work—which includes communities surrounding our facilities, customers, producers, and operators. We know that we can accomplish more together than we can alone, so we bring together our Associates and communities to make a meaningful impact. We care about our communities, and strongly believe in community programs and demonstrate that belief by establishing roots in the communities in which we live and work in the number of ways which are described on the following pages.



*“Grande has a passion for and a dedication to helping our communities.”*

## COMMUNITY SUPPORT & INVOLVEMENT

Grande has eight facilities located throughout Wisconsin as well as distributors and operators that span the country from coast to coast. We are a neighbor, recognizing our responsibility to help our communities by providing support in the form of volunteer programs, product donations, financial contributions, and beyond.

Since we encourage our Associates to also get involved, we are happy to report their involvement in the community includes participation on volunteer fire departments, Rotary Clubs, Jaycees, youth leaders & coaches, school volunteers, and so much more.



Support for the local community and the well-being of those in the area are directly related. Not all of our neighbors may have had the same opportunities to excel and succeed, and we remember that each holiday season (and throughout the year as well) through our Associate Charity Fund. Each facility selects a local organization or organizations that would benefit from support during the holiday season, and then raises funds during the holiday Associate fund drive, which Grande matches dollar for dollar. This program directly benefits local charities and their needs, and Grande and its Associates are proud to assist in this way.

“Community” is not just where our Associates live and work—we also consider the communities where our operators are located to be part of the Grande definition of community. We have a ‘Business Support’ program which donates funds and product to numerous events and restaurant operators around the country. A sample of these various business support programs are listed below!

Coliseum Soccer Club for Underprivileged Children – Utica, NY	PA Restaurant Association Golf Outing – Harrisburg, PA
Geno’s Deli Fundraiser for American Cancer Society – Hollywood, FL	Cremona Annual Company Golf Dinner & Cancer Charity Foundation – Mellville, NY
Buscemi’s Charitable Fundraiser – Roseville, MI	Versa Cheese Fundraiser for the APL – Parma, OH
Tony’s Pizza Boy Scout Fundraiser – Commerce City, CO	Big Banjo Pizza Walk of Life Charity Fundraiser – Pine Bluff, AR

## COMMUNITY SUPPORT & INVOLVEMENT (continued)

In addition, each year our Sales team chooses a charity to assist, and the donations are coordinated during the summer sales meeting. In the past, recipient charities have included Autism Speaks, St. Jude’s Children’s Hospital, and Common Ground Relief-Hurricane Katrina, to name a few. The 2012 donation consisted of 25 care packages sent to the 82<sup>nd</sup> Agribusiness Development team as part of funds raised for the Wounded Warrior project!



Grande believes few things in a community are as important as nurturing future generations and building stronger communities through children and families. We support youth programs in many ways, including partnerships with The Children’s Museum of Fond du Lac, Bravo Children’s Theatre, the YMCA / Boys & Girls Club, and various school music and arts programs. Grande Associates recognize Grande’s support in our communities, as evidenced by favorable responses from our annual company survey.

ASSOCIATE SURVEY RESULTS	2009	2010	2011	2012
Grande is actively involved in the community - % favorable	95%	97%	95%	96%

Grande’s support of Big Brothers Big Sisters (BBBS) is a major component of our commitment to youth programs. Each year Grande is a major supporter of the Bowl for Kids’ Sake event, the key annual BBBS fundraiser. Each year bowling teams are formed and funds are raised...and then we have the added camaraderie involved in displaying our collective bowling skills! It’s for a great cause, and always a fun time.

We also partner with Big Brothers Big Sisters for the annual Grande Christmas Card Contest, initiated by Grande almost 25 years ago (1989)! Each year, the winner’s artwork is transformed into our annual Grande holiday greeting card, which is sent to all Associates, business partners, and customers throughout the country and the world. Our goal is to encourage and inspire creativity in the children, thus providing positive self-esteem that lasts a lifetime.



# Our Community



*“Grande believes few things in a community are as important as nurturing future generations and building stronger communities through children and families.”*

## COMMUNITY SUPPORT & INVOLVEMENT (continued)

Grande has been a major sponsor of the YMCA / Boys & Girls Club’s “Corporate Challenge” since its inception in 2008. This event is a health and fitness challenge open to Fond du Lac organizations, businesses and corporations. The participating companies create teams to compete in several featured events. As stated, the Corporate Challenge is committed “to bring organizations together through friendly competitions that promote healthy lifestyles within the workplace and the community. Community leaders collaborate and work together to make our communities happier and healthier places to live and work.” And, in 2012, Grande was crowned the overall champion after participating against eleven other teams in Pictionary, dodgeball, volleyball, basketball skills, bowling, trivia, golf, and a swim predict! Congratulations to all!



Grande has also been a major sponsor of the American Cancer Society’s Relay for Life. The Relay is an organized, overnight community fundraising walk. Cancer has touched most of us in some way, and the ultimate goal of the Relay is to raise the funds to find a cure for cancer in our lifetimes. Grande sponsors walkers on the Relay teams; in addition, over the years we have held several fundraisers to assist the Grande team’s fundraising totals. Some of the Grande fundraisers – which have raised over \$35,000 for the American Cancer Society since 2002—have included the annual Dilly Bar sale, pizza & cannoli sales, penny wars, jean days, and the ‘stuffed’ event. We even have a ‘pizza team’ that works inside the night of the Fond du Lac Relay, making tasty Grande pizzas to sell by the pie or the slice to the dedicated walkers.

## COMMUNITY SUPPORT & INVOLVEMENT (continued)

Grande provides varying levels of financial contributions to many not-for-profit organizations throughout the community. We readily donate cheese to charitable events, which is often used to raise money through silent auctions and other raffles. By doing this, we can support programs and environments that provide the services and role models to break negative cycles and inspire children to achieve higher goals than those that may be within immediate personal reach.

We support these programs because it's the right thing to do, not for any recognition or accolades. However, sometimes what we help others accomplish is recognized and awarded, as happened in May of 2012, when the Children's Museum honored Grande with the IMPACT Award. Grande had partnered with the Children's Museum to develop "Play for All", a unique program for children with autism and their families.

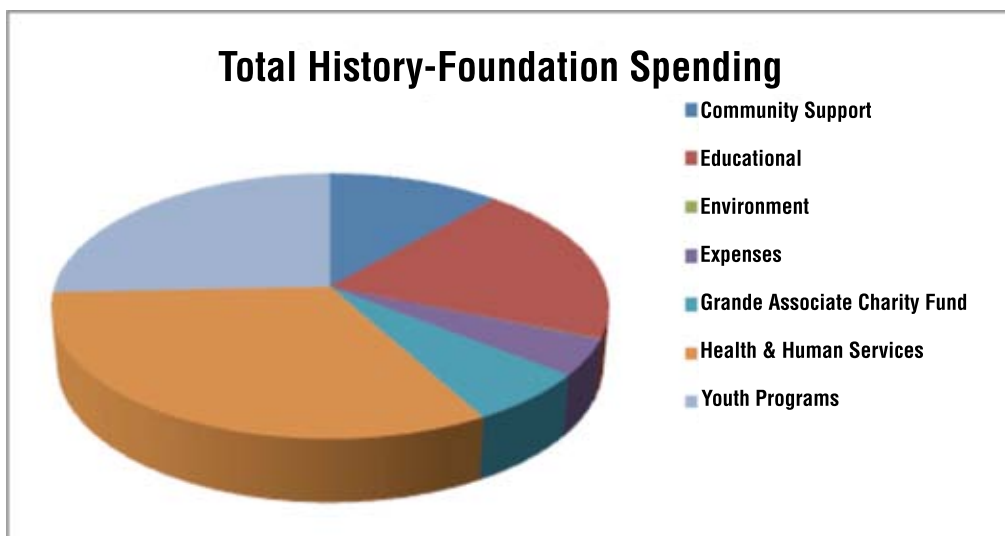
As stated by Kristin Lenz, the Children's Museum's program development manager, "with support and encouragement from Grande Cheese and its leaders, the museum was able to create a program that has become a well sought-after evening where autistic children and their families can enjoy many developmental benefits of the museum environment." This is just one small example of yet another way we can use

our time, talent, and treasure to create a program that will benefit the community for years to come!



## THE GRANDE FOUNDATION

While we have long provided financial support to our communities' and Associates' charitable work, we elevated those commitments by establishing the Grande Foundation in April 2007. The Foundation's concept of "community" encompasses the greater community of which we are a part and include *all* of Grande's community—where we do business, where our Associates live and work, and where our vendors, producer dairies, restaurant operators and their customers live and work. Currently, the major areas of focus for the Foundation are the following: Education, Health & Human Services, Youth Programs, Community Support, and the Environment. The plan is to continue developing the Foundation and allowing it to provide planned giving for the greatest benefit to the community. We are developing a strategic plan for the Foundation which will guide us in making decisions and starting programs. It's a work in progress, but we have definitely laid the groundwork for something that is all about serving a purpose greater than ourselves!





## Nurturing future generations & building stronger communities.

### GOALS & PRIORITIES

Community involvement has always been a major component of the Grande culture. No matter the facility, it seems our Associates are ever involved with a variety of programs and groups that better their own backyards. Likewise, our corporate giving to various charities is always steady. We try to help a wide range of organizations and support them and their missions. While there is always room for improvement and refinement, we plan to continue on much as we have in the past with our community support initiatives!

- *Continue supporting our main partners* — Our partnership and support of organizations such as Big Brothers Big Sisters (bowling & Christmas cards) and the American Cancer Society (Relay for Life) will continue indefinitely. We have been involved with some of these programs for so long, Associates would think it strange if there were no Grande teams Bowling for Kids' Sake or walking in the Relay for Life!
- *Continue supporting Associate causes in the community* — Associates and community support typically go hand in hand. We have many Associates involved with organizations ranging from Fire Departments to PTAs to Humane Societies. Many Associates, when involved with a particular fundraiser, request assistance from Grande. We will continue to support the Associates and these charitable events through sponsorships and cheese donations.
- *Look for innovative ways to support the community* — We've established that monetary and product donations are easy ways for Grande to support community organizations. There may be other opportunities to enrich lives that we can explore (such as the 'Leaders as Readers' program, where Associates volunteer to go into local schools and read to the children). We will partner with area Chambers of Commerce and take into account Associate suggestions and ideas to determine the best ways we can be an effective partner to our neighbors. We tend not to boast our contributions, but we are visible in our communities and work and volunteer respectfully.

# Governance



*“Grande has embraced the broad scope of social responsibility, and thus we acknowledge our accountability.”*

Grande has embraced the broad scope of social responsibility, and thus we acknowledge our accountability (ethics, governance, mission, vision & values) to the triple bottom line: people (Associates, community), planet (environment) and profit (sustainability).

## EXECUTIVE BOARD OVERSIGHT

Social responsibility is a topic at the twice yearly Executive Board strategic meetings, where the participants include our Chairman, President, and Chief Financial Officer. This group acts in an advisory capacity to the social responsibility team with respect to proposed strategies, policies, and actions.

## SOCIAL RESPONSIBILITY TEAM

We have a core corporate team that leads our social responsibility strategies and actions. This team is led by the Vice President of Human Resources and consists of our Corporate Social Responsibility Analyst, CEO Executive Assistant, and Director of Manufacturing Process Innovation. Each team member focuses on a different pillar, and meets monthly to discuss past accomplishments and new strategies and goals.

## CULTURE COACHES & PRESIDENT’S CULTURE COUNCIL

Our corporate culture is based on pride in professional excellence, respect for the rights of Associates, a commitment to strengthen the financial security of all dedicated Associates, and the fulfillment of a purpose greater than ourselves. On a quarterly basis the organization’s leaders meet formally to discuss relevant topics and issues. These quarterly meetings foster an environment where leaders perpetually revitalize our culture commitments to ensure the culture’s sustainability. The process has been in place since 1998...long before the themes of social responsibility and sustainability were mainstream topics.

## GRANDE SOCIAL RESPONSIBILITY FRATERNITY

This group will be created in the near future, with membership open to all interested Associates. Social responsibility is implicit at Grande, and we realize that we need and want ownership and involvement across all Associates and all facilities. We want to maximize that resource and leverage, more than ever, ideas and feedback Associates may have as to what Grande could or should do to become a more socially responsible company.

## ALLIANCES

Grande will continue to seek outside relationships with government leaders, other businesses, customers, producers, and external experts to help influence and expand our business and social responsibility practices. We have already benefited from current alliances and partnerships, and will continue to look for additional ways to establish important discussions wherever and whenever possible.



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