2016 Sustainability Report
FROM OUR CEO
At Dean Foods, we take pride in our role as a responsible corporate citizen – environmentally, socially, and philanthropically. We know that doing the right thing is the best thing for our business, and meeting this expectation has become a requirement to stay competitive. From reducing our carbon footprint to improving the safety of our employees, we are committed to keeping corporate responsibility an integral part of our work.

We align our responsibility initiatives with our business objectives. Although our company has changed dramatically in recent years, we have continued to focus on operating in a way that is right for us, right for consumers, right for our customers and right for the environment. To do this, we have become more efficient in the way we operate, embraced partnerships with industry experts and organizations, and expanded our culture of continuous improvement. These actions lead to more responsible and more efficient choices, which can lower our costs and improve our business.

We also continue to support programs that improve our local communities. Through the Dean Foods Foundation, we focus our giving on four key areas where we can have the greatest impact, and which align with our identity as a producer of healthy foods and beverages: ending childhood hunger, promoting nutrition education, supporting responsible agriculture, and providing disaster relief in times of need. In addition, our employees volunteer thousands of hours to charitable causes nationwide. Our management team works closely with civic and business leaders to advance policy and other initiatives that help local economies thrive and prosper.

Dean Foods is the largest processor of milk and dairy products in the U.S., and continuing our success means making the right long-term choices for all of our stakeholders. We are proud of our accomplishments, but we know we have more work to do. I encourage you to explore this website and learn more about our efforts to become a more responsible company.

Ralph P. Scozzafava
CEO, Dean Foods Company

PAST REPORTS
View our past 2010 or 2008 Corporate Responsibility reports.

The 2008 and 2010 reports include the contributions of The WhiteWave Foods Company Company (NYSE: WWAV) to Dean Foods sustainability metrics because Dean Foods controlled WhiteWave during such time and reflected WhiteWave as the WhiteWave-Alpro segment in its financial statements. WhiteWave became a separate publicly traded company in October 2012 and Dean Foods completed a spin-off and subsequent divestiture of its remaining ownership interests in WhiteWave during 2013. Similarly, these reports include the contributions of its prior business segment, Morningstar Foods. Dean Foods sold Morningstar Foods in early 2013.
SUSTAINABILITY

At Dean Foods, our sustainability efforts are driven by doing what’s right for our business and the environment. Since 2008, when we first created publicly reported sustainability goals, we’ve focused on both – reducing our environmental impact while lowering our costs. We’ve become an environmental leader in our industry, and we’re proud of the progress we’ve made.

We’ve reduced our overall greenhouse gas emissions, our use of electricity, natural gas, diesel fuel and water, as well as the amount of solid waste we send to landfill. We’ve also significantly increased the amount of materials we recycle. Every day, we use diverse tools to identify these opportunities throughout our company, including real-time energy and water tracking systems and a strong continuous improvement process.

In July 2012, we announced a revised set of environmental sustainability goals for 2020 to better define our environmental impact and increase transparency. These goals – which are listed below – expand our focus to more areas of sustainability, align with the broader dairy industry timing for greater greenhouse gas reductions, and better reflect customer expectations and consumer demands.

Additionally, we set goals related to zero-waste, recycling, sustainable supply, and sustainable packaging. Our 2020 goals will guide us to significantly reduce our environmental impact and operating costs – as well as improve our efficiency – for the next eight years. These goals are ambitious, and we are committed to speaking openly and transparently about our progress toward them. Please explore this website and learn more about the tremendous work being done to make Dean Foods a more responsible company.
Sustainability Metrics

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</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>Greenhouse Gas ++</td>
<td>25%</td>
<td>12.7%</td>
<td>9.2%</td>
<td>10.3%</td>
<td>11.9%</td>
<td>10.4%</td>
<td>7.8%</td>
<td>7.2%</td>
<td>2.4%</td>
</tr>
<tr>
<td>2007</td>
<td>Energy Use ++</td>
<td>20%</td>
<td>7.7%</td>
<td>5.1%</td>
<td>7.0%</td>
<td>9.3%</td>
<td>8.4%</td>
<td>4.3%</td>
<td>4.4%</td>
<td>2.0%</td>
</tr>
<tr>
<td>2007</td>
<td>Distribution</td>
<td>95,000 metric tons</td>
<td>143,439 metric tons</td>
<td>113,749 metric tons</td>
<td>109,172 metric tons</td>
<td>82,480 metric tons</td>
<td>74,214 metric tons</td>
<td>50,919 metric tons</td>
<td>39,732 metric tons</td>
<td>25,041 metric tons</td>
</tr>
<tr>
<td>2008</td>
<td>Water ++</td>
<td>35%</td>
<td>7.0%</td>
<td>10.7%</td>
<td>14.4%</td>
<td>10.7%</td>
<td>17.3%</td>
<td>11.5%</td>
<td>9.6%</td>
<td>baseline</td>
</tr>
<tr>
<td>2009</td>
<td>Solid Waste</td>
<td>50%</td>
<td>43.6%</td>
<td>42.5%</td>
<td>37.9%</td>
<td>31.8%</td>
<td>22%</td>
<td>5.5%</td>
<td>baseline</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>Recycling</td>
<td>50%</td>
<td>32.5%</td>
<td>29.9%</td>
<td>26.0%</td>
<td>27.0%</td>
<td>21.0%</td>
<td>10.0%</td>
<td>baseline</td>
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<tr>
<td>2009</td>
<td>Zero Waste</td>
<td>16% of Plants</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>baseline</td>
<td></td>
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<tr>
<td>2012</td>
<td>Packaging</td>
<td>100% Certified Fibers by '14</td>
<td>On Target</td>
<td>On Target</td>
<td>On Target</td>
<td>On Target</td>
<td>On Target</td>
<td>On Target</td>
<td>Below Target</td>
<td></td>
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<tr>
<td>2012</td>
<td>Sustainable Supply</td>
<td>World Cocoa Federation</td>
<td>Active Member Assessments</td>
<td>In Process</td>
<td>In Process</td>
<td>In Process</td>
<td>In Process</td>
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++Per gallon of product produced
Data is consistent with WRI, Intergovernmental Panel on Climate Change (IPCC), The Climate Registry, and U.S. Environmental Protection Agency accounting standards.

Sustainability Working Group

In 2009, we formed a Sustainability Working Group (SWG) sponsored by members of our executive leadership team. The SWG’s charter is to lead the Dean Foods sustainability agenda by creating long-term plans, identifying and delivering key objectives, ensuring that results are measured, and reporting progress. The SWG helps Dean Foods understand, align on, and navigate issues related to environmental sustainability. In 2012, the SWG made recommendations on the revision and expansion of our 2020 environmental sustainability goals, and led the company in the effort to complete this process.
CARBON AND ENERGY

Dean Foods is committed to reducing its carbon footprint by using fewer resources and increasing the efficiency of the resources we use. We have created specific goals and programs to help lower our environmental impact, including greenhouse gas reduction, energy reduction, and distribution optimization. Often, cost savings from these improvements lead to greater investments in technology that can help further reduce our impact.

Greenhouse Gases

Dean Foods is committed to providing consumers with nutritious food and beverages that are produced using responsible methods that minimize greenhouse gas emissions during production and distribution.

We set our first greenhouse gas reduction goal in 2008, aiming to reduce emissions per gallon produced 20 percent by 2013. After completing a thorough examination of reduction methods and timelines, we revised our GHG reduction goal in 2012 to a 25 percent reduction per gallon produced by 2020. Our new timing aligns with the comprehensive dairy industry goal, also 25 percent by 2020, established by the Innovation Center for U.S. Dairy in 2010.

Since our baseline year of 2007, we have reduced our absolute GHG emissions by 28% and our GHG emissions per gallon of product produced by 13%.

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<tbody>
<tr>
<td>Absolute (metric tons)</td>
<td>1,315,489</td>
<td>1,249,203</td>
<td>1,200,349</td>
<td>1,142,543</td>
<td>1,121,284</td>
<td>1,068,757</td>
<td>1,036,318</td>
<td>967,081</td>
</tr>
<tr>
<td>Intensity (lbs. per gallon produced)</td>
<td>0.937</td>
<td>0.891</td>
<td>0.868</td>
<td>0.861</td>
<td>0.845</td>
<td>0.862</td>
<td>0.872</td>
<td>0.838</td>
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<tr>
<td>Intensity Improvement (vs. baseline)</td>
<td>2.44%</td>
<td>7.23%</td>
<td>7.63%</td>
<td>10.38%</td>
<td>11.89%</td>
<td>10.25%</td>
<td>9.20%</td>
<td>12.70%</td>
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ENERGY EFFICIENCY

Energy efficiency represents one of the largest opportunities for Dean Foods to reduce our environmental impact and lower our operating costs. We are investing in capabilities to monitor and record our energy consumption in real-time. This allows us to make more informed investment decisions and apply meaningful behavioral changes to improve the efficiency of our operations — all while providing necessary data to support various carbon reduction verification protocols. To date, we have installed real-time monitoring capabilities in 50 plants.

2020 Energy Goal

When Dean Foods expanded its environmental sustainability goals in 2012, we created our first energy goal, aiming to reduce our energy usage 20 percent by 2020. Although this is a new goal for us, we began measuring our energy usage in 2007, which is our baseline year. By the end of 2011, we had already reduced the amount of energy used per gallon produced by 7.2 percent.

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<tr>
<td>Absolute (MMBtu)</td>
<td>12,818,567</td>
<td>12,480,532</td>
<td>12,064,327</td>
<td>11,325,275</td>
<td>11,128,478</td>
<td>10,738,188</td>
<td>10,389,547</td>
<td>9,927,034</td>
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<tr>
<td>Intensity (MMBtu/gallon)</td>
<td>0.0414</td>
<td>0.0404</td>
<td>0.0404</td>
<td>0.0387</td>
<td>0.0381</td>
<td>0.0393</td>
<td>0.0397</td>
<td>0.0390</td>
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<tr>
<td>Intensity Improvement (v. baseline)</td>
<td>2.0%</td>
<td>4.4%</td>
<td>4.3%</td>
<td>8.4%</td>
<td>9.8%</td>
<td>7.0%</td>
<td>6.1%</td>
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Reduction Projects

Through our xChange Point monitoring system we have identified more than 1,100 energy reduction projects since January 2010, and we have completed more than 450. We continue to implement these projects as resources allow. The projects are varied in nature and relate to all the systems in our plants.

Energy Reduction Examples

<table>
<thead>
<tr>
<th>Electricity</th>
<th>Thermal</th>
<th>Other</th>
</tr>
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<tbody>
<tr>
<td>Upgrade lighting to efficient fluorescent or LED, install motion sensors where possible</td>
<td>Minimize/eliminate air leaks and steam leaks</td>
<td>Proper use of compressed air and steam</td>
</tr>
<tr>
<td>Installation of variable frequency drives for motors</td>
<td>Maintain cooler doors and dock seals to avoid cold air loss</td>
<td>Increased steam condensate return</td>
</tr>
<tr>
<td>Compressor sequencing for air compressors</td>
<td>Upgrade insulation to reduce thermal loss</td>
<td>Drive employee awareness and encourage behaviors that reduce electricity and thermal demands</td>
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<tr>
<td>Retrofit/replace inefficient equipment</td>
<td>Boiler blow-down heat recovery</td>
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<tr>
<td>Install alternative energy sources where feasible</td>
<td>Steam trap monitor and repair</td>
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<tr>
<td></td>
<td>Boiler control improvements</td>
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<td></td>
<td>Pressure reduction</td>
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TRANSPORTATION AND DISTRIBUTION

We operate one of the largest fleets of refrigerated vehicles in the country. Our fleet delivers to more than 160,000 outlets, including grocery and mass merchandise retailers, hotels and restaurants, convenience stores, schools, hospitals and other institutions. As part of our overall greenhouse gas reduction goal, we set a goal in 2008 to reduce our distribution fleet’s CO2e emissions by 50,000 metric tons by 2013 – a goal we surpassed by the end of 2010. We revised the goal in 2012 to reduce distribution emissions 95,000 metric tons by 2020.

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<tbody>
<tr>
<td>Distribution Emission Reductions (metric tons)</td>
<td>22,754 (vs. baseline)</td>
<td>25,041 (vs. baseline)</td>
<td>39,732 (vs. baseline)</td>
<td>50,919 (vs. baseline)</td>
<td>74,219 (vs. baseline)</td>
<td>82,480 (vs. baseline)</td>
<td>109,172 (vs. baseline)</td>
<td>113,749 (vs. baseline)</td>
<td>143,430 (vs. baseline)</td>
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Actuals (CO2 equivalent)

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<tbody>
<tr>
<td>Distribution Emission Reductions (metric tons)</td>
<td>512,470 (metric tons)</td>
<td>497,770 (metric tons)</td>
<td>486,592 (metric tons)</td>
<td>463,291 (metric tons)</td>
<td>455,030 (metric tons)</td>
<td>428,339 (metric tons)</td>
<td>423,761 (metric tons)</td>
<td>396,498 (metric tons)</td>
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</table>

To meet our goals, we created a Smart Fleet initiative to optimize routes, invest in new technology and equipment, and train drivers to drive more safely and maximize fuel economy. Our employees have also been trained to minimize energy use – while keeping products at the optimum temperatures – by using proper refrigerated airflow management practices.

Advanced Technology

As one of the largest purchasers of refrigerated delivery trucks, we use our purchasing power to push for new, cleaner and more efficient technology. Our partnerships often result in cutting-edge technology applied to our business, such as our 2010 pilot of a prototype hybrid-electric-powered truck and refrigeration system that reduced emissions and waste.

In 2007, we began adopting cold-plate refrigeration technology in earnest to replace mechanical refrigeration systems in our trucks. Employing the latest in cold-plate technology reduced our GHG emissions by approximately 18,000 pounds per truck as we replace older diesel power truck refrigeration units. As of the end of 2011, more than 50% of our truck fleet uses cold-plate refrigeration technology.

In 2012, we began adding tire pressure monitoring systems to our tractor trucks which, unlike consumer vehicles, are rarely equipped with such systems. These monitoring systems complement the use of automatic inflation systems already in use on more than 50% of our refrigerated trailers. Monitoring systems indicate immediately when a tire has low pressure, allowing drivers to react quickly and improve fuel economy and tire life. We will continue to look for ways to add these monitoring systems to our delivery trucks in the future.

Compressed Natural Gas

In 2011, Dean Foods added five heavy-duty tractor trucks to its fleet powered by compressed natural gas. The tractor trucks, which are used by our Alta Dena® brand in Southern California, produce 27 percent less greenhouse gas emissions compared to traditional diesel vehicles. Since the rollout, we have continued to partner with the manufacturer to make advances, and we expect to purchase more CNG-powered vehicles as more advanced engine options become available. For more information, read the full press release.

Real-Time Data

We’ve also invested in on-board monitors and routing software that enable us to better manage deliveries. Today, all delivery trucks and tractor trucks in our fleet employ these on-board monitors. This combined technology has assisted in saving fuel and significantly improving the efficiency of our delivery resources.

The real-time data monitoring also supports our driver scorecard program, which we activated in 2011. The program gives all 6,300 of our drivers and supervisors a tool to improve efficiency through better communication. The scorecard, which compiles data already tracked by our real-time transportation management system in each truck, displays more than 25 measurements for each driver relating to time management, driving behavior and route performance. Drivers and supervisors meet regularly to discuss their scorecard and opportunities for performance improvements.
RENEWABLE ENERGY

Dean Foods constantly explores new ways to reduce our use of energy derived from fossil fuels. We have already adopted many technologies to produce renewable energy for our operations, and we will continue to look for ways to increase our renewable energy rate. In most cases, we first focus on improving the energy efficiency of our facilities before investing in on-site renewable energy. This approach has led to increased energy efficiency and greater potential impact from renewable energy, and we believe it creates a solid foundation for reducing our environmental impact over the long run.

Biogas: Do-It-Yourself Energy

At our two Garelick Farms® plants in Franklin and Lynn, Massachusetts, we completed projects to capture methane emitted from our wastewater treatment operations. The water treatment facilities at these plants can hold approximately five million gallons of liquid waste. As the biological components of the wastewater decompose, methane gas, or biogas, is produced.

Using grants awarded to us by the Massachusetts Technology Collaborative, we built two biogas plants to convert the methane gas into electricity. To accomplish this, we installed 10 microturbine generators that burn methane, a potent GHG, and we use the energy produced for up to 8 percent of the plant’s electricity demand. This reduced the amount of electricity we purchase from the electric grid, and at peak use the system reduces our carbon footprint by 1,760 metric tons of CO2e every year. Our Alpro business also has been focused on similar biogas projects in Europe as part of its strategy to become carbon neutral by 2020.

Solar Power

On the roof of our Garelick Farms facility in Rensselaer, N.Y., we installed solar panels that produce more than 78,000 kilowatt-hours of electricity, providing enough energy to power nearly 7 homes. The system reduces our carbon footprint by 24 metric tons of CO2e emissions each year.

At our facility in Lansdale, Penn., we installed 21 thermal-solar panels to preheat hot water for the plant. On average water runs through the panels seven hours a day and heats 10,000 gallons of well water from 60 to about 85 degrees Fahrenheit, performing better on longer summer days. The panels harness 760 MMBtu of solar-thermal energy each year, reducing our carbon footprint by approximately 40 metric tons of CO2e.

Anaerobic Digester Partnership

In 2012, Dean Foods won a U.S. Dairy Sustainability Award for our work partnering with AgPower Partners to build an innovative, state-of-the-art anaerobic digester at the Big Sky West Dairy farm near Gooding, Idaho. The anaerobic digester is designed to capture animal waste from the farm’s approximately 4,700 dairy cows, reducing both odors and emissions of methane gas into the atmosphere. The resulting captured methane is used to generate 1.2 megawatts of renewable energy, which is sold into the local power grid. That’s enough energy to power approximately 700 homes.
PARTNERSHIPS

Innovation Center for U.S. Dairy

In recent years, the dairy industry weathered the worst economic environment in memory. Despite these challenges, Dairy Management Inc. and the entire dairy industry, including Dean Foods, worked together to found the Innovation Center for U.S. Dairy. The Innovation Center is leading the work in developing life-cycle assessments that will be used to guide the dairy industry for many years to come.

Reducing environmental impacts is a shared commitment demonstrated by the Innovation Center’s sustainability initiative, which suggests precompetitive cooperation throughout the dairy industry as the most productive method to reduce environmental and social impacts. The Innovation Center is working with the University of Arkansas and other academic and research institutions to holistically examine the entire dairy value chain to lessen the environmental impacts of dairy products, including crop production for animal feed, milk production, transportation, processing, packaging, distribution to market, and retail. We believe the sustainability performance of the entire industry creates the potential for a compelling message to consumers that dairy products are a responsible part of a nutritious diet. In 2009, the Innovation Center announced an industry-wide goal for GHG reductions at each stage of the dairy value chain, with an overall reduction of 25 percent by 2020 – this, on top of the industry’s previous reductions of dairy farm emissions by 63 percent due to improved management of dairy cow diet and streamlining farm operations.

The Innovation Center has secured commitments from the United States Department of Agriculture to support the work of the industry and has entered into a partnership with the World Wildlife Fund to make improvements throughout the industry. In 2010, the Innovation Center completed a first-of-its-kind farm-to-fridge LCA that examined the entire supply chain from the crops grown for animal feed to the consumer’s refrigerator and eventual disposal of the packaging. To learn more about this landmark research and industry collaboration, visit www.usdairy.com.

Carbon Disclosure Project

We have reported to the Carbon Disclosure Project (CDP) since 2007, and we are proud to have been included in the CDP’s S&P 500 Carbon Disclosure Leadership Index for three consecutive years, 2009-2011. In 2010, we were the only company in the consumer staples category to be placed on CDP’s 2010 Performance Index. View our full CDP response and search for our reports at www.cdproject.net.

U.S. Environmental Protection Agency

International Dairy Foods Association and the Innovation Center for U.S. Dairy have partnered with the U.S. EPA to create the Energy Star Challenge for the Dairy Industry. As a member of both organizations, and as an Energy Star Partner, we have enrolled 72 of our plants in this challenge, which sets a goal to improve energy efficiency by 10 percent in five years. In 2010, eight of our plants achieved their reduction goal, and an additional 10 plants met the goal in 2011, totaling 18 plants in the first two years of the program.

The Climate Registry

Dean Foods was named a Founding Reporter of The Climate Registry by being among the first to join the organization. The Climate Registry is a non-profit organization established to measure and publicly report greenhouse gas emissions (GHG) in a common, accurate and transparent manner consistent across industry sectors and borders.

Other Partners

We also consider the following organizations as key stakeholders that play valuable roles in shaping our sustainability thinking and programs: Grocery Manufacturers Association, International Dairy Foods Association, Agstar, and the World Wildlife fund.
WATER USE REDUCTION

In the manufacturing of our foods and beverages, we use substantial amounts of water, both in processing and in the cleaning and sanitation of our equipment. We understand water’s importance as a natural resource and the possible supply constraints in the future.

Water Audits

Understanding how efficiently we use water is at the heart of our water conservation efforts, which include both reducing water usage and finding ways to return clean water to ecosystems. Since 2008, we have conducted thorough audits of water usage in our plants to:

- Identify and document all water systems;
- Observe, measure and record operating conditions; and
- Identify best practices for asset protection and improved efficiency.

With these audits, we have identified more than 250 water efficiency projects that are being evaluated for implementation, and we have completed more than half of these projects to reduce our usage across the company. Additionally, each manufacturing plant has a monthly water efficiency performance target that is connected to our overall water reduction goal.

2020 Water Use Reduction Goal

We set our first water use reduction goal in 2008, aiming to reduce the non-ingredient water used per gallon of product produced (intensity) 30 percent by 2013. After completing a thorough examination of reduction methods and timelines, we revised our water use reduction goal in 2012 to a 35 percent intensity reduction by 2020. Since 2008, we have reduced absolute water consumption by 16 percent and water use intensity by 13.5 percent.

|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| *Net Water = total water usage minus ingredient water (water that goes into our products as an ingredient)*
SOLID WASTE & RECYCLING

Producing high-quality dairy products from raw ingredients and packaging from raw materials inherently creates some waste. It may come in the form of food by-products, plastics, paper, cardboard – or anything that leaves our plants that is not a part of our finished product.

We learned in 2008 that we did not have enough source data to calculate the amount of our total solid waste, particularly waste sent to recycling and converted to animal feed. To correct this, we retained a third-party expert in 2009 to collect data and manage our solid waste disposal and recycling programs. Based on their work, we now estimate that the total amount sent to landfill or an incinerator in 2009 was approximately 70,000 tons. This is our baseline year for measured improvements.

2020 Solid Waste Reduction Goal

We set our first solid waste reduction goal in 2009, aiming to reduce solid waste 30 percent by 2013. By the end of 2011, we had already reduced solid waste 21 percent. As part of our 2012 environmental sustainability goal revision, we expanded our solid waste goal to reduce solid waste 50 percent by 2020.

2020 Recycling Goal

When Dean Foods expanded its environmental sustainability goals in 2012, we created our first recycling goal, aiming to increase the amount of material we recycle 80 percent by 2020. This reduction is on an absolute basis from a 2009 baseline. However, since setting the goal, a verification audit of our recycled materials found that we have recycled significantly more waste materials than previously measured since setting our baseline. By the end of 2011, we had already increased the amount of material we recycled by more than 90 percent. As a result, we are evolving our approach to measure recycling as a component of our landfill diversion, rather than simply on an absolute basis. By 2020, we will reduce the amount of waste we send to landfills by increasing the amount we recycle from 26 to 50 percent.

2020 Zero-Waste Goal

When Dean Foods expanded its environmental sustainability goals in 2012, we added a goal to create our first zero-waste goal for plants by the end of 2013. After a detailed review of the zero-waste standards, we are committed to achieving zero-waste to landfill certification* at 10 percent of our plants by 2020. We will adhere to UL Environment's Virtual Zero Waste certification which is defined as 98 percent or greater landfill diversion.
SUSTAINABLE SUPPLY

Our customers depend on us every day to deliver safe, high-quality products. To help create a sustainable supply from farm to consumer and through our packaging lifecycle, we partner with suppliers who have values like ours and who work to continuously improve the entire supply chain. We purchase our largest agricultural input, conventional raw milk, from co-ops representing more than 10,000 dairy farmers and from more than 700 independent farms across the U.S. We also buy other food ingredients and packaging materials for our products.

2020 Sustainable Supply Goal

When Dean Foods expanded its environmental sustainability goals in 2012, we added a goal to create our first sustainable supply goal by the end of 2013. To assure long-term access to the ingredients and materials that make up our products, our sustainable supply goals focus on our largest sources of supply - dairy farms and cooperatives, and food ingredient, packaging and services providers. We’ve specifically outlined our goals related to our dairy and non-dairy suppliers throughout this section.
SOURCING DAIRY

Conventional Raw Milk

Raw, unprocessed milk is our largest purchase, totaling more than $5 billion per year. We source this raw milk in two ways – directly from hundreds of independent farms through our Dairy Direct program, and from multiple dairy cooperatives representing thousands of dairy farmers. Together, these farmer suppliers deliver our raw milk supply from more than 10,000 farms across the U.S. to our facilities for processing.

A Safe and High-Quality Supply

As a buyer of raw milk, we focus most of our sustainable dairy sourcing efforts on setting appropriate standards and working with farmers to ensure a safe and high-quality supply of milk from animals that are cared for properly. In 2012, we voluntarily increased the testing range for antibiotics in our raw milk supply beyond federal requirements. Any load testing positive for a drug residue is rejected, and the farm in violation, as well as the appropriate state regulatory agency, is notified. Additionally, all milk we purchase from our farmer suppliers is required to meet European Union standards for somatic cell count, which are more stringent than U.S. standards.

Dairy Direct

Through our Dairy Direct program, farmers have access to competitive prices, a home for milk to take pride in, and the opportunity to establish a business relationship with an organization committed to growth and innovation. Dairy Direct allows producers to call their own shots – to make selling decisions that are best for their farms and families. Learn more at www.DeanDairyDirect.com.

Animal Welfare

We believe that a safe and high-quality milk supply is intertwined with the proper nutrition, care and living conditions of the cow. As the nation’s largest fluid milk processor, we are committed to animal health and welfare. Our milk supply comes from thousands of farms, both directly and through cooperatives. We are in the process of developing industry-wide guidelines - with the world's leading experts on cow welfare - to assess farms’ adherence to best practices for animal health.

By 2018, we will require on-farm assessments of all farms delivering milk to our plants. The assessment will be performed by Dean Foods and the cooperatives, and will be based on industry-wide standardized guidelines. The frequency of each farm's assessment will be determined by greatest need for improvement, and will not extend beyond three years. All farms will meet the standards of assessment, resolve the deficiency in an allotted time, or demonstrate adherence to a plan of action to address deficiencies. Based on industry guidelines, Dean Foods and our dairy suppliers will undergo annual third party audits to ensure the on-farm assessments are being implemented correctly. For more information, read about our other initiatives related to animal welfare.

On-farm Environmental impacts

Since 2008 the dairy industry has used life-cycle assessments (LCAs) to more accurately understand the impacts and resource requirements of our dairy products. An LCA is a tool for analyzing emissions, waste and the natural resources used throughout and affected by the life of a product. For agricultural-based food products, an LCA starts at the farm level and continues all the way to consumer homes and end-of-life for packaging. Using LCA results allows us to focus more quickly on areas where we can have the greatest impact. The peer-reviewed LCA results also help us deliver accurate information to our retail customers and consumers. We believe that consumers should have fact-based data from which to make informed decisions.

In 2008, Dairy Management Inc. and the entire dairy industry, including Dean Foods, worked together to found the Innovation Center for U.S. Dairy. The Innovation Center is leading the work in developing LCAs that will be used to guide the dairy industry for many years to come. Additionally, we are working together to create a comprehensive industry-wide approach to benchmarking, tracking and reporting to improve efficiencies from farm to consumer in the supply chain. Read more about our partnership with the Innovation Center for U.S. Dairy on our Partnerships page.
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SOURCING OTHER INGREDIENTS

Dean Foods is committed to responsibly sourcing our nondairy purchases as well. We strive to decrease our environmental impact by partnering with responsible suppliers, as well as by reducing the distance that ingredients we purchase travel. We continue to work with suppliers to identify improved sustainability practices where possible. Starting in 2014, all major suppliers will be required to complete an annual assessment surrounding their sustainability practices and demonstrate continuous improvement around Dean Foods’ stated goals.

Sugars and Sweeteners

Our sugars and sweeteners are sourced principally from U.S. suppliers. In some cases, suppliers rely on inputs from international sources. These sources, too, must meet our quality and sustainability expectations.

We have reduced the environmental impact of sourcing sugars and sweeteners by decreasing delivery distances. Historically, we received sugar from suppliers on the east and west coasts. In 2009, we started buying raw sugar from more sources and began arranging the processing at multiple locations across the U.S., more closely aligning with our supply chain and greatly reducing the miles traveled to deliver sweeteners to our plants. We continue to optimize our sugar and sweetener sourcing by utilizing suppliers whose manufacturing footprint aligns with Dean Foods plant locations.

Orange Juice Concentrate

Dean Foods is the third-largest processor of orange juice in the U.S., and we conduct in-person, on-farm inspections of our suppliers. For years, the orange juice concentrate we sourced for our products came almost exclusively from Brazil through one port on the U.S. eastern seaboard. While this arrangement brought a steady, high-quality supply, the ingredients traveled long distances over the road to reach our plants in the central portion of the U.S. Today, we supplement our supply with high-quality juices from Florida, Mexico and Costa Rica through delivery at multiple ports to better align with our supply chain.
These changes help us deliver orange juice concentrate more efficiently across our entire system and reduce freight miles by 32 percent.

Cocoa

We purchase cocoa from leading suppliers who operate sustainable sourcing programs and are members of the World Cocoa Federation. The World Cocoa Foundation promotes a sustainable cocoa economy through economic and social development and environmental stewardship in cocoa-growing communities. Learn more at [www.worldcocoafoundation.org](http://www.worldcocoafoundation.org).

PACKAGING

Dean Foods continually refines the design and specifications of our packaging to ensure it provides superior protection of our products while using only the necessary amount of materials.

2020 Packaging Goal

When Dean Foods expanded its environmental sustainability goals in 2012, we added a goal to create our first packaging goal by the end of 2013. While we seek to improve all packaging related to our business, our packaging goals focus on plastic jugs and crates, paperboard and corrugated cardboard, since they represent the majority of our packaged materials. We aim to create more sustainable packaging by increasing recycled content and recycling awareness, and expanding the use of certified materials.

Resin Reduction

Our primary packages – HDPE resin gallon and half-gallon containers – are among the most recyclable of food and beverage packaging. Continued innovation helps Dean Foods reduce the amount of resin used in our HDPE gallon and half-gallon containers. In 2007, we began using lighter weight containers for many of our products, eventually reducing many of our gallon containers from 63 to 58 grams of HDPE.

In 2012, we saved an additional 272 tons of HDPE resin by introducing an improved light-weight system for caseless products across our supply chain.

Cardboard on Corrugate

In 2009, we began introducing recycled content in our corrugated cardboard from suppliers, which is a major source of our secondary packaging*. We currently require all of our corrugated suppliers to use a minimum of 20 percent recycled content. By 2018, we will require them to increase the use of recycled content to a minimum of 25 percent.
*Secondary packaging is the box or wrapping that protects the primary product and does not come into
direct contact with the product.

Materials from Certified Sources

Additionally, we source corrugated cardboard from suppliers that ensure their materials come from
responsibly managed forests. By the end of 2014, we will require all corrugated cardboard and other
paperboard suppliers to use 100 percent certified materials. We will accept certifications from reputable
organizations including Forest Stewardship Council (FSC), Sustainable Forest initiative (SFI), Programme
for the Endorsement of Forest Certification (PEFC) or equivalent.

Paperboard

HDPE Plastic milk crates are the primary way we distribute products to our
customers. Milk crates are very durable, highly recyclable and can be used at least 100
times before they’re recycled into new milk crates or other products.

Dean Foods supports the Carton Council’s initiative to raise awareness about carton
recycling and purchases paperboard cartons exclusively from members of the Carton
Council. In 2012, Dean Foods began including the qualified recycle logo on cartons when
possible to encourage consumer recycling. This included adding the recycle symbol to our
national brand -TruMoo - school milk cartons. As packaging graphics change in the
future, we will adopt the recycle symbol to be included on all branded carton packaging. For more
information about the Carton Council, visit www.recyclecartons.com.

Recycled Label Backing

Several Dean Foods facilities recycle their pressure sensitive label backing
material. Approximately 260 tons of backing material is recycled every year
through our partnership with Greenwood Energy, which creates high-energy,
biomass fuel pellets by recycling industrial, pre-consumer waste products. The
U.S. Environmental Protection Agency has certified Greenwood pellets as a non-
waste fuel produced from secondary, non-hazardous waste materials. The pellets
are designed to be a coal substitute and result in significantly less sulfur, NOx and CO emissions when
burned properly.

OUR SUPPLIERS

Procuring goods and services that support a safe, high-quality food supply is why we require
accountability, commitment, quality, and service from our suppliers. Our procurement team is aligned
with the Institute for Supply Management’s Principles and Standards of Ethical Supply Management
Conduct and Principles of Sustainability and Social Responsibility. We choose to work with suppliers that
share these same values.
Supplier Scorecard

In 2012, we launched a Key Supplier Quarterly Assessment that measures our packaging and ingredients suppliers’ actual performance against their stated goals for service, quality, and safety. This assessment has identified innovative product and process improvement opportunities as well as sustainable packaging and energy consumption reductions.

Supplier Quality

Since 2010, Dean Foods has required our ingredient and food-contact packaging suppliers to pursue and maintain the GFSI -recognized Safe Quality Food (SQF) Level 2 certification or equivalent. The rigors of achieving this certification enhance the safety and quality of the products suppliers place into our supply chain. Our national suppliers are also required to participate in our Supplier Non-Conformance Program, which is an online issue resolution forum that quickly alerts necessary parties to any supply-related issues and resolves them transparently. Learn more about our commitment to product quality and safety.

Supplier Partnering for Community Support

For the second straight year, Dean Foods partnered with key suppliers to support the North Texas Food Bank’s “Food 4 Kids” backpack program. Dean Foods donated milk, Tetra Pak donated unique packaging, and Gossner Foods provided aseptic processing needed to donate more than 250,000 cartons of shelf-stable milk to help feed 8,250 chronically hungry school-age children every weekend. For more information, view the full press release.
SOCIAL RESPONSIBILITY

Across Dean Foods, we know being a good company means being a responsible corporate citizen – in every location, to every employee, and to all stakeholders. From high-quality, nutritious products to the safety of our employees, we know that doing the right thing is the best thing for our company.


Nature’s Gift

Mother Nature got it right. Nutritionally speaking, milk is the cream of the crop. Wholesome and loaded with essential nutrients, dairy products help us live healthy, happy and active lives. At Dean Foods, we’re committed to providing not only traditional dairy products such as milk and cottage cheese, but also lactose-free milk that allows families to enjoy the lasting benefits of dairy at every stage of their lives.

Our Commitment

We’re passionate about delivering the best to families everywhere. We apply the latest in nutrition science to improve our products and serve the needs of our consumers. Starting from minimally processed dairy, we’ve gone further to improve the nutrient profile of our entire portfolio. We’ve reformulated many products to reduce sugar, sodium, calories and saturated fat, and we enhance our products with nutrients such as calcium, and vitamins A, D and E.

Dean Foods is proud to be a National Strategic Partner with the USDA on helping to educate people about smart choices. Dairy products are an important part of the equation, and we encourage you to visit ChooseMyPlate.gov to learn more about the initiative, find tips for healthy living, download printable materials and more.
Dairy products from Dean Foods provide natural dietary advantages. Fortified milk is packed with nine essential nutrients, making it one of the most nutrient-rich beverages available. Other fortified dairy products supply calcium, vitamin D, phosphorus, potassium and high quality protein. Bone and heart health rank among the benefits associated with these nutrients.

Milk also is an excellent recovery beverage after exercise since it contains an ideal combination of protein, carbohydrates and electrolytes to help refuel tired muscles. In short, three eight-ounce glasses of milk a day can pack a powerful punch.

Facts About Flavored Milk

Flavored milks from Dean Foods meet the criteria of the most aggressive school food policy targets, such as the Institute of Medicine's Guidelines for Competitive School Foods, the School Nutrition Association, and the Alliance for a Healthier Generation. Health and nutrition experts such as the American Academy of Pediatrics, the Academy of Nutrition and Dietetics and the Institute of Medicine support the inclusion of lowfat and fat-free flavored milk in children's diets. 1,2

Flavored milk provides the same nine essential nutrients as unflavored milk, including three of four "nutrients of concern" for children: calcium, potassium and vitamin D. 3 The amount of added sugars in flavored milk is significantly less than the amount in soft drinks. About 50% of the sugar in flavored milk is naturally occurring lactose, yet all the sugars in sodas and many soft drinks are added sugars.
Lowfat or fat-free chocolate milk makes for an effective recovery drink after exercise or a sports activity. In fact, chocolate milk post-workout is often referred to as "nature's protein drink" since it contains a perfect ratio of protein and carbohydrates for replenishing tired muscles. Its high water content replaces fluids lost as sweat, while its electrolytes (like sodium and potassium) help to rehydrate. 4

**Did You Know:**

- Flavored milk accounts for less than 3.5% of the total added sugars in the diets of children ages 6-12 and less than 2% of added sugar intake in teens. Nutrient-poor sodas and fruit drinks made from powder provide up to 50% of added sugar intake for children and adults alike. 5,6
- School flavored milk contains: 7
  - 38% less added sugar than five years ago
  - Only 31 calories more than white milk
- Children who drink milk, either plain or flavored, tend to have superior overall nutrient intake compared with children who don’t drink milk. 8,9
- One study showed that compared with non-milk drinkers, children who drink flavored milk: 10
  - Drink more milk and get more calcium and other key nutrients
  - Drink fewer nutrient-poor sodas and fruit drinks
  - Do not consume any more added sugars or total fat
- An important study reveals that when flavored milk was removed from schools: 10
  - Milk consumption dropped 35% and did not rebound
  - The loss of nutrients was substantial and was not replaced by other foods

**Good to Know**

While an 8-ounce serving of white milk contains 12 grams of naturally occurring sugar (lactose):

- TruMoo contains a total of 18 grams sugar
- About 66% of the total sugar in TruMoo comes from lactose
- TruMoo contains no high fructose corn syrup
- TruMoo comes from cows not treated with artificial hormones 11

3- Dietary Guidelines for Americans, 2010.
5- Murphy MM et al. Beverages as a source of energy and nutrients in diets of children and adolescents. FASEB J 2005; A434: 275.4
7- 2011-2012 Projected School Milk Product Profile, MilkPEP School Channel Survey, conducted by Prime Consulting Group.
No significant difference has been shown in milk from cows treated with the artificial growth hormone rbST and non rbST treated cows.

Essential for the Whole Family

Eating three servings a day of lowfat or fat-free dairy foods is an easy and inexpensive way to help build and maintain strong bones.

While the foundation for strong bones is established during childhood, calcium intake remains critical with age. Bones constantly re-form throughout life, so the calcium and other bone-building nutrients found in dairy products remain important long after the skeleton has stopped growing.

Extensive research suggests that calcium and dairy foods, as part of a healthy diet, may help:

- **Reduce the risk of osteoporosis**
  More than 60 studies have shown that calcium intake increases bone mass during growth, reduces bone loss with age, and/or reduces fracture risk. 1

- **Reduce hypertension**
  Dairy nutrients such as calcium and vitamin D may play a role in regulating blood pressure and have been associated with a reduced risk of hypertension. 2,3

- **Maintain a healthy weight**
  People who consume more calcium and dairy foods have been shown in multiple observational studies to weigh less and/or have less body fat than those who consume little or no dairy. 4,5,6,7

1- Heaney, RP. The importance of calcium intake for lifelong skeletal health. Calcified Tissue Int'l 2002; 70:70-73.
PRODUCT QUALITY

At Dean Foods, food safety and quality are always number one on our priority list. From receipt of raw milk to delivery to our customers, our products are continuously tested to certify that they are both safe and wholesome. Our process ensures that milk from farms and cooperatives meets our high quality standards, as well as state and federal standards, including water content, acidity, temperature, sensory, fats, microbiology, animal drug residues and more.

Quality Improvement

In 2008, we launched a Quality Improvement Program (QIP) in our Fresh Dairy Direct business. The goal of QIP is to ensure consistent food safety and quality standards throughout the supply chain. Under this program, each plant performs monthly self-audits, which are updated and reported quarterly. Our WhiteWave and Morningstar businesses have also launched similar programs, which include week-long assessments to evaluate laboratory, manufacturing, quality and technical capabilities. The results of these audits are used to create continuous improvement plans for each facility.

Every month, all plants are also internally measured on consumer complaints, sanitation and dozens of other quality factors to ensure that our customers and consumers receive the highest quality possible. To continually improve the sanitation of our plants, we began a shared best practice program in 2009 for environmental and sanitation verification across the country.

In 2012, Dean Foods launched a comprehensive quality skill building training program, under the umbrella of the Dean Foods Quality University. This web-based training allows us to deliver high quality training across all manufacturing sites. We have also implemented a proprietary Comprehensive Quality Audit to ensure that our thermal processes and procedures meet all requirements. Additionally, this year, we launched the Dean Foods Quality Award to recognize quality performance across the best fluid dairy and ice cream plants. The first awards will be presented in early 2013.

Third-Party Audits

All Dean Foods plants are inspected by independent third-party auditors as a part of the Global Food Safety Initiative. Our inspections are conducted under the umbrella of the Safe Quality Foods (SQF) audit scheme. Under this program, we have achieved Level 3 for food quality, the highest level possible, and have maintained it since 2009. Dean Foods represents nearly 30% of all SQF-certified locations in the United States.

Preventing Recalls

We have shown significant improvement in preventing quality issues before they reach the market. Today, we are working hard to move beyond detection and
toward prevention of these issues across our entire supply chain, including our suppliers.

*Occasionally we use our national distribution system to ship and sell products not produced by Dean Foods. In 2010, a class I recall involved one of those products.

**Food Safety Modernization Act**

The FDA Food Safety Modernization Act (FSMA), which was signed into law in January 2011, aims to ensure the U.S. food supply is safe by shifting the focus of federal regulators from responding to contamination to preventing it. Our work to comply fully with the FSMA has been extensive. In 2012, we conducted major training sessions covering 115 people at all more than 80 plants. We have conducted an extensive risk assessment on our processes, including biological, chemical, radiological and the risk of intentional contamination, resulting in the development of our Food Defense and Preventive programs. Dean Foods has a program that works in close concert with state and federal regulators to be the leaders in the industry in food safety and quality.

**Supplier Quality**

In 2011, we launched a comprehensive Supplier Quality Program to ensure that our suppliers have the proper food safety plans in place, including Hazard Analysis Critical Control Plans (HACCP), preventive controls, and allergen programs. Additionally, we have required our key ingredient and packaging suppliers to pursue the Global Food Safety Initiative certification for Food Safety. Our path forward is making sure all suppliers meet and exceed Food Safety Modernization Act of 2011.

**Industry Leadership**

Dean Foods has the most representation of any dairy company in the National Conference of Interstate Milk Shipments and maintains key leadership roles in critical committees. We are in full compliance with all provisions of the Grade A Pasteurized Milk Ordinance under the United States Food and Drug Administration and the United States Public Health Service.

**ANIMAL WELFARE**

As a leading dairy provider, Dean Foods is committed to providing a quality product that meets or exceeds the expectations of our customers and consumers. Our commitment is shown in every step we take, from the farm to the fridge, and it begins with the health and welfare of the cow. Although we do not own the farms from which we procure raw milk, we have a responsibility to ensure that our farmer suppliers provide for the good welfare of their cows.
Sourcing Dairy

By 2018, we will require on-farm assessments of all farms delivering milk to our plants. The assessment will be performed by Dean Foods and the cooperatives, and will be based on industry-wide standardized guidelines. The frequency of each farm's assessment will be determined by greatest need for improvement, and will not extend beyond three years. All farms will meet the standards of assessment, resolve the deficiency in an allotted time, or demonstrate adherence to a plan of action to address deficiencies. Based on industry guidelines, Dean Foods and our dairy suppliers will undergo annual third party audits to ensure the on-farm assessments are being implemented correctly.

Learn more about our position related to specific animal welfare issues

Dairy Stewardship

In 2010, we created a professional position to champion the Dean Foods approach to animal welfare and dairy stewardship. We hired Dr. Jennifer Walker, DVM, Ph.D., an expert in bovine health and on-farm management practices, to serve as the Director of Dairy Stewardship. In her role, Dr. Walker is helping Dean Foods create industry-leading best practices in animal welfare, milk quality and farm resource management. The Dairy Stewardship team partners directly with dairy farmers who supply our raw milk to enhance our quality assurance and sustainability processes, as well as to develop a standard of excellence that will provide a consistent and thorough assessment of our dairy suppliers.

Animal Welfare Advisory Council

In 2011, Dean Foods brought together an industry-leading Animal Welfare Advisory Council, a diverse team of experts who are now working together to develop a national program that will demonstrate farmers’ efforts to do the best for their cows while identify areas that need improvement. The Animal Welfare Advisory Council boasts of contributions from farmers, customers and the world’s leading experts in animal welfare including Dr. Temple Grandin, Dr. Marina von Keyserlingk, Dr. Cassandra Tucker, Dr. Nigel Cook, Dr. Carolyn Stull and Dr. Jan Shearer.

In developing programs and guidelines for our farmer suppliers, the Council understands that enforcing a few critical guidelines and requiring that farmers make efforts to
improve will be essential to a meaningful welfare program. It also recognizes that good welfare is a balance between three components: physical, behavioral and emotional health.

The Dean Foods Approach

The primary goal of the Dean Foods approach to Dairy Stewardship is to promote good welfare of dairy cattle. Our program goals will include verifying that cows are cared for properly and that farmers are working to meet contemporary standards. A successful on-farm program will identify areas that need attention or improvement as well as document that plans are created and implemented to correct any areas where a farm is challenged. We also recognize that there is no single approach to providing for the welfare of cows. Given the tremendous diversity in dairy farming, our farmer suppliers must maintain the independence to determine what management practices work best for them in promoting good welfare. We also know we cannot prevent every instance of malicious behavior. But we can provide the knowledge and tools necessary for farmers to make the right decisions, hire the right people and effectively train them.

Consumer Expectations

The welfare of dairy cows covers a broad spectrum of concerns rooted in society’s views of the role animals play in our lives. Consumers have become increasingly conscious of animal welfare issues, and they expect that dairy cows and other animals involved in production agriculture are provided for in a way that respects their nature and strives to ensure good welfare. Today’s consumer is typically far removed from the farm, so educating them on animal welfare and agriculture is a first step in meeting their expectations. Clearly, consumers expect that abuse or neglect of animals is neither condoned nor permitted. But beyond that obvious expectation, we build and maintain consumer trust by demonstrating that we share a common ethic about animal welfare.

EMPLOYEE SAFETY

At Dean Foods our guiding principles, our operational imperatives, and our logistics maxims all start with People, Safety, Quality, and Customer Service. We have a strong belief our employees have a safe and healthy place to work. Over the last several years, we have continuously improved our safety performance and increased the accountability for a safe work environment among leadership and employees. Since 2007, we have created robust safety training programs, performed more than 150 corporate- and facility-led safety audits, and invested in safety expertise at our facilities to ensure employees have a safe work environment. Starting 2011, we have had a formal safety management system. Over the past few years we added additional resources and tools specifically to some of our highest risk activities including the safety of our drivers and our fleet, the safety of our refrigeration systems, and the safety and compliance of our contractors working on our facilities.
Our EHS Programs are focused on both compliance and culture. In 2012 we adopted a behavior based safety program based on Observation & Coaching. In 2015 we started deploying Lytx Drive Cam coaching and telematic event records to improve our coaching programs and provide more engagement with our nearly 5000 drivers. In 2016 we have deployed nationwide Safety In Motion (SIM) a leading body mechanics and ergonomics program that positively touches the lives of every Dean Foods employee. In 2015 and 2016 we have also deployed an EHS Culture and Engagement Assessment providing our manufacturing locations with additional best practices and tools to further improve our safety culture.

We monitor several safety performance metrics monthly, including the OSHA-based DART rate (days away, restricted and transferred) and TRIR (total recordable injury rate). These rates are computed using OSHA-based calculations and are used to monitor internal safety trends and determine where corrective action is needed. We also measure the safety of our fleet utilizing DOT scoring tools.

Our increased focus on safety has only had positive impacts on our employees but has improved workers compensation costs by an average of over $10 million per year compared to 2010 performance and almost $20 million compared to 2005.

DART: 40% improvement since 2011  | TRIR: 28.5% improvement since 2011

In 2015, we continued our efforts to significantly reduce the number and severity of accidents across Dean Foods.

We improved our company-wide DART rate by 15% (a standard measurement based on injuries and illnesses severe enough to warrant “Days Away, Restrictions and Transfers”).

Our company-wide total recordable injury rate (TRIR), which indicates the total number of injuries across our company, decreased by 14%

In the past 5 years we have seen a 28.5% improvement in TRIR and a 40% improvement in DART.
Looking Ahead

As we move into 2016 we continue to build on the management systems and tools we have deployed in the past 5 years. While we have made tremendous progress in improving our injury rates and our safety culture performance we will not be satisfied as a company until all of our employees go home each day with no injuries.

ETHICS AND COMPLIANCE

Dean Foods operates more than 80 manufacturing facilities and more than 300 distribution locations across the U.S. Many of these locations must comply with hundreds of specific regulations. We strive to conduct business in compliance with all applicable federal, state, and local regulations to ensure the protection of the environment and safety of our employees. Our Audit Committee provides oversight of our ethics and compliance activities.

Code of Ethics

Becoming a more responsible company requires responsible actions by our employees. We strive to treat all employees with dignity and respect, and we provide expectations of conduct for all employees. Our Code of Ethics establishes many of the standards which we expect our directors, officers, and employees to follow to build value for our stakeholders. We also provide an anonymous Code of Ethics Help Line for all employees: 1-888-332-3980. Review the Dean Foods Code of Ethics for more information.

Environmental Health & Safety Management

In addition to employee safety, we focus on improvements in our environmental compliance and safety management performance. We comply with all applicable regulations from the U.S. Environmental Protection Agency, Occupational Safety and Health Administration, and state and local agencies. We use a computer-based third-party auditing system tailored to the dairy industry to conduct robust audits at our facilities. In 2011, we conducted 55 environmental audits in our facilities, and we conduct 25-30 safety audits every year. We also began tracking resolution of all audit findings and created a performance measurement for speed and verification of closure. We continually train our environmental health and safety professionals – stationed at each manufacturing location and several of our distribution locations – to ensure compliance and a high level of environmental performance.

Regulators perform hundreds of inspections each year at our facilities, and we track citations and fines from these visits. In 2010 and 2011, our environmental citations led to less than $50,000 in fines related to
environmental compliance for both years. In 2010, we paid $136,838 in fines related to safety citations from OSHA or state safety agencies. In 2011, due to increased focus by OSHA under a National Emphasis Program (NEP) focused on Process Safety Management (PSM), we experienced an increase in fines related to citations totaling $268,679. A majority of the 2011 citations were related to a single facility inspection linked to the OSHA NEP. In response, we have increased our attention around PSM to ensure our compliance at all of our locations.

Additionally, we participate in industry associations like the National Association of EHS Management (NAEM) and International Institute for Ammonia Refrigeration (IIAR) to conduct benchmarking and develop industry standards and best practices to improve environmental performance not only for Dean Foods but for the food and beverage industry in general.

**Transportation Compliance**

Our private fleet is subject to the rules and regulations established by the Department of Transportation’s Federal Motor Carrier Safety Administration as well as the laws of multiple state, county and local governments. Compliance with regulations covering hours of service, driver qualifications, drug and alcohol testing, vehicle readiness and safety are all part of our daily activities. Our employee drivers and management team take pride in maintaining an outstanding safety and compliance record, and we provide safe driving training to all our drivers. Learn more about our Transportation and Distribution efforts.

During 2011, we were subject to more than 1,300 roadside inspections by law enforcement personnel as reported to the Department of Transportation (DOT). These inspections concluded with 67 percent having no violations and 96 percent of the inspected drivers/vehicles immediately returned to service. During the 24 months of 2010 and 2011, we were involved in 57 DOT Recordable Crashes resulting in injuries and/or fatalities with an equivalent vehicle involvement rate of 0.14, compared to the national rate of 0.22*. Each of the behavior analysis and safety improvement categories under the Motor Carrier Safety Measurement System were well below intervention thresholds.


**DIVERSITY**

We know that a diverse workforce provides a powerful competitive advantage in the marketplace. To support our efforts to recruit and retain a diverse employee base, each of our plants has an Affirmative Action Plan with specific recruitment goals that are updated annually.

We have also taken steps to improve gender diversity in our workforce, and women now represent 16.5 percent of our senior management positions. Our approach has been multi-pronged, with the
establishment of the Dean Foods Women’s Network to offer development and networking opportunities to employees in all functions and at all levels of the organization.

Our network is enhanced through our partnerships with external organizations, such as the Women’s Foodservice Forum and the Network of Executive Women, which provide broad growth and development opportunities for our employees.

POLICIES & POSITIONS

Dean Foods corporate responsibility programs and policies are managed through an organizational structure designed to ensure accountability and elicit stakeholder input. The Audit Committee of the Board of Directors provides oversight of our policy-setting activities. Additionally, our cross-functional Issues Working Group identifies, prioritizes and manages issues and trends related to our corporate reputation and the interests of our stakeholders. This group helps ensure that the viewpoints of various constituencies are appropriately considered, and that our corporate positions are communicated and applied consistently across the company.

Equal Opportunity Policy

Our policy is to provide recruitment, hiring, training, compensation, transfer, promotion, termination and all other conditions of employment for all persons based on merit, qualifications and competency without discrimination on the basis of race, color, religion, sex, age, sexual orientation, national origin or ancestry, disability, medical condition, marital status, veteran status or any status protected by law and not listed here. Fulfillment of our commitment to equal employment opportunity requires action by all employees throughout Dean Foods.

Policy Against Harassment

Our policy is to provide a work environment that is pleasant, professional and free from intimidation, hostility or other offenses which might interfere with work performance. We will not tolerate harassment of any sort – verbal, physical or visual – particularly against employees in protected classes. These classes include, but are not necessarily limited to, race, color, religion, sex, age, sexual orientation, national origin or ancestry, disability, medical condition, marital status, veteran status, or any other status protected by law and not listed here.

Policy Against Retaliation

We will not tolerate any retaliation or threat of retaliation against any person for reporting in good faith a known or suspected violation of the Code of Ethics or any other applicable policy. Any employee who commits an act of retaliation is subject to disciplinary action up to and including termination.

Supplier Code of Conduct
This Supplier Code of Conduct sets forth the principles and standards that we expect our suppliers to uphold.

California Transparency in Supply Chains Act

Read our statement on our compliance with the California Transparency in Supply Chains Act (SB 657).

Political Contributions Policy

Dean Foods believes that it has a responsibility to be engaged in the political process to both protect and promote its interests. We also encourage our employees to be active in civic and community activities, including participation in the political and democratic process. All political, lobbying and civic activity by the Company and its employees must comply with applicable law and the Company’s Code of Ethics. View the full policy, the 2015 disclosures and the 2016 disclosures.

Position on Animal Welfare

As the leading dairy company in the United States, Dean Foods takes its role as a steward in the dairy industry seriously. We believe that providing for the good welfare of dairy cows is not only the right thing to do, but that the health and welfare of dairy cows is directly related to the production of high-quality milk and our products. Learn more about our work to improve Animal Welfare.

Position on Use of Artificial Growth Hormones

Over the past few years, many of our consumers and retail customers have requested that we provide products made from milk produced by dairy cows that are not treated with the artificial growth hormone rbST (recombinant bovine somatotropin). The FDA has approved the commercial use of rbST in the U.S. and determined that no significant difference can be shown in milk from cows treated with rbST and those not so treated. However, to meet the growing requests of consumers and retailers, in 2008 we began to request that our dairy suppliers provide us with raw milk from cows not treated with rbST. Since July 1, 2008, virtually all Dean Foods fluid milk has been sourced from cows not treated with rbST.

Position on Genetically Modified Organism (GMO) Labeling

At Dean Foods, we are committed to ensuring that our products adhere to the highest standards of food safety and quality. We only use food ingredients that have been recognized as safe by leading regulatory authorities.

We firmly believe genetically modified ingredients are safe. Food developed through biotechnology has been studied extensively and judged safe by a broad range of regulatory agencies, scientists, health professionals, and other experts around the world.

We supported the establishment of a national disclosure standard for bioengineered food and intend to fully comply with the future labeling guidelines established by the standard. We believe a national
uniform labeling requirement best meets consumer needs while avoiding a patchwork of costly state-by-state regulations.

For more information on the topic please visit:
U.S. Department of Agriculture
U.S. Food and Drug Administration

Dairy Policy

As a company that depends on dairy farm businesses, we recognize many farmers are challenged by today’s economic conditions. We are concerned about the future and economic well-being of the entire U.S. dairy industry. We are taking a leading role in efforts to modernize an antiquated U.S. dairy policy that was not designed to deal with the complexity of today’s global markets.

Dean Foods believes that the current government-controlled system of dairy pricing creates a high degree of volatility in milk prices that hurts producers and processors alike. We believe the dairy industry needs significant and meaningful pricing reform. We fundamentally disagree with reforms that would establish a “market stabilization” or “supply management” program for dairy farmers. Supply management approaches limit milk production and hurt the U.S. dairy sector by suppressing industry growth and penalizing the most efficient farmers. Such a system would result in an added regulatory burden. Additionally, it would unfairly impact certain regions already lacking enough milk to meet processing demands. We believe a supply-managed system is the wrong answer for the American farm community because the U.S. is very competitive globally in dairy. We also believe it’s the wrong answer for consumers because it ultimately leads to higher prices.

We are working with farmers, regulators, elected leaders, and retailers to create a new, sustainable dairy policy that not only ensures high-quality, nutritious, and affordable milk for consumers, but also promotes growth for American dairy farmers and processors.

CUSTOMER AWARDS

Dean Foods has been honored by some of our largest customers for outstanding service and industry leadership. Below is a list of awards we’ve received in since 2010.

Affiliated Foods Midwest

2015/16 Vendor of the Year
2014/15 Vendor of the Year
Burger King
2012 Vendor of the Year

Gordon Food Service
2015 Cornerstone Award
2012 VIP Partner Award
2011 Service Cornerstone Award

Kentucky Restaurant Association
2015 Supplier of the Year

McDonald's
2014 Animal Welfare Award
2014 Sustainability Award
2011 Supplier of the Year
2010 System First Award
2009 Supplier Quality Award

Michigan Grocers Association
2015 Outstanding Achievement Award

Neiman's Family Market
2015 Vendor of the Year
PL Buyer (By Retailer Vote)
2011 Dairy Category Colonel
2010 Dairy Category Colonel
2009 Dairy Category Colonel

Safeway
2012 Best Category Development Award for Perishables

Sodexo
2010 Vendor of the Year

Spartan Nash
2015 Best Vendor Booth

Sysco
2012 Top Gold Supplier
2012 Gold Supplier - Dairy
2011 Gold Supplier - Dairy

Target
2011 Dairy Vendor of the Year
CORPORATE PHILANTHROPY

Dean Foods believes that enriching the communities where we operate is not a choice, but a responsibility. Our corporate philanthropy initiatives focus on the values that align with our business objectives. Through our contributions to the Dean Foods Foundation, we hope to make a significant impact by supporting organizations selected by the Foundation that focus on childhood nutrition, youth leadership, dairy stewardship, and disaster relief. Our employees also give generously of their time in communities across the country. In addition, our local businesses frequently donate products or sponsor community events, and in times of disaster, they often respond to local needs by not only donating products, but also by providing on-the-ground logistical support, such as trucking and refrigeration services.

The Dean Foods Foundation does not accept unsolicited proposals.

DEAN FOODS FOUNDATION

Our Purpose

The Dean Foods Foundation is committed to Strengthening Lives Through the Goodness of Dairy through our community partnerships.

Our Strategic Giving Approach

We invest in organizations that are based in the Dallas area (home to our corporate headquarters) and those that are national in scope with a mission that supports our giving priorities.

Childhood Nutrition

Ensuring children in our communities have access to the healthy foods they need to grow and thrive.

Youth Leadership
Providing opportunities for youth to engage in leadership and educational enrichment programs

**Dairy Stewardship**

Promoting dairy stewardship to support best practices in animal welfare

**Disaster Relief**

Supporting disaster response effort in times of crisis

**Inquiries**

For more information, please contact giving@deanfoods.com. The Dean Foods Foundation does not accept unsolicited proposals.

**Local Giving and Product Donations**

Dean Foods Company has nearly 70 local dairy plants across the country that support the specific and unique needs of their communities through financial contributions and product donations. Our local support reinforces our commitment to nurturing and supporting the communities where we operate. Our local brands provide fresh dairy and other products to community organizations nationwide so families in need have access to nutritious food. **In areas where Dean Foods Company has operations, requests for contributions should be sent to the local business.** All decisions are made locally, and we do not accept product requests at the corporate level.

**The Dean Foods Foundation does not provide product donations.**

**Partnerships**

The Dean Foods Foundation is proud to support these organizations.

**Children at Risk**

Serving as a catalyst for change to improve the quality of life for children through strategic research, public policy

**Dairyland Initiative**

Incorporating as many research-supported biological standards as possible to enhance the current engineering practices, while producing a facility that is both economically viable and welfare friendly
analysis, education, collaboration and advocacy

Feeding America
Feeding America's hungry through a nationwide network of member food banks and engaging our country in the fight to end hunger

FFA
Making a positive difference in the lives of students by developing their potential for premier leadership, personal growth and career success through agricultural education

Food Armor
Working together with veterinarians and farmers to ensure safe meat and milk

Genesis Women’s Shelter
Providing safety, shelter and support for women who have experienced domestic violence, and raising awareness regarding its cause, prevalence and impact

Girl Scouts of Northeast Texas
Building girls of courage, confidence, and character, who make the world a better place

Young Dairy Leaders Institute
Providing education, leadership development and outreach programs to serve both youth and young adults across the country who are involved with all breeds of dairy cattle.

Mi Escuelita
Teaching English to children from all cultures and preparing them for academic success

North Texas Food Bank
Passionately pursuing a hunger-free community.
VOLUNTEERISM

Dean Foods Dallas area employees participate in Project Outpour, our annual fundraising campaign. Groups of employees volunteer their time by helping out at several local charity partners. In 2016, Dean Foods employees raised more than $30,000 for their chosen charity. Dean Foods employees strive to live our Purpose of Strengthening Lives Through the Goodness of Dairy.
Dean Foods corporate headquarters employees in Dallas have adopted Hunger Action Month as our annual volunteer event in September. Throughout the month, groups of employees volunteer by sorting and packing food at the North Texas Food Bank’s Distribution center and shopping for healthful foods for their families with clients at a local Community Pantry.
BOARD OF DIRECTORS

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Non-Executive Chairman of the Board of Dean Foods Company and Principal, JLT Beverages L.P.

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Principal, Hill Family Advisors

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B. Craig Owens
Former Chief Financial Officer, Chief Administrative Officer and Senior Vice President, Campbell Soup Company

Ralph P. Scozzafava
Chief Executive Officer, Dean Foods Company

Robert T. Wiseman
Former Chairman of the Board and Chief Executive Officer, Robert Wiseman Dairies Limited

EXECUTIVE LEADERSHIP TEAM

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Brad Anderson
Senior Vice President, Field Sales

Chris Bellairs
Executive Vice President, Chief Financial Officer

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Brian Murphy
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