

A Message from Our CEO

Ralcorp is making progress today for a better tomorrow.

Ralcorp recognizes that sustainability is an important part of our responsible corporate citizenship and is a leading concern among our key stakeholders. To this end, Ralcorp is making continuous improvements to the way we do business and our business' impact on others. Each of our divisions focuses on manufacturing high quality foods in the safest, most efficient manner possible, while maximizing shareholder value. We bring this focus to all of our business operations, including our environmental and social sustainability efforts.

We understand that achieving environmental sustainability does not happen overnight and requires an ongoing commitment to progress.

“Ralcorp is committed to minimizing the environmental footprint of our businesses. Our use of raw materials, manufacturing methods, selection of suppliers, and the distribution of our products are all focused on providing our customers and consumers the highest quality products while working to sustain the environment for future generations.”

The Ralcorp commitment to environmental sustainability helps guide our business operations and our planning for the future. We know we cannot accomplish everything at once, so, **we have been focusing on three core environmental impact areas: our efficient use of energy; management of material waste and recycling; and packaging innovation.**

On the social sustainability front, Ralcorp's efforts are anchored by our dedication to making positive contributions in the places where we live and do business, both for our employees and the larger communities. With more than 9,000 employees in 39 manufacturing facilities and offices in the U.S. and Canada, our business operations are far-reaching. As our geographic footprint grows, ensuring a safe, healthy workplace environment for all our employees and supporting our communities is essential. **Our social efforts are focused on employee safety, health and wellness, and community involvement.**

Ralcorp makes the food that millions of people eat each day, and we are constantly working to improve the ways in which we do this. Looking to the future, we will continue taking steps towards decreasing our environmental impact and making positive social contributions. As we develop better ways to drive and capture our sustainability performance, we look forward to sharing those improvements with you. For now, we invite you to read further to learn more about how Ralcorp is making progress today for a better tomorrow.

Kevin Hunt
CEO Ralcorp Holdings, Inc.

Environmental Sustainability

Ralcorp's manufacturing facilities work to meet or exceed compliance with all applicable laws and regulations relating to the protection of the environment. Ralcorp's environmental efforts vary by division and manufacturing facility because of the unique product mix each maintains. The types of foods produced in a specific facility, the processes used to manufacture them, and the unique considerations for different geographic locations all influence the efforts we pursue. However, we have three common focus areas: [efficient use of energy](#); [materials management and recycling](#); and [packaging innovation](#).



Environmental Sustainability:

Efficient Use of Energy

All of Ralcorp's divisions have completed or are continuing their upgrades to more energy efficient lighting systems and equipment. Upgrades have included conversions from less-efficient lighting to T5 or T8 fixtures, which increase light levels while decreasing kilowatt usage. We have also installed motion-sensored lighting to help conserve energy in many offices and non-production areas at our manufacturing facilities.

Ralcorp is working hard to reduce our impact on the environment, starting with our use of energy. In fiscal year 2008-2009, we began a corporate initiative to gain a better understanding of the way we were using energy and how we could use it more efficiently. Ralcorp contracted a third-party energy consultant and utilities management provider to help us optimize our use of energy. Using a phased approach, we piloted a series of energy audits in approximately one-third of our manufacturing facilities*. Through this process, we educated employees, especially those in our manufacturing facilities, on how to audit energy use and initiate energy projects that reduce usage and carbon output. Learning outcomes from these pilot audits were cascaded to other employees within the Ralcorp manufacturing network for the benefit of additional locations.



Our manufacturing facilities initiate energy optimization projects each year, and many were initiated in conjunction with these energy audits. The projects have focused on maintaining high productivity while minimizing environmental impact. A few examples of these projects include:

- Retrofitting and upgrading to more efficient lighting systems;
- Retrofitting and replacing inefficient equipment; and
- Modifying our use of compressed air.

Ralcorp has also taken steps to improve the use of energy in our manufacturing processes. Installing higher efficiency equipment such as equipment motors, boilers, and refrigeration units, has reduced the amount of energy required to run this equipment. We are also reducing unnecessary energy use across the Ralcorp supply chain by upgrading many of our compressed air systems, repairing air leaks, lowering air pressure, and replacing the use of compressed air with the use of high vortex blowers where possible.

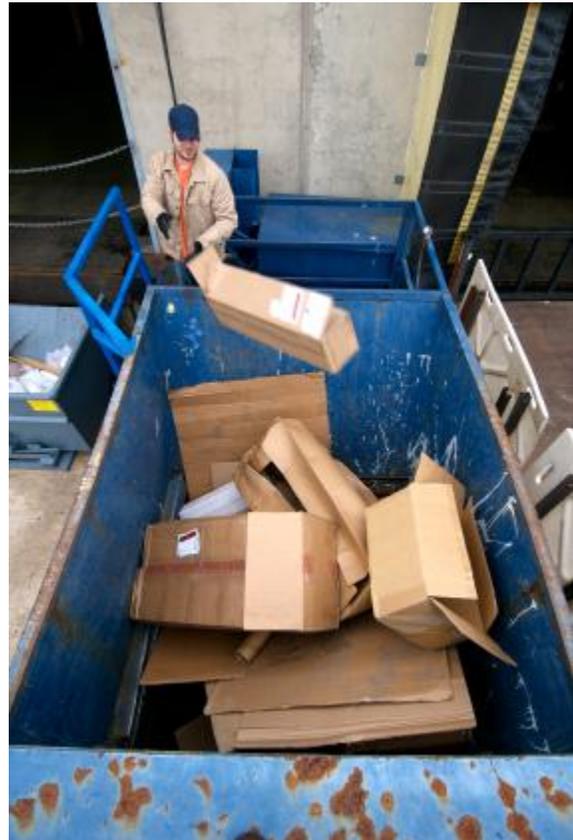
Environmental Sustainability:

Materials Management and Recycling

Source Reduction

Ralcorp is deeply committed to diminishing the amount of waste we send to landfills. Our divisions engage in source reduction on the “front-end,” reducing the amount of material we receive from our suppliers. On the “back-end,” we manage comprehensive recycling programs to divert material from landfills.

We know the less unnecessary material we bring into our manufacturing facilities, the less we will need to handle as it exits each facility. To this end, many of our locations receive raw materials in bulk, or receive ingredients with reduced packaging, cutting down on the amount of corrugate, plastics, and other raw materials packaging that enters each facility. For example, several locations have made changes to their use of incoming pallets such as increasing their quality to extend reusable life span, auto palletizing to reduce slip sheets, and in some cases, eliminating the use of incoming pallets for selected materials and raw ingredients.



Materials Management and Recycling

Our manufacturing processes yield high production quantities, but we inevitably generate some degree waste in the process—mainly ingredients packaging and food byproduct. We recycle as much of this front-end packaging as possible. As for food byproduct, we repurpose this as animal feed for farmers, often local to each facility. Animal feed programs divert this material from landfills and municipal sewer systems, while providing a more affordable, protein and nutrient-rich feed option to farmers.

In 2009, Ralcorp enlisted the help of a third-party waste handling consultant to perform waste management and recycling audits for 32 of our manufacturing facilities. This auditor helps each location to reduce and recycle, and suggests key recommendations to help further our materials management and recycling efforts. In addition, the consultant assists Ralcorp with developing comprehensive implementation plans for enhancing our company-wide recycling programs.

A major aim of this initiative is to bring about improvements not only in the range of materials we recycle, but also the way we recycle them. For example, many of our facilities have implemented more widespread use of balers to compress corrugate into compact units. This increases the amount of used corrugate we can store, resulting in fewer transportation loads, and increases the amount of corrugate we recycle. In addition, simple initiatives such as providing additional recycling containers at locations such as our corporate headquarters and at facilities have increased the types and amount of materials Ralcorp recycles.

Some of the materials we recycle across our supply chain include:

- Aluminum and aluminum cans
- Batteries
- Chemical drums
- Chipboard cartons
- Corrugate
- Electronic and computer equipment
- Fiber
- Food byproduct for animal feed
- Glass/glass bottles
- Office papers
- Oil from food and machines
- Pallets
- Plastic banding
- Plastic liner and printed film
- Resin
- Scrap metal, steel, and composite

Environmental Sustainability:

Packaging



Ralcorp is pursuing the development of more environmentally sustainable packaging through the company's creation of infrastructure to support these activities and through our packaging initiatives.

Ralcorp has established an internal packaging committee to guide future environmentally sustainable packaging efforts*. This committee shares best practices, discusses current packaging initiatives, and reviews supplier activity. This group also acts as a clearinghouse for new and current projects in the company's divisions. The cross-divisional, cross-functional makeup of this committee includes representatives from sales, research and development, purchasing, operations, and others when additional expertise is required.

Through this internal network, we have standardized our approach to sourcing packaging materials across the supply chain. This standardization has enhanced our current processes as we review capabilities on supplier bids; we are utilizing that knowledge base to drive advancements in reducing materials used in our packaging on an ongoing basis.

Because of the unique product mix that each Ralcorp division maintains, specific packaging initiatives differ based on product type, packaging requirements, and customer needs. Across the divisions, some examples of packaging initiatives have included the following.

- Ralcorp divisions are working continuously to increase recycled content in packaging. All of our divisions utilize cartons and corrugate with recycled content, while Ralcorp Snacks, Sauces and Spreads and Ralston Foods use certified 100% recycled board for product cartons.
- Where possible, Ralcorp Frozen Bakery Products, Ralcorp Snacks, Sauces, and Spreads, and Ralston Foods, have increased the gap between the flaps on product cases in order to reduce the amount of corrugate required in shipping cartons of product.
- Ralcorp Frozen Bakery Products and Ralston Foods have completed the conversion to a lighter weight liner material. Ralcorp Snacks, Sauces and Spreads, and Ralston Foods are also in the process of completing additional packaging down-gauging projects to convert to a liner that uses up to 50% less material, requires less energy to produce, and requires fewer truckloads to transport.

• Social Sustainability



- Ralcorp and its divisions have enjoyed longstanding commitments to improving conditions for employees and members of the communities where we live and work. Our efforts in this area have been focused on [employee safety](#),

health and wellness, and community involvement.

• Social Sustainability:

• Employee Safety

- Ralcorp's position as an industry leader is made possible by the collaborative work of employees in each of our locations. Providing the safest workplace environment possible for all employees is one of the most important things we do at Ralcorp. The safety of our employees and of our facilities impacts each employee personally, and impacts our business functions collectively.
- Ralcorp has a centralized safety and loss prevention program that reaches all of our locations. Through this program's extensive training and development components, we are able to focus on preventing injury and illness from occurring in the workplace. We apply best occupational health and safety practices to help guide our progress. Maintaining safe and healthy workplace environments enables Ralcorp to meet or exceed our legal compliance regulations and business objectives, delivering value for our shareholders.
- We strive for zero workplace injuries. In an effort to achieve that target, we set cascading safety goals allowing each division and its manufacturing facilities to set related goals for the year based on their comprehensive local analyses. Our safety performance is documented rigorously including overall results, risks, corrective actions, and status updates. All incidents, no matter how large or small, are investigated thoroughly and resolved.



Social Sustainability:

Ralcorp's dedication to health and wellness is two-fold. We support initiatives for employees, and we take part in health and wellness initiatives that impact consumers through our industry leadership and product offerings.

Employee Support

Ralcorp employees are the lifeblood of our business and our focus on health and wellness begins with them. The cornerstone of Ralcorp's health and wellness support is the comprehensive suite of health insurance benefit programs we offer to qualified employees. These programs include optional employer subsidized medical, dental, vision, life, and disability insurances. Our manufacturing facilities also coordinate a variety of health and wellness activities benefiting local employees. These activities have included health fairs, on-site flu shots, blood drives, first-aid trainings, and wellness classes, such as aerobics and healthy lifestyles workshops.

One popular initiative across the Ralcorp divisions is our Weight Watcher's weight loss challenge, or The Biggest Loser contests in some locations. These weight-loss contests are held quarterly and are more frequent when demand is high. In Ralcorp's headquarters location, participants' weight loss averaged more 10 pounds per individual.



Industry Leadership

Ralcorp is an industry leader in the categories where we are represented and we take this position seriously. We maintain active involvement in industry and trade organizations, with a special interest in activities impacting consumers' health. We have a presence as a member of the Grocery Manufacturers Association-led Healthy Weight Commitment Foundation (HWCF). Launched in 2009, this national, multi-year effort was designed to help reduce obesity – especially childhood obesity. The HWCF seeks to create a national movement dedicated to this cause and promote ways to help people achieve a healthy weight by focusing on the workplace, the marketplace, and schools. More than 190 retailers, non-governmental organizations, food and beverage manufacturers and many other organizations are members of HWCF.

Product Offerings

Both of Ralcorp's divisions maintain a balanced product portfolio ranging from everyday healthful options to tasty treats to be enjoyed in moderation. We are answering consumers' nutrition, value, and taste preferences by offering regular and better-for-you product options. A few examples of our divisions' product reformulations or more healthful options include the following.

- The Ralcorp Frozen Bakery Products division makes products ranging from soft sandwich buns and dinner rolls to high-quality artisan table loaves, sandwich breads and rolls, available in all-natural and organic varieties. Their classic buttermilk biscuits and Danish coffee cakes contain zero grams trans fat.
- Ralcorp Food Group offers popular snack nuts, such as peanuts and almonds that are naturally good sources of protein, fiber, antioxidants, and some minerals. Its RyKrisp brand crackers are known for their whole grains and fiber in a cracker free of saturated fat; trans fat; hydrogenated oils; artificial colors, flavors, and preservatives; and cholesterol. More healthful sauces and spreads in the division include sugar free offerings in preserves, jellies and syrups, and a gluten-free syrup option. The division also produces a variety of oat-based hot cereals, which are naturally high in fiber and protein. Additionally, Ralcorp Food Group makes low-sugar instant oatmeal and instant oats with flax seed.

Social Sustainability:

Community Involvement

Ralcorp is committed to making a positive impact in the communities where we live and do business.

The greatest concentration of our efforts is reflective of our business and consumer base, focusing on providing food, and providing support for community organizations, especially those serving children and families. Much of our community involvement is coordinated locally rather than centrally since the needs of each community are unique. Ralcorp also provides community support at the corporate level through our headquarters in St. Louis.

Providing Food

Food is the business of Ralcorp, so, it only makes sense for us to support hunger relief efforts nationwide. We are providing food through regional and local food banks, as well as direct food donations to community groups and organizations.

In 2011, Ralcorp and its businesses donated more than 4 million pounds of food to hunger relief causes and organizations. In addition to organizations such as Feeding America, Second Harvest Heartland, and Feed the Children, we also donated food to community service organizations and youth programs.



Supporting Communities

Ralcorp also supports communities through charitable donations to local organizations. Since our inception in 1994, the Ralcorp headquarters has sponsored annual United Way employee giving campaigns. In addition to this effort, several manufacturing facilities across our supply chain also support United Way through employee giving, company donations, and volunteerism.

Ralcorp also has provided corporate sponsorships or donations to organizations serving children and families including Autism Speaks, Make-a-Wish Foundation, Big Brothers Big Sisters and many others.