

## Corporate Governance Report

### Introduction from the Group Chairman

# Effective governance enabling growth

**"The Board is very conscious of the role that it plays in ensuring that Glanbia operates in a manner which is consistent with the highest standards of corporate governance. In 2022 we made good progress on our key governance priorities in the areas of Board renewal, sustainability and stakeholder engagement"**

**Donard Gaynor**  
Group Chairman



#### Dear Shareholder,

On behalf of the Board, I am delighted to present the Corporate Governance Report for the year ended 31 December 2022.

We have sustained the growth momentum seen in 2021 and continued to focus on delivering on and exceeding our targets. While we see further challenges ahead in the form of the volatile political climate, ever pressing climate and environmental targets and rising inflation, we are more determined than ever to deliver excellence across the Group and remain a top choice for our customers and end-point consumers.

#### A performance driven, purpose-led better nutrition company

We are driven by healthier lifestyles and our purpose is to deliver better nutrition for every step of life's journey. We aim to do this through focused, scalable growth and continue to make progress on our strategic agenda. Reiterating the sentiment expressed by our Group Managing Director, Siobhán Talbot, at the Capital Markets Day held in Illinois on 9 November 2022, change is part of our DNA, we have evolved enormously, our markets have evolved and we have stayed close to our customers and consumers. We don't let structure get in the way of strategy.

With the completion of the sale of the Group's minority interest in Glanbia Ireland (Tirlán) on 1 April 2022, the Company continues to evolve as a focused, purpose-led global better nutrition company.

 **Further details on the disposal transaction are set out on page 44.**

#### Sustainability

Sustainability remains a large focus area for the Group. We are committed to delivering our Environmental Social and Governance ("ESG") goals, reducing our carbon emissions in line with a 1.5 degrees Celsius pathway. The revised ambition is for a 50% reduction in Scope 1 and 2 carbon emissions by 2030, from a 2018 base year.

 **Further details on our sustainability strategy can be found on pages 50 to 67.**

#### Stakeholder engagement

Stakeholder engagement, and understanding the views of our stakeholders, is a core part of my role as Group Chairman. Following the lifting of Covid-19 restrictions, I focused on face-to-face engagements throughout the year.

A highlight of 2022 was the Capital Markets Day where we provided robust detail on the Group's strategic plans and three year financial ambition, on operations for GN, GPN and joint ventures, their performance and strategies, and on our sustainability targets and commitments.

During 2022, representatives of the Group attended 12 investor conferences. Meetings were held face-to-face where possible and an analyst dinner was held in London in June.

A shareholder perceptions survey to understand shareholders' priorities was carried out by an independent specialist firm on behalf of the Board. Shareholders and investors were given an opportunity to provide feedback to the Company on a confidential basis. Interviews with shareholders and equity analysts, covering a significant proportion of the Company's equity ownership, were carried out on an anonymous basis. Investors were interested in understanding the evolution of the Group's strategy following the

disposal of its stake in Glanbia Ireland (Tirlán). They were also keen to further understand the key markets the Group is exposed to as well as the drivers of growth following the pandemic. The findings were presented to the Board for review and discussion.

Further details on how we engage with our stakeholders are set out on pages 52 to 53.

## Culture

As a purpose-led company, the culture of the Group is integral and we live this through inclusive behaviours and promoting our values, as set out on pages 20 and 21. We adopt this culture in every aspect of how we do business, from the manner in which we engage with our customers, consumers and the communities in which we operate, to the ways in which we show our respect for our people. We put a lot of emphasis on respect, on respecting perspective, views and the environment. We are conscious that the success of Glanbia is underpinned by the work and dedication of its people and we are committed to fostering this supportive, inclusive and diverse culture in Glanbia.

This year we established employee resource groups ("ERG") for female, multicultural and LGBTQIA+ employees, we built female management representation targets into our annual incentives, increased awareness and education programmes on diversity and inclusion and we engaged with our employees by rolling out a pulse survey during the year, with favourable results. We endeavour to promote an open and inclusive environment for our employees. We understand that our people have busy and challenging lives and have chosen to continue to support working from home where possible and permitted by work commitments, allowing us access to a wide geography of talent.

Over the course of the year, I held a number of face-to-face meetings with employees throughout the organisation across both Ireland and the US. During these conversations, I heard about what we are doing right as an organisation and indeed how we can improve. I am always grateful for these meetings and listened carefully to these suggestions, reporting them back to the Board to be factored into decision making.

Our cultural climate is measured through a number of policy and compliance processes, internal audit and both formal and informal channels for employees to raise concerns (including our employee engagement survey and our whistleblowing programme, 'Speak Up', which is also available to the contractors and suppliers working with us).

For more on our culture and values see pages 20-21 and 91, and for DE&I policies see page 22.

## Board composition, Board renewal and Committee changes

There were a number of changes in the composition of the Board and Committees during 2022, which are discussed in more detail in the Nomination and Governance Committee Report on page 114. Patrick Coveney and Vincent Gorman retired from the Board on 30 March 2022 and 5 May 2022 respectively. I thank both of them sincerely for their service and commitment to the Board during their tenure. Following an extensive search using a global talent search firm, Ilona Haaijer and Kimberly Underhill were appointed as Independent Non-Executive Directors effective 1 August 2022, increasing female Board membership to 36%. This follows the reduction in the representation of Tirlán Co-operative Society Limited (formerly Glanbia Co-operative

Society Limited) (the "Society") on the Board from six to five in 2022 with a further agreed reduction to three in 2023.

The reduction of Society representation on the Board has enabled us to increase the range of diversity and experience on our Board. Full biographical details for Ilona and Kimberly can be found on page 85.

Michael Horan stepped down from his role as Group Secretary and as a member of the Group Operating Executive on 4 April 2022. As a result, Liam Hennigan took on the role of Group Secretary and Head of Investor Relations with effect from 4 April 2022. Liam joined Glanbia in 2014 as Head of Investor Relations and later took on added responsibility for Strategic Planning. Prior to Glanbia he worked at PwC, focusing on restructuring, mergers and acquisitions within the consumer sector.

A new Development Committee was established on 24 February 2022 to assist the Board in assessing new corporate development opportunities. Paul Duffy replaced Dan O'Connor as Chair of the Audit Committee on 7 March 2022.

## Looking ahead

The governance priorities for the coming year include a continued focus on delivering strong results, maximising our growth strategy, supporting diversity, equity and inclusion, monitoring the progress of our sustainability targets, mitigating inflation and the continued evolution of the Board. Good governance and a strong corporate culture are the foundations of Glanbia's purpose, vision and strategy. We have considered this report carefully so that our stakeholders have an in-depth understanding of our priorities and the arrangements and processes we have in place to comply with the UK Corporate Governance Code 2018 (the "Code") and the Irish Corporate Governance Annex (the "Irish Annex") (together the "Codes"). The information contained in this report and the Corporate Governance Statement has been set out in a way to enable the reader to evaluate how the principles in the Codes have been applied.

We are currently planning our 2023 Annual General Meeting ("AGM") which will be held on 4 May 2023 at 11.00 a.m. at the Lyrath Estate, Kilkenny, R95 F685, Ireland. I encourage all shareholders to either attend the AGM personally or use their proxy vote in respect of the resolutions to be considered. This will enable us to obtain a better understanding of your views. I also welcome questions from shareholders either via our website [www.glanbia.com](http://www.glanbia.com), by e-mail at [groupsecretary@glanbia.ie](mailto:groupsecretary@glanbia.ie) or in person at the AGM.

I would like to express my sincere thanks to the Board, and on behalf of the Board to our employees, colleagues and partners worldwide, whose dedication, as always, has been exemplary and without whose talents we could not continue to deliver the high standard of excellence for which Glanbia is known.



**Donard Gaynor**  
Group Chairman

# Corporate Governance

## Experience and skills of the Non-Executive Directors

	Food and beverage industry	Leadership and management	Finance	Strategic planning	Brand experience	Change management	Corporate transactions	Corporate governance	International business development
Donard Gaynor									
Patsy Ahern									
Róisín Brennan									
Paul Duffy									
Ilona Haaijer									
Brendan Hayes									
Jane Lodge									
John G Murphy									
John Murphy									
Patrick Murphy									
Dan O'Connor									
Kimberly Underhill									

## UK Corporate Governance and Irish Corporate Governance Annex Statement of Compliance

In 2022 the Group was subject to the Codes. The Group applied all the principles and complied with the detailed provisions of the Codes with the exception of those set out below. The Codes recognise that an alternative to following a provision may be justified in particular circumstances where good governance is still achieved. The rationale for these departures is explained below.

### Provision 11 (Composition of the Board of Directors)

Provision 11 provides that at least half the Board, excluding the chair, should be non-executive directors whom the Board considers to be independent. The current composition of the Board is the Group Chairman, two Executive Directors, five Directors nominated by the Society and six Independent Non-Executive Directors, with the Independent Non-Executive Directors making up 43% of the Board. The current Board composition reflects the relationship of the Company with the Society which is documented in the amended and restated Relationship Agreement dated 5 May 2021. On 23 February 2021, the Society and the Board agreed a number of changes which will impact the composition and size of the Board over the period between 2021 to 2023 and which will reduce the number of Directors nominated by the Society on the Board from seven to three (currently five) and the Board size from 15 to 13 (currently 14) (details of which are set out in the Nomination and Governance Committee Report). This would mean the composition of the Board in 2023 will be the Group Chairman, two Executive Directors, three Directors nominated by the Society and seven Independent Non-Executive Directors, with the Independent Non-Executive Directors making up 54% of the Board. The Board is satisfied that the current composition of the Board is justified in our particular circumstances where there is an identified plan to increase the number of Independent Directors on the Board.

### Provision 19 (Chairman tenure)

In accordance with the Relationship Agreement dated 2 July 2017, Donard Gaynor, (at the time an Independent Non-Executive Director), was appointed as the first Independent of the Society Group Chairman of the Company on 8 October 2020, having been appointed to the Board on 12 March 2013. In 2021, the Board unanimously agreed that he will continue as Group Chairman until his successor is appointed in 2025 to facilitate the appointment of three new Independent Non-Executive Directors together with ongoing effective Board renewal. The Board believes that the extension of the Group Chairman's tenure for a limited period beyond nine years is warranted in this instance to facilitate effective succession planning and the development of a diverse board. The Group Chairman is evaluated yearly and the Board is satisfied that he continues to demonstrate independence of character and judgment and is free from any business or other relationship that could affect his judgement.

### Provision 38 (Pension Contributions)

We are reviewing our workforce pension arrangements so that our Executive Directors will be aligned to the workforce rate in Ireland following this review. Although the review has not yet completed, from 1 January 2023 the pension contribution for the Group Managing Director and Group Finance Director was reduced from 26.5% and 25% of salary respectively to 12% for both. Upon conclusion of the review in 2023, any further necessary adjustments for the Group Managing Director and Group Finance Director to align with the workforce rate in Ireland will be made at that time. The pension contribution rates for future Executive Directors will be aligned to the workforce in the country of appointment. Further details can be found in the Remuneration Committee Report.

A description of how we have applied the principles and detailed provisions of the Codes is set out in the following pages.