

Environmental, Social and Governance Committee Report

Delivering better nutrition responsibly

Donard Gaynor

Environmental, Social and Governance Committee Chair

Committee members and Committee tenure

| | Appointed to the Committee | Number of full years on the Committee |
|------------------------|----------------------------|---------------------------------------|
| D Gaynor (Chair) | 17 Jun 21 | 1 |
| P Coveney ¹ | 17 Jun 21 | <1 full year |
| I Haaijer | 1 Sep 22 | <1 full year |
| J Murphy | 17 Jun 21 | 1 |
| D O'Connor | 1 Sep 22 | <1 full year |
| S Talbot | 17 Jun 21 | 1 |

¹ P Coveney retired as an independent director and stepped down as an ESG Committee member on the 30 March 2022.

See pages 83–86 for more information on current Environment, Social and Governance Committee members.

Terms of reference

The full terms of reference of the Environmental, Social and Governance (“ESG”) Committee can be found on the Group’s website: www.glanbia.com or can be obtained from the Group Secretary and Head of Investor Relations.

Key responsibilities

Assisting the Board in defining and regularly reviewing the strategy of the Group relating to ESG matters and in setting relevant key performance indicators.

Developing and reviewing regularly the policies, programmes, codes of practices, targets and initiatives of the Group relating to ESG matters, ensuring they remain effective and up to date and consistent with good industry practice.

Providing oversight of the Group’s management of ESG matters and compliance with relevant legal and regulatory requirements, including applicable rules and principles of corporate governance, and recognised international standards.

Reviewing and supporting progress made against the Group’s core ESG strategies including: Environmental Sustainability; Health and Safety; Food Safety and Quality; and Diversity, Equity and Inclusion (“DE&I”).

Reviewing the quality and integrity of internal and external reporting of ESG matters and performance to ensure that the Group provides appropriate information, complies with reporting obligations and meets international reporting standards and is transparent regarding its ESG related policies with the investment community.

Reporting on these matters to the Board and, where appropriate, making recommendations to the Board.

Reporting as required to the shareholders of the Company on the activities and remit of the ESG Committee.



Dear Shareholder,

In 2021, we established our Environmental, Social & Governance (ESG) Committee to provide the Group with rigour, support and challenge on ESG matters. This report outlines our activities in support of this aim, and how we have discharged the responsibilities delegated to the ESG Committee by the Board. This report should be read in conjunction with Our Sustainability section on pages 50–66 and Our People section on pages 20–23 which provides further information on our ESG activities.

At Glanbia we are focused on delivering better nutrition in a responsible way and achieving incremental improvements in impact for all stakeholders. Our Group sustainability strategy (as outlined on page 51) sets out our clear priorities based on the most material ESG topics to our business and stakeholders.

Page 113 highlights the key activities of the ESG Committee during 2022 and outlines the main focus areas for the year ahead.

Regulatory environment

In the context of an evolving ESG reporting landscape with recently added requirements such as reporting under the Task Force on Climate-related Financial Disclosures (TCFD) framework and upcoming legislative requirements, including the EU Corporate Sustainability Reporting Directive (CSRD), which enacts mandatory sustainability reporting standards, the ESG Committee recognises the challenge that an evolving ESG reporting landscape presents. This includes navigating ESG reporting obligations, while ensuring our ESG ambition is appropriately integrated into our strategic and operational plans and risk management framework.

To support preparedness for existing and future requirements we have taken a number of actions in 2022. These included aligning to the Global Reporting Initiative (GRI) reporting standards, with a separate GRI report relating to full year 2022 planned for release in May of 2023, updating our ESG material topics impact assessment, and carrying out a review of our IT system capabilities to support disclosure requirements.

Climate change

The ESG Committee formally met three times this year. At each meeting, the ESG Committee received an update on the performance of our environmental pillars and the actions taken to support the Group's climate action agenda.

In the context of reviewing the Group's transition plan outlining the proposed Scope 1 and 2 carbon emissions reduction pathway to 2030, the decision to increase the Group's associated emissions reduction target from 31% to 50% (2018 baseline year), in line with the Paris Agreement, was endorsed by the ESG Committee.

Results of the climate-related impact assessment as disclosed within the TCFD report 62-65 was presented to the ESG Committee. This analysis has allowed the Group to evaluate the potential impacts of climate-related risks and opportunities that face the business and the wider value chain, and assess our current strategy and review our resilience against a number of different climate scenarios.

In relation to Scope 3 emissions, as these relate to emissions generated in our value chain, our approach is one of partnership with suppliers and the wider dairy industry with a focus on data quality and collaboration.

Focus areas in 2023 include building a comprehensive Scope 3 roadmap to achieve reductions in our Scope 3 emissions, with on-farm footprinting a key input to this work, and to build on existing initiatives such as the US Dairy Net Zero Initiative (NZI) as part of the Environmental Stewardship Committee of the Innovation Center for US Dairy.

Diversity, equity and inclusion (DE&I)

This year we focused on cultivating a culture of belonging for all of our people at Glanbia, and ensuring our hiring practices align with our DE&I Policy. We did this by continuing to educate and build awareness around DE&I across the organisation through webinars, social media and other forms of training for all employees, especially leadership and talent acquisition cohorts. We also established targets for leadership for female representation and for measuring employee inclusion to ensure these goals are being achieved in a quantifiable way.

Health and safety

2022 was a year of continued progress in our mission to 'Zero Harm', with significant reductions in injury rates and zero critical injuries reported, demonstrating the effectiveness of our health and safety approach and culture of excellence across our sites.

Food safety and quality

The Group's quality and food safety standards continue to meet industry best practice, and all manufacturing sites hold an externally recognised food safety certification. In 2022, we also reviewed our internal programme, The 'Glanbia Quality System' (GQS), to ensure alignment with best practice standards through a third party review.

Membership

The ESG Committee comprises of myself as Chair, the Group Managing Director, and three Non-Executive Directors. Two members constitute a quorum. The Deputy Group Secretary acts as secretary to the ESG Committee. In addition, the Chief ESG and Corporate Affairs Officer holds a standing invitation to attend ESG Committee meetings. At the request of the ESG Committee, members of the Executive Committee, senior management team and external advisers may be invited to attend all or part of any meeting, as and when appropriate. As Chair, I report to the Board after each meeting on the nature and content of our discussion, recommendations and any actions to be taken.

I would also refer you to page 113 which provides an overview of the ESG governance structure and related roles and responsibilities, including those of the ESG Committee.

Review of Committee performance

The ESG Committee assessed its performance covering its terms of reference, composition, procedures, contribution and effectiveness. As a result of that assessment, the Board and Committees are satisfied that the ESG Committee is functioning effectively and is meeting its terms of reference.



Donard Gaynor
Environmental, Social and Governance Committee Chair

Environmental, Social and Governance Committee Report continued

ESG Governance structure

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| <p>Glanbia plc Board</p> <ul style="list-style-type: none"> Oversees all aspects of ESG, including climate change, responsible sourcing, health and safety, food safety and quality, DE&I and community related topics. Refer to the materiality assessment page 55 for full listing of material ESG topics. Provides rigorous challenge to management on progress against goals and targets. Ensures the Group maintains an effective risk management framework, including over climate-related risks and opportunities. | <p>The Board delegates specific ESG, including climate change, oversight matters to its committees:</p> <table border="1"> <tr> <td data-bbox="478 477 726 956"> <p>ESG Committee</p> <ul style="list-style-type: none"> Oversees the embedding of the Group's ESG Strategy, on behalf of the Board Reviews information presented within the ESG report Oversees the Group's ongoing commitment relating to TCFD Approves recommendations from the GOE in respect of key ESG issues and related objectives </td> <td data-bbox="726 477 970 956"> <p>Remuneration Committee</p> <ul style="list-style-type: none"> Supports the ESG strategy through alignment of the Groups incentive plan to external ESG targets, including environment and social metrics </td> <td data-bbox="970 477 1220 956"> <p>Audit Committee</p> <ul style="list-style-type: none"> Oversees the Group Financial Statements and regulatory non-financial disclosures, including climate-related disclosures Oversees the whistleblowing programme Oversees the Group risk register process – including climate change, talent management, health and safety and product safety and compliance </td> <td data-bbox="1220 477 1469 956"> <p>Nomination & Governance Committee</p> <ul style="list-style-type: none"> Oversees appropriate personnel are appointed to the Group's respective Committees and Board, and are provided with adequate training and support to meet ESG requirements and Group strategy </td> </tr> </table> | | | | <p>ESG Committee</p> <ul style="list-style-type: none"> Oversees the embedding of the Group's ESG Strategy, on behalf of the Board Reviews information presented within the ESG report Oversees the Group's ongoing commitment relating to TCFD Approves recommendations from the GOE in respect of key ESG issues and related objectives | <p>Remuneration Committee</p> <ul style="list-style-type: none"> Supports the ESG strategy through alignment of the Groups incentive plan to external ESG targets, including environment and social metrics | <p>Audit Committee</p> <ul style="list-style-type: none"> Oversees the Group Financial Statements and regulatory non-financial disclosures, including climate-related disclosures Oversees the whistleblowing programme Oversees the Group risk register process – including climate change, talent management, health and safety and product safety and compliance | <p>Nomination & Governance Committee</p> <ul style="list-style-type: none"> Oversees appropriate personnel are appointed to the Group's respective Committees and Board, and are provided with adequate training and support to meet ESG requirements and Group strategy |
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| <p>Group Operating Executive (GOE)</p> | <ul style="list-style-type: none"> Comprises of the Group Managing Director, Group Finance Director, GPN and GN Chief Executive Officers, Chief ESG and Corporate Affairs Officer, Chief Human Resource Officer and Corporate Development Director The Chief ESG and Corporate Affairs Officer is responsible for implementation of the Group's ESG strategy including ensuring integration and achievement of our climate related targets, with support from the GOE | |
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| <p>ESG Centre of Excellence</p> | <ul style="list-style-type: none"> Chaired by the Chief ESG and Corporate Affairs Officer, comprises of the VP DE&I, SVP of QHS and SVP of Sustainability, Head of ESG Governance and Reporting, and Head of ESG and Leadership Communications Input from wider group functions including Group Finance, Corporate Affairs, Investor Relations, IT and Procurement Provides expert advice and direction in respect of ESG strategy, supporting the Business Units in achieving ESG targets and commitments Monitors performance and keeps the GOE informed on areas of required focus and progress made |
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| <p>ESG Leadership Team (LT)</p> | <table border="1"> <tr> <td>Sustainability LT</td> <td>DE&I Committee</td> <td>QHS LT</td> <td>ESG Reporting LT</td> </tr> <tr> <td colspan="4">Comprises of Group and Business Unit representatives – responsible for advancing the relevant strategic pillars and delivering the Group-wide strategy and Business Unit specific activities</td> </tr> </table> | Sustainability LT | DE&I Committee | QHS LT | ESG Reporting LT | Comprises of Group and Business Unit representatives – responsible for advancing the relevant strategic pillars and delivering the Group-wide strategy and Business Unit specific activities | | | |
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| <p>Local Business Units</p> <ul style="list-style-type: none"> Reports to Informs Board level Operational level | <p>The local Business Units are responsible for implementation of the Group's ESG strategy, and ensuring workstream delivery.</p> <p>The following workstreams are in place to support the respective pillars and ensure delivery of respective Business Unit work programmes:</p> <table border="1"> <tr> <td data-bbox="478 1910 810 2056"> <p>DE&I</p> <p>Culture & Leadership, Talent Acquisition, Commercial & Reputation, Employee Resource Groups, Training & Education</p> </td> <td data-bbox="810 1910 1129 2056"> <p>QHS</p> <p>Food Quality & Safety, Employee Health & Safety, Responsible Nutrition</p> </td> <td data-bbox="1129 1910 1469 2056"> <p>Sustainability</p> <p>Carbon Emissions, Water, Waste, Packaging, Responsible Sourcing, Reporting,</p> </td> </tr> </table> | | | <p>DE&I</p> <p>Culture & Leadership, Talent Acquisition, Commercial & Reputation, Employee Resource Groups, Training & Education</p> | <p>QHS</p> <p>Food Quality & Safety, Employee Health & Safety, Responsible Nutrition</p> | <p>Sustainability</p> <p>Carbon Emissions, Water, Waste, Packaging, Responsible Sourcing, Reporting,</p> |
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| Key activities of the ESG Committee during 2022 | Further information refer to: |
| Through the Chair of the ESG Committee, the Board has been formally updated of all the activities and related actions to meet the Board approved ESG strategy: | Page(s) |
| Environment | |
| Overseeing ESG ambition and performance against stated targets: | |
| • Updated Scope 1 & 2 reduction commitment – aligned to 1.5 degrees Celsius pathway. | 56 |
| • Approval of supporting decarbonisation plan comprised of operational improvements and renewable electricity procurement. | 57 |
| • Continued partnership with suppliers and wider dairy industry initiatives. | 57 |
| • Upgrading of our waste targets to externally accredited TRUE zero waste certification. | 59 |
| • Continued focus on consumer packaging innovation and recyclability. | 59 |
| • Enhanced analysis including financial quantification assessment on the identified climate-related risks and opportunities. | 62-65 |
| Social | Page(s) |
| Overseeing actions taken to support our stated DE&I strategy, employee engagement and our people's health, safety and wellbeing: | |
| • Three Employee Resource Groups – Glanbia NOW (Network of Women), Mosaic (multi-cultural) and True Colours (LGBTQIA+) were set up. | 21 |
| • Suite of global training modules deployed, including 'fostering inclusion' learning and development programme and 'unconscious bias' leadership training. | 22 |
| • Initiatives from our employee engagement survey, including improved flexible working and parental leave. | 20-21 |
| • Continued improved health and safety metrics, with zero critical injuries reported during 2022. | 23 |
| • All manufacturing sites continue to maintain an externally recognised certification in quality food safety, such as those recognised by the Global Food Safety Initiative ("GFSI"). | 60 |
| • Embedding of EcoVadis risk assessment as part of our supplier due diligence process. | 60 |
| Governance | Page(s) |
| Ensuring appropriate governance structures are in place to support the Group's ESG strategy, including: | |
| • Attending externally facilitated Board training sessions supporting our ESG strategy. | 92 |
| • Reviewing and approving Glanbia's externally published ESG policies, including the updated Code of Conduct, Supplier Code of Conduct and Anti-bribery and Corruption policy. | 66 |
| • Approval of ESG targets within STIP and LTIP remuneration targets. | 133 |
| • Enhanced and more transparent ESG reporting through use of the GRI reporting framework. | 55 |
| • External review of the Group's ESG data systems and related processes. | 50 |

Focus areas for 2023

In 2023 we will continue to build upon the momentum gained in 2022, and support the actions required to meet our stated commitments and ambition. The key priorities for the ESG Committee include:

- Further implementation of our on-site decarbonisation plan, with a dedicated on-site team charged with delivering this plan through a combination of production efficiencies (as identified through our audit and metering processes) and purposeful capital expenditure projects.
- Continued focus on our renewable energy procurement strategy.
- Accelerate modelling work to develop a comprehensive roadmap to reduce Scope 3 emissions to meet our targets.
- Further embed the results of climate change risk and opportunity assessments within our strategy and risk management process, with active challenge and support from the ESG Committee.
- Progress our plans to incorporate an internal carbon price mechanism within our capital investment assessments.
- Build on the initiatives and delivery of commitments set during 2022 within our other key environmental pillars, including waste (building alignment with the TRUE zero waste certification requirements), water and consumer packaging.
- Formalise our biodiversity, forestry and circular economy work programmes.
- Continue to support improved health and safety performance with a focus on root cause and near miss analysis reporting.
- Complete an independent regulatory capability assessment and benchmarking review relating to food safety and quality.
- Further engrain our DE&I strategy across all aspects of our organisation, including increase gender, racial and ethnic representation in leadership.
- Ensure responsible procurement remains a key focus, strengthen our due diligence processes further, through the use of the EcoVadis risk assessment tool and Group procurement protocols – with the protection of human rights at the core.
- Continue focus on stakeholder engagement, and understanding how Glanbia impacts our stakeholders.
- Monitor the Group's ESG reporting, data systems and related policies and processes delivering more transparent and comparable reporting, and ensuring readiness for future mandatory assurance, under CSRD.
- Ensure ESG performance continues to be a key indicator and strategy driver, linked to remuneration performance.