

Audit Committee Report

Maintaining effective control oversight



Paul Duffy
Audit Committee Chair

Committee members and Committee tenure

	Appointed to the Committee	Number of full years on the Committee
P Duffy (Chair)	17 Jun 21	2
J Lodge	20 Jan 21	3
I Haaijer	17 Aug 22	1
K Underhill	17 Aug 22	1

See pages 90-91 for more information on current Audit Committee members.

Allocation of time

- Financial and corporate governance activities
- Statutory Auditor
- Risk management and internal controls
- Internal Audit
- Other



Terms of reference

The full terms of reference of the Audit 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

Protecting the interests of shareholders by monitoring the integrity of corporate and financial reporting, internal control, risk management and audit quality.

Reviewing and reporting to the Board the significant financial reporting issues and judgements made in preparing the Group's Financial Statements, interim reports, and related formal statements.

Reviewing the appropriateness and consistency of the accounting policies applied in preparing the Group's Financial Statements.

Advising the Board whether the Annual Report and Financial Statements, is fair, balanced and understandable and provides the information for shareholders to assess the Group's position and performance, business model and strategy.

Assisting the Board in its responsibilities in monitoring and reviewing the effectiveness of the Group's systems of risk management and internal control and assessing the emerging and principal risks facing the Group.

Reviewing reports from specialist functions to identify issues that may have a material impact to the Group.

Monitoring key initiatives aimed at enhancing the Group's IT and cyber security capabilities and actively engaging in the refinement of the Group's ESG disclosure requirements.

Advising the Board of any material uncertainties that may impact the Group's ability to continue as a going concern and the appropriateness of the Group's long-term viability statement.

Overseeing the statutory auditor relationship in line with the Group Auditor Relationship and Independence Policy.

Approving the statutory auditor's terms of engagement and remuneration.

Making recommendations to the Board in relation to the appointment, re-appointment and removal of the Group's statutory auditor.

Monitoring the operation and reviewing the effectiveness of the Internal Audit function.

Assessing the Group's procedures for fraud prevention and detection and supporting the Board in assessing the Group's whistleblowing arrangements.

Audit Committee Report continued

Dear shareholder,

As Chair of the Audit Committee, I am pleased to present the Committee's report for the year ended 30 December 2023. This report provides an overview of the Committee's principal activities during the year, its role in ensuring the integrity of the Group's published financial information and an outline of the Committee's priorities for the year ahead.

Responsibilities

The Audit Committee is responsible for monitoring the integrity of the Group's Financial Statements and for assisting the Board in determining that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. The work performed in this regard and our engagement with the statutory auditor is detailed on pages 111 to 115.

The Audit Committee also supports the Board in monitoring and reviewing the effectiveness of the Group's risk management and internal control systems and for ensuring a robust assessment of the emerging and principal risks facing the Company is performed. The Audit Committee, together with the Board, are closely monitoring the key risks that could materially and adversely affect the Group's ability to achieve its strategic objectives, particularly those whose probability of occurrence and extent of impact are elevated by the consequences of the ongoing macroeconomic uncertainty and escalating geopolitical tensions.

During the year, the Group has identified and assessed our climate-related risks and opportunities and continue to monitor and embed the identified impacts within our governance, operations and strategic model and risk management system. The progress and approach taken is consistent with the recommendations of the TCFD and the UK FCA's Listing Rule 9.8.6R requirements. These are discussed in detail in the TCFD Report on pages 64 to 70. The Audit Committee has also assessed with management the impact of climate-related matters on the Group's Financial Statements (see Note 2). The Audit Committee actively oversees the regulatory environment to ensure the Group provides stakeholders with consistent, comparable and reliable

information on ESG matters. The Audit Committee continues to monitor the Group's preparation to comply with the upcoming mandatory ESRs applicable to Glanbia.

Engagement

In fulfilling its key oversight responsibilities, the Audit Committee engaged regularly with management, Group Internal Audit ("GIA") and the statutory auditor to ensure timely and accurate information was consistently provided to the Audit Committee. Our engagement with the GIA function and the statutory auditor is detailed on pages 113 and 115 together with an explanation of how the Audit Committee has reviewed and monitored the independence, objectivity and effectiveness of the external audit and the appropriateness of the provision of non-audit services to the Group in line with the Group Auditor Relationship and Independence Policy.

The Audit Committee is satisfied, based on the evidence obtained throughout the external audit process, including its review of the key audit risk areas, and the work undertaken by the statutory auditor to address those risks, that a robust, effective and efficient process is evident across the Group.

Audit tender

While the Committee is satisfied that the current statutory auditor is both independent and objective, regulations require the mandatory rotation of the auditors of public interest entities ("PIEs") at least every 10 years. Deloitte Ireland LLP will reach this 10 year limit in April 2026. As such, the Audit Committee considers that it is appropriate to initiate a tender process in 2024 in order to prepare for an appropriate transition.

Priorities for 2024

The Audit Committee's key priorities for 2024 include:

- ensuring the Group's Financial Statements are accurate and reflect the balanced and consistent application of financial and non-financial reporting requirements;
- providing independent challenge and oversight of areas of key judgement or estimation;
- maintaining focus on impairment testing methodology, inputs, assumptions, sensitivity analysis and results;
- monitoring the progress made by management on the planned implementation of a new financial consolidation technology in 2024 which will be completed in 2025;

- overseeing the processes in place to ensure effective oversight of ESG activities and other non-financial disclosures;
- monitoring the Group's principal risks and uncertainties including potential negative ripple effects of continued economic uncertainty exacerbated by the escalating geopolitical tensions, rapidly accelerating technological changes, and possible slowdown in consumer demand;
- receiving direct presentations from management to ensure that effective risk management processes are implemented to address key risk areas in a manner consistent with the Group's risk appetite;
- overseeing the audit tender process;
- considering the impacts of the recently revised UK Corporate Governance Code and its potential impact on Glanbia processes and internal controls;
- maintaining oversight on the challenges posed by geopolitical tensions and impending election cycles and their potential impact on our business, principal risks, cash flow, accounting disclosures and financial controls; and
- ensuring that robust due diligence is performed, acquisition integration is closely monitored and post completion reviews are conducted for all material investments.

Review of Audit Committee performance

The Audit Committee assessed its performance covering its terms of reference, composition, procedures, contribution, and effectiveness. As a result of that assessment, the Board and Audit Committee are satisfied that the Audit Committee is functioning effectively and continues to meet the requirements of its terms of reference. This view was supported by the external review of the Board and its Committees.

On behalf of the Audit Committee



Paul Duffy
Audit Committee Chair

Governance

Committee membership

The Audit Committee was in place throughout 2023. At present, the Audit Committee is comprised of four Independent Non-Executive Directors, Paul Duffy (Chair of the Audit Committee), Jane Lodge, Ilona Haaijer and Kimberly Underhill. Two members constitute a quorum. The Group Secretary and Head of Investor Relations acts as secretary to the Audit Committee.

Membership is reviewed annually by the Chair of the Audit Committee and the Group Chairman who recommend new appointments to the Nomination and Governance Committee for consideration and onward recommendation to the Board.

The Board is satisfied that the Audit Committee, as a whole, meets the requirements for recent and relevant financial experience, as set out in the UK Corporate Governance Code 2018. The Board is also satisfied that the Audit Committee, as a whole, has competence relevant to the sector in which the Group operates including a wide range of skills, expertise and experience in financial and commercial matters arising from the senior positions they hold or held in other organisations as set out in their biographical details on pages 90 and 91.

Given the evolving ESG regulatory environment, an ESG training session was delivered to the members of the Audit and ESG Committees in January 2024 focused on ESG reporting obligations and Committee responsibilities under the current and future regulatory landscape.

Meetings

The Audit Committee meet with the statutory auditor, without other executive management being present, on an annual basis to discuss any issues which may have arisen in the year under review. This meeting was held in February 2024 to review the findings from the audit of the 2023 Financial Statements. The Group Head of Internal Audit also has direct access to the Chair of the Audit Committee. After each Audit Committee meeting, the Chair of the Audit Committee reports to the Board on the key issues which have been discussed. The allocation of time across each of the key Audit Committee activities is set out on page 109.

The Audit Committee met eight times during the year ended 30 December 2023. The Chief Executive Officer, Chief Financial Officer, Group Secretary

and Head of Investor Relations, Group Head of Internal Audit, Group Financial Controller and representatives of the statutory auditor are invited to attend all meetings of the Audit Committee. Where required other key executives or members of the senior management team are invited to attend meetings and individuals with specialist technical knowledge when required to provide a deeper insight on agenda items related to the Group's principal risks. Training was also delivered to the Committee members focused on ensuring the effective operation of the Audit Committee in line with its duties from a statutory basis as well as the Irish and UK listing requirements.

Audit Committee key activities

Financial reporting and significant financial judgements

As part of the Audit Committee's role, the Committee reviewed the Interim Management Statements, the Interim and Annual Consolidated Financial Statements and all formal announcements relating to these statements before submitting them to the Board with a recommendation to approve. These reviews were focused on but not limited to:

- the appropriateness and consistency of application of accounting policies, practices and proposed disclosures;
- compliance with financial reporting standards and corporate governance requirements including compliance with climate-related disclosures;
- reviewing the application of the transition from a euro presentation of consolidated financial statements to a US dollar presentation in 2023; and
- significant areas in which estimation or judgement had been applied in the preparation of the Financial Statements.

The GIA team contribute to the assurance process by reviewing compliance with internal control processes including the review of the Group's internal financial controls. The statutory auditor presents its findings to the shareholders as the owners of the business, and its report can be found on pages 169 to 179.

As outlined in our accounting policies on page 187, the Group has adopted an income statement format that seeks to highlight significant items within the Group results for the year ("exceptional items"). Judgement is applied by the Directors in assessing the particular items which by virtue of their scale and nature should be disclosed in the Income

Statement and Financial Statement notes as exceptional items. Several significant items have been highlighted as exceptional items in both 2022 and 2023 and the Audit Committee is satisfied that this is appropriate and consistent with the Group's policy in this area. The table on page 114 sets out the 2023 significant financial reporting judgements and disclosures and how the Audit Committee addressed these matters.

The Audit Committee considered the Directors' Responsibility Statement and the Group's principal risks and uncertainties within the 2023 Annual Report and Financial Statements and the half-year results and were satisfied with the adequacy of the disclosures.

Geopolitical risk

The Audit Committee has supported the Board in closely monitoring the risks associated with the escalating geopolitical tensions particularly the ongoing war in Ukraine, the conflict in the Middle East and tensions between China and Taiwan where any potential conflict, economic sanctions or trade rulings could impact the growth objectives of the Group. To date, there has been no material impact to the Financial Statements arising from these conflicts, however this is being maintained under review as the year progresses. The Audit Committee together with the Board are also monitoring the impending elections in the US and our other core international locations that could bring short-term uncertainty and instability in the markets in which we operate. The impact of the above on the Group's principal risks is discussed in the Risk Management Report and principal risks and uncertainties on pages 72 to 83.

Fair, balanced and understandable

At the request of the Board, the Audit Committee reviewed the contents of the Annual Report and Financial Statements to ensure that when taken as a whole, it is fair, balanced and understandable, and provides the information necessary for shareholders to assess the company's position, performance, business model and strategy. In satisfying this responsibility the Audit Committee considered the following:

- the documented process and timelines for the coordination, preparation and review of the Annual Report and Financial Statements;
- a dedicated project manager was in place to drive adherence to deadlines, reporting standards and consistency

Audit Committee Report continued

and this is aligned with the external audit process undertaken by Deloitte Ireland LLP;

- the senior finance management and executive team review and approval procedures;
- the key process milestones, to ensure the draft Annual Report and Financial Statements were available to the Audit Committee in sufficient time to facilitate adequate review and effective challenge at the meeting;
- management presented a detailed report to the Audit Committee outlining the process by which they assessed the narrative, financial sections and disclosures of the 2023 Annual Report to ensure that the criteria of fair, balanced and understandable has been achieved;
- together with the ESG Committee, disclosures on ESG related matters including the TCFD report and other climate disclosures were discussed in detail; and
- the effectiveness of the key features of internal control.

Having considered the above, in conjunction with the regular updates the Audit Committee receives from management and the reports received from the statutory auditor, Deloitte Ireland LLP, the Committee confirmed to the Board that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and the Company position, performance, business model and strategy.

Going Concern and Viability Statements

The Audit Committee reviewed the draft Going Concern and Viability Statements prior to recommending them for approval by the Board. These statements are included in the Risk Management report on pages 84 and 85. This review included assessing the effectiveness of the process undertaken by the Directors to evaluate going concern, including the impacts of the current environment of economic uncertainty and any significant impacts of climate risks, and the analysis supporting the Going Concern Statement and disclosures in the Financial Statements. The Audit Committee and the Board consider it appropriate to adopt the going concern basis of accounting with no material uncertainties as to the Group's ability to continue to do so. The Audit Committee also reviewed the Long-term Viability Statement which is supported by the work conducted in the strategy and budget review in December

2023 and the Board's ongoing review of monthly and year-to-date business performance versus budget and forecast. Further detail is provided within the Viability Statement on pages 84 and 85.

Directors' Compliance Statement

The Audit Committee considered the requirements of the Irish Companies Act 2014 in relation to the Directors' Compliance Statement and received a report from senior management on the review undertaken during the financial year of the compliance structures and arrangements in place to ensure the Company's material compliance with its relevant obligations. On the basis of this review, the Audit Committee confirmed to the Board that it is satisfied that appropriate steps have been undertaken to ensure that the Company is in material compliance with its relevant obligations.

Risk management and internal control systems

The Audit Committee receives regular Group key risk summary reports, prepared by the Internal Audit team, tracking residual key risk exposures which allows the Audit Committee to assess the appropriateness of management's action plans to ensure the Board's risk appetite is not exceeded and to remain alert to emerging risks as they are identified through the review process. The Risk Management Report on pages 72 to 85 sets out the detailed steps in the process and the Group's principal risks. The Audit Committee's risk management focus during 2023 included:

- reviewing and approving the assessment of the principal risks and uncertainties that could impact the achievement of the Group's strategic objectives as outlined on pages 76 to 83;
- continued focus on developing a detailed understanding of the risks within each of the core functions, our improvement opportunities and areas of emerging risk exacerbated by the escalating geopolitical tensions and macroeconomic uncertainty;
- receiving risk presentations from a number of Group functional leads, in particular Group IT on the progress of the Group's IT strategy and its response to cyber security risks. Cyber security remains a major focus for the Audit Committee given the ever-increasing risks in this area at a global level. The Audit Committee received updates on information security matters from Group IT. The Chair of the Audit Committee updated the Board on the IT discussions on each occasion;

- reviewing the disclosures in relation to the scenario analysis that was carried out for each of the material climate-related risks and opportunities as outlined in the TCFD and the progress that the Group is making on TCFD recommendations which are disclosed in detail on pages 64 to 70;
- reviewing Group Finance papers which considered the impact of climate change on the Group Financial Statements which includes details of the TCFD requirements, as outlined on pages 64 to 70 and accounting policy Note 2 to the Financial Statements. During the year, Group Finance and the statutory auditors provided the Audit Committee with regular updates on the evolving legislative and external reporting requirements including double-materiality and climate-related risk disclosures;
- reviewing and assessing management's transition from a euro presentation of consolidated financial statements to a US dollar presentation in 2023 as outlined in the Chief Financial Officer's review on pages 40 to 45 and Note 2 to the Financial Statements;
- receiving a presentation from the Group Treasury team on the current Group financing position following the completion of the 2022 re-financing exercises and the broader Group Treasury risks;
- a consideration of the detailed Business Unit performance updates on Group investments and the impairment review methodology and outcomes outlined in Note 16;
- receiving updates from management and the external auditors on developments with regard to the recently published revised UK Corporate Governance Code;
- receiving updates from the Group Head of Internal Audit outlining areas of non-compliance with Group policies and control deficiencies identified during the year, fraud investigation reports and management actions to address the weaknesses noted;
- assessing the Group's risk management and internal control systems in line with the Financial Reporting Council guidance on risk management and internal control; and
- reviewing reports from the statutory auditor in respect of significant financial accounting and reporting issues, key matters arising from the statutory audit together with management's plans in place to address any internal control weaknesses noted.

The Audit Committee, having assessed the above information, is satisfied that the Group's systems of internal control and risk management are operating effectively and has reported that opinion to the Board who has conducted its own review and is also satisfied that these systems are operating effectively.

Internal audit

To fulfil its responsibilities for monitoring and reviewing the operation and effectiveness of the GIA function, the Audit Committee:

- approved the GIA Charter and annual risk-based work plan including any amendments to ensure the plan remains dynamic to address business challenges, changes to current and emerging areas of key Group risks and the changing business environment;
- ensured that it is adequately resourced with a strong mix of skills and expertise capable of conducting effective internal audits, IT audits and special investigations;
- satisfied itself that the GIA function is appropriately resourced and where additional skills or expertise are required, the Group Head of Internal Audit makes the necessary arrangements to complement the in-house team;
- reviewed the team's use of technology including the audit management system and data analytics tools, processes, techniques and plans to ensure the effectiveness of internal audit processes and oversight of risks;
- received regular reports from the Group Head of Internal Audit covering team development, progress against the audit plan, amendments required and best practice risk management procedures. This included receiving updates on the activities performed in line with the quality assurance and improvement programme policy ("QAIP") that is designed to ensure that GIA performs its work in accordance with its Charter, which is consistent with the Institute of Internal Auditors ("IIA") International Standards for the Professional Practice of Internal Auditing, Definition of Internal Auditing and Code of Ethics; and
- received an update on the results of GIA's internal quality assessment, prepared as part of the QAIP, which confirmed that the GIA function continues to be in general compliance with the IIA Standards with no material issues identified. The next external quality assessment of the GIA function is not due until 2027, as per the IIA standards.

GIA refreshed the combined assurance mapping exercise that was completed in February 2023 to identify any changes in potential assurance gaps and avoid duplication of assurance effort. The output of the exercise was presented to the Audit Committee and while it did not identify any significant improvement opportunities, it provided greater detail to allow the Audit Committee to further progress the Group's overall assurance model. GIA also maintained its focus on principal risks, which included cyber threat and information security, legal and regulatory compliance, ESG data reporting and technology failure. Audit results are reported to the Audit Committee to allow the Committee to have an integrated view on the way risks are managed.

Management is responsible for ensuring issues raised by GIA are addressed within the agreed timeframe, and the Audit Committee reviews the status of actions periodically throughout the year to ensure they are completed on a timely basis.

The Group Head of Internal Audit routinely meets with the Chair of the Audit Committee, to review the meeting agendas, draft papers and to ensure that the overall Audit Committee work plan remains aligned to the current and emerging areas of key Group risk. Where required, the relevant Board or Audit Committee agendas are amended to include items that require more detailed consideration, typically by a direct presentation to the Audit Committee or Board by the relevant Business Unit or functional lead.

On the basis of the above, the Audit Committee concluded that the GIA function was performing well and is satisfied that the quality, experience and expertise of the function is appropriate for the Group. The Audit Committee continues to encourage effective coordination among the internal assurance providers, external and internal audit teams to maximise the benefits from coordinated activities and ensures that this is in place.

Whistleblowing and fraud

The Board has delegated responsibility to the Audit Committee for ensuring that the Group maintains suitable arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting and other matters. These arrangements are outlined in our Code of Conduct which

is available on the Company's website www.glanbia.com and on our Group intranet. The Audit Committee receives bi-annual updates from the Group Secretary and Head of Investor Relations providing an overview of how concerns raised are categorised, investigated, monitored and reported, together with a review of the main themes, issues and resolution actions arising. The Group's Speak Up Policy is regularly updated to reflect evolving regulatory and best practice requirements.

The Group's Anti-Bribery & Corruption Policy, Group Code of Conduct, Supplier Code of Conduct, Slavery and Human Trafficking Statement, Group Human Rights Policy, Group Animal Welfare Policy and Anti-Money Laundering & Counter Terrorist Financing Policy seek to further strengthen the Group's fraud prevention procedures. A training module to support the Supplier Code of Conduct was launched in 2023, together with the continued roll out of the Group's Code of Conduct training to employees on a phased basis. Management also provided externally facilitated training on the Group's Anti-Money Laundering & Counter Terrorist Financing Policy to the relevant internal teams during the year.

Management, with the support of GIA, have formalised and enhanced the existing fraud risk management policies and processes, to help ensure a robust fraud prevention programme is implemented across the Group. A fraud risk assessment was completed in 2023 and approved by the Audit Committee and Board.

The Audit Committee concluded, and confirmed to the Board, that it was satisfied that the Group's whistleblowing and other fraud prevention and detection procedures, including the GIA function's activities, are adequate and allow for the proportionate and independent investigation of such matters and appropriate follow up action.

Audit Committee Report continued

2023 significant financial reporting judgements and disclosures

The areas considered and the actions taken by the Audit Committee in relation to the 2023 Annual Report are outlined in the table below. For each area, following its enquiries, the Audit Committee was satisfied with the key assumptions made, the accounting treatment applied and the disclosures in the Financial Statements.

Key financial judgement and disclosures	How the Audit Committee addressed these matters
Impairment review of goodwill and intangibles Judgement decisions largely relate to the assumptions used to assess the value-in-use of the CGUs being tested. These assumptions typically include short and long-term business and macroeconomic projections, cash flow forecasts and associated discount rates.	<ul style="list-style-type: none"> • Management provided the Audit Committee with detailed reports to support the recoverable value of the balances included in Note 16 to the Financial Statements including an overview of the weighted average cost of capital methodology applied and an analysis of the level of headroom between the carrying value of the asset and the value-in-use; • The Audit Committee considered the Group's cash generating units ("CGUs") and is satisfied that the updated CGUs reflect the interdependencies of cash inflows within the Group and how management monitors operations; • The Audit Committee reviewed and discussed the reports with management and challenged the application of management's methodology, the appropriateness of the assumptions made for future cash flows, discount rates, terminal values and growth rates, and the achievability of the business plans with consideration of different scenarios; • The Audit Committee considered the updates made to assumptions and Financial Statement disclosures as a result of management's assessment of the impact of macroeconomic factors and climate related matters on forecasted business performance and cash flows as disclosed in Note 16 to the Financial Statements, and the extent of sensitivity disclosures provided; • The Audit Committee considered the potential impacts of relevant geopolitical tensions, macroeconomic uncertainty, and climate change on the Group's businesses and valuation assumptions; and • The Audit Committee considered the output from the sensitivity analysis performed at 2023 year-end, and in particular, noted that based on the conclusions of the impairment process completed, no impairment was identified.
Exceptional items Judgement decisions relate to the assessment of the items identified as being exceptional in nature and the appropriateness of the presentation in the Financial Statements.	<ul style="list-style-type: none"> • The Audit Committee reviewed the nature of the exceptional items identified and the effectiveness of the process that requires all exceptional items to be pre-approved. After a detailed review and consideration of the disclosures, the Audit Committee is satisfied that the treatment is in line with the Group policy, consistently applied across years and appropriately presented in the Financial Statements with sufficient detail to allow users of the Financial Statements to understand the nature and extent of the exceptional items and how they arose. Further details on the exceptional items identified in 2023 are included in Note 6 to the Financial Statements.
Revenue recognition Revenue is a risk given the inherent complexity of IFRS 15 accounting requirements, the nature of some customer relationships and the adjustments recorded to ensure the basis of year-end rebate provisions are appropriate.	<ul style="list-style-type: none"> • Within the GPN segment, revenue is recognised net of rebate, discount, deduction and allowance claims where the amounts payable can vary depending on the arrangements made with individual customers and the volume of trade entered into; • Key areas of focus and challenge from the Audit Committee were in relation to the period-end close process and the basis of any significant year-end rebate provisions to ensure they were adequate and appropriate; and • The Audit Committee considered in detail the changes to the commercial arrangements associated with the Group's remaining joint venture partner that will result in a change in revenue recognition in 2024.
Uncertain tax provisions Significant judgement is applied in assessing current and deferred tax exposures in relation to the interpretation of local and international tax laws, tax rates and treaties relating to the Group's uncertain tax provisions.	<ul style="list-style-type: none"> • The Audit Committee received a presentation from the Chief Financial Officer and the Group Head of Tax on various tax matters including tax structures and controls, the ongoing management of the Group's system of operation, evolving tax legislation and the status or outcome of any tax authority reviews conducted during the financial period; • The Audit Committee considered the impact of the Group financing arrangements and the Group's compliance with the legislative requirements in this area; • The Audit Committee received an analysis of movements in the uncertain tax provisions during the year, reviewed the key judgements in relation to the calculation of the uncertain tax provisions, the external professional advice obtained to support the provisions and the Financial Statements disclosure requirements in the current year, including the disclosure of the Group's impact assessment of Pillar II; and • The Audit Committee challenged management on the key judgements and estimates underpinning both the provisions and disclosures adopted for the most significant components of the taxation liabilities and the underlying assumptions for the recognition of deferred tax assets, principally the availability of future taxable profits and the utilisation period.

Review of statutory auditor

The Audit Committee oversees the relationship with the statutory auditor, including ensuring that the statutory audit contract is put out to tender at least every 10 years. Deloitte (who were succeeded by Deloitte Ireland LLP) were appointed as the Group's statutory auditor on 27 April 2016 following a formal tender process in 2015. It is anticipated that the next audit tender process will commence in 2024 to help facilitate an appropriate transition commencing in 2025.

The Audit Committee reviewed the approach and scope of the annual audit work to be undertaken by the statutory auditor, which included planned levels of materiality, significant risks and key audit matters, the audit of the Group's core financial IT systems, fraud responsibilities and representations, the proposed audit fee and the approval of the terms of engagement for the audit. The Committee also considered the level of supervision and review by the Group audit team in all component audits.

The Audit Committee received a number of updates from Deloitte Ireland LLP with regard to the evolving regulatory requirements for ESG reporting and the recent corporate governance updates including:

- ESG's current landscape and future developments and the importance of achieving an appropriate balance between the climate-related disclosures in the management commentary and the disclosures in the financial statements;
- Accounting and Regulatory updates (e.g., IAASA, FRC and IFRS technical updates) and commentary including the investor and regulator expectations of corporate reporting;
- Update on International Tax Reform - Pillar II; and
- the revised UK Corporate Governance Code.

Independence and objectivity of the statutory Auditor

To ensure the independence and objectivity of the statutory auditor, the Audit Committee:

- maintains and regularly reviews the Group's Auditor Relationship and Independence Policy;
- considers the performance of the statutory auditor each year;
- monitors the nature and extent of services provided by the statutory auditor through an annual review of fees paid for audit and non-audit work;

- reviews audit partner rotation requirements and assesses their independence on an ongoing basis. In line with regulatory requirements for listed companies, the statutory auditor is required to rotate the audit partner responsible for the Group audit every five years. The current audit engagement partner, Emer O'Shaughnessy was appointed as lead engagement partner for the Group in 2021;
- considers the results of IAASA's 2022 Quality Assurance review of Deloitte Ireland LLP; and
- requests the statutory auditor to formally confirm in writing that they are in compliance with relevant ethical and professional guidance and that, in their professional judgement, they are independent from the Group. This confirmation process also provides examples of safeguards that may, either individually or in combination, reduce any independence threat to an acceptable level.

Non-audit services

The Glanbia Auditor Relationship and Independence Policy includes a clearly defined pre-approval process, subject to defined monetary thresholds, for audit and other services, including a requirement for the business to submit a formal template setting out the details of the services requested, the likely fee level, the rationale for requiring the work to be carried out by Deloitte Ireland LLP rather than another service provider and confirmation that the service requested is not a prohibited service. The provision of all non-audit services which are not prohibited and approved in line with our policy must be ratified by the Audit Committee at the following meeting of the Audit Committee, who also ensures that the total fees for non-audit services will not exceed the defined thresholds and that the defined authorisation process is followed.

Fees paid to Deloitte Ireland LLP for audit-related and non-audit related services are analysed in Note 5 to the Financial Statements. The Audit Committee is pleased that this policy continues to be effectively implemented.

The Audit Committee confirms that the non-audit related services provided are considerably below the regulatory cap on fees for permitted non-audit services of 70% of average audit fees over a three year period and were provided with appropriate safeguards in place.

In summary, the Audit Committee confirms that the policy continues to be effectively implemented.

Effectiveness

The Chief Financial Officer confirmed that the feedback from the Group and subsidiary finance executives, who had the most interaction with Deloitte Ireland LLP in 2023, remained consistently positive.

Overall, the Audit Committee remains satisfied with the effectiveness of the statutory auditor based on:

- its own interactions with Deloitte Ireland LLP during Audit Committee meetings. Deloitte Ireland LLP attended all the Audit Committee meetings in 2023 and to date in 2024;
- the quality of planning, delivery and execution of the audit;
- effectiveness of communications between management and the audit team;
- the quality of the reports and presentations received;
- the robustness of the challenge provided, particularly in relation to judgemental and complex areas as well as demonstrating professional scepticism and independence;
- their technical insight; and
- their demonstration of a clear understanding of the Group's business and its key risks.

The Audit Committee's conclusion that the external audit process was effective was conveyed to the Board.