

Embedding sustainability across our organisation



Dan O'Connor
Environmental, Social and Governance Committee Chair

Committee members and Committee tenure

	Appointed to the Committee	Number of full years on the Committee
D O'Connor (Chair) ¹	1 Sep 22	1
D Gaynor ¹	17 Jun 21	2
I Haaijer	1 Sep 22	1
J Murphy	17 Jun 21	2
S Talbot ²	17 Jun 21	2
M Garvey ²	30 Dec 23	<1 full year

¹ D O'Connor succeed D. Gaynor as Chair of the ESG Committee on the 30 December 2023.

² S Talbot stepped down as an ESG Committee member on the 30 December 2023, and was replaced by M. Garvey on the same date.

See pages 88–92 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,

As Chair of the ESG Committee, I am pleased to present the Committee's report for the year ended 30 December 2023.

In recognition of the importance of Glanbia's understanding and management of our impact on the environment and society, and the related impacts these factors have on us as an organisation, our ESG Committee is operating 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 the Sustainability section on pages 46-71 and People section on pages 28-31 which provide details of the ambition and progress made to date.

As announced at the end of the year, I succeeded Donard Gaynor as Chair of the ESG Committee. I would like to take this opportunity to sincerely thank Donard for his work in overseeing the establishment of this Committee, back in 2021, and the strong leadership he has demonstrated, with notable milestones such as the increasing of our Scope 1 and 2 carbon emissions reduction target achieved during his tenure as Chair.

I would also like to recognise the significant contribution of Michael Patten, former Chief ESG and Corporate Affairs Officer, who retired during the year.

At Glanbia we are focused on delivering better nutrition in a responsible way and achieving incremental improvements in our impacts for all stakeholders. Our Group sustainability strategy (as outlined on page 49) sets out our clear priorities based on the most material ESG topics to our business and stakeholders.

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

Climate change

A joint session of the ESG and Audit Committees was held on the 26 January 2024, which included an ESG training session presented by an expert third-party. The relevant ESG annual report disclosures including our Task Force on

Climate-related Financial Disclosures ("TCFD") Report was presented to the Committee by the Head of ESG Governance and Reporting. Reflecting the integration of the management of our most material ESG topics, climate change is noted as one of the Group's principal risks reviewed by the Audit Committee as part of the Group Risk Management Framework.

The 2023 TCFD report 64-70 outlines and evaluates the potential impacts of climate-related risks and opportunities that face the business and the wider value chain under a number of climate scenarios. This has supported the Committee in assessing our current strategy, including our associated environmental transition plans, and reviewing our resilience against a number of different potential climate scenarios.

In the context of the Group's Board approved transition plan for Scope 1 and 2 carbon emissions reduction pathway to 2030, in line with the Paris Agreement, against a 2018 baseline, the Committee was updated on progress made during 2023, and the focus areas for 2024 and beyond. This aided the Committee in understanding the strategic and operational impacts of these measures which have also been incorporated into the overall Group's strategic plan. These include the Group energy procurement strategy and pipeline of capital energy efficiency projects, supported by real time data provided by the Energy Management System installed within our largest sites during the year in review.

The Committee recognises the materiality and importance of reducing our Scope 3 dairy emissions while acknowledging its inherently complex and challenging nature, as these emissions relate to those generated in our value chain. Our approach is one of partnership with suppliers and the wider dairy industry with a focus on data quality, collaboration and supporting a commercial business case to build efficiencies and decarbonise operations. During 2023 we focused on three core strategic elements:

- On-farm footprinting, informing farm specific recommended solutions including practices and technologies;
- Building an economic impact model assessing the viability and cost effectiveness of GHG interventions and associated market value; and
- Focusing on our reporting requirements and assessing the

implications of changes to GHG reporting standards and evolving our Science Based Target initiative Scope 3 model.

In 2024, we are committed to finalising this transition plan for a Scope 3 carbon emission reduction pathway to 2030 based on these core elements. The Committee recognises this transition plan as a significant step forward towards managing our most significant environmental impact.

Regulatory reporting environment

The Committee endorses the importance of greater transparency and consistency in reporting to meet stakeholders requirements such as our investors, customers and employees. I welcome the progress made by the European Commission and International Sustainability Standards Board ("ISSB") who have publicly committed to ensure interoperability between these sustainability reporting standards. I also note that these standards have leveraged existing frameworks and voluntary standards such as the TCFD framework and Global Reporting Initiative ("GRI") further consolidating reporting requirements.

In this context, the Committee has been updated at each meeting on the steps taken to ensure readiness for these reporting requirements, with particular focus on the EU Corporate Sustainability Reporting Directive. This includes the establishment of a dedicated ESG Reporting and Systems Steering Committee to oversee our implementation plan, which comprises of a multi-discipline senior leadership group reflecting the wide-reaching nature of these standards.

In terms of execution a dedicated project team is in place, which reports into the Steering Committee. This team has established and manages individual workstreams mapped back to a central tracker which monitors our progress against each reporting requirement. This includes the implementation of our sustainability reporting control framework with the following fundamental elements: defined roles and responsibilities; process documentation; controls; and the associated data and system improvements by workstream.

Environmental, Social and Governance Committee Report continued

In 2024, we will continue to report under the GRI reporting standards, and an individual GRI report will be released in March 2024. We are committed to transparently disclosing against our most material ESG topics, clearly demonstrating our progress year on year.

Diversity, equity and inclusion ("DE&I")

Our DE&I vision is to advance a culture where we celebrate individuality, knowing that together we are more. This vision is supported with a commitment to educate and build awareness around DE&I across the organisation through our Employee Resource Groups, webinars, social media and other forms of training for all employees. Progress in leadership and talent acquisition continues to be evidenced through our female leadership targets. I was particularly pleased to see that we are ahead of schedule on the execution of our current strategy. Refer to page 30. Our focus for 2024 will be to reset our timeline and establish new goals.

Health and safety

2023 was a year of continued progress in our mission to 'Zero Harm', following

significant reductions in injury rates and zero critical injuries reported the previous year. This strong performance has continued, demonstrating the effectiveness of our health and safety approach, underpinned by our culture of excellence across our sites.

Food safety and quality

The Group's food safety and quality standards continue to meet industry best practice, with all manufacturing sites maintaining an externally recognised food safety certification. In 2023, we also reviewed our internal management system, the 'Glanbia Quality System' ("GQS"), to ensure alignment with best practice standards through a third-party review.

Priorities for 2024

The ESG priorities for the Committee in the financial year ending 4 January 2025 will be:

- Monitoring the progress made against our stated commitments – with a focus on our Scope 3 delivery, and wider value chain including biodiversity and circular economy related impacts.

- Further enhancing of our understanding of the impact of climate-related risks and opportunities on the Group, through enhanced impact analysis using the TCFD framework.
- Ensuring the momentum made within our people pillar continues, with continued progress within our DE&I strategy. The non-negotiables of our health and safety and food safety quality programmes remain aligned with industry best practice.
- Supporting the development of the Group's sustainability reporting including required process and system enhancements, with oversight by the Board in the context of the increased reporting regulations coming into effect.

Membership

The ESG Committee comprises of myself as Chair, the Chief Financial Officer, and three Non-Executive Directors including the Group Chairman. Two members constitute a quorum. The Deputy Group Secretary acts as secretary to the ESG Committee. 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 the next page 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.



Dan O'Connor
Environmental, Social and Governance
Committee Chair



Group Chairman and Workforce Director Donard Gaynor speaking with Glanbia employees as part of his visits to Glanbia sites in the US, Europe and Asia.

ESG Governance structure



Environmental, Social and Governance Committee Report continued

TCFD – Governance

The Group's Board has overseen the continued evolution of our business to fulfil this purpose, including the review and approval of the Group's sustainability strategy and commitments. These commitments encompass a clear focus on climate action and the Board has ongoing oversight of performance and strategies to deliver on these. The Board and its Committees also assess how the Group is responding to climate-related risks and opportunities, as part of the overall risk management process.

Board oversight of climate change impact

The Board and/or its relevant Committees received five dedicated updates from senior leadership including the Senior Vice President of Sustainability and the Head of ESG Governance and Reporting on matters including the Group's performance on its climate goals and strategy, climate-related risks and opportunities and our climate-related disclosures.

In addition, details relating to climate change are provided by other leaders as part of their functional updates, ensuring that it is increasingly integrated into the broader strategic decision making process. In 2023, the potential climate impacts were considered by the Board across a range of areas including decisions on major capital expenditure and business acquisitions.

The Board monitors and oversees progress against climate-related targets and goals through detailed reports of discussions and recommendations which are presented to it by the ESG Committee following the conclusion of each meeting. Refer to page 117-118 for details. The Board also considered climate-related metrics as part of the Group's financial and business planning cycle, and strategy assessment with climate-

related impacts incorporated within the evaluation process. This included review of our Scope 1 and 2 transition plan, including the projects identified to deliver on energy reductions and our energy procurement strategy. A review of our Scope 3 strategy was also a core component of this year's Board strategy and planning sessions.

Management's role in identifying, assessing and managing climate change impact

The Chief Executive Officer and Executive team ('Group Operating Executive') are responsible, under Board direction, for the execution and delivery of the Group's strategic plans, overseeing the delivery of the Group's investment ambition and the realisation of commercial opportunities.

In recognition of the importance of our sustainability strategy, our CEO for Glanbia Nutritionals has overall ownership for our sustainability strategy execution, in the context of GN holding the largest manufacturing footprint of the Group, which includes the Group's dairy processing sites. While our Head of ESG Governance and Reporting is responsible for ensuring the Group meets its required reporting and governance requirements to support stakeholder needs and also that ESG metrics including climate change impacts are appropriately considered as part of any capital acquisition or investment.

To support our Group Operating Executive, Glanbia evaluates and manages our sustainability performance including actions relating to climate-related risks and opportunities through our senior leadership structures including our Operations Steering Committee. The committee comprises of the respective Business Unit Chief Operating Officers and the Sustainability, Engineering and members of the Procurement Senior


Leadership. The following were key agenda items during 2023:

- Updates on performance against stated targets.
- Progress made on approved initiatives to support delivery of our decarbonisation transition plan.
- Update on evaluated impact of potential climate-related risks and opportunities identified.
- Presentation of the Sustainability Risk Register, incorporating all climate-related risks identified.

Separately management report monthly to the Board through a monthly Board Report, supported by formal Board and strategy meetings, on all matters relating to the performance of the Group including climate change matters.

Climate change and remuneration

Glanbia's remuneration approach ensures that executive remuneration is aligned to the Group's purpose, culture and values, supports strategy and promotes the long-term success of the company. The Long-Term Incentive Plan ("LTIP") for Executive Directors and senior leaders reflects this through the three key areas of growth, return and sustainability. The incentive plan considers core sustainability metrics linked to our sustainability strategy. The metrics used include carbon reduction, specifically the progress towards our science-based targets on Scope 1 and 2 emissions, water and packaging.

 More details on this can be found in the Remuneration Committee Report on pages 140-145. For further details on Group Governance, see our Corporate Governance Report on pages 86-108.

Principal Actions during 2023

Board	Considered and approved the strategic plans as part of the annual update process, taking into consideration the integration of climate change related actions. Considered and approved the Group's risk appetite.
ESG Committee	Received and considered updates on the Group's sustainability and climate-related targets, actions and performance.
Audit Committee	Received and considered regular updates on the Group's principal and emerging risks and uncertainties, including those that could threaten its business model, future performance, solvency or liquidity. This included the impact of climate-related risks on the Group's accounting judgements, disclosures, processes and financial statements.
Remuneration Committee	Considered and finalised appropriate ESG-related targets for inclusion in the Group's Performance Share Plan. This included a specific component related to decarbonisation.
Nomination & Governance Committee	Actively reviewed and monitored the structure, size, composition and balance of skills on the Board.