



Glanbia plc
Annual Report and
Financial Statements 2023

Better

Nutrition

Glanbia is a Better Nutrition company, the home of consumer brands and ingredients that nourish millions around the world.

We know that people want to live full, healthy lives. To reach their performance goals, recover quickly, and stay strong, at any age. Better living requires better nutrition – and Glanbia delivers just that.

Delivering...

Nutrition

The Glanbia Group comprises Glanbia Performance Nutrition, Glanbia Nutritionals and strategic cheese joint venture operations. We offer an incredible breadth of expertise in protein nutrition and we are home to Optimum Nutrition – the no. 1 sports nutrition brand in the world.

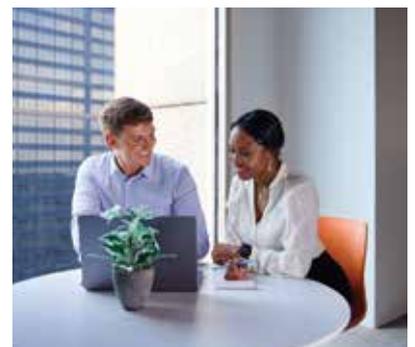
 Discover more about our business on pages 32-39.



Performance

Leveraging strong market positions, driving innovation in our sales and marketing processes, and operational excellence are all hallmarks of Glanbia. Driven by our agile business model we continue to deliver for all our stakeholders.

 Discover more about our performance on pages 10-46.



Impact

At Glanbia, we aim to lead by example. To make an impact. As a global leader in nutrition, we have opportunities—and responsibilities—to show how business can be done better.

 Discover more about our sustainability goals on pages 46-71.





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For definitions and more information on constant currency and other performance measures see the glossary on pages 252-260.

Find us online

Our online report

This copy of the statutory annual report of Glanbia plc for the year ended 30 December 2023 is not presented in the ESEF*-format as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815). The ESEF annual report is available at: www.glanbia.com/annualreport



 Discover more about our 2025 ambition on pages 15-18.



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*ESEF: European Single Electronic Format.

Highlights

Financial Highlights (based on continuing operations)

Revenue

\$5.4bn

2022: \$5.9bn
reduction of \$0.5bn

EBITA (pre-exceptional)

\$424.0m

2022: \$365.7m
+15.9%¹ / +16.4%²

Profit after tax

\$347.7m

2022: \$210.3m
+\$137.4m

Basic EPS (\$)

130.41c

2022: 76.55c
+70.4%¹ / +71.7%²

Adjusted EPS (\$)

131.37c

2022: 109.57c
+19.9%¹ / +20.5%²

OCF³ conversion

90.4%

2022: 85.7%
increase of 470bps

Return on Capital Employed

12.2%

2022: 10.7%
+150bps

Net debt

\$248.7m

2022: \$490m
reduction of \$241.3m

“2023 was another year of strong performance for Glanbia plc, with the Group delivering record earnings in terms of adjusted earnings per share. I look forward to leading the Group in its next phase of growth.”

Hugh McGuire
Chief Executive Officer

1. Reported currency
2. Constant currency
3. Operating cash flow



Non-Financial Highlights

Health and safety
Lost time case rate

5%

improvement versus 2022

Scope 1 & 2
GHG emissions

15.9%

reduction versus 2022

Employee
engagement score

72 pts

increase of 1 point versus 2022

At a glance

OUR PURPOSE

Delivering Better Nutrition

Glanbia is a Better Nutrition company whose purpose is to deliver better nutrition for every step of life's journey. We employ over 5,500* people across 30 countries and our brands and ingredients reach millions of people every day.



* Including joint venture operations.

OUR MARKETS

Serving growing consumer trends



Focus on healthy living

As the foundation for healthy living has shifted to prevention, consumers increasingly make food and beverage choices based on health, nutritional benefit, functionality, energy and immunity.



Increased trust in established brands

Consumers are loyal to established and trusted brands in performance and lifestyle nutrition.



Mass appeal of protein

The functional and nutritional benefits of protein are now recognised by a wide consumer set.



The rise of plant-based diets

Plant-based protein appeals to three growing consumer cohorts: flexitarian, vegetarian and vegan.



Provenance and sustainability focus

Consumers want to know much more about ingredient sourcing and want to understand the food system better, rather than be passive participants in it. Customers want sustainability embedded in the supply chain.



Acceleration of eCommerce

eCommerce has emerged as the trend of the 2020s with penetration and usage accelerating at pace.



Read more in 'market trends and growth drivers' on pages: 19-21.

ROUTES TO MARKET

Nutrition focused
brands and ingredientsConsumer branded
productsby **Glanbia Performance Nutrition**#1 global sports nutrition brand¹A portfolio of leading brands
in performance and lifestyle nutrition.

2023 Revenue

\$1,795.6m

2023 Revenue growth

+4.8% cc²Read more about our consumer brands
on pages: 32-35.

Better Nutrition

Specialty nutritional
ingredientsby **Glanbia Nutritionals**

#1 US supplier of whey protein isolate

#2 global leader of custom premix solutions

#1 supplier of American-style cheddar cheese

Glanbia Nutritionals' ("GN") Nutritional Solutions ("NS")
is a leading provider of both bespoke customised premix
solutions and whey protein isolate.GN's US Cheese business is the number one marketer
of American-style cheddar cheese.

2023 Revenue

\$3,629.8m

2023 Revenue decline

(14.2)% cc²Read more about our functional ingredients
and solutions on pages: 36-39.

1. Source: Euromonitor
2. Constant currency

OUR CULTURE & VALUES

Our purpose, vision, and values provide focus and direction for the organisation and guide us in our business interactions.

Our diverse, engaged and energetic workforce drive our strategy to deliver better nutrition every day.

**Customers' champion**

We are the customers' champion. Our customers and consumers do not just choose us once but rely on us delivering for them again and again.

**Performance matters**

We are committed to the highest standards of performance in quality, consistency and safety. We are not just delivering better nutrition but delivering it better every day.

**Find a better way**

The drive to constantly improve is in our DNA. It leads us to innovate and collaborate. It has fuelled acquisitions, partnerships, new products and smarter ways of working.

**Winning together**

We expect a lot from our people and offer much in return. We nurture individuals but encourage everyone to work together. Winning is great, but together we are more.

**Showing respect**

Respect underpins everything we do. Caring for people and the planet is embedded in the fabric of our business. Respect builds a better future for everyone and is vital for our success.

Key strengths and unique competitive advantage will drive sustainable growth

1

A simplified strategy, focused on better nutrition

Glanbia has a unique portfolio of Better Nutrition brands and ingredients, which address growing consumer demand in major healthy nutrition categories. Our brands and ingredients play into the growing market trends of active lifestyles and health and wellbeing, which have a combined total addressable market of \$96bn*. Our core strategy is focused on delivering growth through our Better Nutrition portfolio of brands and ingredients.

 Discover more on pages 15-21.

2

Serving strong consumer trends through brands and ingredients

In today's world, consumers are seeking authentic brands and ingredients that focus on performance, healthy lifestyles, weight management and boosting immunity. Individuals and governments now recognise that prevention is better than medication and consumers are reacting to that by taking personal accountability for their own health and wellbeing, and we can be with them on that journey.

 Discover more on pages 19-21.

3

Sustainable operations

Our ESG strategy has been fully integrated into our business model and targets. Our sustainability strategy outlines ambitious goals across our priority areas – carbon, waste, water and packaging. Aligned to the UN Sustainable Development Goals, we have committed to the Science-Based Targets initiative and are very clear on our roadmap for achieving our targets.

 Discover more on pages 46-71.

* Source: Euromonitor. Glanbia team analysis.

4

Financial capacity

We have a strong balance sheet, earnings growth, and cash conversion, all facilitating investment and shareholder returns. 90% of Group EBITA is now delivered through our Better Nutrition growth platform of Glanbia Performance Nutrition and GN Nutritional Solutions. Improving the operational, commercial and financial performance of our business has helped us maximise long-term value and deliver superior returns.

+ Discover more on pages 40-45.

5

Focused operating model

We have optimised our business for maximum long-term value through disciplined and focused capital allocation. We have simplified our operating model to focus on brand development and nutrition solutions innovation. Our strong results in recent years highlight the strength of our business, the diversity of our products and markets, our geographic spread, robust financing and an organisational design that permits fast and agile decision-taking.

+ Discover more on pages 22-23.

6

Strong culture and values

We are a purpose-led business, committed to building an inclusive culture that empowers our people to thrive. Our diverse and engaged workforce drive our strategy to deliver better nutrition every day. We listen to our stakeholders, our employees, our investors, our consumers and customers to craft and deliver on our strategy.

+ Discover more on pages 28-31.



Delivering Nutrition

Our focus on delivering our Better Nutrition strategy has enabled us to consolidate into our two core growth platforms; Glanbia Performance Nutrition and Glanbia Nutritionals.

There is a strong complementary thread of protein nutrition expertise across both our businesses enabling us to deliver a range of leading consumer brands and protein ingredient solutions.

 Discover more on pages 32-39.



Continuous Innovation

Glanbia takes a strategic approach to innovation that's collaborative, agile entrepreneurial, and continuous.



Discover more on pages 35 and 38.

**Consumer Trends**

Our portfolio of brands and ingredients play into attractive consumer nutrition trends around performance, health and wellness.



Discover more on pages 19-21.

**People**

We are a purpose-led business, committed to building an inclusive culture that empowers our people to thrive.



Discover more on pages 28-31.

Chief Executive Officer's review

"Glanbia had an excellent performance in 2023, delivering double-digit earnings growth and outperforming all of our ambitious Group targets, set out at our 2022 Capital Markets Day."

Hugh McGuire
CEO
Glanbia plc



Discover more on pages 12-14.



A year of double digit growth



Donard Gaynor
Group Chairman

"I am delighted to report that Glanbia enters 2024 in great shape. Our portfolio of exciting consumer performance nutrition and lifestyle brands and nutritional ingredients leave us well positioned to sustain our growth momentum."

Dear Shareholder,

A thank you to Siobhán Talbot

It is impossible to reflect on the past year without first talking to the retirement of our Group Managing Director, Siobhán Talbot. Siobhán's leadership defined the last decade of Glanbia. Siobhán led the creation of a focused business, with a defined purpose, strong values, aligned with growing consumer trends; and a clear ambition for growth. These are all key parts of her distinguished legacy. A deeply principled and values-driven leader, her vision to reshape the business and its culture has been pivotal in positioning Glanbia as a global leader in the world of better nutrition. On behalf of the Board, I would like to take this opportunity to thank Siobhán most sincerely for her very significant contribution over more than three decades. On behalf of everyone connected with Glanbia, we wish Siobhán and her family every success and happiness in the future.

Welcoming our new CEO Hugh McGuire

A key role of the Board is to ensure there are appropriate succession plans in place for Board and senior management roles. The Board diligently planned for Siobhán's succession, and we are delighted that our process resulted in the internal promotion of a leader of Hugh McGuire's calibre. Hugh, who took over as CEO on 1 January 2024, has been a highly valued member of Glanbia's Executive team for ten years. He has deep consumer and ingredients industry expertise as well as proven strategic capabilities and a clear ability to build and lead teams. I have no doubt that Glanbia is in the right hands for the next phase of its growth.

Our “Better Nutrition” strategy

The Board is strongly supportive of Hugh’s commitment to the Company’s three-year strategic vision which was set out at our Capital Markets Day (“CMD”) in November 2022. This “Better Nutrition” strategy seeks to create and sustain long-term shareholder returns while building a responsible Company guided by a strong sense of purpose. I am pleased to report that in 2023 we updated the market and raised our adjusted EPS guidance three times from 5-10% to 17-20% and exceeded all of our ambitious Group targets as set out at the CMD in November 2022. (See page 14.)

While 2023 was again a year of broad uncertainty with major economies facing the challenge of inflation, cost-of-living pressures and geopolitical uncertainty, as ever my colleagues throughout Glanbia responded to this operating environment with agility and resilience. This spirit of entrepreneurialism coupled with our strong brands, ingredients and business continued to drive double-digit earnings growth in 2023.

Profit, cash and return on capital employed (“ROCE”) all grew in 2023. Pre-exceptional Group EBITA increased by 16.4%, constant currency, to \$424.0 million (+15.9% reported). ROCE, a key metric for the Group, was 12.2% and our strong Operating Cash Flow conversion continued at 90.4%.

During the year, we also continued to evolve our portfolio with the disposal of our interest in the Glanbia Cheese UK and EU joint ventures and the acquisition of a bioactive ingredient business within our Glanbia Nutritionals portfolio. Our strategy to simplify our organisation and focus on our two growth platforms is serving us well and strengthening our position as a global nutrition leader.

The fundamentals of the health and nutrition categories in which we play, remain attractive. The growth of the health and wellness industry and the growing desire amongst all demographics for a more active lifestyle are long-term, sectoral trends in which we continue to focus.

Dividends

In testament to the strength of the business, the Board believes it is appropriate for Glanbia to deliver a strong dividend for 2023. The Board is recommending a final dividend of 21.21 euro cent per share for the year ended 30 December 2023. This brings the total

dividend per share for the year ended 30 December 2023 to 35.43 euro cent per share, up 10% on the previous year. The Board will continue to review the availability of surplus cash and capital in accordance with the Group’s policies on financial leverage and capital allocation. In 2023, we spent €100m on share buybacks with an additional buyback announced in February 2024.

Board and leadership changes

We have significantly refreshed the composition of the Board over the past number of years, to ensure we reflect an appropriate mix of skills, experience and diversity to suit the evolving nature of the business and the expectations of society. The reduction in the representation of Tirlán Co-operative Society Limited (the “Society”) to three in 2023, has also enabled us to achieve greater diversity. Patsy Ahern and John Murphy retired from the Board on 4 May 2023. In addition to retiring as Group MD, Siobhán also stepped down from the Glanbia Board on 31 December 2023. I thank them for their extensive contribution. On 1 June 2023, we were delighted to appoint Gabriella Parisse to the Board as an Independent Non-Executive Director. Gabriella also joins the Board’s Development Committee. Gabriella brings to the Glanbia Board significant experience in consumer brand development, the food ingredients industry, innovation and strategic leadership of multinational businesses. (See page 91 for biography). We also made a number of changes to our Committees. On 30 December 2023, Róisín Brennan succeeded Dan O’Connor as Senior Independent Director and Dan replaced myself as Chair of the Environmental Social and Governance (“ESG”) Committee.

As mentioned earlier, the most important change made to the management of our business was the appointment of Hugh McGuire as Group CEO. Following Hugh’s appointment, Steve Yucknut was appointed CEO of Glanbia Performance Nutrition (“GPN”). Steve previously held the position of President, GPN Americas, having joined GPN as Chief Operating Officer in 2015.

Furthermore in 2023 we saw the retirement of our Chief ESG and Corporate Affairs Officer Michael Patten. I would like to thank Michael for his work and commitment to Glanbia and wish him well in his retirement. Given the importance of ensuring the delivery of our ESG agenda, our Chief Financial Officer Mark Garvey has now been appointed to the ESG Committee.

Connecting our purpose to strategy

As a global nutrition company, Glanbia has an important role to play in the changes required to tackle the global food challenges we all face. “Delivering Better Nutrition for every step of life’s journey” is our purpose and we have put this into action by establishing ambitious targets that ensure impact beyond profit. We’ve demonstrated our purpose through partnerships and commitments that are making a difference to our people and planet, accelerating our sustainable nutrition impact, and that of our customers.

Our focus on our sustainability strategy “Better Nutrition, Better World” is testament to our purpose. Together, they inform our innovation and acquisition strategies – driving us to invest in markets and technologies where we can make the greatest impact towards our sustainability goals.

Employee engagement

As lead Board member for workforce engagement, I engaged with hundreds of colleagues across Europe, the US and Asia. I continue to be impressed by their passion. That passion was reflected once again in the results of our annual ‘Your Voice’ employee survey. Employee engagement remains very high at 72 points, up one point on last year. I believe that our culture is a major differentiator for Glanbia and a significant source of our ongoing competitive advantage.

Summary

As a Board we continue to have a clear focus on maximising long-term shareholder value. I have no doubt that Hugh will continue to drive a strong values-led business, embedding a culture that enables the business to innovate and act with agility in a fast-paced, interconnected world. We are building on firm foundations to create the conditions for long-term sustainable growth and outperformance. Like every business, we will face challenges ahead but our continued investment in our brands and ingredients, coupled with our deep understanding of our consumers and customers, positions us well to capture opportunities in a market we believe has very attractive fundamentals.



Donard Gaynor
Group Chairman

Creating value. Delivering growth.



Hugh McGuire
CEO
Glanbia plc

"I am delighted to be introducing Glanbia's 2023 Annual Report, my first as CEO. Glanbia is an exceptional business with market leading positions in key branded and nutritional ingredients markets. It was particularly pleasing to see Optimum Nutrition, our flagship global brand, break through \$1bn in sales in 2023 with lots of headroom for further growth. We have great people, who are passionate about the needs of our customers and consumers. I'm proud to be leading such a team and I am excited about the growth potential for our portfolio of great brands and ingredients."

Dear Shareholder,

I am honoured to have been appointed CEO of Glanbia plc at a moment of great potential for our organisation.

Firstly, I would like to pay tribute to my predecessor Siobhán Talbot, who leaves Glanbia in a very strong position for future growth. I look forward to building on her legacy and I want to thank her sincerely for her counsel, support and her unwavering commitment to the growth and continued strategic evolution of Glanbia. On behalf of myself and all her colleagues in Glanbia, we wish her the very best in her retirement.

Delivering our Better Nutrition strategy

Glanbia operates in a sector that is closely aligned to my own passions and values. The Group's portfolio of better nutrition brands and ingredients continues to resonate strongly with consumers seeking health and wellness, with a particular focus on protein.

Over the past decade, the Group has been simplified to focus on our two growth platforms of Glanbia Performance Nutrition ("GPN") and Glanbia Nutritionals ("GN") both of which have market leading positions.

In 2022, we laid out a clearly defined three-year "Better Nutrition" strategy for our next phase of sustainable growth and to date, we are outperforming on all of these ambitious Group targets. (See page 14.)

Growth is my number one priority and in 2023 the Group performed very well, delivering double-digit earnings growth with a very strong operational and financial performance despite a continuously volatile and inflationary environment. In 2023, adjusted EPS rose by +20.5% constant currency to 131.37c. Pre-exceptional profit rose to \$298.1m, an increase of 20.2% reported.

This speaks to the strength of our brands and ingredients, as well as to the quality of our execution across all our markets, where we have increased investment in our market teams over recent years.

In this era of higher interest rates, the ability of Glanbia to generate cash remains strong, with the Company achieving a cash conversion ratio of 90.4% in 2023. This strong cash performance allowed us to increase the dividend by 10% and to return €100 million to shareholders via a share buyback programme in 2023.

In the medium term, my focus is to continue to build on and deliver our “Better Nutrition” strategy which centres on three distinct priorities: grow the core; optimise our business; and disciplined capital allocation. (See pages 15-18.) Working together as one Glanbia – across regions, businesses and functions, we will continue to drive growth across the organisation.

A focused portfolio of brands and ingredients

In 2023, we also continued to evolve our portfolio with the sale of our interest in the Glanbia Cheese joint ventures, the sale of our noncore Aseptic Solutions bottling facility, and the acquisition of a bioactive ingredient business within our Glanbia Nutritionals portfolio.

As a better nutrition company, we are committed to building a portfolio of nutritional brands and ingredient solutions that evolve with consumer and customer demands across a range of categories and occasions offering a very attractive runway for growth.

Glanbia Performance Nutrition

GPN has a portfolio of performance nutrition and healthy lifestyle brands that are loved by their consumers, supported by innovation, with strong market positioning and brand equity investment. We continue to increase investment in our brands people and capabilities, as we drive awareness and distribution globally.

In 2023, GPN saw strong like-for-like branded revenue growth of 5.1%, constant currency and EBITA earnings growth of 33.7%, constant currency. Pricing was positive reflecting the annualisation of strategic price increases executed in 2022. Overall volume momentum continued to improve in GPN through 2023, with Optimum Nutrition (“ON”), delivering double-digit global volume growth. EBITA margin increased

“We have set out a clearly defined three-year “Better Nutrition” strategy for our next phase of sustainable growth and to date, we are outperforming on all of these ambitious Group targets.”

by 300bps to 14.2%. This was driven by our continued focus on revenue growth management initiatives, operational efficiencies and margin optimisation. We also increased brand and marketing investment by over 200bps prioritising our growth brands: ON, Isopure and think!

Optimum Nutrition is the world’s no.1 sports nutrition brand which became a billion dollar brand in 2023. It now represents over 60% of the GPN brand portfolio and is experiencing strong growth in all markets. We continue to increase investment support behind the brand to drive awareness, distribution gains and volume growth. We are excited about the latest campaign under Optimum Nutrition’s “More of You in You” communications platform that launched in January 2023. “Unlock More You” will run in all supported markets and will feature on national television in the US and the UK. Optimum Nutrition has also become the official sports nutrition partner of the McLaren Formula 1 team. We see plenty of opportunities for ON with lots of new consumers coming into the category. (See pages 32-35.)

The trends in the healthy lifestyle segment remain robust with strong consumption growth across the portfolio-Isopure, think!, and Amazing Grass brands. The protein category continues to resonate very strongly with active lifestyle consumers and we are ambitious to continue to grow this brand portfolio in North America.

SlimFast, which now represents less than 10% of the GPN brand portfolio, continues to be challenged as the diet category continues to evolve. We are re-focusing on the core proposition of high protein meal replacement shakes in ready-to-drink and powder formats. The increased awareness of weight loss drugs has contributed to the evolution of the diet category, but we are optimistic about the potential tailwind for our protein brands and ingredients.

GPN has a portfolio of authentic and unique nutrition brands that appeal

to consumers all over the world with opportunity for growth across multiple channels and geographies as we drive awareness and reach.

Glanbia Nutritionals

In Glanbia Nutritionals, the customer is at the core of everything we do, with our unique portfolio of nutritional ingredients and solutions combined with our deep innovation capability driving partnerships and collaboration with customers. GN’s unique and premium ingredient solutions can be found in many established consumer brands sold all over the world across a range of formats including market-leading energy drinks, premium healthy-snacking brands, including bars and gummies, as well as leading protein-based brands. Our Nutritional Solutions (“NS”) revenue declined by 14.9%, constant currency, driven by a 9% decline in price, a 3.3% decline in volume and a decline of 2.6% driven by the net impact of acquisitions and disposals. The price decline was driven by dairy market pricing, with positive pricing in the custom premix solutions business. The volume decline was driven largely by customer supply chain rebalancing in the custom premix solutions business. Overall volume trends continued to improve during the period, with good demand for protein underpinning NS volume growth in the second half of the year.

Our combined US Cheese business and US JV operations make us the no. 1 supplier of American-style cheddar cheese. Our US Cheese and US JV delivered a strong performance driven through solid operational efficiencies. Our focus is on earnings and cash flow for this business.

Our most recent acquisitions Sterling Technology and the B2B business of PanTheryx are exciting additions to our portfolio of nutritional ingredients, building out our dairy bioactive platform with their colostrum-enriched nutraceuticals that support gut health and help strengthen immune systems. We will continue to build on our core strength in custom premix solutions, scale

Chief Executive Officer's review continued

our extensive protein capability, and bolster our deep expertise in the healthy snacking space.

Future growth opportunities

The positive global trends around performance health and wellness continue to underpin our "Better Nutrition" strategy. Consumers have never been so focused on their health and wellbeing and want authenticity, functionality and sustainability in what they purchase. Our portfolio of great brands and ingredients support these trends. (See pages 19-21.)

As a Group, we will continue to focus on our strategic priorities and drive growth across our core platforms of GPN and GN, optimise our business and drive shareholder value. We will also continue to invest in the business particularly the key enablers of awareness and distribution driving customer and consumer relevance. The growth profile of Glanbia will continue to be a blend of organic growth and acquisitions. We are ambitious in M&A and currently have debt capacity of approximately \$1.3 billion. In terms of organic growth, we have taken Optimum Nutrition to over a billion dollars in revenue. Within GN, we understand protein and nutrition solutions like no other company, and we see great opportunities ahead.

Embedding sustainability across the business

Guided by our strong purpose and values, we will continue to drive the integration of our sustainability programme across the business through operational excellence, innovation, and partnerships. "Better Nutrition, Better World" is Glanbia's global sustainability programme and it is central to our strategy. In 2023 we made good progress across our ESG agenda and are on track against our stated targets. A key focus area for 2024 is the delivery, in tandem with our partner suppliers, of a Scope 3 dairy decarbonisation transition plan. (See pages 46-71.)

Our valued people

Our people are our greatest asset. We care for our people and we work to foster an inclusive culture where every employee can thrive and reach their full potential. Supported by strong values, employee engagement and development opportunities, we continue to create high performing, diverse teams that can drive and support our growth agenda. I firmly believe Glanbia's success is built on the talent of our great teams and people, with their innovative and entrepreneurial mindset, whether it is about driving performance, collaborating with customers, delivering operational excellence or building new businesses. I would like to thank each and every one

of my colleagues for their hard work and commitment in 2023 and I look forward to celebrating our successes in 2024. We will continue to deliver on our comprehensive people agenda as outlined by our Chief Human Resources Officer Sue Sweem on pages 28-31. Over 5,500 people work in Glanbia and I look forward to working with them to ensure they are empowered to reach their personal and professional goals.

Looking to the future

As your newly appointed CEO, I step into the role at a time where significant progress has already been made in positioning the Group for future success. While our business is not immune to external factors beyond our control, I am confident that our Better Nutrition portfolio of brands and ingredients, and our strong culture and values, coupled with our robust financial capacity and simplified operating model, gives Glanbia a unique competitive advantage that will continue to drive sustainable growth for all our stakeholders.



Hugh McGuire
Chief Executive Officer

Delivering sustainable value creation



CMD Metrics* – November 2022



Metrics Delivered In 2023



* Glanbia Group ambition targets as per Capital Market's Day ("CMD") November 2022.

** Constant Currency.

Strategy

Delivering on our growth ambition

Our purpose: To deliver better nutrition for every step of life's journey.

Glanbia has evolved and grown over the past decade. Today, we are a “Better Nutrition” company, the home of consumer brands and ingredients that nourish millions around the world.



The choices we do – and don't – make, are guided by our purpose. Everything we do reflects our respect for each other and the earth.

Each day, we set our sights on better. With ceaseless curiosity, our experts meet the needs of our customers and consumers, using insight and science-led innovation to create high-quality nutrition and more sustainable ways of doing business. As a team, we stay ahead of the curve by asking the right questions.

Our strategy

Our defined set of strategic priorities: grow the core; optimise our business; and disciplined capital allocation will help us to achieve our 2025 ambitions.

To support these priorities and harness Glanbia's global growth potential, we will continue to develop our key enablers, our world-class strategic capabilities and our strong assets.



Enablers

Powerful consumer trends:
Our markets have evolved and as a Group we are evolving with them, understanding and staying close to our consumers and customers.

Culture and talent:
Glanbia's culture and talent are key sources of competitive advantage for the Group.

Disciplined financial management:
We invest in the future success of our business. This investment supports the delivery of a strong performance and enables sustainable growth.

Sustainable operations:
We seek to maintain a strong position on key sustainability issues in our sector including food safety and quality, diversity, equity, and inclusion and in particular our environmental commitments.

Grow the core

Optimise our business

Disciplined capital allocation

See our business model on pages 22-23.

Strategy continued

Better Nutrition – Strategic priority #1

Grow the core

Our core brands and nutritional ingredients hold market-leading positions in categories that are driven by strong underlying health and wellness trends.

Our strategy

- +** Capture global potential of billion dollar ON brand;
- +** Build North America’s branded lifestyle nutrition platform;
- +** Continue to scale our international business;
- +** Build on core strength in GN NS custom premix solutions; and
- +** Scale GN NS’ extensive capability in protein.



2023 progress

- Like-for-like (“LFL”) GPN branded growth of 5.1% constant currency with strong growth in sports nutrition across all regions;
- Delivered double-digit global volume in ON;
- Scaled international business delivering 12.8% LFL revenue growth;
- Sequentially improved LFL NS volume growth managed through significant supply chain rebalancing;
- Ensured NS resiliently played into market trending categories driven by strong demand for functional and nutritional ingredients; and
- Continued to build compelling capabilities and innovative solutions that are attractive to NS’ customers.

Looking ahead to 2024

- Following price-led growth in 2022 and 2023, drive volume growth in 2024 through distribution and awareness;
- Capture further growth of GPN lifestyle brands in key growing markets; and
- Maintain GN NS’ momentum in healthy snacking and ingredients solutions.

STRATEGY IN ACTION

ON – a billion dollar brand

Firmly established as the world’s no. 1 sports nutrition brand, Optimum Nutrition (“ON”) surpassed \$1bn in revenue in 2023. For over 35 years ON has been a pioneer in the sports nutrition category through its commitment to quality, performance and innovation across a range of products and formats including ON 100% Gold Standard Whey, the world’s best selling protein powder.



KPIs

Adjusted EPS (\$)
– continuing operations

131.37c

+20.5% constant currency

GPN revenue

\$1.8bn

+4.8% constant currency

GN revenue

\$3.6bn

-14.2% constant currency

Key risks

- Macroeconomic headwinds impacting demand;
- Geopolitical uncertainties may negatively impact consumer demand; and
- Competitor promotional activity or unexpected rapid changes in consumer behaviour.

For more information about risk, see pages 72-85.

Link to remuneration

- Adjusted Earnings Per Share is a performance target in both the annual incentive and LTIP for Executive Directors;
- Business segment EBITA forms part of the annual incentive and LTIP for the CEOs of GPN and GN;
- GPN LFL branded revenue growth and margin forms part of the annual incentive of the CEO of GPN; and
- NS LFL revenue growth and margin forms part of the annual incentive of the CEO of GN.

For more information about remuneration, see pages 126-149.

Better Nutrition – Strategic priority #2

Optimise our business

Improving the operational, commercial, sustainability and financial performance of our business to maximise long-term value and deliver superior returns.

Our strategy:

- +** Science-led innovation;
- +** Refine business and operating model;
- +** Optimise opportunities for margin expansion; and
- +** Digital transformation.

**2023 progress**

- Continued to refine Group and Business Unit operating models and pursued efficiencies resulting in increased EBITA margins in GPN and NS over prior year;
- Through our HR transformation programme, focused on digitally enabling ongoing talent development, performance management and employee engagement strategies;
- Embedded ESG strategy across the business;
- Continued to optimise Group-wide support functions to align with our growth agenda; and
- Implemented a business-wide digital core platform which will enable further digitisation across the Group.

Looking ahead to 2024

- Continue to drive innovation in GPN and build out dairy bioactives business in NS;
- Following the implementation of a business-wide digital core platform, focus on further digital transformation across the Group;
- Further embed our ESG strategy across the business;
- Support full integration of acquisitions across the organisation;
- Continue to optimise Group-wide support functions to align with our growth agenda; and
- Implement new commercial arrangements related to our US joint venture.

STRATEGY IN ACTION**Refining operating models**

Glanbia is a resilient business, well versed to operating in volatile and high inflation markets. We have a clear set of priorities and objectives to drive growth. In 2023 we continued to optimise our business portfolio with the sale of Glanbia Cheese UK and EU JVs. This allows us to continue to focus on our two growth platforms and pursue further efficiencies across the organisation.

**KPIs**

Adjusted EPS (\$)
– continuing operations

131.37c

+20.5% constant currency

Employee engagement score

72 points

+1 point

Increase in point score for employees who said they were happy working at Glanbia.

Carbon emission reduction

15.9%

Scope 1 & 2 GHG emissions reduction versus 2022.

ROCE – continuing operations

12.2%

+150bps

Key risks

- A failure to attract, develop, engage and retain key talent;
- Adverse cyber security events resulting in significant operational impacts; and
- Climate or pandemic-related events impacting supply chains.

For more information about risk, see pages 72-85.

Link to remuneration

- Adjusted Earnings Per Share is a performance target in both the annual incentive and LTIP for Executive Directors;
- Development of talent is a personal objective of Executive Directors and the Operating Executive; and
- STIP and LTIP incentives for the Executive Team and Senior Leadership Teams both include measurable metrics aligned to our strategic road map to deliver on our ESG targets.

For more information about remuneration, see pages 126-149.

Strategy continued

Better Nutrition – Strategic priority #3

Disciplined capital allocation

Optimising our business for maximum long-term value through the disciplined and focused allocation and reallocation of capital.

Our strategy:

- + Portfolio optimisation;**
- + Accretive M&A;**
- + Focus on cash generation; and**
- + Balance between investment and return of capital to shareholders.**



2023 progress

- Transitioned to a US dollar presentation currency for reporting purposes better representing core Group markets;
- Delivered strong cash generation with 90.4% operating cash conversion;
- Net debt: adjusted EBITDA 0.5 (2022: 1.13) and adjusted EBIT: adjusted net finance cost 38.1 (2022: 17.0);
- Completed sale of Glanbia Cheese UK and EU joint ventures;
- Acquired a colostrum enriched nutraceutical business; and
- Continued growth in dividend (+10%) and €100m returned via share buyback programme.

Looking ahead to 2024

- Continue progressive capital allocation strategy through mechanisms such as dividends and share buyback programmes;
- Transition to new commercial arrangements associated with the Group’s joint venture operations; and
- Pursue other margin accretive strategic M&A opportunities to complement the current portfolio.

STRATEGY IN ACTION

Delivering shareholder value

Creating sustainable long-term value for our shareholders and other stakeholders remains the primary objective of the Board and management. The Group’s ability to generate cash and its available debt facilities ensure the Group has considerable capacity to finance future investments. We have clear capital allocation priorities, with a balanced approach to investing in the business and providing returns to shareholders. We have a progressive dividend policy and remain enthusiastic about opportunities to accelerate growth via organic and M&A investments.



KPIs

OCF conversion

90.4%

2022: 85.7%

ROCE – continuing operations

12.2%

2022: 10.7%

Net debt

\$248.7m

2022: \$490.0m

Key risks

- Ineffective due diligence, transaction completion or business integration; and
- Failing to obtain accurate and relevant market intelligence.

[For more information about risk, see pages 72-85.](#)

Link to remuneration

- OCF conversion is a performance target in the annual incentive for Executive Directors and the Operating Executive; and
- ROCE is a performance target in the LTIP for Executive Directors and the Operating Executive.

[For more information about remuneration, see pages 126-149.](#)

Market trends and growth drivers



GLANBIA'S MARKET POSITION

Optimum Nutrition

#1

sports nutrition brand in the world.

GNS

#1

supplier of whey protein isolate.

Maximise athletic performance

Performance nutrition

The importance of nutrition in sports and fitness cannot be overstated. It plays an essential role in optimising training outcomes, hastening recovery periods, maintaining optimal body weight, minimising the risk of injuries and ensuring performance consistency.

How we're meeting this market need

World-leading brands and ingredients

Our portfolio of brands and ingredients hold significant leadership positions in the performance nutrition category. Most notably, Optimum Nutrition ("ON") is the world's #1 sports nutrition brand and has been a pioneer of performance nutrition for over 35 years. Available in over 90 countries, ON holds leading positions in protein powder with its Gold Standard Whey and Serious Mass products.

GPN's brand portfolio also includes Isopure which provides low and zero carb protein powders and drinks to premium consumers looking to support their active lifestyles, while BSN is targeted at consumers looking to build muscle mass with a range of protein and energy-based products.

In our Nutritional Solutions ("NS") ingredients business we build our business around healthy categories. We are the #1 global supplier of whey protein isolate supplying key market segments including performance nutrition. Our functional and nutritional ingredients appeal to the heightened desire of our customers for tailor-made ingredient solutions to enrich their food and beverage products.

\$25bn

The size of the global sports nutrition market

[+](#) Discover more on pages 32-39.

Source: Euromonitor. Glanbia team analysis.

Market trends and growth drivers continued



GLANBIA'S MARKET POSITION

GPN is the world's

#1

sports nutrition
company.

GN NS the world's

#2

global supplier of
micronutrient premixes.

A desire for healthy, active lifestyles

Improve physical and cognitive health
More and more people are focused on nutrition that supports a healthy and active lifestyle as well as boosting their mental health. Consumer interest in fortified foods and beverages with functional claims continues to increase, as people seek to supplement their diets with immune boosting nutrients to improve their energy levels and health.

How we're meeting this market need

Delivering trusted healthy lifestyle brands and ingredients

GPN offers a range of healthy lifestyle nutrition brands. think! offers high protein low sugar bars for consumers looking for healthy on-the-go snacking options. Isopure provides everyday nutrition with a commitment to purity, simplicity, and quality through products made with minimal ingredients, and only those you trust. Amazing Grass is a leader in the Greens segment with a range of Greens Superfood powders for consumers looking to supplement their intake of vegetables. This brand appeals to the growing consumer groups of flexitarians, vegetarians and vegans.

In our GN NS business, we offer tailor-made and sustainable nutritional ingredients and supplements that provide energy without compromising quality. Our ingredients are used in the bakery, beverage, snack bar, dairy and foodservice markets. Our capabilities range from producing 'straight' ingredients to bespoke premix blends. Historically anchored in dairy proteins, our capabilities now extend from marketing 'straight' ingredients to developing bespoke nutritional solutions using a wide range of ingredients, providing greater market reach and broader customer relevance.

\$160bn

The fitness sector is worth \$160bn and will increase by 172% to \$435bn by 2028.



Discover more on pages 32-39.

Source: Fitness Industry Trends & Statistics 2021 (strategicmarketresearch.com)

EXTERNAL
RECOGNITION
BENCHMARKS

Delivering better nutrition, responsibly

Sustainability

Sustainability remains a top priority for global consumers. An International Data Corporation report published in 2023, showed that nearly 30% of food and beverage producers said consumer demand for eco-friendly products is driving organisational change toward greater sustainability. It is essential for today's conscientious consumers that the brands and ingredients they support are making decisions that are positively impacting the environment today and for the future.

How we're meeting this market need

**Our People. Our Planet.
Our Performance**

At Glanbia, we believe we have an obligation to protect the planet for future generations. Our sustainability strategy focuses on three pillars: our people, our planet, and our performance. We recognise that food systems are deeply connected to the planet's resources, and companies like ours play a critical role in protecting the environment. Glanbia has strict environmental targets related to climate, water, waste and packaging.

To achieve our sustainability ambitions, we need to collaborate with our existing and future partners. Together with our stakeholders, we're working to support a resilient food system.

We embed ethics into every business decision we make. We abide by a clear code of conduct, built on our values, to drive better performance in every corner of our organisation. This strong business foundation, enables us to create products that uphold the highest standards of quality, food safety and nutrition.

77%

of people are influenced by a company's environmental record when deciding whom to buy from.



Discover more on pages 46-71.

Source: PWC.

Our Business Model

Through the delivery of world-class brands and capabilities, operational efficiency and disciplined financial management, Glanbia creates value for all its stakeholders.

Delivering Better Nutrition

Our purpose to deliver Better Nutrition for every step of life's journey connects us with the passion our consumers and customers have for our sports nutrition brands and nutritional ingredients.

Our portfolio of brands and ingredients

GPN is home to the world's #1 sports nutrition brand with an unrivalled product offering and key channel and category leadership. As an ingredient supplier in the B2B arena, GN stands for quality, integrity, innovation and sustainability.

Our markets

Glanbia's brands and ingredients are positioned at the centre of large and growing sports nutrition and ingredients markets. Our portfolio of products meets key consumer needs and enables people to achieve their healthy lifestyles goals.

Our culture and talent

- Committed, adaptive and resilient
- Passion for delivering better nutrition
- Curious and innovative
- Respectful and inclusive



Our core activities

Adding value through customer-focused innovation and collaboration is central to our philosophy. It ensures that we can influence and drive market trends rather than simply respond to them.

Sourcing

We work with our suppliers to procure high quality raw materials and services, with social impact and environmental sustainability in mind.

Manufacturing

Our operational excellence enables us to manufacture branded products and ingredients that meet the highest standards of food safety and quality. All our facilities operate with full regulatory compliance and good environmental stewardship.

Innovating

Using our deep understanding of nutritional trends and behaviours we focus on driving sustainable innovation that delivers innovative branded products and patented nutritional ingredient solutions.

Marketing and brand building

We continually evolve our data analytical skills to understand consumer's attitudes and motivations. We invest in world-class marketing tools to build GPN's brands and sustain our leadership positions in GN.

Selling

In GPN our global sales teams use data, digital tools and insights to extend our sales and channel reach and improve our execution. In GN we work in collaboration with our customers to deliver bespoke ingredient solutions that enable them to grow their business.

How we add value

The power of our brands and ingredients coupled with our unrivalled expertise in protein have made us the #1 sports nutrition company in the world, #1 global supplier of whey protein isolate and #2 global leader of custom premix solutions.

Our brands and ingredients

We actively manage our portfolio of brands and nutritional ingredients to ensure we offer a broad range of products across regions, categories and price points.



Discover more on pages 32-39.

Protein expertise and know-how

We have a deep understanding of protein and its applications across nutritional sports brands and ingredient solutions.



Discover more on pages 32-39.

Capital management

Glanbia has a strong track record of efficient capital allocation and reallocation to where we see opportunity for growth.



Discover more on page 44.

Global talent management

As a global business, excellence in human resources and talent management is key to the Group's future success and this was a particular area of focus in 2023.



Discover more on pages 28-31.

Delivery of our Strategy



Discover more on pages 15-18.

Value for stakeholders

The impact of our purpose is evidenced through the delivery of sustainable growth and value creation for all of society.

Consumers and customers

Optimum Nutrition enjoys strong brand loyalty as a \$1bn brand that continues to grow.

\$1.1bn

ON brand revenue in 2023

People

We invest in our people and their careers, providing development opportunities, competitive rewards and benefits.

\$519.6m

Employee benefits for the wholly-owned Group in 2023

Suppliers

We partner with suppliers to ensure long-term, mutually beneficial relationships. We have an active programme in place to risk assess our suppliers.

Environment

We continue to focus on climate initiatives and have committed to a 50% reduction in Scope 1 & 2 carbon emissions by 2030.

15.9%

Scope 1 & 2 carbon emissions reduction in 2023 versus 2022

Communities

We contributed and donated time and money to support causes in our local communities.

\$1.2m

Raised to support charitable donations in 2023

Investors

Our dividend policy has a targeted dividend payout ratio of 25%-35%. In addition, shareholders were returned €100 million in 2023 under the share buyback programme.

€189.8m

Returned to shareholders via dividends and buybacks in FY 2023

Key performance indicators

Financial KPIs

<p>Revenue</p> <p>\$5.4bn</p> <p>(2022: \$5.9bn) -8.7% constant currency -8.7% reported currency</p>	<p>Strategic relevance</p> <p>Revenue growth is a key indicator of how the Group is succeeding in developing through investment in organic growth and the ongoing acquisition programme.</p> <p>In addition, there are a number of key components of Group revenue (price, volume and acquisitions) which are actively monitored to provide greater insight into performance.</p>	<p>Performance</p> <p>In 2023, revenue was \$5.4 billion (2022: \$5.9 billion), a decrease of 8.7% (on a reported and constant currency ("cc") basis) on 2022. Revenue decline was driven by volume and pricing declines of 0.5% and 7.7% respectively, as well as M&A related reductions of 0.5% as the positive impact of recent acquisitions was more than offset by divestment activity. Volume decline was largely driven by supply chain destocking, with pricing decline primarily as a result of lower dairy markets.</p>
<p>Revenue volume growth¹</p> <p>-0.5%</p> <p>(2022: +0.5%) GPN -0.3% (2022: -2.1%) Like-for-like branded revenue volume growth</p> <p>NS -3.3% (2022: -3.5%) Like-for-like revenue volume growth</p>	<p>Strategic relevance</p> <p>Revenue volume growth is an important metric for the Group as it represents the underlying growth in sales to customers excluding any impact of price. Volume is further broken down by the Business Units to understand the brand growth within GPN and the components of volume growth in NS within GN.</p>	<p>Performance</p> <p>Overall volumes decreased by 0.5% in the year. LFL branded volumes in GPN declined by 0.3% and volume declined by 3.3% in NS, offset by volume growth of 0.7% in the US Cheese business within GN. Volume declines in GPN and NS were in the context of significant pricing adjustments in prior years in mitigation of record input cost inflation.</p>
<p>EBITA²</p> <p>\$424.0m</p> <p>(2022: \$365.7m) +16.4% constant currency +15.9% reported currency</p>	<p>Strategic relevance</p> <p>Earnings Before Interest, Tax and Amortisation ("EBITA"), pre-exceptional items, is the key performance measure for the wholly-owned segments of the Group. The exclusion of amortisation aids comparability between our segments.</p> <p>EBITA margin is a key metric to ensure that growth is being driven in a responsible manner by maintaining margins within an acceptable range. The strategy for the Group is to focus on higher growth, higher margin products within GPN and GN.</p>	<p>Performance</p> <p>EBITA was \$424.0 million in 2023, an increase of 15.9% reported currency and up 16.4% cc. GPN's EBITA increased by 33.7% cc versus 2022, while EBITA margins were up 300bps to 14.2%. GN EBITA declined by 2.7% cc with EBITA margins up 50bps versus 2022 to 4.6%, comprising EBITA margins in NS of 12.5% (2022: 11.4%) and US Cheese of 1.6% (2022: 1.3%).</p>
<p>Profit after tax</p> <p>\$344.5m</p> <p>(2022: \$270.6m) Continuing operations \$347.7m Discontinued operations -\$3.2m</p>	<p>Strategic relevance</p> <p>Profit after tax is the measure of the profit generated by the Group for the year, post tax and post exceptional items.</p>	<p>Performance</p> <p>Profit after tax for 2023 was \$344.5 million (2022: \$270.6 million), an increase of \$73.9 million on prior year. This comprises the profit generated from continuing operations of \$347.7 million and loss on discontinued operations of \$3.2 million, with discontinued operations representing exceptional costs associated with the 2022 Tirlán (formerly Glanbia Ireland) divestment that have now crystallised.</p>
<p>Basic Earnings Per Share (\$) – continuing operations</p> <p>130.41c</p> <p>(2022: 76.55c) +71.7% constant currency +70.4% reported currency</p>	<p>Strategic relevance</p> <p>Basic Earnings Per Share ("EPS") is an important IFRS reporting metric and relates to EPS of the Group post tax and post exceptional items.</p>	<p>Performance</p> <p>Basic EPS – continuing operations was 130.41 cent, a reported increase of 70.4% (+71.7% cc), driven by increased profitability across the Group. Discontinued operations, which relate to the disposal of the Group's interest in Tirlán (formerly Glanbia Ireland) have been excluded on the basis that they are now less relevant as a benchmark for the ongoing Group business.</p>

1. Performance condition of Glanbia's Annual Incentive Scheme.
2. Both EBITA and OCF are presented on a pre-exceptional basis.
3. Performance condition of Glanbia's Long-Term Incentive Plan.
4. GHG emissions reduction in Scope 1 and 2 in comparison to prior year result (2022). Refer to page 55 for operational control GHG emissions breakdown by Scope and performance since 2018 base year.

5. Results relate to sites under Glanbia's operational control. Includes Group's wholly-owned operations and MWC-Southwest Holdings LLC joint venture operations.

<p>Adjusted Earnings Per Share (\$) – continuing operations^{1,3}</p> <p>131.37c</p> <p>(2022: 109.57c) +20.5% constant currency +19.9% reported currency</p>	<p>Strategic relevance</p> <p>Adjusted EPS is an important measure of the profitability of the Group as it represents the underlying profit per equity share in issue.</p>	<p>Performance</p> <p>Adjusted EPS (continuing operations) increased 19.9% reported (+20.5% cc) to 131.37 cent, due to continued growth in profitability of the wholly-owned business, net of reduced profitability in joint ventures. Positive pricing in response to inflationary pressures and the ongoing benefit from transformation initiatives contributed to this record performance.</p>
<p>Return on Capital Employed – continuing operations³</p> <p>12.2%</p> <p>(2022: 10.7%)</p>	<p>Strategic relevance</p> <p>Return on Capital Employed (“ROCE”) measures the efficiency of the Group’s organic and acquisition investment programme as well as the utilisation of its assets.</p>	<p>Performance</p> <p>ROCE from continuing operations increased by 150bps to 12.2% (2022: 10.7%). This increase was primarily due to the continued growth in profitability arising from the successful execution of the Group’s strategy.</p>
<p>OCF conversion^{1,2}</p> <p>90.4%</p> <p>(2022: 85.7%)</p>	<p>Strategic relevance</p> <p>Operating Cash Flow (“OCF”) measures the cash generated from operations before interest and tax payments and before strategic capital expenditure. OCF conversion is OCF as a percentage of earnings before interest, tax, depreciation and amortisation (“EBITDA”) and is a measure of the Group’s ability to convert trading profits to cash, which is then available for strategic investments and dividend payments.</p>	<p>Performance</p> <p>OCF conversion was 90.4% in 2023 (2022: 85.7%) compared to a target of 80%. OCF conversion has increased since prior year due to increased profitability across the Business Units, combined with reduced investment in working capital as pricing and inventory levels returned to more normalised levels following a level of significant inflation and supply chain disruption throughout 2022.</p>

Non-Financial Metrics (NFM)

<p>Carbon emissions⁴</p> <p>-15.9%</p> <p>Objective Decarbonise our operations and dairy supply in line with the SBTi commitment and future-proofing of organisation and our value chain.</p>	<p>NFM</p>	<p>Strategic relevance</p> <p>Climate change is impacting all of society. At Glanbia we are committed to doing our part by focusing on our most material areas. Our “Better Nutrition, Better World” sustainability strategy prioritises energy efficiency and renewable electricity procurement for our operations.</p>	<p>Performance</p> <p>In 2023 we reduced Scope 1 and 2 greenhouse gas (“GHG”) emissions in our operations by 15.9% from the previous reporting year (2022). Glanbia’s target is a SBTi validated target aligned with a 1.5 degrees Celsius climate scenario. This target is supported by a Board approved decarbonisation plan for a 50% reduction in operational Scope 1 and 2 GHG emissions by 2030 from a 2018 base.</p>
<p>Health and safety⁵</p> <p>5%</p> <p>Improved Lost Time Case Rate (“LTC”)</p> <p>Objective Maintain the highest possible global safety standards using sites with no LTC as a key benchmark.</p>	<p>NFM</p>	<p>Strategic relevance</p> <p>The health and safety of our employees is inherent in our Glanbia values and is reflected in our organisational goal of “Zero Harm”. Proportion of sites meeting at least industry standard safety performance based on NAIC (“North American Industry Codes”) benchmark, and reduced severity of injuries, by progression of the Lost Time Incident Rate (“LTIR”) are established global measures of safety performance. Glanbia aspires to zero LTC and all sites maintaining a minimum of industry benchmark performance for lost time injuries.</p>	<p>Performance</p> <p>Overall a 5% improvement in the LTC rate in 2023 versus last year. Group LTIR was 0.43/200,000 hours, well below our NAIC food industry benchmark of 1.20 (2023:1.20) 55% of our sites were without a lost time case recorded for a year or longer, 77% are better than the NAIC industry LTC injury rate for their peers. Sites below the NAIC performance maintain robust improvement plans supported and monitored by leadership.</p>
<p>Employee engagement score</p> <p>72</p> <p>Objective Measure employee engagement and listen to our team members to understand where we have opportunities to improve.</p>	<p>NFM</p>	<p>Strategic relevance</p> <p>Employee engagement is a key enabler of performance. At Glanbia we acknowledge that people who are positively engaged, motivated and supported perform to the best of their ability, find a greater sense of meaning in what they do and contribute positively to Glanbia’s success.</p>	<p>Performance</p> <p>In the 2023 ‘Your Voice’ survey, overall engagement score was up 1 point with scores increasing across most Business Units and continued positive momentum on focus areas e.g. around wellbeing, action taking, and growth. We were pleased to see a 22 percentage point increase in participation to 80% reflecting employees trust and engagement in finding a better way together.</p>

Delivering Performance

Strong financial management is a key ethos of the Group.

Glanbia has a long track record leveraging our strong market positions, driving innovation in our sales and marketing processes and executing strong operational excellence. We will continue to grow by leveraging these strengths, driven by our agile business model.

 Discover more on page 22



Our core strategy is focused on delivering growth through our Better Nutrition portfolio of brands and ingredients, which accounts for 90% of Group EBITA.

[+](#) Discover more on page 15.



We continue to refine our operating model, understanding and responding to our customers and consumers through innovation and active portfolio management.

[+](#) Discover more on page 22.

We believe in doing good things in the world – and that helps us do well in business. We earn responsibly and put those profits back into helping people live full, healthy lives.

[+](#) Discover more on page 46.



Our people and culture are vital to enable growth

Sue Sweem
Chief Human
Resources Officer



“We’re committed to building an inclusive culture that empowers our people to grow and thrive at Glanbia. Their pride in what they do, along with their sense of purpose and their commitment to our values, are essential to our culture.”

Embedding transformation to support performance

We believe in the power of our people and our culture to drive performance. This year, our people agenda focused on the continued implementation of Grow@Glanbia, our multi-year HR transformation programme which is designed to support a future-ready, people-centred organisation and our high-performance culture.

Our new HR operating model is helping us to maximise the talent and diversity of our workforce to unlock performance. Our People Success Organisation is operating through a centralised team which supports employees and managers in our major markets as well as enabling our wider HR teams to focus more strategically.

Supporting our people to reach their potential

We know that Glanbia succeeds when our people are supported to reach their potential. Our talent development strategy focuses on growing talent from within our organisation, increasing readiness for new opportunities and building our leadership pipeline. We’re committed to building critical capabilities aligned to business priorities and current and future needs.

Supporting our people’s career growth is a priority. We are focused on embedding our new career growth tools ‘MyLearning’ and ‘MyCareer’ to enable our people to gain the skills, leadership capabilities and career pathways to be future-ready.

Optimising and embedding these new tools is having an impact, with over 14,000 courses completed by our employees. Of those taking courses, 60% of time spent is on learning business skills (leadership, management, communication) and 40% technology skills (development and data science).

Overall, our learning platform was accessed by more than 4,000 employees during the year. This empowers employees to continue to build skillsets that will enable career growth and progression.

At the leadership level, we offer a range of best-in-class tailored programmes aligned to our leadership capability model. These include Leading the Future, our executive leadership programme; Leading to Accelerate for emerging female leaders; and Leading the Glanbia

Way, our foundational programme that introduces our leadership capability model.

Engaged employees and a strong culture

Employee engagement is a key enabler of our performance, as our people deliver our strategy. Glanbia’s ‘Your Voice’ employee survey conducted in 2023 had an overall response rate of 80% and showed overall employee engagement levels increasing +1 to 72, with the most significant score improvements seen for our hourly employees (+3).

Engagement scores increased across most areas of the business with positive feedback on efforts to improve growth opportunities for employees as well as wellbeing initiatives. Our Inclusion Index score was in line with last year. Areas of opportunity for 2024 include improving communications channels and cascade through the organisation and building on our existing wellbeing initiatives.

We continued to embed our Smart Working Model which our employees value highly and which we believe helps to enhance Glanbia’s overall attractiveness as an employer.

Total Group employees in 2023

5,534

across 31 countries



GPN

2,040



GN

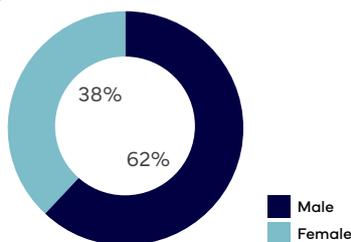
2,814



Joint Venture

680

Gender representation in the organisation



Engagement score

72

Agree with the statement
‘I feel proud to work at Glanbia’

75

CASE STUDY

Leading to Accelerate – supporting our emerging female leaders

Leading to Accelerate is a pilot leadership development programme for emerging female leaders across Glanbia, whose mission is to grow, connect and develop a diverse network of female leaders.

This immersive and transformative experience brought together female leaders from across the organisation for facilitated monthly education sessions, supported by measurable action assignments, group discussions and executive coaching.

The learning outcomes from the programme included increasing leadership self-awareness, developing personal leadership narratives, learning and applying the critical concepts of effective leadership, as well as creating a safe

and supportive space for emerging female leaders to come together, share experiences and uplift one another. We plan to build on the strong foundations of this pilot programme for future initiatives.

“An enriching experience that has made a positive impact on my personal and professional growth”
Programme participant



People continued

Strengthening our inclusive workforce

Our Diversity, Equity & Inclusion (“DE&I”) vision is to advance a culture where we celebrate individuality, knowing that together we are more. Nurturing an inclusive and diverse culture supports our performance.

Our goal is to achieve an equitable and inclusive culture in the workplace, to unlock the potential of diverse teams to deliver high performance. We measure our employees’ sense of belonging and their sentiment around equal opportunity in our annual ‘Your Voice’ survey.

We continued to make progress on our DE&I journey in 2023 and our review conducted during the year shows that we are ahead of schedule on the execution of our current strategy. Our focus for 2024 will be to reset our timeline and establish new longer term ambitions.

Our network of Employee Resource Groups (“ERGs”) – Glanbia Network of Women; True Colours, our LGBTQIA+ group; and Mosaic, our multicultural group – continued to scale, creating connected communities of support, while helping the business better understand our diverse communities’ perspectives and concerns. Our growing range of policies and guidelines in areas including family leave, primary caregiver support, adoptive

parents leave, support for employees undertaking fertility treatments as well as those who experience loss, is also helping to foster an inclusive environment that supports our employees.

We continue to focus on female representation recording 40% female participation in management in 2023, an increase of 2% over 2022. We aspire to achieve gender balance over time in our management team and our continued improvement of female representation at this level demonstrates our commitment and investment to ensure females can thrive and advance at Glanbia.

Global employee base

In 2023, total Group employees, came to 5,534 people based in 30 countries. Glanbia Performance Nutrition had 2,040 employees while Glanbia Nutritionals employed 2,814 people during the year. Our joint venture had 680 employees in 2023.

Female participation in management

40%

“Glanbia’s Family Leave Programme is a great initiative that every employee can benefit from. The programme gave us time to adjust to a new routine with our new baby and time to adjust to having two kids. It was important for me to have the time to bond with our newborn.”

Zach Bonnell

Continuous Improvement Lead 948 Aurora

CASE STUDY

Growing our employee resource groups

Glanbia’s Employee Resource Groups (“ERGs”) continued to flourish in 2023, ensuring that the voices of employees in under-represented communities are heard across our organisation. Over 1,000 employees are now signed up to our three ERGs with numbers growing consistently across our global locations in the US, EMEA, Asia and LATAM.

Our LGBTQIA+ group True Colours expanded in 2023, with the establishment of an international chapter. True Colours focused on allyship and mental health as part of its programme, developing a visibility tool kit to show openness and support to people in the community, as well as focusing on a broader education programme for employees.

Our multicultural group Mosaic aims to highlight the diverse perspective of our employees from different racial, ethnic and cultural backgrounds. In 2023 Mosaic also expanded, establishing a European chapter. Globally, Mosaic marked cultural events including Diwali, Native American History Month and Hispanic Heritage. Mosaic also delivered education and micro-learning opportunities for employees on relevant topics year-round.

Our Network of Women (“NOW”) continued to focus on themes including mentorship, career development, networking and women’s health topics, such as breast cancer, menopause and mental health awareness. NOW also facilitated listening and feedback sessions for employees to support the embedding of our new family leave policies.



Pictured is Denis Vaughan (third from the right), with members of Glanbia’s Executive Leadership, receiving a values award for his work in setting up the international chapter of True Colours in 2023 as well as his overall advocacy and leadership.

Health and Safety

Culture of safety

At Glanbia, employee health and safety is an inherent part of our values and commitments. We recognise that a safe and healthy workplace is among the basic principles and rights at work. To achieve this we continually work to the two core principles of “Zero Harm” and “Business Excellence”. These two principles are inextricably linked with underlying management system structures in place to support this approach and mindset.

A strong health and safety culture has been driven by management and employees at all levels supported by our “Zero Harm” mindset. All employees are empowered to challenge unsafe work conditions or practices. We support this by having a safety committee across all our operational sites which includes members from all levels of the business.

Our management approach

Glanbia sites are operated under the Glanbia Risk Management System (“GRMS”). This occupational health and safety management system allows a unified approach to identify and mitigate risks, and to engage our workforce in continual improvement activities and ensure the appropriate training is provided and tailored to people’s role. All sites are also subject to regular health and safety audits by the relevant government bodies, internal audit and external assurance providers.

Using industry best practice, guidelines and standards, the GRMS has been

developed as an approach to deliver zero fatalities or life-changing/critical injuries across the Group.

We proactively manage assessed gaps and process improvements which are a direct output from GRMS. We use our Glanbia Performance System (“GPS”) which is based on lean thinking principles as a framework to implement these improvements. This is Glanbia’s in-house vehicle to drive continuous improvement using industry best practices to achieve business excellence. Health and safety is one of the key pillars of our GPS structure.

Our progress and key initiatives

While we recognise that there is no acceptable level of accident or injury, we experienced no fatalities (2022:0) or life changing/critical injuries (2022:0) during the year. Our Lost Time Incident Rate (“LTIR”) was 0.43 in line with last years performance (0.45) which was a historical low for the Group. We noted an increase in the Group’s Total Recordable Incident Rate (“TRIR”) from 1.22 in 2022 to 1.60 in 2023. This increase is explained by the addition of acquisitions that were integrated into Group reporting in 2023.

Our internal benchmarking has also indicated an excellent performance in reference to the NAIC (“North American Industry Code”) Occupational Health and Safety Performance. In 2023, 93% of all manufacturing sites were at or better than NAIC average performance in total recordable incidences. In 2023, five operational locations had zero injuries occur and nine operational locations had zero lost time injuries.

Furthermore, we have had zero lost time incidences in all laboratories, R&D centres, and administrative/corporate offices globally.

CASE STUDY

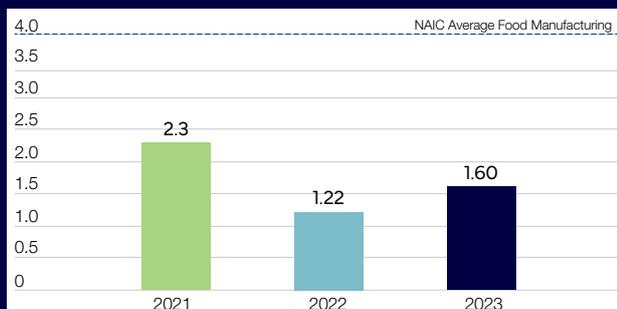
Central safety dashboards

To support our central oversight and drive process improvement, safety dashboards were developed for each operational site. The dashboards contain critical data including TRIR, LTIR, Root Cause Analysis, and injury classification. This encourages sites to use the data to prioritise improvement areas to minimise repeat occurrence of injury.

They are used as a communication tool for sites to update on performance and compare performance relative to their peers. It allows management to view consolidated data and trends to identify where supplemental programmes, training, capital or resource could be applied to reduce risk.

Health and Safety Benchmarking – Food manufacturing

Total Recordable Incident Rate (TRIR)¹



Glanbia’s 2023 TRIR score was 1.60, slightly up from 1.22 in 2022 but still substantially lower than the NAIC Food Manufacturing Average of 4.0.

Lost Time Incident Rate (LTIR)²



Glanbia’s 2023 LTIR was 0.43, in line with last year (0.45). Glanbia’s score is significantly lower than the NAIC Food Manufacturing Average of 1.2.

1. TRIR is the number of recordable, work-related incidences per 200,000 hours worked.
2. LTIR is the number of lost time work related incidences per 200,000 hours worked.

Glanbia Performance Nutrition



Steve Yucknut
CEO Glanbia
Performance
Nutrition

Revenue

\$1,795.6m

2022: \$1,712.5m

EBITA (pre-exceptional)

\$255.4m

2022: \$191.9m

EBITA Margin

14.2%

2022: 11.2%

GPN Performance Overview

\$'m	FY 2023	FY 2022	Change	Constant Currency Change
Revenue	1,795.6	1,712.5	+4.9%	+4.8%
EBITA	255.4	191.9	+33.1%	+33.7%
EBITA margin	14.2%	11.2%	+300bps	

Commentary on percentage movements is on a constant currency basis throughout.

Performance highlights:

- ⊕ Like-for-like (“LFL”) branded revenue growth of +5.1% with volume -0.3% and pricing +5.4%;
- ⊕ Optimum Nutrition (“ON”) brand delivered LFL revenue growth of 17.0% with both volume and price growth;
- ⊕ EBITA margin of 14.2% (2022: 11.2%), an increase of 300bps.



* Glanbia Nutrition is the #1 sports nutrition company in the world – Euromonitor.

Who we are

Glanbia Performance Nutrition ("GPN") is the number one global sports nutrition portfolio with a growing position in US Lifestyle nutrition. Our mission is to inspire people everywhere to achieve their performance and healthy lifestyle goals, and we achieve this through education, advocacy, quality and authenticity.

Our brands

Optimum Nutrition ("ON") is the world's no. 1 sports nutrition brand. Our portfolio also comprises: BSN, Isopure, Nutramino, SlimFast, think!, Amazing Grass, Body & Fit and LevUp. Each brand has its own brand essence and consumer appeal.

Our brands participate across a range of formats such as powders, capsules and tablets, drinks and bars and are sold in a variety of channels such as online, specialty and mass retail.

Innovation sits at the heart of our business and we continuously develop new products across our brands.

Financial performance 2023

In 2023 GPN made strong progress against its strategic pillars delivering an excellent performance.

Our strategic pillars focus on: capturing the global potential of our \$1 billion ON brand; building a lifestyle nutrition platform in North America; accelerating growth in priority international markets;

and maximising the omnichannel opportunity.

In 2023 GPN's revenue increased by 4.8% in 2023. This was driven by price increases of 5.4% partly offset by a volume decline of 0.6%. Pricing was positive following the execution of price increases in 2022.

The price increases implemented to offset inflation have largely been maintained across the portfolio with price elasticity within the performance nutrition category better than expected.

The volume decline was largely driven by the SlimFast brand, which represents 9% of GPN's revenue, with the previously highlighted challenges in the diet category impacting the brand's performance.

ON, which represents 62% of GPN's revenue, delivered both volume and price growth in the period as the strength of the brand continues to drive global distribution and velocities, supported by increased marketing activation and brand investment.

GPN's EBITA increased by 33.7% versus prior year to \$255.4 million and EBITA margin increased by 300 basis points to 14.2%. This was driven by continued focus on revenue growth management initiatives, operating efficiencies and margin optimisation. The positive phasing of input costs in the second half of 2023 supported both further brand investment and margin improvement.



CASE STUDY

Isopure's 'purity' driving strong growth in US and international markets

Isopure is one of GPN's healthy lifestyle brands which features a range of products such as Zero and Low Carb Protein Powder, Infusions Protein Powder, Isopure RTD and Collagen. Isopure aims for the highest standards of protein made with the simplest of ingredients – all without sacrificing taste. Isopure can be found nationwide in the U.S. in online and offline channels and has an established presence internationally in Mexico and India.

Isopure has enjoyed strong growth in the US and overseas in recent years. This accelerated performance has been anchored by the brand's purity positioning which is appealing to an

increasingly broad group of consumers who are looking for clean, high quality protein rich nutritional supplements.

In 2022, the brand launched a new campaign – 'Add Less, Do More' which featured a new outdoor look and feel which helped to differentiate the brand within the protein powder category and reinforce its purity positioning. Growth in the US has been driven by broader distribution in a range of channels and increased investment behind digital and social media driving higher awareness and consideration, bringing in new consumers to the brand and the category.

ISOPURE
ADD LESS. DO MORE.



Operations review continued

Glanbia Performance Nutrition

Americas

GPN Americas grew LFL revenue by 0.9% in 2023, with strong growth in the ON and Isopure brands offset by anticipated declines in the SlimFast brand. The ON brand continues to strengthen its strong consumer position and delivered US consumption growth of 13.7%¹ in 2023, building on a strong comparative period. This was driven by strong growth in the club

and online channels and was supported by the successful activation of the 'More of You in You' brand campaign. Trends in the healthy lifestyle portfolio remained robust, with US consumption growth of 11.2%¹ across the think!, Isopure and Amazing Grass brands. The strong growth in the ON and Isopure brands in the period was driven largely by the powders format, which continues to resonate as a value offering with consumers.

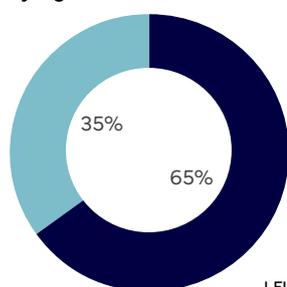
International

GPN International, which represents 35% of GPN global revenue portfolio, grew LFL revenue by 12.8% in 2023. Growth across the region was broad based and driven by both volume and price growth of the ON brand, which was supported by increased brand investment and expanded distribution.

¹ Consumption growth is US measured in channels and includes Online, FDMC (Food, Drug, Mass, Club) and Specialty channels. Data compiled from published external sources and Glanbia estimates for the 52 week period to 31 December 2023.

GPN FY 2023 revenue overview

By region



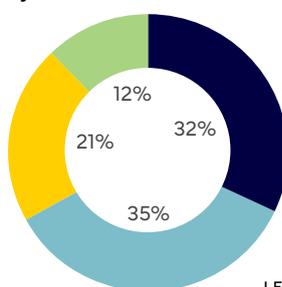
LFL growth:



+1%

+13%

By channel



LFL growth:



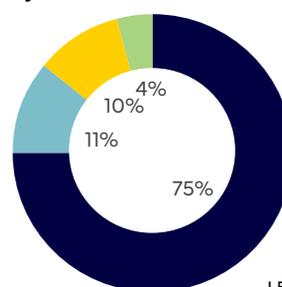
+13%

+4%

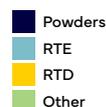
-2%

-1%

By format



LFL growth:



+13%

-18%

-15%

+1%

CASE STUDY

McLaren F1 team – official partnership

Optimum Nutrition is the official sports nutrition partner of the McLaren Formula 1 team, beginning February 2024.

In a long-term deal featuring exclusive content, branding and merchandising, ON will support the McLaren drivers and the record breaking McLaren pit crew in achieving new levels of human performance in F1.

Formula 1 is one of the world's fastest growing spectator sports, attendance up 36% from 2019, digital audience growing by 40% year-on-year, and reaching a 1.54bn TV audience annually. McLaren is an iconic global brand with a long standing reputation for performance, with a strong digital following and achieved 4th place in the 2023 constructors' championship.

The McLaren pit crew hold the world record fastest ever pit stop at 1.8 seconds.



CASE STUDY

Strong growth in the UK market driven by brand activation and omnichannel distribution

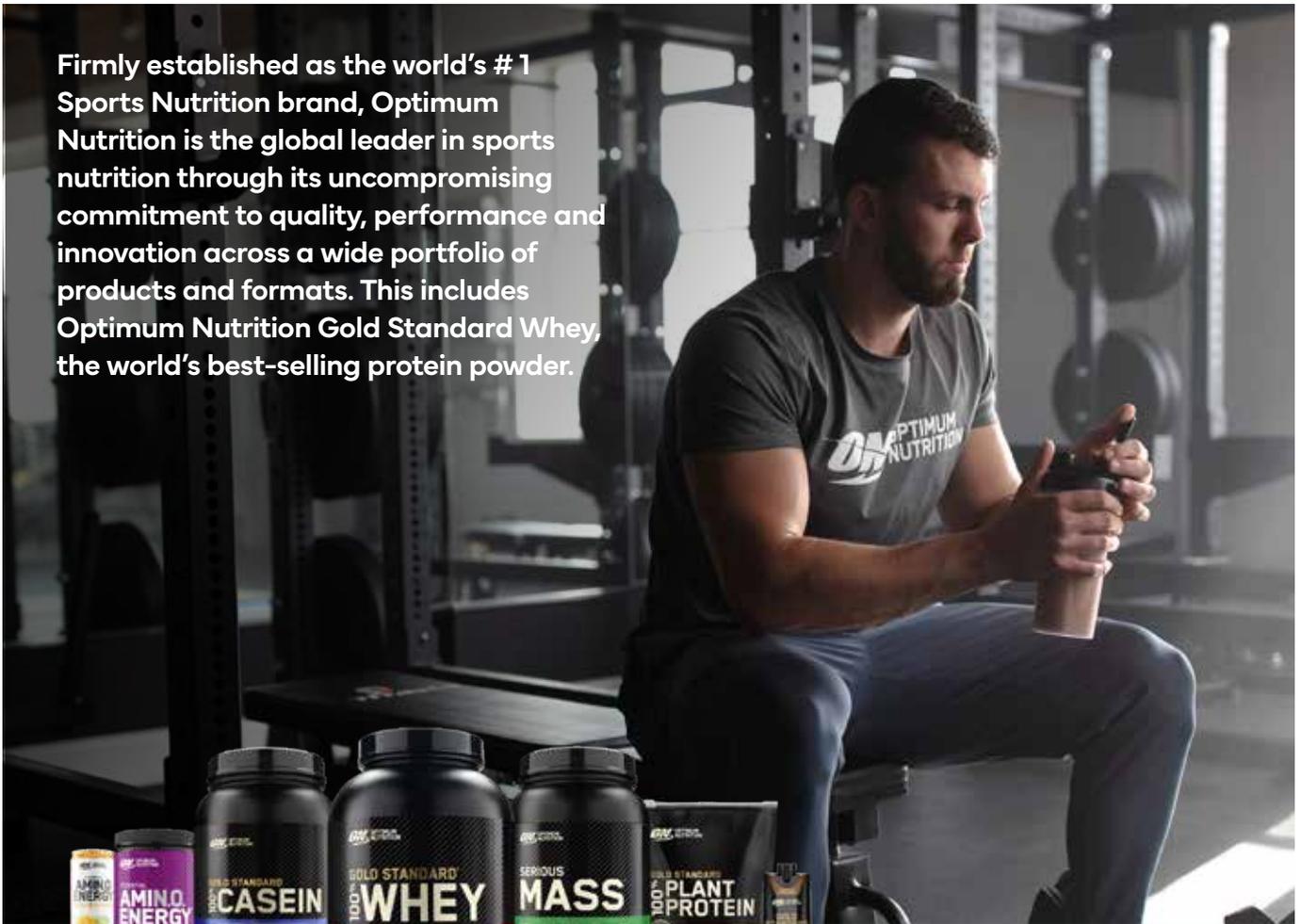
In the UK, our second largest GPN market outside of US, we have continued to scale our presence as a true omnichannel player within the market. Our Sports Nutrition category captaincy with key retail partners has driven strong ON distribution expansion in our offline channels while we continue to drive growth in our online channels through strong execution in key marketplaces and via our owned

D2C platform. Innovation has continued at pace with the launch of the new ON Clear Protein 100% Plant Protein Isolate and the revamped ON bar range.

The SlimFast brand performance continues to be impacted by headwinds in the overall diet category though we have seen positive brand and consumer metrics following the launch of the refreshed brand campaign (Oomph for your Boomph).



Firmly established as the world's #1 Sports Nutrition brand, Optimum Nutrition is the global leader in sports nutrition through its uncompromising commitment to quality, performance and innovation across a wide portfolio of products and formats. This includes Optimum Nutrition Gold Standard Whey, the world's best-selling protein powder.



CASE STUDY

Double-digit growth drives Optimum Nutrition to over \$1.1bn

Optimum Nutrition delivered revenue in excess of \$1bn in 2023, the first sports nutrition brand to reach the milestone. Growth has been driven by enhancing the brand's reputation among its core sports nutrition audience while at the same time effectively recruiting consumers beyond that core audience. Optimum Nutrition consumers are typically highly engaged in the category, see sports nutrition as an "essential" spend and shop in online and offline channels in over 100 countries. Optimum Nutrition's foundation is built on a reputation for high quality, innovative products across protein and energy using the very best ingredients and manufacturing processes.

The Optimum Nutrition brand is brought to life through its "More of You In You" communications platform which was launched in 2022. More of You In You is executed in multiple digital and social channels using brand created content and the endorsement of elite athletes such as the American Tennis player, Taylor Fritz; Indian Cricketer, Rishabh Pant; Irish Rugby player, Hugo Keenan; and Ireland's Gaelic Players Association ("GPA") as well as local partnerships. The Optimum Nutrition range is constantly refreshed through new products, flavours and pack sizes to help more consumers engage with the brand.

Glanbia Nutritionals



Brian Phelan
CEO Glanbia
Nutritionals

Nutritional Solutions Revenue

\$1,008.5m

2022: \$ 1,186.8m

US Cheese Revenue

\$2,621.3m

2022: \$3,044.4m

GN divisional Performance Overview

\$'m	FY 2023			FY 2022		
	Revenue	EBITA	Margin %	Revenue	EBITA	Margin %
Nutritional Solutions	1,008.5	126.2	12.5%	1,186.8	135.0	11.4%
US Cheese	2,621.3	42.4	1.6%	3,044.4	38.8	1.3%
Total GN	3,629.8	168.6	4.6%	4,231.2	173.8	4.1%

Commentary on percentage movements is on a constant currency basis throughout.

Nutritional Solutions (NS)

\$'m	FY 2023	FY 2022	Change	Constant
				Currency
				Change
Revenue	1,008.5	1,186.8	-15.0%	-14.9%
EBITA	126.2	135.0	-6.5%	-6.2%
EBITA margin	12.5%	11.4%	+110bps	

NS Performance highlights:

- +** LFL revenue decline of 12.3% with volumes -3.3% and pricing -9.0%.
- +** EBITA margin of 12.5%, an increase of 110 basis points versus 2022.
- +** Sequential volume improvement as the period progressed, with positive volumes in Q3 and Q4.

Whey protein
isolate

#1

Customised
premix

#2

Who we are

Glanbia Nutritionals (“GN”) is a leading innovation and solutions partner to the global food and nutrition industry. GN Nutritional Solutions (“NS”) is a global provider of customised premix solutions, proteins and flavours. GN US Cheese together with our joint venture partner is the leading supplier and marketer of American-style cheddar cheese in the US.

What we do

GN NS is a global business delivering a broad range of innovative ingredient solutions that improve product functionality and nutritional profile. The business has a deep protein expertise, a scaled position in custom premix solutions and global flavours expertise that enhance global solutions capabilities. Through our innovative ingredient solutions, we proudly solve our customers’ product challenges across the mainstream food and beverage industry, health and fitness industry, and specialised nutrition sector. Our expertise, innovations and custom formulations enable them to outperform their competition. GN’s US Cheese business together with its US joint venture cheese and dairy operations is a leading supplier and marketer of American-style cheddar cheese, used by leading retail brand owners and food service organisations.

Financial performance 2023

GN NS revenue decreased by 14.9% in 2023. This was driven by a 3.3% decrease in volume, 9.0% decrease in price and a decrease of 2.6% driven by the net impact of acquisitions and disposals. The volume decline was driven largely by customer supply chain rebalancing in the custom premix solutions business in the first half of the year, which sequentially improved as the year progressed. Volumes in the protein business were positive and underpinned by good demand for protein. The price decline was driven by the decline in dairy market pricing, with positive pricing in the custom premix solutions business.

GN NS continues to support customers across a broad range of categories, ultimately seeking to address growing consumer health and wellness trends. While 2023 saw a period of customer inventory rebalancing in the custom premix business, the demand at a consumer level remains fundamentally unchanged.

GN NS EBITA was \$126.2 million, a 6.2% decline versus prior year, primarily as a result of the volume decline in the first half of 2023. EBITA margins increased by 110 basis points versus prior year to 12.5% as a result of both operating efficiencies and the mathematical impact of lower dairy pricing.

Delivering against our strategy

GN NS has an ambitious growth strategy leveraging its existing portfolio and market leadership in whey protein isolate and custom premix. NS will continue to make selective complementary acquisitions, which can build on existing platforms as well as expand into adjacent capabilities.

NS growth strategy

Build on core strength in custom premix solutions

The custom premix business continues to perform well and we remain ambitious for growth.

Scale extensive protein capability and deep expertise

As consumer habits continue to evolve we are leveraging our core expertise to innovate new protein solutions and applications to address market needs.

Scale complementary technologies and further M&A

As consumers expand their tastes, and brand owners seek to offer increasingly novel and tailored nutrition solutions, NS will seek to identify growth areas in adjacent solutions.

Nutritional Solutions



- Strong growth categories
- Track record of organic and acquisition growth and strong return on capital employed
- Strong market positions across key platforms
- Global and regional customers
- Deep innovation expertise
- Flavour capabilities and solutions
- Supply chain leverage

Cheese



- Stable earnings and cash flow and strong return on capital employed
- #1 supplier of American-style cheddar cheese
- Deep customer relationships
- Operationally integrated with NS dairy solutions
- Innovative scale model – investment through JV model
- Trusted joint venture partner for the MWC and SWC joint venture (MWC-Southwest Holdings, LLC)

Operations review continued

Glanbia Nutritionals continued

CASE STUDY

NS investment in Colostrum – enriched nutraceuticals

Colostrum is considered a “superfood” due to its excellent nutritional profile and bioactive compounds. It is used and widely accepted in global markets for its immunity, cognitive, and gut health properties, supported by numerous clinical studies. Dairy colostrum is incredibly rich in desirable nutrients like proteins, fats, minerals and immunoglobulins. It is processed and sold in powder form for use in many products.

The market for immune and gut health products is robust and Glanbia Nutritionals has strengthened its investment in this space to meet the demand with the 2023 addition of PanTheryx’s B2B colostrum business (under the APS and LaBelle brands), joining the Sterling Technology colostrum business acquired in 2022.



CASE STUDY

New extrusion line at PacMoore to meet demand

Consumers continue to show strong interest in new product formats to address their desire for convenient, great-tasting, healthy snacks. Protein remains the most desired macronutrient for these types of snacks, with extruded protein snacks and cereals emerging as one of the fastest growing categories.

The 2022 acquisition of PacMoore aligned with Glanbia Nutritionals’ healthy snacking expansion strategy gave Glanbia a unique position in the marketplace by vertically integrating its dairy and plant-based protein expertise with PacMoore’s extrusion expertise to deliver a complete protein snacking solution to its customers. Glanbia’s range of extruded protein crisps for inclusions and larger protein bites, loops, and curls for standalone cereals and snacks is unparalleled in the market.

To manage the accelerating growth opportunity, Glanbia Nutritionals invested in a second extrusion line at its PM facility in Mooreseville, Indiana, USA that went live in Q4 2023. This line includes the latest extrusion technology and increases Glanbia’s extrusion capacity to meet the growing demand in the category. The addition of a second extrusion line will strengthen Glanbia Nutritionals’ leading position in protein-based extruded solutions.

Driving further innovation

GN continues to invest in its innovation capabilities across the organisation. Our innovation hub situated near our global headquarters in Kilkenny, Ireland, works closely with customers, product management, sales, and operations teams to ensure we are focused on our customers’ innovation needs.

The state-of-the-art technology and equipment at the Kilkenny research facility supports the development and creation of ingredient solutions for bars, snacks, beverages, baked goods and more for the European food and drink industry. The innovation hub also facilitates customer interactions and meetings, supporting a rapid development process and delivering efficient prototyping and ultimately offering a swift route to market for brands creating new products. The new research facility also helps deliver a competitive advantage to our customers in launching new products, aligned with market trends and consumer demand.

We have also invested in our Singapore innovation centre and satellite R&D in China, with plans for a Japanese innovation centre to serve the Aspac region. Building out our R&D centres is a fundamental element of GN’s global investment strategy.

US Cheese

Our combined US Cheese business including our US JV cheese and dairy operations make us the #1 supplier and marketer of American-style cheddar cheese.

US Cheese revenue declined by 13.9% in 2023. This was driven by a 0.7% increase in volume and a 14.6% decline in price, with the pricing decline aligned to the lower year-on-year cheese market pricing.

US Cheese EBITA increased by 9.6% to \$42.4 million as a result of strong operating efficiencies and some procurement benefits. US Cheese operates a pass-through pricing model which broadly protects earnings from changes in market pricing.

US Cheese

\$'m	2023	2022	Reported Change	Constant currency Change
Revenue	2,621.3	3,044.4	(13.9)%	(13.9)%
EBITA	42.4	38.8	+9.3%	+9.6%
EBITA margin	1.6%	1.3%	+30bps	

Joint Ventures

Focused on MWC-Southwest Holdings

The Group's share of joint ventures' profit after tax pre-exceptional items decreased by \$3.8 million to \$12.5 million, largely driven by the sale of its shareholdings in the Glanbia Cheese Limited and Glanbia Cheese EU Limited (collectively "Glanbia Cheese") joint ventures on 28 April 2023.

On completion, the Group received initial proceeds of €178.9 million, which included repayment of shareholder loans. The memorandum of understanding for the sale was signed on 14 February 2023 and the Group ceased to apply the equity method of accounting for its interest in these joint ventures from this date.

Joint Ventures (Glanbia share)

\$'m – pre-exceptionals	2023	2022	Change
Share of joint ventures' profit after tax – continuing operations	12.5	16.3	(3.8)
Total	12.5	16.3	(3.8)

High Protein Cheddar

Our health and wellness cheese platform provides cheeses that deliver increased health benefits to an already healthy snack. Key innovations include varieties such as higher-protein cheddar, probiotic cheddar and Vitamin D fortified cheeses.



MWC – JV operation

MWC is one of the two plants within the MWC-Southwest joint venture. Located in St. Johns, Michigan, it was commissioned in 2020 and processes 2.9 billion pounds of milk each year producing in excess of 330 million pounds of superior block cheese and 21 million pounds of value-added whey protein powders.



Chief Financial Officer's review

A year of strong earnings growth delivers a record performance

Mark Garvey
Chief Financial Officer



"A combination of pricing actions, operational efficiencies and portfolio evolution allowed the Group to successfully navigate volatile market conditions and deliver another year of record earnings – the highest in the history of the Group."

**Adjusted EPS –
continuing operations (\$)**

131.37 cent

(2022: 109.57 cent)

+19.9% reported currency
+20.5% constant currency

EBITA (pre-exceptional)

\$424.0m

(2022: \$365.7m)

+15.9% reported currency
+16.4% constant currency

OCF conversion

90.4%

(2022: 85.7%)

OCF as % of EBITDA

ROCE – continuing operations

12.2%

(2022: 10.7%)

+150bps

Dividend payout ratio

29.2%

(2022: 31.0%)

Dividend per share as a % of adjusted EPS
(continuing and discontinued)

**Profit after tax –
continuing operations**

\$347.7m

(2022: \$210.3m)

+65.3% reported currency
+66.7% constant currency

**Basic EPS –
continuing operations (\$)**

130.41 cent

(2022: 76.55 cent)

+70.4% reported currency
+71.7% constant currency

Following a very strong performance in 2022, positive momentum continued into 2023 with another record year of earnings, the highest in the history of the Group. A combination of pricing actions, operational efficiencies and portfolio evolution enabled the Group to successfully navigate volatile market conditions, delivering this performance above the upper end of market guidance, while continuing to evolve the Group's strategic agenda. Revenues decreased by 8.7% (constant and reported currency) to \$5.4 billion with EBITA (before exceptional gains) of \$424.0 million achieved, representing an increase of 16.4% constant currency (reported 15.9%) over prior year. The Group reported adjusted EPS of 131.37 cent (all continuing operations), an increase of 20.5% constant currency (reported 19.9%) on prior year. Basic EPS from continuing operations of 130.41 cent was achieved (2022: 76.55 cent), an increase of 71.7% constant currency (+70.4% reported).

The Group's portfolio continued to evolve, completing the sale of the Group's holding in the Glanbia Cheese joint ventures to our joint venture partner, Leprino Foods, in April 2023. The Group also completed the exit of the Aseptic Solutions business, a small US based bottling facility, concluding a process that commenced in 2022. During quarter four, the B2B bioactive ingredients business of PanTheryx was acquired, further adding to the capacity and capabilities of the Group.

2023 also marked the transition of presentation currency of the Group from euro to US dollar, better reflecting the Group's core markets in light of recent portfolio changes. The change in presentation currency reduces the impact of foreign exchange volatility as the Group generates the majority of its revenues and earnings, and has significant assets and liabilities denominated in dollars.

Operating cash flow ("OCF") was strong at \$445.9 million converting 90.4% of EBITDA into OCF, against a target of 80% conversion. Free cash flow ("FCF") for the year was \$389.8 million.

Banking facilities were refinanced in late 2022, extending the maturity of all near term Group facilities, with the earliest becoming due for repayment in December 2027. When combined with the Group's ability to generate cash, this positions the Group well with the capacity to finance future investments and progress the strategic growth agenda.

Return on Capital Employed ("ROCE") from continuing operations increased by 150 basis points to 12.2% (2022: 10.7%), with the consistent delivery of profits as the Group reshapes and simplifies the portfolio, invests in profitable growth and continues to drive margin improvement and strong operating returns.

Share buyback activity continued during 2023, returning €100 million to shareholders in the year. With confidence in the strong cash generation abilities of the organisation, further buyback programmes will be considered in 2024 as an effective mechanism to return value to shareholders, with an additional buyback recently announced. In addition, the Board is recommending a final dividend of 21.21 euro cent per share representing a dividend payout of 29.2% of adjusted Earnings Per Share in respect of 2023.

Finally, the Group continued to progress the ESG agenda during 2023 including the effective management of the evolving regulatory environment globally. I was delighted to join the ESG Committee in December 2023 and look forward to supporting the organisation in delivering against our objectives in the future.

Looking ahead

In 2022, the Group's three year ambitions (starting in 2023) were outlined and after the first year, these ambitions remain firmly on track. Management are confident that the strong performance in 2023, coupled with a clear strategic direction, positions the Group well to navigate a volatile environment, including rising geopolitical tensions, the indirect impact of inflation and global supply chain disruption, to further enable growth.

This growth journey will continue to be a blend of organic and M&A activity as a strong financial position will enable the Group to capitalise on these opportunities as they arise.

From 2024, the Group is adopting new commercial terms associated with its US joint venture operations, changing the recognition and presentation of revenues and cost of sales, without any material impact on profits. In addition, the Group will move to presentation of Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA"). These presentational changes will continue the Group's ambition to simplify reporting to be more in line with its peers.

2023 Income Statement review

Revenue and EBITA

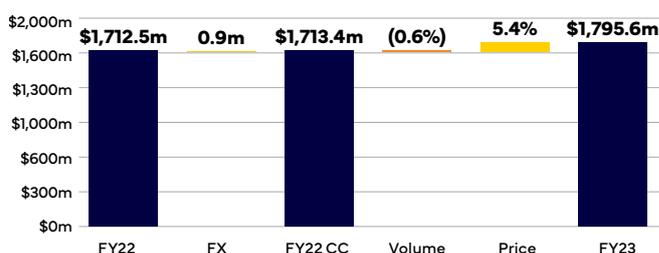
Revenue and EBITA are key performance indicators ("KPIs") for the Group. In particular the Group focuses on revenue, volumes and EBITA margins to assess underlying performance. Details of these KPIs are set out below.

\$'m	2023	2022	Change	Constant Currency Change
Revenue				
GPN	1,795.6	1,712.5	4.9%	4.8%
GN	3,629.8	4,231.2	(14.2%)	(14.2%)
Total Revenue	5,425.4	5,943.7	(8.7%)	(8.7%)
EBITA (pre-exceptional)				
GPN	255.4	191.9	33.1%	33.7%
GN	168.6	173.8	(3.0%)	(2.7%)
Total EBITA	424.0	365.7	15.9%	16.4%
EBITA margin (pre-exceptional)				
GPN	14.2%	11.2%	+30bps	
GN	4.6%	4.1%	+50bps	
Total EBITA margin	7.8%	6.2%	+160bps	

Revenue

Revenue decreased in 2023 by 8.7% versus prior year (constant and reported currency basis) to \$5.4 billion. Like-for-like ("LFL") wholly-owned revenue decreased by 8.2%, driven by volume and pricing declines of 0.5% and 7.7% respectively. Detailed analysis of revenue is set out below.

Glanbia Performance Nutrition



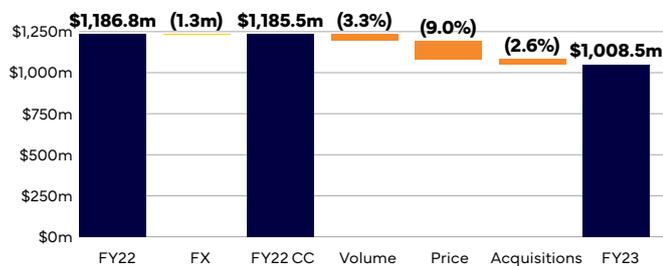
Chief Financial Officer's review continued

Glanbia Performance Nutrition ("GPN") recorded a total revenue increase of 4.8% constant currency (4.9% reported) in 2023 versus prior year. LFL branded revenue grew 5.1%, with strong performance across US Sports Nutrition, Healthy Lifestyle and International markets driven by solid underlying consumption trends as well as the successful implementation of price increases to mitigate cost inflation, offset by headwinds in the weight management category. Overall, price increases of 5.4% were achieved, volume declined 0.6%.

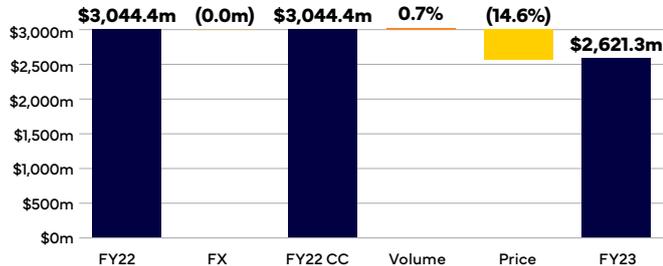
Glanbia Nutritionals

Glanbia Nutritionals ("GN") revenues declined 14.2% (constant and reported currency) in 2023, driven by volume declines of 0.4%, price decreases of 13.0% and M&A related reductions of 0.8% as the positive impact of recent acquisitions was more than offset by divestment activity.

Nutritional Solutions



US Cheese



Nutritional Solutions ("NS") volumes decreased by 3.3%, with a decline in premix volumes partially offset by positive dairy volumes. NS pricing declined 9%, primarily due to lower whey markets, partially offset by positive premix pricing. US Cheese volumes were 0.7% higher than prior year, with negative pricing of -14.6% due to market pricing dynamics.

EBITA (pre-exceptional)

EBITA before exceptional items increased 16.4% constant currency (15.9% reported) to \$424.0 million (2022: \$365.7 million) with strong EBITA delivery in GPN, with GN marginally down primarily due to supply chain destocking. EBITA margin in FY 2023 was 7.8% compared to 6.2% in 2022, representing an increase of 160 basis points.

GPN pre-exceptional EBITA increased by 33.7% constant currency to \$255.4 million (2022: \$191.9 million), an increase of 33.1% on a reported basis. GPN pre-exceptional EBITA margin at 14.2% for the year was 300 basis points higher than prior year (2022: 11.2%).

GN pre-exceptional EBITA declined 2.7% constant currency to \$168.6 million (2022: \$173.8 million), a decrease of 3.0% on a reported basis. GN pre-exceptional EBITA margin was 4.6%, an increase of 50 basis points from 2022 (2022: 4.1%).

Net finance costs (pre-exceptional)

\$'m	2023	2022	Change
Finance income	9.8	1.9	7.9
Finance costs	(22.1)	(23.7)	1.6
Net finance costs	(12.3)	(21.8)	9.5

Net finance costs (pre-exceptional) decreased by \$9.5 million to \$12.3 million (2022: \$21.8 million). The decrease was primarily driven by a reduction in the Group's average net financial indebtedness during 2023 compared to 2022, as well as strong returns on gross cash balances as variable interest rates rose in the period. The Group's average interest rate was 2.0% (2022: 2.3%). Glanbia operates a policy of fixing a significant amount of its interest exposure, with 95% of projected 2024 debt currently contracted at fixed rates.

Share of results of joint ventures (all continuing operations)

\$'m – pre-exceptional	2023	2022	Change
Share of profits of joint ventures	12.5	16.3	(3.8)

The Group's share of results of joint ventures is stated after tax and before exceptional items. The Group's share of joint venture profits from continuing operations decreased by \$3.8 million to \$12.5 million (2022: \$16.3 million), primarily as a result of disposals in the year (see below), somewhat offset by an improvement in the performance of the retained US joint venture operations.

Following the agreement reached to sell the Group's share of its investments in the Glanbia Cheese UK and Glanbia Cheese EU joint venture operations on 14 February 2023, equity accounting ceased to apply from this date and the investments were considered held-for-sale. This sales transaction was completed on 28 April 2023.

Income taxes

\$'m	2023	2022	Change
Income taxes	44.7	27.1	17.6
Exceptional tax credit	1.8	6.0	(4.2)
Income taxes (pre-exceptional)	46.5	33.1	13.4
Effective tax rate	14.0%	12.5%	+150bps

The 2023 pre-exceptional tax charge increased by \$13.4 million to \$46.5 million (2022: \$33.1 million). This represents an effective tax rate, excluding joint ventures, of 14.0% (2022: 12.5%). The tax credit related to exceptional items is \$1.8 million (2022: credit of \$6.0 million). The Group currently expects that its effective tax rate for 2024 will increase as a result of global tax legislation changes in the jurisdictions in which the Group operates.

Exceptional items

\$'m – continuing operations	2023	2022
Net exceptional gain on disposal/exit of operations (note 1)	56.3	-
Pension related costs (note 2)	(2.5)	(1.8)
Portfolio related reorganisation costs (note 3)	(6.0)	(3.1)
Changes in fair value of contingent consideration (note 4)	-	7.1
Non-core assets held-for-sale (note 5)	-	(46.1)
Total	47.8	(43.9)
Share of results of joint ventures (note 2)	-	0.2
Exceptional tax credit	1.8	6.0
Exceptional gain/(charge) – continuing operations	49.6	(37.7)
\$'m – discontinued operations	2023	2022
Exceptional (charge)/gain from discontinued operations (note 6)	(3.2)	60.3
Total exceptional gain in the year	46.4	22.6

Details of the exceptional items are as follows:

- Net exceptional gain on disposal/exit of operations** primarily relates to the net gains on disposal of the UK and EU Glanbia Cheese joint venture operations and a small US bottling facility (Aseptic Solutions) which was designated as held-for-sale at 31 December 2022 (note 5 below). Both transactions concluded during 2023 and the net gain represents the difference between proceeds received net of costs associated with the divestment and exit of these non-core businesses and the carrying value of the investments.
- Pension related costs** relate to the restructure of legacy defined benefit pension schemes associated with the Group and joint ventures, which included initiating a process for the ultimate buyout and wind up of these schemes and a further simplification of schemes that remain. Costs incurred relate to the estimated cost of the settlement loss as a result of acquiring bulk purchase annuity policies to mirror and offset movements in known liabilities of the schemes ("buy-in" transaction), as well as related advisory and execution costs, net of gains from risk reduction activities. The restructuring effort involved the careful navigation of external market factors, with final wind up of the schemes anticipated in 2024.
- Portfolio related reorganisation costs** relate to indirect one off costs as a result of recent portfolio changes. Following divestment decisions related to non-core businesses, the Group launched a programme to realign Group-wide support functions and optimise structures of the remaining portfolio, to more efficiently support business operations and growth. This strategic multi-year programme continues in 2024. Costs incurred to date relate to advisory fees and people-related costs.
- Prior year **changes in fair value of contingent consideration** relate to contingent payments associated with the 2021 LevUp acquisition that reduced following an assessment of conditions that gave rise to the additional payments.
- Prior year **non-core assets held-for-sale** relate to fair value adjustments to reduce the carrying value of certain assets to recoverable value. The assets relate to the Aseptic Solutions business which was successfully divested during 2023 (see note 1 above).
- Exceptional (charge)/gain from discontinued operations** relates to the divestment of Tirlán Limited (formerly known as Glanbia Ireland DAC) ("Tirlán"). The prior year gain represents

the initial gain on disposal of the Group's interest in this entity. The current year charge relates to the crystallisation of certain contingent costs associated with the divestment transaction following the conclusion of negotiations on separation of the common infrastructure of both organisations.

Profit after tax

\$'m	2023	2022	Change
Profit after tax – continuing operations	347.7	210.3	137.4
(Loss)/profit after tax – discontinued operations	(3.2)	60.3	(63.5)
Profit after tax for the year	344.5	270.6	73.9

Profit after tax for the year was \$344.5 million compared to \$270.6 million in 2022, comprising continuing operations of \$347.7 million (2022: \$210.3 million) and a loss on discontinued operations of \$3.2 million (2022: profit of \$60.3 million). Profit after tax from continuing operations comprises pre-exceptional profit of \$298.1 million (2022: \$248.0 million) and net exceptional gain of \$49.6 million (2022: charge of \$37.7 million). The \$50.1 million increase in pre-exceptional profit after tax from continuing operations is driven by the continued growth in profitability of wholly-owned businesses net of reduced profitability of joint ventures following the disposal of the UK and EU cheese joint venture operations in April 2023.

Profit after tax from discontinued operations relates to the divestment of the Group's interest in Tirlán which completed in April 2022, with further costs associated with the transaction crystallising in 2023.

Earnings Per Share

	2023	2022	Reported Change	Constant Currency Change
Basic EPS	129.21c	98.40c	31.3%	31.3%
– continuing	130.41c	76.55c	70.4%	71.7%
– discontinued	(1.20c)	21.85c	(105.5%)	(105.3%)
Adjusted EPS	131.37c	109.57c	19.9%	20.5%
– continuing	131.37c	109.57c	19.9%	20.5%
– discontinued	nil	nil	nil	nil

Basic EPS increased by 31.3% reported versus prior year, driven by a year-on-year increase in pre-exceptional profitability and the exceptional one off gains arising on portfolio related adjustments.

Adjusted EPS is a KPI of the Group, a key metric guided to the market and a key element of Executive Director and senior management remuneration. Adjusted EPS increased by 20.5% constant currency (19.9% reported) in the year, all from continuing operations.

Chief Financial Officer's review continued

Cash flow

The principal cash flow KPIs of the Group and Business Units are Operating Cash Flow ("OCF") and Free Cash Flow ("FCF"). OCF represents EBITDA of the wholly-owned businesses net of business-sustaining capital expenditure and working capital movements, excluding exceptional cash flows. FCF is calculated as the cash flow in the year before the following items: strategic capital expenditure, equity dividends paid, expenditure on share buyback, acquisition spend, proceeds received on disposal, exceptional costs paid, loans/equity invested in joint ventures and foreign exchange movements. These metrics are used to monitor the cash conversion performance of the Group and Business Units and identify available cash for strategic investment. OCF conversion, which is OCF as a percentage of EBITDA is a key element of Executive Director and senior management remuneration. OCF and FCF for the Group are outlined below, with further information included in the glossary on pages 252 to 260.

\$'m	2023	2022
EBITDA pre-exceptional	493.4	436.8
Movement in working capital (pre-exceptional)	(25.0)	(42.1)
Business-sustaining capital expenditure	(22.5)	(20.4)
Operating cash flow	445.9	374.3
Net interest and tax paid	(51.8)	(85.7)
Dividends from joint ventures	32.0	15.3
Payment of lease liabilities	(19.9)	(17.4)
Other inflows/(outflows)	(16.4)	(3.5)
Free cash flow	389.8	283.0
Strategic capital expenditure	(51.7)	(52.1)
Dividends paid to Company shareholders	(97.2)	(88.9)
Share buyback (purchase of own shares)	(108.7)	(182.8)
Payment for acquisition of businesses/subsidiaries	(72.2)	(60.3)
Exceptional costs paid	(13.5)	(22.4)
Proceeds from sale of property, plant and equipment	-	3.6
Loans/investment in joint ventures	67.8	(19.2)
Proceeds on disposal of non-core businesses	132.0	339.3
Net cash flow	246.3	200.2
Exchange translation	(5.5)	(8.6)
Cash/(debt) acquired on acquisition	0.5	1.0
Net debt movement	241.3	192.6
Opening net debt	(490.0)	(682.6)
Closing net debt	(248.7)	(490.0)

OCF was \$445.9 million in the year (2022: \$374.3 million) and represents a strong cash conversion on EBITDA of 90.4% (2022: 85.7%). The OCF conversion target for the year was 80%. The increase in OCF since prior year was due primarily to the increased profitability across the business, combined with a reduced investment in working capital as pricing and inventory volumes returned to more normalised levels following a level of significant inflation and supply chain disruption throughout 2022.

FCF was \$389.8 million versus \$283.0 million in 2022, with the movement since prior year primarily as a result of movements in OCF (as outlined above), as well as reduction in net interest cost and increased dividend returns from joint venture operations.

Capital allocated for the benefit of shareholders includes regular dividend payments of \$97.2 million (2022: \$88.9 million) and the execution of the share buyback programme of €100 million

(2022: €173.5 million). The Board continues to review buyback programmes as part of the Group's capital allocation strategy as they provide an opportunity to allocate capital to the benefit of shareholders.

Acquisition spend relates primarily to the acquisition of the B2B bioactive ingredients business of PanTheryx, for an initial consideration of \$45.1 million and the final contingent payment in respect of the 2022 Sterling Technology acquisition of \$26.8 million. Divestment proceeds relate primarily to the disposal of the Group's interests in Glanbia Cheese UK and EU joint ventures in April 2023.

Loans to/equity in joint ventures during 2023 includes the full repayment of outstanding loans to Glanbia Cheese EU, in advance of completing the disposal of the UK and EU cheese businesses in April 2023.

Group financing

Financing Key Performance Indicators	2023	2022
Net debt (\$'m)	248.7	490.0
Net debt: adjusted EBITDA	0.5 times	1.13 times
Adjusted EBIT: adjusted net finance cost	38.1 times	17.0 times

The Group's financial position continues to be strong. At year-end 2023, net debt was \$248.7 million (2022: \$490.0 million), a decrease of \$241.3 million from prior year and the Group had committed debt facilities of \$1.3 billion (2022: \$1.3 billion) with a weighted average maturity of 4.7 years (2022: 5.8 years). Glanbia's ability to generate cash, as well as available debt facilities ensures the Group has considerable capacity to finance future investments. Net debt to adjusted EBITDA was 0.5 times (2022: 1.13 times) and interest cover was 38.1 times (2022: 17.0 times), both metrics remaining well within financing covenants.

Use of capital

Capital expenditure

Cash outflow relating to capital expenditure in the year amounted to \$74.2 million (2022: \$72.5 million), including \$22.5 million of business-sustaining capital expenditure and \$51.7 million of strategic capital expenditure. Key strategic projects completed in 2023 include ongoing capacity enhancement, business integrations and IT investments to drive further efficiencies in operations.

Investments in Joint Ventures

During 2023, a further \$3.5 million was advanced to the Glanbia Cheese EU operations which were subsequently divested along with the Glanbia Cheese UK operations. In advance of the divestment of UK and EU joint venture operations, which completed in April 2023, outstanding loans of \$71.3 million were repaid in full.

Return on Capital Employed

	2023	2022	Change
Return on Capital Employed:	12.2%	10.7%	+150bps
- continuing operations	12.2%	10.7%	+150bps
- discontinued operations	-	-	-

ROCE increased in 2023 by 150 basis points to 12.2%. This increase was primarily due to the continued growth in profitability of the wholly-owned business, as well as the successful execution of strategy through pricing and efficiency improvements to improve

margin and drive sustainable long term returns. Acquisitions remain a key part of the growth strategy of the Group with investments assessed against a target benchmark of 12% return after tax by the end of year three.

Annual impairment testing

The Group monitors the performance of acquisitions on an ongoing basis and completes annual impairment reviews in respect of goodwill and intangible assets. No impairments were identified from the 2023 review, nor did sensitivity analysis identify any scenarios where a reasonably possible change in assumptions would result in an impairment charge. Full details of the annual impairment reviews are set out in Note 16 of the financial statements.

For the purposes of impairment testing, assets are grouped at the lowest level for which there are separately identifiable cash inflows, in Cash Generating Units ("CGUs"), and these CGUs are kept under review to ensure that they reflect any changes to the interdependencies of cash flows within the Group.

Dividends

The Board is recommending a final dividend of 21.21 €cent per share which brings the total dividend for the year to 35.43 €cent per share, a 10% increase on the prior year. This total dividend represents a return of €93.9 million to shareholders from 2023 earnings and a payout ratio of 29.2% of 2023 adjusted Earnings Per Share which is in line with the Board's target dividend payout ratio of 25% to 35%. The final dividend will be paid on 3 May 2024 to shareholders on the share register on 22 March 2024.

Total Shareholder Returns

Total Shareholder Return ("TSR") for Glanbia in 2023 was 28.04%. The STOXX Europe 600 Food & Beverage Index (F&B Index), a benchmark for the Group, decreased by 0.73% in 2023. The three-year period 2021 to 2023 Glanbia TSR was +54.16% versus the F&B Index which increased by 8.03%. The five-year Glanbia TSR to 2023 was +2.28% versus the F&B Index of +31.79%. Glanbia's share price at the end of the financial year was €14.91 compared to €11.92 at the 2022 year-end, representing an increase of 25.1%.

Impact of new and amended accounting standards

Adoption of new standards and amendments to existing standards during the year did not have a material impact on the Group.

Pension

The Group's net pension position under IAS 19 (revised) 'Employee Benefits', before deferred tax, improved by \$5.5 million since 2022, resulting in a net pension asset of \$7.2 million at 30 December 2023 (2022: asset of \$1.7 million). The defined benefit pension position is calculated by discounting the estimated future cash outflows using appropriate corporate bond rates. During 2023, the Company progressed the restructuring of UK pension schemes successfully completing the "buy-out" of two legacy schemes and further reducing the Group's exposure to liabilities on these schemes. It is anticipated that these UK schemes will ultimately be wound up in 2024.

Foreign exchange

Glanbia generates the majority of its earnings in US dollar currency and has significant assets and liabilities denominated in US dollars. As a result, from 2023 Glanbia changed the currency in which it presents its financial results from euro to US dollar to reduce (but not eliminate) the impact to reported numbers arising from currency movements year-on-year

and on retranslation of non-monetary assets and liabilities in the preparation of the consolidated financial statements. Commentary continues to be provided on a constant currency basis to provide a better reflection of the underlying operating results in the year, removing the translational currency impact. To arrive at the constant currency change, the average foreign exchange rate for the current period is applied to the relevant reported result from the same period in the prior year. Key non-US dollar currencies for the Group over the period were euro and pound sterling, for which average and year-end rates were as follows:

	Average		Year-end	
	2023	2022	2023	2022
1 US dollar converted to euro	0.9247	0.9493	0.9050	0.9376
1 US dollar converted to pound sterling	0.8043	0.8095	0.7865	0.8315

Investor relations

Glanbia has a proactive approach to shareholder engagement with the Annual General Meeting ("AGM") being a key event annually. In 2023, an in person AGM was held on 4 May at the Lyrath Hotel in Kilkenny, Ireland. All details relating to the AGM were published on the Company's website: www.glanbia.com/agm.

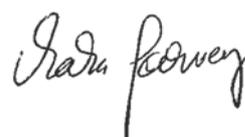
The Group Chairman consulted directly with a number of shareholders during the year. In addition, the Chair of the Remuneration Committee consulted with shareholders on the Company's Remuneration Policy. Feedback from these engagements was shared with and discussed with the Board.

In 2023, Glanbia attended 11 international equities investor conferences. In May 2023, the Group held an analyst event in London, UK, providing a deep dive on the GPN business, its strategy and key growth drivers.

In addition to full year and half year results, Glanbia publishes interim management statements after the first and third quarters to provide investors with a regular update on performance and expectations throughout the year. All releases, reports and presentations are made available immediately on publication on the Group's investor relations website.

Annual General Meeting (AGM)

Glanbia plc's AGM will be held on Wednesday, 1 May 2024, at 11.00 a.m. in the Newpark Hotel, Kilkenny, R95 KP63, Ireland.



Mark Garvey
Chief Financial Officer

Delivering Impact

Together with our stakeholders, we're working to support a resilient food system and find solutions to the world's most urgent environmental challenges. Our sustainability strategy focuses on our **people**, our **planet** and our **performance**.



We recognise that food systems are deeply connected to the planet's resources, and companies like ours play a critical role in protecting the environment.



Discover more on pages
48-71

People

At Glanbia we want to empower all our people to perform at their best, realise and expand their potential and build fulfilling careers.

 Discover more on pages 28-31



Planet

When it comes to climate change, we have strict environmental targets related to climate, water, packaging and waste.

 Discover more on page 55-60

Performance

Working together with our stakeholders and focusing on areas with the highest impact, we strive to help protect the environment for generations to come.

 Discover more on page 71



Better Nutrition, Better World

Section highlights:

- ⊕ Our 2023 GHG footprint in Scope 1 and 2 decreased by 15.9% compared to 2022
- ⊕ Invested in an extensive Scope 3 project designed to deliver a dairy decarbonisation roadmap
- ⊕ Achieved a 3.44% decrease in absolute freshwater withdrawal and reduced freshwater use intensity by 6% versus 2021 base year
- ⊕ Global packaging recyclability weights increased from 62% in 2022 to 76% in 2023

“We recognise that food systems are deeply connected to the planet’s resources, and companies like ours play a critical role in protecting the environment.”

Hugh McGuire
CEO Glanbia

At Glanbia, we deliver better nutrition for every step of life’s journey. Each decision we make and action we take is rooted in respect: respect for people in communities near and far, respect for the planet, respect for business ethics and for performance.

Our purpose and products have real meaning and impact in a world where lifestyle diseases are the number one killer worldwide, and where better diets and active lifestyles are the most important preventative measures. Better Nutrition is at the core of what we do. In Glanbia Performance Nutrition (“GPN”) our products support consumers directly, and in Glanbia Nutritionals (“GN”) our functional ingredients and solutions support the wider food industry and customer base.

Delivering Better Nutrition is our purpose. Our Environmental, Social and Governance (“ESG”) focus is about how we bring that to life. It is about delivering better nutrition responsibly.

Driving action to achieve our sustainability targets

Guided by our materiality assessments on where to prioritise, we have developed a robust and ambitious approach to our ESG strategy. This strategy sets out our targets and actions focused on our People, Planet and Performance.

We advance with intent and contribute to the delivery of global goals, such as the United Nations Sustainable Development Goals (“SDGs”) and the Paris Agreement. Supported by expert external advisors and aligned to the SDGs, we have taken a rigorous approach to measuring our impacts through data, baselining, and risk assessments, setting a clear strategy and aligning to science-based targets.

We recognise the importance of transparent and consistent reporting to ensure our stakeholders are informed and to provide accountability for progress made against our stated commitments. This section of our Annual Report outlines our performance for 2023, which includes our annual Taskforce for Climate-related Financial Disclosure (“TCFD”) disclosures. [For more information, see pages 64-70.](#)

Our Annual Report is complemented by a separate Sustainability Report aligned with the Global Reporting Initiative (“GRI”) standards and the Carbon Disclosure Project (“CDP”) disclosures, providing further detail on our performance to date.

Awareness and support for the delivery of our ESG agenda is driven by the Board and cascades through the Group. We have linked our ambition to remuneration. Senior management long-term incentives are directly linked to the achievement of our environmental sustainability goals (see page 141-145 for more detail), while actions on our social agenda are reflected in senior management short-term incentives, see page 137.

We strive to ensure our overall ESG ambition and commitments are integrated into our strategic planning and risk management oversight. As part of the Group Risk Management Framework, we ensure ESG risks are identified, evaluated and assessed. Where deemed material, such risks are

monitored and reported upon, with the appropriate mitigating actions feeding into our strategy and operational response.

During 2023, in recognition of the EU Corporate Sustainability Reporting Directive and associated mandatory European Sustainability Reporting Standards coming into effect over the coming years, a number of steps have been undertaken to ensure our readiness, including 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.

We have made good progress against our stated targets across our environmental pillars, refer to pages 55-60. In 2024 we will continue to drive performance with delivery of our Scope 3 decarbonisation plan a key focus area.

Food safety and quality is a non-negotiable for us as a Group, refer to page 62 for details of our performance highlights during 2023.

We are proud of the advancements made to support and protect our people, see pages 28-31 within the People section of this report, for details on the progress made against our stated Diversity, Equity and Inclusion ("DE&I") ambition and page 30 for a review of the 2023 Group Health and Safety programme and results.

People. Planet. Performance.

Guided by our materiality assessment our ambition and strategy is focused around our most material ESG impacts. We recognise the global impact our corporate actions have on the environment and society, and have mapped the SDGs that we are addressing as part of our ESG framework.

 <p>People including our Society</p>	 <p>Planet</p>	 <p>Performance</p>
<ul style="list-style-type: none"> • Employee engagement and development • Employee health, safety and wellbeing • Diversity, equity and inclusion • Responsible sourcing • Food safety and quality • Nutrition 	<ul style="list-style-type: none"> • Climate change • Water • Waste • Sustainable products and packaging • Biodiversity 	<ul style="list-style-type: none"> • Economic contribution • Business ethics • Risk management • Transparency and reporting
 Discover more on page 28-31, 61-63	 Discover more on page 54-60	 Discover more on page 71
     	     	 

Refer to pages 50-51 for details on our stakeholder engagement process and outcomes, pages 52-53 for further details on how Glanbia considers SDGs in the way we operate and page 54 on the process undertaken to identify our most material ESG topics.

Sustainability continued

Showing respect for all our stakeholders

Key Stakeholder engagement in 2023

One of Glanbia's core values is 'Showing Respect'. Valuing all our people, our producers and our communities is at our core and builds a better business. To support this core value Glanbia aims to create trusted relationships through effective engagement and to understand the needs of all our stakeholders. The Board is aware that the Group's actions and decisions impact all our stakeholders, and it ensures that there is regular dialogue taking place with stakeholders, which is carried out by those most relevant to the stakeholder group or issue, and discussed appropriately in the boardroom.

 See more information see pages 94-95

Stakeholder group – why we engage	Key topics
 <p>Employees Regular and ongoing engagement with our employees is key to attracting, developing and retaining a talented, dedicated and motivated workforce which ensures the successful delivery of our strategy and achievement of our purpose.</p>	<ul style="list-style-type: none"> • Group strategic agenda/priorities • Safety and support at work • Smart (flexible) working • Diverse and inclusive workplaces • Career development • Reward framework
 <p>Customers and consumers Strong engagement with our customers and consumers enables us to operate a customer-centric business model and act as our customers' most valued partner, creating a world of sustainable nutrition.</p>	<ul style="list-style-type: none"> • Insights on consumer trends • Stable supply of high-quality products and ingredients • Food safety & quality • Sustainable food with a lower environmental footprint, produced in a responsible way
 <p>Local communities By fostering strong relationships with the communities in which we operate, we can help support livelihoods and create a better society while protecting the environment.</p>	<ul style="list-style-type: none"> • Economic development of the communities in which we operate • ESG impact on local communities
 <p>Shareholders Active engagement with our shareholders ensures they are aware of the Group's business environment, strategy, performance and sustainability commitments. The views of our shareholders help to inform the strategic decision making of the Board.</p>	<ul style="list-style-type: none"> • Strategic agenda/priorities • Governance performance • Portfolio evolution through organic growth, acquisitions and divestments • ESG agenda and priorities
 <p>Suppliers and business partners By partnering and engaging with our suppliers, and establishing trusted business partnerships within our value chain, we enable them to meet our high standards in food safety and quality, business ethics, labour, human rights and the environment.</p>	<ul style="list-style-type: none"> • Responsible sourcing and use of raw materials • Long-term, sustainable partnerships • Positive environmental and social impact • Ethical business conduct
 <p>Government and non-governmental organisations (NGOs) Through active engagement with governments and NGOs we can share valuable insights gained as a global nutrition company on the strategic issues facing our industry, while increasing our understanding of wider issues, enabling us to add value to relevant policy and regulatory debates and support industry initiatives.</p>	<ul style="list-style-type: none"> • Regulation across all business activities • Reliable and complete corporate reporting • Contribution to local economy and communities • Climate change and environmental preservation • Responsible sourcing • Human rights, diversity, equity and inclusion

How we engage	Outcomes	Read more
<ul style="list-style-type: none"> Implemented multi-year 'Grow@Glanbia' programme, using technology to enable personalised employee development and engagement Ongoing engagement through one-to-one meetings, team meetings and town halls Engagement and regular pulse surveys 	<ul style="list-style-type: none"> Connection to the Board through a dedicated Workforce Engagement Director (Group Chairman) Employee Resource Groups 'Speak Up' and Whistleblowing procedures Monitoring of actions to address topics raised by employees ESG impact materiality assessment <p>Employee attraction, retention and engagement</p> <p>Our approach keeps us connected with our people. It helps attract, develop, retain and motivate our workforce, sustaining our competitive advantage and long-term success. It provides key insights into the effectiveness of employee-related programmes and key focus areas. It also helps us strengthen our approach to diversity, equity and inclusion across our businesses.</p> <ul style="list-style-type: none"> Employee engagement score of 72 points (up 1 point since 2022). Employee survey scores increased across all Business Units on our key focus areas of wellbeing and communication. 	Pages 28-29
<ul style="list-style-type: none"> Customer relationship development – key account managers, R&D insights and brand teams Company websites and social media Formal market research Exhibitions 	<ul style="list-style-type: none"> Product information on packaging Customer surveys GPN sports nutrition school ESG impact materiality assessment <p>Engaging with our consumers means we enable them to achieve their lifestyle and nutrition goals. We bring strong market insights and secure supply quality to our customers</p> <ul style="list-style-type: none"> The ON brand is one of the world's most awarded, most reviewed and most nominated sport nutrition brands by consumers. ON is now a \$1bn brand consistently recording strong Net Promotor Scores. Gold Standard Whey tub certified "Widely Recycled" by How2Recycle. GN is the ingredients partner of choice to some of the world's leading brands. Supporting customer ESG ambition through the provision of transparent, product specific data sharing. 	Pages 32-39
<ul style="list-style-type: none"> GPN sports nutrition school Employee volunteering programme 	<ul style="list-style-type: none"> Ongoing dialogue and funding of community and charitable organisations ESG impact materiality assessment <p>Strong and positive community relationships</p> <p>Engaging with our local communities during 2023 ensured that we increased our understanding of their needs and priorities, addressed any concerns and identified areas for value creation.</p>	Pages 63,95
<ul style="list-style-type: none"> Capital Markets Day Investor meetings and conferences Regular externally published performance and strategy updates Perception survey Annual general meeting 	<ul style="list-style-type: none"> One-to-one meetings and calls Climate Disclosure Project climate change and water reporting Key investor rating assessments ESG impact materiality assessment <p>Trust and engagement from the investor community</p> <p>Engagement with investors helps us to understand their expectations of our strategic agenda, risk management, financial and ESG performance. During 2023, investor focus continued around the Group's strategic direction, performance, emissions reduction and employee engagement.</p>	Page 94
<ul style="list-style-type: none"> Supplier surveys and audits Contractual meetings Tenders Information requests E-tendering platforms Assessment and due diligence 	<ul style="list-style-type: none"> Membership of industry associations Membership in industry expert panels ESG impact materiality assessment <p>Partnering with our suppliers to make sustained positive impact in the value chain</p> <p>We engage with suppliers to develop a responsible and sustainable supply chain needed to deliver innovative and sustainable products. During 2023, we specifically engaged with our suppliers to drive improvements across our sustainability priority areas.</p>	Pages 56,61,95
<ul style="list-style-type: none"> Industry associations Briefings and direct meetings Multistakeholder forums Participating in relevant calls for information 	<ul style="list-style-type: none"> One-to-one meetings Participation in events ESG impact materiality assessment <p>Engagement with Government and NGOs</p> <p>Our engagement with local and national regulators, governments and industry associations, ensures that we contribute to issues relevant to our activities, improve our sustainability performance and compliance and progress projects for the enhancement of society.</p> <p>Through our memberships and partnerships with NGOs we continue to be involved in developing industry best practices across a range of established sustainability topics and collaborating on integrated solutions across the value chain.</p>	Page 95

Sustainability continued

Showing respect for all our stakeholders continued

Sustainable Development Goals

The 17 United Nations Sustainable Development Goals (“SDGs”) are a global call to action to address poverty, injustice, and inequality, while tackling climate change. Our aim is for our business activities to create shared value that is both measurable and makes a recognisable contribution to society. While all 17 SDGs are critical, as part of our sustainability strategy, we have identified six SDGs on which we have the strongest impact through our business actions. These six SDGs and their impact are outlined below.

<h2 style="margin: 0;">SDG 2: Zero hunger</h2> <p style="margin: 0;">We develop and deliver products with nutritional attributes. We collaborate with organisations to help better meet society’s food challenges.</p>	<p>2 ZERO HUNGER</p> 
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Target area:	Glanbia’s approach
2.1 End hunger and ensure access by all people	Relating to this target from the respect of access to safe, nutritious and sufficient food, we develop cost effective nutrition solutions, which meet the highest food safety quality standards and are driven by our ‘Better Nutrition’ strategy.
2.2 End all forms of malnutrition	Our portfolio of ingredient solutions and brands support the creation of nutritious foods, beverages and supplements that address the most common consumer health and lifestyle needs.
2.4 Sustainable food production systems	Working with our suppliers, we encourage adoption of sustainable practices that increase resilience, productivity and help maintain ecosystems.

Impact examples

We recognise the importance of the highest food safety and quality standards with 100% of our manufacturing sites meeting or exceeding internationally recognised third-party audit standards.

Our end consumer product portfolio comprises nine brands – Optimum Nutrition (“ON”), BSN, Isopure, Nutramino, SlimFast, think!, Amazing Grass, Body & Fit and LevUp, which support a range of nutritional and lifestyle needs. Our products are sold in more than 100 countries worldwide.

We partner with EcoVadis to risk assess our supplier base and highlight areas of focus from an environmental, social and governance risk perspective.

<h2 style="margin: 0;">SDG 3: Good health and wellbeing</h2> <p style="margin: 0;">We take a scientific approach to nutrition, meeting nutritional needs across all stages of life and promoting active and healthy lifestyles. Through our brands and products, we positively impact the health and wellbeing of millions of people around the world.</p>	<p>3 GOOD HEALTH AND WELL-BEING</p> 
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Target area:	Glanbia’s approach
3.4 Reduce by one-third premature mortality from non-communicable diseases (“NCDs”)	We work with our customers through science-based innovation to enhance the nutrition profile of consumer products, we offer a range of branded consumer products that focus on delivering affordable solutions to support lifestyle nutrition and motivations.

Impact examples

Within GN we have 15 innovation and collaboration centres across Europe, North America and ASPAC. Within Nutritional Solutions, one area of focus has been on functional and nutritional proteins, by building scale in high dairy protein manufacturing through our dairy plant network, investing in deep research in protein chemistry and applications through our innovation and collaboration centres and adding supporting technologies through acquisitions including Sterling Technology and the bioactive ingredients business PanTherx.

<h2 style="margin: 0;">SDG 5: Gender equality</h2> <p style="margin: 0;">We continue to advocate against all discrimination including gender inequality. This is achieved through our internal DE&I programmes, ethical business conduct practices, and fostering an inclusive and continuous learning culture.</p>	<p>5 GENDER EQUALITY</p> 
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Target area:	Glanbia’s approach
5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	Developing a culture of continuous learning, new skills and strong leadership capabilities are core to our people management approach. We recognise the benefit of a balanced and inclusive workforce and have focused on education, training, and recruitment practices in this regard.

Impact examples

40% management roles held by women.

At year end 46% of Board of Director roles were occupied by women.

Establishment of employee resource groups including Glanbia Network Of Women (“NOW”), True Colours (our LGBTQIA+ group) and Mosaic (our multicultural group) to provide a space to address workplace and career-related strategies through education, conversation, networking, mentorship and professional development.

SDG 8: Decent work and economic growth

8 DECENT WORK AND
ECONOMIC GROWTH



We see it as our responsibility to respect human rights both within our company and along our supply chain. That is why we are dedicated to upholding appropriate and fair labour and social standards. We want to drive sustainable economic growth through progressive resource efficiency.

Target area:

8.8 Protect labour rights and promote safe and secure working environments for all workers

Glanbia's approach

We actively take steps to protect labour rights and promote safe and secure working environments for all workers, with special attention to vulnerable groups. Our Health and Safety management programme is the bedrock to everything we do and is integrated into all our on-site processes. Within our value chain we are committed to implementing effective due diligence measures to mitigate against forced labour, modern slavery, and child labour.

Impact examples

Glanbia had zero fatalities or critical work related injuries during the year. We are focused on a 'Zero Harm' culture centred around employee engagement and action. For example each site has a Site Safety Committee. These committees consist of a cross-functional group within manufacturing sites where participants meet regularly to identify and mitigate risks.

All suppliers are subject to Glanbia's Supplier Code of Conduct, which sets out minimum standards we expect from those who provide us with goods or services including that all employees work within safe and humane conditions with the provision of effective training and personal protective equipment.

SDG 12: Responsible consumption and production

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



We use resources efficiently and reduce waste and emissions. We incorporate this approach in our product development and in our manufacturing activities. We support our dairy suppliers to produce their milk sustainably and efficiently.

Target area:

12.2 Achieve the sustainable management and efficient use of natural resources

Glanbia's approach

Our sustainability strategy is focused on reducing our impacts on the environment and society, through efficient manufacturing processes and partnership with our suppliers. Our targets relating to energy, water, waste and packaging use all support this objective and drives accountability.

Impact examples

For our overall impacts refer to Sustainability Report – page 55-60, which outlines our stated targets and performance to date for our most material environment impact topics including: climate change; water; waste; and consumer packaging.

SDG 13: Climate action

13 CLIMATE
ACTION



We recognise how deeply connected food systems are to the planet's resources. We have upgraded Scope 1 and 2 emissions reduction targets to meet a 1.5 degrees Celsius temperature pathway and mapped out a decarbonisation plan to meet this ambition by 2030.

Target area:

13.2 Integrate climate change measures into national policies, strategies and planning

Glanbia's approach

In relation to our internal impact, we have increased our emissions reduction ambition to align with the Paris Agreement with a focus on on-site energy efficiency and procurement of renewable electricity as core components of this strategy. Our Scope 3 approach is focused on partnership and collaboration.

Impact examples

Reduced Scope 1 and 2 emissions by 9.1% since 2018 baseline, refer to page 55 for further details.

Through the funding of third-party engagements, building an economic model which can be adopted by our dairy suppliers to decarbonise their operations which is also commercially viable and stands up to verification, refer to page 56 for further details.

Identifying our material impacts

Last year we updated our ESG impact materiality assessment in line with the GRI framework. To determine our material topics, we followed a process based on the standard ‘GRI 3: Material Topics 2021’ which included a defined process for identifying, assessing and prioritising our greatest ESG impacts, with a prescribed stakeholder engagement process applied to each step.

During the year, in the context of our preparation for the upcoming mandatory European Sustainability Reporting Standards (“ESRSs”) we prepared a gap assessment between the GRI materiality

approach and that prescribed by ESRS 2. The ESRSs require a double materiality approach to be applied, whereby organisations consider both the impact materiality assessment to our stakeholders (as outlined below) and also the potential financial impact of ESG topics on us as an organisation. As part of this gap assessment we held a cross functional senior leadership workshop, where the impact materiality assessment was reviewed and consideration was given to any material changes to our stakeholder groups, our strategy, operations, supplier, customer and investor base. It was concluded there were no material changes to the impact

materiality assessment carried out under GRI. As part of this process we refined our impact assessment listing further, whereby we have incorporated the animal welfare topic within business ethics and trusted business partner topics as part of responsible sourcing to reflect the close alignment between these topics. We will perform a review of our materiality assessment to determine if there are any material changes in advance of ESRS reporting.

The table below shows the output of our impact assessment review. The list of material topics was reviewed and approved by Glanbia’s Board of Directors.

Topic	Summary impact	Value chain mapping	SDG reference	Read more
1. Food safety & quality	Impact of our food safety and quality systems, ensuring nutritious quality products are produced	Operations and Downstream		Page 62
2. Employee health, safety & wellbeing	Impact of our health, safety and wellbeing programmes protecting our people in line with industry best practice	Operations		Pages 28-31
3. Climate change	Impact of global warming as a result of carbon emissions, and the corresponding emission reduction initiatives within our operations and value chain	Upstream and Operations		Pages 55-56
4. Water	Impact of water use within our value chain and manufacturing sites and related efficiency initiatives	Upstream and Operations		Page 57
5. Responsible sourcing	Impact of Glanbia procurement controls and oversight within our value chain	Upstream		Page 61
6. DE&I	Impact of DE&I initiatives for Glanbia’s employees	Operations		Page 30
7. Waste	Impact of waste generation within our manufacturing sites and related resource efficiency initiatives	Operations		Page 58
8. Sustainable products & packaging	Impact of innovative product and packaging design on resource consumption and environmental impact	Operations and Downstream		Page 59
9. Biodiversity	Impact of direct manufacturing activities and indirect impact through our supply chain on biodiversity and ecosystems	Upstream and Operations		Page 60
10. Economic contributions	Impact of Glanbia’s operations on the economy and government through its economic activities and monetary contribution	Operations and Downstream		Pages 16-25
11. Employee engagement & development	Impact of employee programmes to support job satisfaction, a healthy working culture and employee development	Operations		Pages 28-29
12. Nutrition	Impact of our nutritional products and solutions on our consumers and our customers	Downstream		Page 63
13. Business ethics	Impact of strong governance and oversight, fair competitive practices, underpinned by our Code of Conduct	Operations		Page 71

Planet



Climate – Scope 1 & 2 emissions

Target:

🎯 **50%**

absolute reduction in operations' emissions
by 2030 vs 2018 baseline

🎯 **100%**

renewable electricity
procurement by 2028

Our commitment

Our GHG emissions reduction targets validated by the Science Based Targets initiative ("SBTi") encompassed reductions in Scope 1 and 2 emissions under our operational control. In 2022, we realigned our Scope 1 and 2 target to the accelerated 1.5 degrees climate scenario ("1.5DS") pathway, in accordance with the Paris Agreement.

2023 progress

In 2023, Glanbia continued working towards Scope 1 and 2 decarbonisation in accordance with our Board-approved strategy. The company is currently on track to deliver GHG emissions reduction in line with our transition plan thanks to the energy efficiency initiatives and introduction of advanced energy management systems in partnership with EM3 at Glanbia sites in Michigan, New Mexico and Idaho. We also expanded our Renewable Electricity ("RE") procurement

with GN's New Mexico site and all GPN sites becoming 100% RE since 2023 through purchasing certified Green-e Renewable Energy Certificates ("RECs").

Focus for 2024

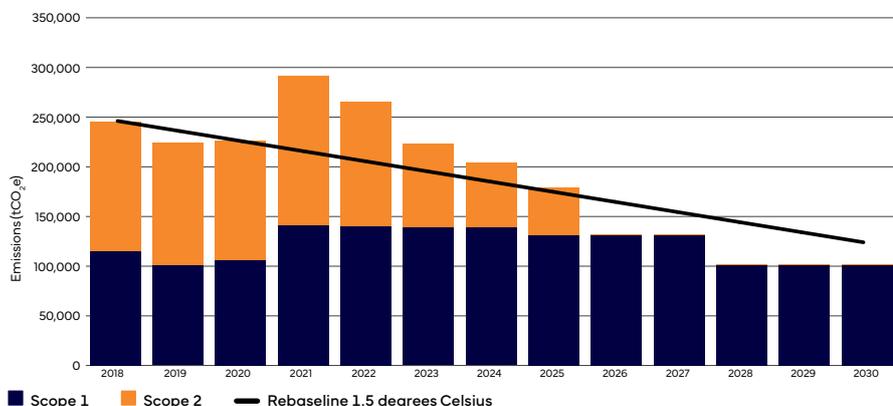
In 2024, we will focus on our near-term objective of reducing Scope 1 emissions by 15,000 tonnes by 2025 through various energy efficiency projects. From a Scope 2 perspective, sustainable execution of our RE continues in 2024 to ensure we are on track to meet our target of 100% RE by 2028. Mitigating carbon emissions will continue standing as a central pillar of our corporate environmental strategy. We also place emphasis on evaluating the multifaceted climate-related risks and opportunities, which are comprehensively detailed in Glanbia's TCFD report (See pages 64-70).

2023 performance results

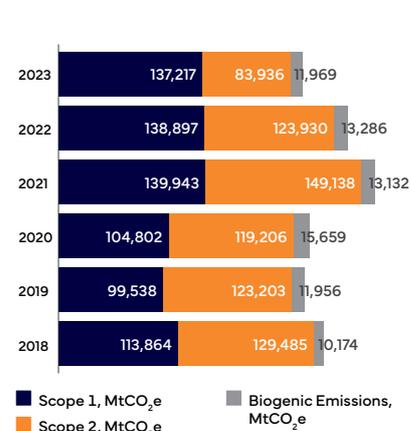
Energy efficiency at our production sites and renewable energy sourcing is critical to address Glanbia's Scope 1 and 2 emissions. The proportion of renewables in our electricity supply reached 63% in 2023 representing an 19% increase from the preceding year.

Glanbia's 2023 GHG footprint in Scope 1 and 2 decreased by 15.9% compared to 2022 as a result of energy management system deployment and RE procurement. This achievement represented a 9.1% reduction in the Company's operational emissions versus a 2018 base year, bringing Glanbia on track to meet the 2030 decarbonisation plan aligned with 1.5DS. The 2021-22 spike in GHG emissions, which came from commissioning a new-to-world dairy processing facility in Michigan, was levelled off by the end of 2023.

Glanbia Decarbonisation Plan 2030 for Scope 1 and 2, aligned with 1.5 degrees Celsius SBTi target*



GHG Emissions in Operational Control, 2018 – 2023*



* GHG emissions adjusted for divestments and projected footprint of the acquisitions contracted by Glanbia with the exception of the acquisition of the bioactive ingredients business of PanTherix completed in quarter four, 2023. Scope 2 GHG emissions were calculated using the market-based approach, accounting for procured renewable electricity (including RECs), energy providers' and Green-e® Residual Mix Emissions Rates where appropriate. 2022-2023 site-specific averages were used to estimate energy consumption where factual data was incomplete.

Climate – Scope 3 dairy emissions

Target:

25%
reduction in dairy emissions intensity by 2030

Scope 3 project – core elements and key focus areas

Footprinting

- Delivered carbon baseline assessments of 5 representative farms in Idaho.
- Tailored decarbonisation road-maps for each farm including financial and environmental impacts.
- Aggregated recommendations for wider milk pool.

Reporting

- Produced a Scope 3 emissions reduction model for SBTi assurance.
- Advised on the implications SBTi guidance for forest, land and agriculture sector (“FLAG”) and non-FLAG, supported by a complete value chain model.
- Developed a sample size assessment protocol in line with GHG protocol.

Economic impact

- Developed an economic ESG impact model assessing viability and cost effectiveness of GHG interventions on dairy farms.
- Determined a carbon “insetting” strategy for claiming reductions within the dairy supply chain.

Primary data

- Idaho:** focus on robust primary data sets. Completed GHG footprints using the National Dairy Farmers Assuring Responsible Management (“FARM”) Environmental Stewardship (“ES”) programme.
- Joint Venture Engagement:** sharing experience and best practice as well as data from our milk pools.
- GPN Supply:** requested the emissions data from each material dairy ingredient supplier, supporting the understanding of current state emissions, related low carbon opportunities contributing to our SBTi target achievement.

1 Carbon insetting is the implementation of practices that reduce an organisation’s carbon footprint outside of its direct operations but within its own supply chain.

Our commitment

Glanbia’s carbon emissions are woven throughout our entire value chain, signifying that emissions emanate not only from our core operations but also stem from both upstream and downstream activities that collectively contribute to the environmental footprint of our business. Approximately 90% of our emissions can be directly attributed to the dairy production facet of our supply chain, the decarbonisation of which remains our primary focus. In 2023, Glanbia started a new phase of climate target-setting work to develop a plan for aligning with the recently published SBTi Forest, Land and Agriculture (“FLAG”) guidance. This work will result in upgraded targets for Scope 3 that will be presented to the Board and submitted for SBTi validation by the end of 2024.

US Dairy production is well placed to deliver low carbon products, with the Innovation Center for US Dairy’s Net Zero Initiative providing a roadmap supported by significant investments in research. The Inflation Reduction Act is incentivising action and supporting technology implementation. For dairy supply this is evidenced by the US Department of Agriculture programmes

in recent years and, in particular, the Regional Conservation Partnership Program (“RCPP”) in 2023 where Glanbia is participating in a supply chain project aimed at reducing on-farm emissions in Idaho.

2023 progress

In 2023, working with industry experts, we invested in an extensive Scope 3 project. This was designed to deliver a dairy decarbonisation roadmap based on the identification of commercially viable interventions and revenue streams.

In the context of a rapid evolution of farm emissions reduction technologies, incentives, carbon market credits and finance opportunities, to ensure dairy farmers are presented with the clearest analysis on the options and cost benefits of technology adoption. This also included engaging with a number of supply chain partners, and factored in their own carbon accounting expertise in developing a strategy for supply chain carbon insetting partnerships.

The project is informed by robust primary data and supported by industry recognised standards and protocols.

CASE STUDY

Dairy industry partnership to reduce GHG emissions on Idaho dairy farms

In 2023, the US Department of Agriculture awarded funding to a Newtrient led project proposal aimed at reducing dairy methane emissions in Idaho. Glanbia Nutritionals is a partner in the project.

With \$3.1m in Regional Conservation Partnership Programme (“RCPP”) funding and \$1.6m in partner contributions from McDonald’s, Schreiber Foods, Glanbia Nutritionals and Athian, the project seeks to reduce methane emissions targeting manure management and feed management practices on Idaho dairy farms, with the ambition of reducing 37,500 tonnes of carbon dioxide equivalent.

This project is proof of concept of how dairy farmers, co-operatives and companies can work together to reduce the environmental footprint of dairy.

Water

Target:

10%
reduce freshwater use by 10% by 2025 versus 2021 baseline

3.44%
reduction in freshwater use in 2023 vs 2021 base year

Glanbia is dedicated to water conservation across all our facilities in line with the Board-endorsed ambition of lowering freshwater use by 10% by 2025 from a 2021 baseline, which equates to over 500 million litres annually.

In 2023, Glanbia achieved a 3.44% decrease in absolute freshwater withdrawal, and reduced freshwater use intensity by 6% compared to a 2021 base year. This improvement resulted from water efficiency initiatives, including polished water reuse and further optimisation of the clean-in-place (“CIP”) activities. Our practice of recovering water from milk by separating it from solid constituents and putting it into circular processes continues to enable freshwater preservation in our dairy operations.

Thanks to milk water polishing, 5,514 mL of retrieved water was used in our dairy processing operations in 2023, preventing an equivalent volume of freshwater withdrawals throughout the year.

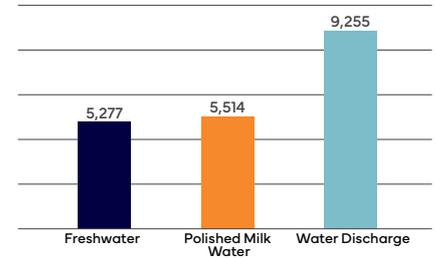
Glanbia is closely monitoring water stress levels in the locations of primary importance for our operations and supply

chain sustainability. In 2023, GN’s bottling facility in Corona, California, was divested. Therefore, Glanbia’s list of high water stress areas previously identified using the World Resources Institute (“WRI”) Aqueduct tool was reduced to one site in Clovis, New Mexico. Our Southwest Cheese facility in New Mexico consistently drives effort for milk water recovery and has the best polished water to freshwater ratio among all Glanbia sites.

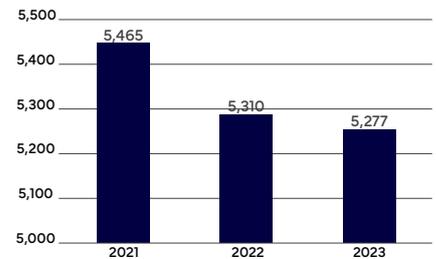
In 2024, we will refresh WRI Aqueduct water stress assessments for all Glanbia production facilities, re-examining high stress locations and also bringing medium-high stress areas into focus. As a part of our target setting process, Glanbia will review and evaluate the new paper from Science-Based Targets Network’s Freshwater Hub, outlining the concept and principles of corporate water stewardship and science-based targets for freshwater.

Working on defining our ambition for the time period beyond 2025, we are committed to using the most advanced frameworks, guidance, and tools for water impact assessment, management, and disclosure.

2023 Water use and discharge, mL



2021-2023 Freshwater Withdrawal*, mL



* Water metrics were calculated on a Like-for-Like (LFL) basis accounting for Glanbia divestments and acquisitions with the exception of the acquisition of the bioactive ingredients business of PanTheryx completed in quarter four, 2023. 2022-23 site-specific averages were used to estimate water use where factual data was incomplete.

CASE STUDY

Water conservation in action

At Glanbia we have a strong track record of water conservation.

Our relentless focus on water use efficiency continued in 2023 with our award winning Michigan site reducing water use consumption by 10.42% from a 2021 baseline.

The reductions, effected across several focus areas, were informed by water metering improvements that deliver actionable insights to our operations’ leadership teams.

Since 2022 the site has invested in projects that will deliver an estimated saving of nearly 530,000 litres of water per day focusing on water silo modifications, wastewater treatment plant routing improvements, and improved polished water utilisation for cleaning.

In 2024 we will continue to seek improvements, driven by data and leveraging learnings across operation sites as we close in on our 2025 target of 10% reduction.



Sustainability continued

Waste

Target:



100%

Glanbia sites achieving TRUE Zero Waste certification by 2025



50%

reduction in food waste by 2030 vs 2021 baseline

Our actions and impact

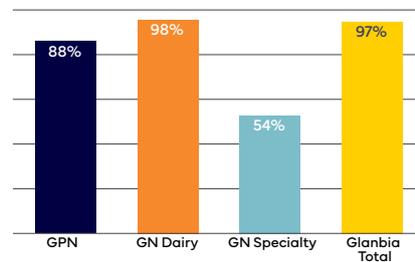
As part of our circularity strategy, Glanbia is committed to getting all production sites certified in accordance with TRUE Zero Waste standard by 2025. In 2023, our True Champions team worked hard to create roadmaps for all manufacturing facilities and achieve certification for our first pilot sites.

As a result, a piloting GN site, Sioux Falls, was granted a gold level certification under TRUE Zero Waste initiative in 2023. Four other sites, representing both GN and GPN Business Units, started their submission process and look forward to getting certified in early 2024.

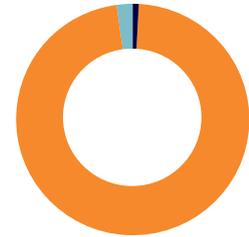
In 2024, our team will continue working towards reducing waste generation,

maximising diversion from landfill and incineration, and implementing TRUE requirements at all sites.

2023 Waste diverted from landfill and incineration¹ (%)



2023 Food waste recovery^{1,2} (%)



- Other <1%
- Anaerobic Digestion 1%
- Recycling 2%
- Animal Feed 97%

- 1 Waste metrics were calculated accounting for Glanbia divestments and acquisitions with the exception of the Foodarom Bremen site and the bioactive ingredients business of PanTheryx. 2022-23 site-specific averages were used to estimate waste generation and disposal where factual data was incomplete.
- 2 In 2023, we changed our methodology for calculating food waste in accordance with TRUE Zero Waste Guidance to account for liquid food waste. As the majority of liquid food waste is converted into animal feed, this correction resulted in a significant increase of animal feed recovery in 2023.

CASE STUDY

Glanbia's site portfolio receives TRUE certification

Our ambition to achieve TRUE Zero Waste certification across all our sites by 2025 requires a strong collective effort across the business, and our people are rising to the challenge.

In 2023, 21 Glanbia employees across different functions including Environmental Health & Safety, Plant Management, Engineering and Procurement completed training and passed the exam to become certified TRUE Advisors. These agents for positive change will champion the TRUE certification process and deliver training across our operations sites to galvanise action behind our efforts.

In November the Glanbia's site portfolio received TRUE Portfolio Certification which is official recognition from the Green Business Certification Inc. ("GBCi") that the portfolio complies

with the requirements prescribed in the TRUE rating system. This is an important milestone in our journey as it will simplify and streamline the process for submitting the information and data required for certification at each site (project).

There are four levels of TRUE certification: Certified (31-37 Points), Silver (38-45 Points), Gold (46-63 Points) and Platinum (64-81 Points).

In December GN, Sioux Falls became the first Glanbia site to be awarded TRUE Certification and was awarded the gold level with 55 points awarded.

This is a significant milestone for delivering our waste management ambition and commitment. The process and behavioural changes identified and implemented in Sioux Falls will

flow across to other facilities as they continue their journey to become certified.



Consumer packaging

Target:

100%

recyclable, reusable or compostable consumer packaging by 2030

Our actions and impact

GPN with the support of a dedicated sustainable packaging working group made strong progress towards its packaging recyclability goals achieving 76% global recyclability, by weight, and is on track to meet the longer term 2030 target of 100% of consumer packaging recyclable, reusable, or compostable.

Consumer packaging remains a primary focus for GPN as it represents approximately 11% of our associated carbon footprint. GPN distributes packaged sports, weight management, and lifestyle nutrition products to consumers globally which makes packaging sustainability a dynamic process as relevant policy and environmental programmes across all markets vary. To aid in guidance, GPN continues building partnerships with widely recognised organisations in each market to help guide design and consumer labelling.

Our Optimum Nutrition portfolio, is transitioning to widely recyclable packaging with on-pack How2Recycle® instructions that empower consumers to make eco-conscious disposal choices in the US and Canadian markets. The UK market will experience complementary consumer labelling through partnership with On-Pack Recycling Label (“OPRL”) that helps further simplify the recycling process for consumers. Additional partnerships are being evaluated throughout the globe in all major markets. The collaboration with these organisations helps ensure packaging circularity, eco-friendly designs, and a continued reduction of impact on the environment.

Globally the team was successful in implementing various packaging projects that will reduce virgin plastic consumption by 20 metric tonnes and paper usage by 50 metric tonnes. At the end of 2023 Optimum Nutrition launched a trial refillable bag programme on the Optimum Nutrition website for its 2 Pound Whey Gold Standard protein in

select markets. This new format targets consumers reuse of previously purchased containers and scoops. This new offering yields an 85% reduction in virgin plastic and convenient delivery via Optimum Nutrition’s direct-to-consumer sales channel. The sustainable packaging working group continues evaluating materials and designs to ensure progression towards our ambitions while balancing and achieving alignment between purchasing, operations, marketing, and environmental teams. The group has a continued focus on the development of food grade bags, recyclable wrappers, and evaluation of post-consumer recycled (“PCR”) content in each major market

GPN packaging recyclability rates (% by weight)

Target recyclability rate:



CASE STUDY

Optimum Nutrition and How2Recycle®

In 2023, GPN partnered with How2Recycle®, a leading organisation based in the US and Canada dedicated to simplifying the recycling process. How2Recycle® promotes a standardised labelling system that enables brands to clearly communicate proper disposal methods; ultimately enhancing the validity, completeness, and providing transparency of recyclability claims. How2Recycle® standards for recyclability consider factors such as applicable law, consumer access to collections, materials used, sortation capabilities, reprocessing, and overall environmental impact. During 2023, GPN was assigned on-pack label designation – ‘Widely Recyclable’ – for Optimum Nutrition powder products and drinks, SlimFast ready to drink products,

Isopure powders and an additional range of products are under evaluation.

Working with How2Recycle®, GPN focused on our flagship Optimum Nutrition product, 100% Gold Standard Whey. Although the current black plastic tub is recyclable, an in-house cross-functional technical team further enhanced the recyclability of the iconic packaging through colourant and label substrate changes. These changes will improve the circularity of plastics used in the packaging and led to the ‘Widely Recycled’ designation. The How2Recycle® label helps consumers to contribute to the recycling process effectively by providing easy to follow instructions on proper disposal.

GPN will continue to work with How2Recycle®’s standards for US and Canadian produced products to verify that our packaging is recyclable. This partnership is the first of many packaging initiatives that supports our journey towards our 2030 goal: 100% of our packaging being Recyclable, Reusable, or Compostable.



Biodiversity

In 2023, our focus was on assessing our value chain and related biodiversity impact to better understand where to best focus our efforts. We will build on this work in 2024 aligning with the Taskforce for Nature-related Financial Disclosures recommendations and criteria to support our evaluation

Our actions and impact

Biodiversity has emerged as a critical consideration in Glanbia's sustainability agenda, with the 2022 Living Planet Index emphasising the alarming decline in global wildlife populations. Glanbia recognises the pressing need to address biodiversity risks and impacts within its value chain. This commitment aligns with broader sustainability initiatives, emphasising the interconnectedness of environmental challenges and the company's role in safeguarding biodiversity. Given the heavy reliance of agriculture and food processing on ecosystem services, the preservation of biodiversity is not just a responsible business practice but a strategic necessity. As a member of The Carbon Disclosure Project ("CDP"), Glanbia welcomes CDP alignment with The Taskforce on Nature-related Financial

Disclosures ("TNFD") and will be using TNFD recommendations and criteria for further evaluation and subsequent strategy development.

In 2023, Glanbia initiated a project to assess the company's activities and parts of the value chain that might have links to significant biodiversity impacts. Given the nature of our products and the presence of agricultural supply, our efforts were focused on identifying purchasing categories and specific agricultural commodities within them that would be material from a nature-related risks and impacts perspective. This work included our sports nutrition and cheese and nutritional solutions businesses. As a result of this value chain analysis, we identified high-priority areas where we will focus our future research and efforts, which include sustainable sourcing of raw

materials and ingredients such as cocoa, vanilla, soy, palm oil, caffeine, dairy products, and timber-based packaging.

Focus for 2024

In 2024, Glanbia will continue its value chain analysis to add more granularity to the data we have on each of the above categories, and start developing a roadmap to ensure responsible supply chains for each of them. We will also evaluate potential partnerships and certification options that would positively complement our efforts. Glanbia is committing to aligning its practices with evolving global benchmarks, ensuring a robust and adaptive approach to biodiversity conservation. We will report on our progress in the next Annual Report and through the CDP platform.

Summary of key environmental impact metrics performance

Impact Area	Units	2023	2022	Change vs base year ¹	Base Year Value
Scope 1	M _t CO ₂ e	137,217	138,897 ^{2,3}	21%	113,864
Scope 2	M _t CO ₂ e	83,936	123,930 ^{2,3}	-35%	129,485
Scope 1 & 2	M _t CO ₂ e	221,153	262,827 ^{2,3}	-9%	243,349
Renewable electricity	%	63%	44% ²	25%	38%
Total electricity	MwH	344,913	345,112 ^{2,3}	26%	272,757
Total energy consumed	MwH	1,149,609	1,164,963 ^{2,3}	24%	925,886
Energy intensity	KwH/Kg produced	0.76	0.77 ²	-8%	0.83
Total renewable energy	MwH	283,852	228,135 ²	76%	160,858
Freshwater withdrawals	mL	5,277	5,310 ²	-3%	5,465
Freshwater intensity	L/Kg produced	3.48	3.52 ²	-6%	3.70
Freshwater intensity in high risk areas	L/Kg produced	1.97	1.82 ²	13%	1.74
Waste diversion rate from landfill and incineration	%	97% ²	96% ^{2,4}	17%	80%
GPN consumer packaging – recyclability rate	%	76%	62%	14% ⁵	n/a ⁵

1. Base year: GHG Emissions and Energy and Electricity metrics – 2018 base year; Waste and Freshwater metrics – 2021 base year.

2. The 2022 reported number has been restated to reflect acquisitions and divestment.

3. In 2021, a new-to-world dairy processing facility was commissioned in Michigan, resulting in an absolute Scope 1 and 2 GHG emissions increase. Emissions in 2022 increased relative to the 2018 baseline due to the addition of this Michigan site.

4. In 2023, we changed our methodology for calculating food waste in accordance with TRUE Zero Waste Guidance to account for liquid food waste. The prior year number was also adjusted to reflect this change in methodology, refer to page 58 for further details.

5. Recyclability percentage result represents the total weight of recyclable consumer packaging over the total weight of consumer packaging purchased in the year.

Society



See *People* section (pages 28-31) to learn more

Responsible sourcing

Our ambition is to hold EcoVadis scorecard for all 'high' and 'medium-high' risk suppliers that Glanbia has an ongoing trading relationship with

Glanbia's procurement teams are dedicated to partnering with key stakeholders to support the delivery of Group and Business Unit ESG strategies and commitments. This involves driving greater awareness across our procurement teams of responsible sourcing practices; and partnering with suppliers who can make a positive contribution towards Glanbia's sustainability commitments; applying responsible sourcing criteria to our supplier selection decisions and incorporating responsible sourcing principles into our Global Procurement Policy; requiring:

- all suppliers to agree to comply with laws and regulations of the countries in which they operate;
- all suppliers to agree to comply with all human rights, labour, food safety, environment and health and safety regulations;
- suppliers, as requested, to engage with Glanbia's selected partner EcoVadis for assessment (or equivalent assessment as deemed appropriate) in line with Glanbia's Responsible Procurement Programme; and
- suppliers to comply with necessary corrective actions that arise as a result of the above assessment.

Glanbia purchases only from approved suppliers. Buying from the right suppliers is critical to ensuring Glanbia receives high quality goods and services at the right price and time while mitigating risk to the organisation.

Our Group-wide Responsible Procurement Programme sets out our supplier selection criteria and integrates sustainability into our procurement processes, procedures and systems. We focus on ensuring and re-enforcing compliance with all applicable laws

on anti-slavery and human trafficking, requiring our suppliers to confirm acceptance and conformance with the relevant Glanbia policies.

For further information refer to Glanbia's annual statement on Modern Slavery and Human Trafficking located on our website www.glanbia.com.

Glanbia partners with EcoVadis – a global trusted provider of business sustainability ratings. In 2023, we continued to complete a risk assessment of our supply base assessing ESG and procurements risks.

The results of this risk assessment enable us to prioritise the suppliers that require a more in-depth assessment using the EcoVadis platform (referred to as scorecards).

Our approach is to focus on all 'high' and 'medium-high' risk suppliers that Glanbia has an ongoing trading relationship with. This equates to 50% of Glanbia's total spend (both direct and indirect). To-date, across all risk categories, Glanbia has EcoVadis scorecards for 54% of all its spend, with a further 6% being onboarded. The target set for 2023 was 50% of total spend.

CASE STUDY

ecovadis

Supplier risk assessment

Glanbia trades with in excess of 6,000 suppliers globally. One of the challenges that Glanbia faced was to identify where the sustainability risks were in its supply chain.

Using the EcoVadis IQ module to assess risk based on the supplier's industry and countries of operations has helped Glanbia risk categorise its suppliers.

Glanbia has focused on the high and medium-high risk suppliers.

Our aim was to gain a more insightful view of the supplier sustainability credentials, by inviting them to participate in the EcoVadis process and to obtain their own scorecard. EcoVadis assesses sustainability management systems (policy,

actions and results) on four themes (environment, labour and human rights, ethics, and sustainable procurement).

This identifies their sustainability risks and strengths and helps us to focus on where to improve. It also enables Glanbia to collaborate with suppliers on the sustainability risks that are important to both of us.

Overall 75% of Glanbia's suppliers are assessed as performing well on the EcoVadis scorecard methodology with 55% of suppliers classified as 'Good', while just over 20% are classified as 'Advanced'. This leaves approximately 25% of our suppliers where further engagement and collaboration is required.

Food safety and quality

Target:

100%
of sites to maintain a globally recognised third-party certificate for food safety and quality

Food safety and quality is a non-negotiable at Glanbia and we consider it as an inherent part of our values and commitments to our customers and consumers. The importance of food safety and quality is further reflected in our impact materiality assessment (see page 54).

To meet this commitment, Glanbia has built a comprehensive food safety and quality programme, referred to as Glanbia Quality System (“GQS”). This programme ensures governance and compliance to the highest standards of food safety and quality so that we are able to meet our obligations and keep the trust of our customers and consumers. The GQS has a hierarchical structure, based on principles, policies and standards. There are seven GQS principles, organised along the value chain, which is purposely built to be dynamic and bring improvements with advancement of scientific knowledge, product portfolio and annual review by the Quality Leadership Team.

Governance and external certification

A key feature of the GQS is a built-in check and balance programme to verify and validate that all of the elements of our GQS are working as designed and meeting our expectations. This is achieved by a combination of self-assessment, internal audits and external review. Each of our manufacturing sites are audited on an annual basis with internationally recognised audit schemes such as Global Food Safety Initiative (“GFSI”) and National Sanitation Foundation (“NSF”). All Glanbia sites have maintained compliant or above audit scores.

Compliance

We monitor compliance within our programme through key performance indicators (“KPIs”) at Business Unit and Group level. KPIs are reviewed by Glanbia Leadership at ESG and Audit Board Committees level on a regular basis to ensure all programmes are operating as designed and that the results are in line with standards and targets set.

FY 2023 GQS KPIs included:

- 100% of sites certified to an external food safety certification (i.e. GFSI, NSF);
- Number of major findings from External Food Safety Certification audits: Zero; and
- 95% of sites at or better than the GQS benchmark.

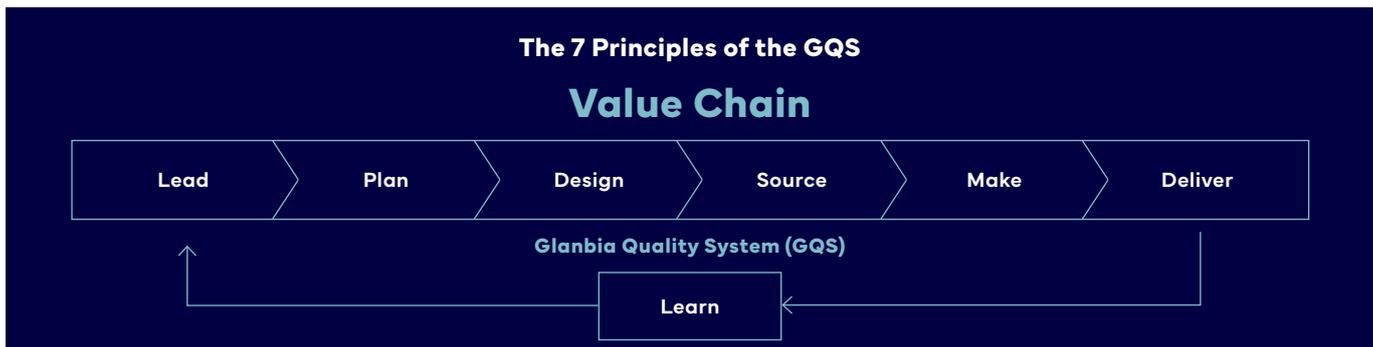
Marketing and labelling

Product quality and safety is supported by effective marketing and labelling. We provide our customers and consumers with accurate and adequate information across a range of product categories. For our GN business-to-business customers, we provide details of the products purchased to ensure they have the appropriate information to manage and communicate effectively to their stakeholders and feed into their own internal processes and standards. For our GPN consumer facing business, we have a dedicated management system and associated processes to ensure our products are marketed and labelled accurately in line with regulatory requirements.

CASE STUDY

Farm to fork – global expertise in dairy proteins

Glanbia is a unique organisation with both ingredient and branded businesses flourishing under one umbrella in a global footprint. This unique structure has allowed us to build key technical expertise with respect to dairy and dairy proteins for our customers and end consumers. The Group has evolved from co-operative dairy roots to become a leader in better nutrition and a trusted innovation partner for the global food industry. The bedrock of this evolution is our best-in-class food safety and quality programmes.



Nutrition and Community impacts

Nutrition and Community impacts: In 2023, we sought to define our nutrition promise as well as the impacts of our nutritional products on our consumers and customer. We also focused on the social and economic impact we have on our communities globally. In 2024 we will continue to develop a programme of activities to build on this progress.

Our nutrition promise

We create products and solutions to help our customers and consumers to achieve their health and nutrition goals.

Glanbia exists to deliver better nutrition for every step of life's journey. For us, better nutrition is about running our business in a way that's better not just for our consumers, but for our communities, our planet, and for wider society.

As part of our purpose, we are committed to ensuring that the brands, ingredients and solutions we provide are contributing to good nutritional outcomes in the world, including being responsible about our overall portfolio, the health and nutrition profile of our products, how our ingredients and solutions are used, and our marketing.

In 2023, we sought to define our nutrition promise as well as the impacts of our nutritional products on our consumers and customers. We will continue to develop this programme of activity in 2024, with the intent to develop focus areas and corresponding goals and targets around our nutrition portfolio.

Better for communities

We aim to strengthen the communities in which we live and work by providing safe and inclusive workplaces; by building sustainable supply chains; and by delivering programmes to support health and wellbeing in our local communities.

In 2023, we reviewed our community impacts. Reflecting on our purpose of delivering better nutrition, we recognise and define our communities as those

encompassing the geographic areas in which we operate, source raw materials, and provide employment.

Our commitment to better people, planet and performance focuses on the wellbeing and prosperity of the communities directly affected by our activities within our operational regions, supply chains, and employment areas. In 2024, we will develop criteria to define 'Better for Communities' work that aligns with our purpose and we will establish a longer-term strategy for community impact.

Giving back to our communities

In 2023, we continued to take action to create a positive social and economic impact on our communities globally.

In its 30th year, GN's Annual Charity Challenge raised \$208,500 for local organisations in the Magic Valley region, ranging from food banks, senior centres, critical services and mental health services to community resource centres. The initiative has raised a total \$3 million dollars for non-profit organisations in the region since its inception.

GPN sponsored the Northern Illinois Food Bank Fight Hunger race, which saw runners and walkers come together to raise awareness and fundraise for this worthy non-profit. Northern Illinois Food Bank was able to help provide over \$2 million worth of groceries to its neighbours with dignity, equity and convenience because of the event.

In Ireland, we continued our partnership with Breast Cancer Ireland in 2023, sponsoring the Great Pink Run which raised €530,000 for its pioneering research into innovative treatments for breast cancer.

CASE STUDY

Combatting food insecurity in Chicago

Bigger Table is a non-profit organisation which brings together the food and beverage industry to address hunger, unemployment, and inclusive economic development in Chicagoland. It explores industry-based approaches to addressing growing food insecurity. Through donated ingredients and expertise, Bigger Table has donated nearly three million servings of food to Chicagoland food banks since 2020.

In 2023, building on our existing partnership, Glanbia Nutritionals partnered with Bigger Table and donated whey protein to create a nutritious protein smoothie mix. This resulted in 450,000 servings being produced and distributed through partner organisations looking to reduce food insecurity in the region. Without Bigger Table, none of these donated food products would exist and, in many cases, the ingredients would have become food waste. Bigger Table's mission aligns closely with Glanbia's purpose of delivering better nutrition for every step of life's journey. We look forward to continuing our partnership with Bigger Table.



Some of the thousands of participants taking part in Breast Cancer Ireland's Great Pink Run.

Task Force on Climate-related Financial Disclosures Report

Glanbia recognises that measuring, managing and reporting environmental impact is not only important for the planet and communities in which we work, it is essential for the future growth of our business.

We have 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.

Glanbia has complied with all of the requirements of LR 9.8.6R by including climate-related financial disclosures in this section (and in the information

available at the locations referenced therein) consistent with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations.

This statement pertains to the parts of the business over which Glanbia has operational control. This includes the Group's wholly-owned operations as well as the MWC-Southwest Holdings LLC joint venture operations where

Glanbia plc has authority to introduce and implement operating policies in accordance with our sustainability strategy.

The below table summarises where we have addressed the four areas of TCFD focus, with the 11 associated recommended disclosures, detailed throughout the annual report.

Governance		
Disclose the organisation's governance around climate-related risks and opportunities		
Board's oversight of climate-related risks and opportunities	Risk management section; Audit Committee Report; ESG Committee Report; Corporate Governance Report	72-75, 111-112, 117-120, 101
Management's role	Chief Executive Officer's review; Risk management section; ESG Committee Report	14, 73, 117-120
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where material		
Risks and opportunities over the short, medium, and long-term	TCFD Report	65-69
Impact on business, strategy and financial planning	TCFD Report, Sustainability section; ESG Committee Report	65, 70, 55-60, 117-118
Resilience of strategy considering different climate-related scenarios	TCFD Report	67-70
Risk Management		
Disclose how the organisation identifies, assesses, and manages climate-related risks and opportunities		
Climate-related risks and opportunities identification and assessment	TCFD Report, Risk management section; Audit Committee Report; ESG Committee Report	65-67, 72-79, 110-112, 120
Climate-related risk and opportunities management	TCFD Report; Risk management section; Audit Committee Report; ESG Committee Report	67-70, 74, 120
Integration of processes into overall risk management	Risk management section; Audit Committee Report; ESG Committee Report	74-79, 111-114, 119-120
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities		
Metrics used to assess risks and opportunities in line with strategy and risk management process	Sustainability section	55-60
Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions and the related risks	Sustainability section; Key Performance Indicators	55-56, 25
Targets to manage risks, opportunities, and performance against targets	Sustainability section; Remuneration Committee Report	55-60, 140-145

Our approach

Climate-related risks and opportunities are assessed and managed as a fundamental part of our governance and business management processes. Central to our response has been the building of our sustainability strategy including setting Scope 1, 2 and 3 carbon emission reduction targets and building robust roadmaps for their delivery. Refer to the Sustainability section 53-58 for details on this strategy and performance to date.

In the ESG Committee Report on page 120 we describe the Board’s oversight of climate-related risks and opportunities and the role of management in assessing these. In the Risk Management Report on page 74, we explain how climate-related risk is integrated into the risk processes that operate throughout the Group. Included on page 66 in the ‘Assessing climate-related risk’ section we describe our assessment of the physical and transitional impacts of climate change on the Group’s operations in terms of both risks and opportunities. On pages 67-69 we describe the potential impacts of such risks and opportunities under different scenarios, and on page 70 we outline the resilience and associated actions to mitigate against the risks identified and capitalise on the opportunities.

Focus on climate impact

Glanbia’s vision is to be ‘one of the world’s top performing nutrition companies

trusted to enrich lives every day’. Our business strategy is focused on delivering this ambition, with the integration of our sustainability strategy and associated commitments, a key lever to accelerate performance within the markets in which we operate. We keep our climate commitments under ongoing review, aligning with a science-based approach and focusing on delivery of our stated Scope 1 and 2 transition plan. We are focused on:

- stated commitments to drive operational efficiency, reduce our impact and grow financial performance to ensure we remain a sustainable enterprise.
- the ability to innovate and collaborate with our customers and anticipate and monitor consumer market trends to create sustainable products that meet the required nutritional needs.

We recognise the impact that climate change can play in influencing the delivery of our business strategy. This is dependent on the global actions and the associated impacts observed, including social economic impacts as the globe transitions to a low carbon economy, with physical risks accelerating where global temperatures continue to increase. We continue to assess the potential climate-related risks and opportunities for our business, ensuring that we maintain a focus on reducing our emissions while adapting to these changing external

conditions. We also recognise the interrelated risks to natural resources that are critical to our ingredients and the importance of supply chain partnerships to deliver scalable solutions.

Identifying and reviewing climate-related risks and opportunities

Glanbia, in conjunction with independent external experts and through executive-led workshops, assessed the impact of climate change on the Group to identify the most relevant climate-related risks and opportunities. The risks are incorporated into the Group Sustainability Risk Register and are updated and reviewed periodically throughout the year, assessing impact scale, likelihood and velocity in conjunction with our internal subject matter experts. Mitigation measures are considered as part of this process to evaluate the potential residual risk. The evaluation forms part of the wider Group Risk Management Framework, with noted threshold deviations including an expanded time horizon view on velocity to account for the more gradual nature of physical climate-related risks. Refer to page 74.

As part of this process we assess our business readiness to respond to such risks and review our mitigation measures and strategic plans in place to support our resilience assessment. Refer to page 70 for details on our key resilience factors and page 67 for details on the potential opportunity impacts we are monitoring.

Risk Assessment				Glanbia Response	
	TCFD Category	Risk Area(s)	Time Horizon	Business Readiness Assessment	Further Information/ Relevant Metric
Transition	Market	Changing customer/consumer behaviour impact	Medium	In Plan	55-56, 66
	Reputation	Shifting customer requirements not met	Medium	In Plan	55-56, 66
	Policy	Direct/indirect cost of regulation on operational inputs	Short – Medium	Monitored	55, 59, 66
	Technology	Investment in operational decarbonisation	Short – Medium	In Plan	55, 66
Physical Risks	Chronic	Impact of water stress on key operational sites	Medium	In Plan	57, 66
		Impact of weather pattern variability on dairy supply and dependent inputs	Long	Monitored	56, 66
	Acute	Impact of extreme weather on dairy supply	Long	Monitored	56, 66

Time horizon

Short: Up to three years. Aligned with our Group strategy cycle where we develop detailed financial projections and use them to manage performance.

Medium: From three to 10 years. Nearer term to primarily capture transition risks and opportunities, embedded with our sustainability strategy.

Long: Beyond 10 years. Greatest level of uncertainty associated with these climate-related risks and opportunities, primarily linked to the physical risks identified.

Business readiness

In plan: Related response to risk has been built into Glanbia’s sustainability strategic plan, with a view to operationalise based on output of relevant scoping and feasibility assessments.

Monitored: Recognition that associated risks may require action but currently based on level of uncertainty being monitored with a view to incorporating into our strategic plan where appropriate.

Sustainability continued

Task Force on Climate-related Financial Disclosures Report continued

Assessing climate-related risks and opportunities

To further enhance our understanding of the potential impact of increasing temperatures on our business, operations and strategy we carried out scenario analysis drawing on climate science and scenario data. We assessed in greater detail the potential impact that scenarios relating to our identified climate-related risks and opportunities could have.

A detailed modelling approach was used to quantify the potential financial implications of the identified climate-related risks and opportunities on Glanbia's operations and wider value chain. Transition risks and opportunities were modelled in line with a 2030 timeframe, while physical risks were modelled until 2050, due to their longer-term impact. The output of this analysis provides an assessment of the nature and potential scale of Glanbia's most relevant climate-related risks and opportunities. This assessment outlines any potential risk hotspots; challenges our business readiness to respond to these risks; identifies how we can capitalise on potential opportunities; and reviews current strategy and business continuity plans against a set of defined scenarios. Refer to scenario analysis section on pages 67-69 for details on the scenario approach adopted and the assessed potential impact.

Transition risk

Glanbia understands that transitioning to a lower carbon economy will entail extensive market, policy, and technology changes. Depending on the nature, speed and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organisations.

Market

In a Glanbia context this risk relates to changing customer and consumer preferences and consumption patterns, with a reduction in dairy consumption. We closely monitor this risk through our own market insights team and direct engagement with our customers including via questionnaire and data requests and directly through our commercial management team. Our dedicated market insight team use demographic analysis and market insight tools to track end-consumer sentiment and emerging trends toward dairy, which feeds into our overall product strategy and research and development pipeline. We monitor global and regional dairy market performance directly through our dairy economics and procurement teams

with insights from our memberships of dairy industry associations, including the US Dairy Export Council and the International Dairy Foods Association.

Reputation

We recognise that climate change also represents a potentially significant reputational risk for us. Glanbia works with the world's leading food and beverage brands, who have made their own commitments on climate change to deliver solutions. They increasingly seek out partners that are aligned with their own objectives and who can support them in achieving their targets. Failure to take adequate action on climate change could mean a loss of reputation and damage to commercial and other important stakeholder relationships.

Policy

The risk of current and emerging regulation is a key climate consideration for which Glanbia is closely monitoring the potential impacts. This includes regulations and policies which have a direct impact on us such as carbon taxes as well as those that indirectly impact us through our supply chain, particularly in the carbon intense dairy supply chain.

Glanbia will be subject to the EU Corporate Sustainability Reporting Directive, which introduces mandatory sustainability reporting requirements, including a dedicated standard relating to climate change. We note that for many of our key strategic customers, as a component of their value chain, they will require more information from us to fulfil their regulatory reporting and external commitments also. We have prioritised ingredient and product footprinting, working with third-party experts to ensure robust data sets which are feeding into a Group-wide data and system architecture project to support the upcoming regulatory and commercial reporting requirements.

Technology

Our assessment of technology risk focuses on the required investment to fulfil our stated Scope 1 and 2 emission reduction targets. We have integrated these requirements into our business strategy and also include consideration of impacts to our sustainability strategy within our capital expenditure and acquisition due diligence procedures. As a result we have not included this risk area within our scenario modelling, but rather classify the actions associated with this risk area as a key mitigant to the market and policy risks identified.

Physical risk

As part of our physical risk assessment process, we considered a range of physical risks which could potentially impact our operations and supply chain. These risks included drought, water stress, coastal flood, cyclone, extreme heat and wildfire. We reviewed both potential chronic and acute type risks as part of this exercise.

In conjunction with third-party experts and using supporting external models and analysis, we evaluated the risk exposure to these specific climate hazards. Through this exercise, a small number of locations within the North America region (relating to our main manufacturing and dairy supply chain) were prioritised and the likely physical risks assessed for more detailed review. Following this review it was concluded that in the medium to longer term, in the event the world does not take action, it is likely that increased temperatures will lead to water scarcity in two locations, with the Corona, California site divested during the year, leaving one site (Clovis, New Mexico). This site is already identified as a high water stress area using the World Resources Institute Aqueduct tool and as a result water scarcity risks are integrated into the existing continuity plan, with a focused water management programme in place.

Increased temperatures are estimated to negatively impact our dairy supply base when considering scenarios such as reduced dairy productivity, increasing input costs such as feed due to deteriorating growing conditions or reduced milk yields due to extreme heat conditions. We will adapt our assessments as scientific knowledge advances and enhance our internal expertise by utilising national data sources. Refer to page 56 which outlines the measures in place internally to monitor our dairy supply chain and the partnership approach adopted to ensure the long-term security and viability of the dairy sector.

Opportunity

While climate change poses a potential risk to the sector in which we operate, we also see opportunities with immediate impacts such as driving operational efficiencies, waste reduction and efficient resource use to longer term commercial opportunities. A qualitative assessment of these potential opportunities and associated impacts is included on the next page. These include supporting our customers in meeting their emission reduction commitments as part of their value chain, or accessing new revenue streams by investing in low carbon market opportunities.

Opportunity impacts

Impact of resource usage efficiency on operating costs

Time	Potential impact
Horizon Short – Medium	A key lever in the achievement of our 2030 Scope 1 and 2 targets is an ongoing focus on energy efficiency through use of energy management systems, targeted upgrades in our plant equipment and transitioning from fossil based energy to renewable alternatives. Given energy price volatility, this increase in efficiency provides a potential opportunity for reduced energy costs and lower emissions, which helps reduce our exposure to carbon pricing.

Impact of low carbon market opportunities on revenue growth, including those from the delivery of lower carbon products through fulfilling our sustainability commitments and partnership

Time	Potential impact
Horizon Short – Medium	Comprehensive Scope 3 roadmaps to deliver on our science-based target decarbonisation commitments, together with detailed primary data associated with our value chain, position us to partner with our customers to deliver low carbon products, potentially expand our customer reach and increase associated sales. Our detailed product carbon footprinting work will deliver assurance to our supply chain partners on the robustness and traceability of our Scope 3 data. In 2023, we partnered with McDonald's and Schreiber Foods in a Newtrient led US Department of Agriculture Regional Conservation Partnership Programme ("RCPP") project proposal that provides proof of concept for on-farm emission reductions that make economic sense to our farmer suppliers and deliver certified carbon reductions within our dairy supply chain (carbon inseting). Our carbon footprinting work is also assessing non-dairy ingredients emission profiles to support our customer base on their emissions reductions.

Impact of new income streams by access to low carbon markets

Time	Potential impact
Horizon Short – Long	Access to additional income streams through low carbon markets. For example the maximisation of biogas return from anaerobic digesters at Glanbia's sites as a renewable source of energy and in reducing methane emissions from Glanbia's operations. Glanbia is seeing the impacts of the Inflation Reduction Act funding delivering tax credit incentives for low carbon energy generation. Our energy teams are assessing opportunities on an ongoing basis as vendors present solutions supported by Inflation Reduction Act investments. In this transition phase, these potential strategic investments and opportunities are dependent on feasibility studies of technological, operational and commercial suitability for Glanbia and are under consideration as part of our medium to longer term strategy, with a similar estimated time horizon impact.

Scenario analysis

We have examined our business under a range of scenarios, modelling different climate pathways to test the nature and magnitude of potential climate-related risks and opportunities. A bespoke model was created for each risk and opportunity, incorporating relevant economic factors such as price and demand, and applying two climate scenarios: current policies and a stress scenario.

It should be noted that there are many varying factors affecting how climate change may impact the world, as a result it is difficult to quantify the timing and impact of climate-related risks and opportunities on our business, therefore scenario analysis is not a forecast and the output from our analysis should be viewed accordingly.

Early policy action: Transition risk scenario

Stress scenario: Ambitious low-carbon transition where a coordinated action is taken within society to reduce carbon emissions. The analysis prioritised scenarios aligned with a Net Zero or 1.5°C target, while well-below 2°C or 2°C aligned scenarios were used when scenario data around more ambitious pathways were not available.

Physical risks

Physical risks will be the least extreme under this scenario.

Transition risks

Under this scenario we will experience high transition risks unless mitigated.

Time Horizon Considered – Up to 2030

Limited policy action: Physical risk scenario

Stress scenario: Limited action taken to reduce global emissions. Based on high-emissions scenarios associated with significant increases in temperatures, aligned with the Shared Socio-economic Pathway SSP5-8.5.

Physical risks will be the most extreme under this scenario.

Limited transition risks expected due to a lack of policy changes and regulation.

Time Horizon Considered – Up to 2050

Current policy action: Business as usual scenario

Current policies: Relate to the Network for Greening the Financial System ("NGFS") scenario projections, where the world does not take any further action than what has been already stated and planned for implementation.

Physical risks will become more prevalent over time as temperatures increase due to a lack of policy intervention and action to reduce global warming.

Moderate transition risks based on existing policy and regulations in place.

Sustainability continued

Task Force on Climate-related Financial Disclosures Report continued

Scenario model details

Transition risk	Impact assessment
<p>Dairy market decline: End-users and consumers decreasing dairy consumption in favour of non-dairy alternatives to decrease their carbon footprint, and Glanbia's customers, who have science-based targets in place, opting for alternative suppliers if Glanbia does not decrease emissions in line with our science-based target commitments. As one of the key cross-cutting mitigation measures, the cost of implementing Glanbia's science-based target was modelled as part of this risk area.</p> <p>Potential impact: revenue growth TCFD category: market, reputation</p>	<p>In both a current policy and stress scenario the impact is estimated to be low based on the assumption that Glanbia delivers upon its stated reduction commitments which meet customer and consumer requirements.</p> <p>We further corroborate this conclusion with ongoing market insights and trend analysis that is overseen by our dedicated market insights team, augmented by expert analysis from our industry associations (US Dairy Export Council and the International Dairy Foods Association), which shows a robust market for our existing product offerings.</p> <p>We acknowledge that consumer trends may evolve over time, and recognise this as a market opportunity. Refer to 'low carbon markets' for further details on the next page.</p>
<p>Climate regulation on dairy: Impact of stricter regulation of on-farm emissions increasing the cost of milk. It is expected that agriculture, as one of the key sources of global emissions, will face stricter regulation. This will particularly concern methane and nitrous oxide emissions. The scenario model assumes that the US government will follow a strategy to align decarbonisation levels to limit global temperature rise to 1.5 degrees Celsius. The cost implied for dairy farmers to decarbonise in line with new regulation is based on a marginal abatement cost estimate, looking at productivity improvements, and technologies such as feed additives and anaerobic digesters.</p> <p>Potential impact: operating costs TCFD category: policy</p>	<p>Under the current policy scenario there is no expected impact as the underlying assumption is that no additional regulations other than those stated or planned will occur. While under the stress scenario the impact is estimated to be low in the context of successfully meeting our Scope 3 commitments. Furthermore, the current US approach sees significant incentivisation for on-farm decarbonisation funded through the Inflation Reduction Act.</p>
<p>Increasing energy prices: Energy prices (natural gas, biogas, and electricity) are impacted by regulatory and market changes. The model evaluated the impact of changes in energy prices applied to current energy spend. It was assumed that Glanbia's energy consumption does not change from current levels.</p> <p>Potential impact: operating costs TCFD category: policy</p>	<p>The assessed impact under both climate scenarios modelled is expected to be low when key mitigation measures are considered including the efficient management of our energy use through installed energy management systems within our largest sites and the implementation of our Scope 1 and 2 transition plan. Our energy providers, given state specific emissions ambitions and fuelled by federal incentives, are regularly providing renewable energy supply opportunities at our major sites.</p>
<p>Sustainable trends in packaging: The expected increase in demand for sustainable packaging alternatives (secondary plastics) and the associated increased costs associated with these alternatives. This model incorporates a 35% increase in costs and assumes quantity consumption remains at current levels, with GPN as a consumer facing business most significantly impacted.</p> <p>Potential impact: operating costs TCFD category: policy</p>	<p>The assessed impact under both climate scenarios modelled is expected to be low, with potential price increases modelled having a low impact on cost per unit of product. This risk is further mitigated through measures including packaging redesign, pilot refill programmes and dedicated procurement focus on packaging supply.</p>
<p>Direct and indirect carbon taxes: Indirect increase in the costs of fuel due to the removal of fossil fuel subsidies and a direct increase due to the implementation of carbon taxes. It was assumed Glanbia's fuel usage remained at current levels.</p> <p>Potential impact: operating costs TCFD category: policy</p>	<p>Under the current policy scenario there is no expected impact as the underlying assumption is that no additional regulations other than those stated or planned will occur, while under the stress scenario the impact is estimated to be low in the context of improving resource efficiency at a distribution level through our fleet management system and the ability to pass the cost through.</p>

Transition opportunity

Low carbon markets: This scenario recognises the development and growth of carbon credits and clean energy markets. Both opportunities are of high relevance to Glanbia as they can be generated through the use of anaerobic digesters which some Glanbia sites are currently using.

Maximising the return of biogas from our on-site operations in conjunction with reducing our emissions in line with our Scope 1 and 2 roadmaps, optimising energy efficiency informed by energy management systems contribute to low carbon opportunities within the value chain.

Potential impact: revenue growth
TCFD category: market, reputation

Impact assessment

We consider that a market for low carbon and carbon certified ingredient and consumer end products will likely develop over the medium to long-term. We are seeing customers assessing their supply chain and proposing partnerships for carbon reduction.

The evolution of this market represents an opportunity to continue to invest on-site, to reduce carbon emission footprint and create additional revenue streams, while delivering an improved product/ingredient carbon footprint.

Physical risk

Effect of temperature increases (both acute and chronic) on key aspects of Glanbia's dairy supply chain: Three separate models were constructed to evaluate the impact of increased temperatures on our dairy supply chain.

The following areas were considered:

- dairy productivity (chronic);
- milk yields (acute); and
- crop yields – a key input into animal feed (chronic).

These models considered the potential impact of such conditions on dairy suppliers margins and or the price of milk as an input cost, potentially resulting in an increased product cost to recoup via the market or through required production efficiencies to maintain product margins.

Potential impact: operating costs
TCFD category: chronic and acute

Water scarcity: Increasing water scarcity in certain regions caused by droughts, increased temperatures, heatwaves, and increasing demand for water will affect the water availability in most US states. Modelled using the WRI Aqueduct to project water stress levels we calculated the change in water scarcity until 2050 for Glanbia's top seven manufacturing sites (covering about 94% of total water consumption) for each scenario. The increase in water scarcity in the regions where Glanbia's manufacturing sites are located could lead to a cumulative increase in Glanbia's operational costs for the current policies and stress scenarios respectively until 2050.

Potential impact: operating costs
TCFD category: acute

Impact assessment

Under both climate scenarios the impact is expected to have a longer term impact horizon beyond 2030, with quantification of such impacts challenging given the level of inherent uncertainty associated with future global warming.

In the short to medium term Glanbia is protected against milk supply shortages, and associated price increases due to milk supply agreements, joint venture business model structures in place and the milk and cheese market conditions in which Glanbia operate. However, Glanbia acknowledges the existence of tipping points in the longer term that may occur in the event prolonged physical impacts emerge which make dairy production unviable at farm level which impact milk supply and cost.

We analyse comprehensive dairy production data in our supply chain on an ongoing basis and leverage US Department of Agriculture datasets to track productivity and trends.

The sites identified from this analysis are already within the Group's priority locations for water risk with efforts already underway to manage water use at these sites.

Sustainability continued

Task Force on Climate-related Financial Disclosures Report continued

The impact of climate change on our financial statements

We considered the potential impacts of climate change risks when preparing our Consolidated Financial Statements and have determined that there is no material impact on the financial reporting judgements and estimates and as a result there is no impact on the valuations of the Group's assets and liabilities from these risks as at 30 December 2023. Refer to pages 186 and 215 within the financial statements for further details.

Resilience and associated strategic actions

We continue to monitor the resilience of the organisation with due regard for the climate-related risks and opportunities that the business faces. Under current policies and a transition scenario, Glanbia is sufficiently protected against climate-related risks that may impact the value chain, due to its market position, business partnerships, contractual relationships, as well as existing and planned mitigation actions.

Sustainability strategy

Alignment with, and delivery of, science-based targets across Scope 1, 2, and 3 is considered a key mitigant against the impact of the transition risks identified, including risks associated with potential dairy market decline and changing consumer preferences.

For the risks that have a direct operational cost impact such as direct and indirect carbon taxes, increasing energy prices and sustainable trends in packaging, we demonstrate resilience through improving resource efficiency at the production and distribution level, cost pass-through and fulfilment of our stated packaging commitments.

Emission impact and associated technology requirements will continue to be an important consideration for the Group in delivering on our strategy, as reflected in the Group capital investment policy evaluation criteria of any new acquisition or strategic capital investment.

Innovation and market

Glanbia's growth is built on integrating innovative business models and expertise into our strategy. We pride ourselves in our agility to meet the varied nutritional requirements and needs of our customers and consumers. We recognise the commercial value in aligning with a low carbon transition. We hold a strong brand portfolio with a loyal customer base, offering a range of ingredient choices.

Our market insight teams anticipate and monitor ever-changing market trends, through the development of new branded products and ingredients. For example, in response to these trends we have developed and hold a range of non-dairy protein alternatives including within our leading consumer brand Optimum Nutrition, 'Gold Standard 100% Plant' and our Amazing Grass product range.

Further down the value chain, our geographical footprint, diverse customer base and range of channels and products helps to reduce the risk associated with any specific category or market segment and provides an opportunity for innovation across multiple end-use markets.

Physical risk insights

Our physical risk assessment has provided valuable insight into the longer-term risks across our operations and supply chain. It has sign-posted areas for further analysis and monitoring. Immediate steps taken as a result of this analysis include integration of specific climate-related risks within business continuity planning for higher risk sites and reviewing public policy for areas where a broader response is needed with a particular focus on water stress areas. Refer to page 57.

We acknowledge that long-term shifts in climate patterns and increased occurrence of extreme weather events may have a significant impact on the dairy supply chain. This requires close monitoring to ensure existing mitigation factors remain viable, and that our strategic and operational plans remain alert to the challenges associated with such risks.

Dairy partnership

Our dedicated milk procurement and dairy economics teams support our dairy suppliers, and closely monitor production levels, supplier trends etc. We take a partnership approach with our dairy suppliers to improve and build resilience. Refer to page 56.

Responsible sourcing

For all raw materials, our global procurement and responsible sourcing commitments are important to help manage potential future risks to availability of key commodities as regional climatic impacts take effect. This includes analysis of single source suppliers, risk profiling of sourcing regions and use of third-party risk analysis such as EcoVadis to support our assessment.

Future focus

Glanbia recognises the importance of evaluating the impact of climate change on our business and strategy. Our disclosures in this regard are intended to assist our stakeholders in understanding the potential impacts and opportunities of climate change on our business over the short, medium and long-term. We acknowledge in the context of an evolving regulatory reporting environment, and with improving scientific climate resources there will be a need for further analysis and detailed disclosures to support our stakeholders in this regard.

We as a nutrition business recognise the deep and intricate connections between food systems and the planet's health, as well as the impact of a changing climate for the future. We are focused on managing our impacts within our own operations, in particular relating to our Scope 1 and 2 emission targets by meeting key elements of our transition plan; to progressively shift towards 100% renewable energy procurement (Scope 2) by 2030 and reduce on-site emissions (Scope 1) through operational efficiencies and capital investment. Refer to pages 55-56 for more information on the Group's targets and progress to-date, and page 65 which outlines how these metrics form part of our strategic response to the risks identified.

We acknowledge the material impact of our Scope 3 emissions and have a roadmap in place with our key dairy supply stakeholders, which will deliver a detailed transition plan to meeting our Scope 3 commitments. Refer to page 56. This plan will be presented to the Board in 2024, with our performance against this plan reported externally.

Performance



To embed our approach, Glanbia's Better Nutrition, Better World strategy is embedded from the Board to the ESG Committee and is integrated via the Group Operating Executive and ESG Centre of Excellence into all aspects of the business through specialists and cross-functional teams and workstreams. This approach provides oversight, and balances the focus on programme delivery, required due diligence procedures and increased reporting and disclosure obligations.

[See more on pages 116-120.](#)

At Glanbia, we are committed to conducting business in the right way, complying with the law and working responsibly. Glanbia has made our core governance policies publicly available including our Code of Conduct, Supplier Code of Conduct and Anti-bribery and Corruption policy, Human Rights and Speak Up policies. We support the integration of these policies through appropriate training programmes including a Group-wide Code of Conduct training module. The Group has a zero-tolerance approach to bribery or any form of corrupt practices and actively encourages all workers and third parties to speak up through our dedicated

whistleblowing line if they have any concerns.

[See more on page 113.](#)

Glanbia complies with the European Union (Disclosure of Non-Financial and Diversity information by certain large undertakings and groups) Regulations 2017. The table below is designed to help stakeholders navigate to the relevant sections in this Annual Report to understand the Group's approach to these non-financial risks. Many of our policies can be viewed on www.glanbia.com.

Reporting requirement	Policies and standards which govern our approach	Risk management and additional information
Environmental matters	<ul style="list-style-type: none"> Environmental policy Supply chain and responsible sourcing and on-farm sustainability Animal welfare policy 	<ul style="list-style-type: none"> Environment section – pages 55-60 Responsible sourcing – pages 56 and 61 ESG Committee report – pages 116-120 Task Force on Climate-related Financial Disclosures (TCFD) Report – pages 64-70 Risk management – pages 72-85
Employee matters	<ul style="list-style-type: none"> Culture and engagement Group code of conduct Whistleblowing policy Diversity, equity and inclusion policy Health and safety policy 	<ul style="list-style-type: none"> Employee engagement survey – pages 28-29 and 50-51 Whistleblowing and fraud – page 113 UK Corporate Governance Code – pages 89 and 108 Diversity, equity and inclusion – page 30 Health and safety – page 31
Social matters	<ul style="list-style-type: none"> Education initiatives Community support Food safety and quality policy 	<ul style="list-style-type: none"> GPN sports nutrition school – page 51 Community and charity support – page 63 Food safety and quality – page 62
Human rights	<ul style="list-style-type: none"> Anti-slavery and human trafficking statement Supplier code of conduct Human rights policy 	<ul style="list-style-type: none"> See page 61 and 113 and our policies can be viewed on www.glanbia.com/about/corporate-governance/our-policies
Anti-bribery and corruption	<ul style="list-style-type: none"> Group code of conduct Anti-bribery and corruption policy 	<ul style="list-style-type: none"> See page 113 and our policies can be viewed on www.glanbia.com/about/corporate-governance/our-policies
Description of principal risks and impact of business activity		<ul style="list-style-type: none"> Principal risks and uncertainties – pages 76-83
Description of the business model		<ul style="list-style-type: none"> Business model – pages 22-23
Non-financial key performance indicators (KPIs)		<ul style="list-style-type: none"> Key performance indicators – page 25

Consolidated disclosures pursuant to Article 8 Taxonomy Regulation

Following consideration of the 'EU Taxonomy Compass', and detailed review of the economic activities' descriptions and NACE code definitions as referenced within it, the Group concludes that our core economic activities of food processing and manufacturing are not included within the six environmental objectives of the EU Taxonomy and consequently are Taxonomy non-eligible.

Refer to pages 155-165 for Glanbia's consolidated disclosure in accordance with the EU Taxonomy Regulation.

Continuous monitoring of risk to achieve our strategic objectives

Managing our risks

Geopolitical risks, such as the war in Ukraine, escalating tensions in the Middle East, relations between the US and China, and their related macroeconomic impacts, continue to remain some of the biggest threats to the Group achieving its strategic objectives. While overall the Group navigated the evolving risk environment well in 2023 with no material negative impacts to the Group's performance; as 2024 progresses, the Group will need to remain alert to changes in risks that may impact the delivery of the Group's strategic objectives.

The effects of the primary geopolitical and macroeconomic conditions on the business are explained in various sections of the Strategic Report and

consequently, the narrative included in the Chief Executive Officer's Review, Chief Financial Officer's Review and Operations Review should be read in conjunction with the below disclosures to provide an overall understanding of the risks, economic uncertainties and challenges which will continue in 2024.

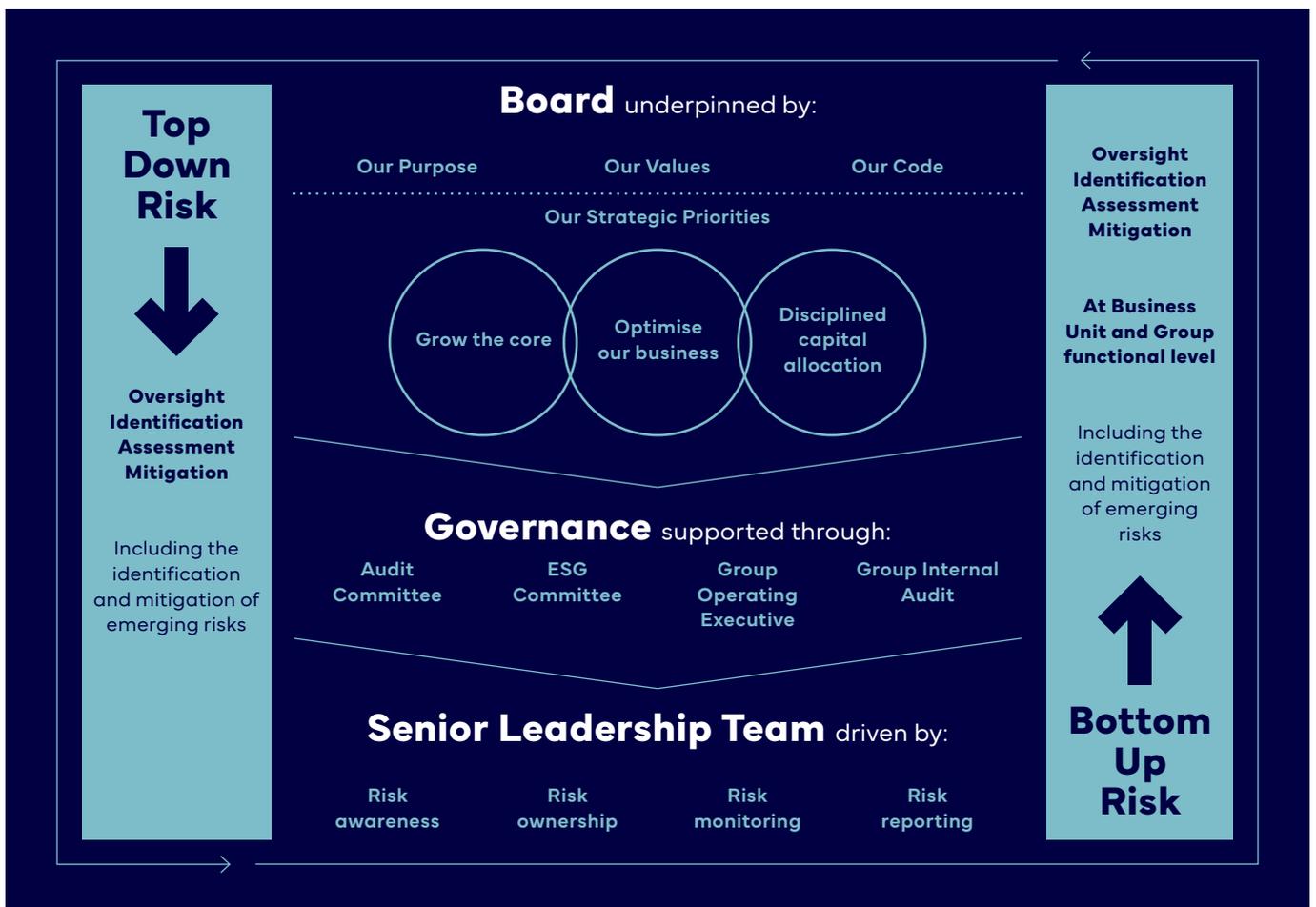
Assessment of the effectiveness of risk management and internal controls

The Audit Committee on behalf of the Board, has responsibility for monitoring the Group's systems of risk management and internal control. The risk management framework, as outlined below, was reviewed by the Audit Committee to consider the breadth and depth of information (financial, operational and compliance) provided to the Committee through direct

presentations from senior executives and functional heads, risk management report submissions and Committee updates received from the internal and external auditors. No instances of significant control failings or weaknesses have been identified as part of this review.

Risk management framework

Our risk management framework is designed to ensure that risk management is embedded into our culture, policies and practices. There is input across all levels of the business to enable the Group to remain responsive to the ever-changing operating environment. An overview of the Group's risk management and internal control framework is outlined in the diagram below.



Risk oversight

Board of Directors

The Board has overall responsibility for determining the nature and extent of the significant risks it is willing to take in achieving the Group's strategic objectives. The Board has an overarching Group risk appetite statement in place and applies a balanced approach to risk, embracing risk in areas in which management has the appropriate skills, knowledge and experience to take advantage of the opportunities presented, whilst limiting risk in other areas.

As part of the annual Group strategy process, the Board conducted a detailed assessment of the impact of the Group's principal and emerging risks, together with the methods employed to manage these risks. The Board and management use the same process to assess and manage risks within our joint venture operations as it does for the wholly-owned areas of the Group. In 2023, we held board positions in all such entities.

The Board conducted a formal half-year and full-year review of the risk register summary reports prepared by Group Internal Audit to ensure that the Group's principal risks and uncertainties, as outlined on pages 76 to 83, effectively describe the nature and extent of the Group's principal risks. The Board is satisfied that its risk management systems and internal control processes are effective and will further enhance monitoring controls in 2024 with more frequent risk dashboard reporting.

Audit Committee

The Audit Committee on behalf of the Board, has responsibility for monitoring the Group's systems of risk management and internal control including the review of their effectiveness. In 2023, the Committee received updates from senior executives and detailed presentations from Group functional leads including IT, Treasury, Legal, ESG, Financial Reporting and Taxation. These presentations typically provide the Committee with the opportunity to review the Group's risk appetite statements in relation to the principal and emerging risks being examined.

Environmental, Social and Governance ("ESG") Committee

The ESG Committee supports the Group's ongoing commitment to environmental, corporate social responsibility and governance matters. The Committee is responsible for monitoring and reviewing current and emerging ESG trends, relevant international standards and legislative requirements and identifying potential impacts to the Group. In January 2024, the Audit Committee and ESG Committee held a joint information session with regard to ESG related matters to facilitate risk awareness regarding the upcoming ESG reporting obligations.

Group Operating Executive

The Group Operating Executive forum as outlined in the Corporate Governance Report on pages 100 to 101 also acts as the Group Risk Committee and supports the Audit Committee in the risk management process through the ongoing monitoring of the risk environment and the effectiveness of the controls in place.

Risk reporting

Group Internal Audit ("GIA")

GIA assists in the process by preparing regular Group summary risk management reports based on information submitted by management throughout the year. These reports include:

- An analysis of key Group risks in terms of impact (assessed over the following 12 months within defined monetary terms), likelihood of occurrence (using defined probabilities of occurrence) and velocity (speed at which the impact of the risk could materialise). The climate related deviations are outlined on page 74;
- A summary of the key movements in the identified risks, with a particular focus on highlighting new or emerging risks;
- A summary of management action plans ("MAPs") to manage potential significant risk exposures; and
- An overview of organisational, business and emerging risks.

The Audit Committee and Board perform bi-annual reviews of these reports, with interim updates received from management as required.

Group Senior Leadership Team ("SLT")

The identification of risk is based on a Group-wide approach. The management team of each business segment and the Group functional leads are required to maintain and submit a risk register. The register ensures consistency of approach in the reporting of risks in accordance with Group defined guidelines.

The quality and consistency of SLT risk reporting is supported by a number of other monitoring and reporting processes including:

- Group strategy process and Board review of financial and operational performance, including detailed finance, capex planning and expenditure reviews;
- KPI tracking of health and safety and environmental reporting within the Group's environmental management system;
- Bi-annual control self-assessment and management representation letter processes;
- Post-acquisition completion and capex project reviews;
- Risk-focused Group Internal Audit plan; and
- The externally assessed Glanbia Risk Management System ("GRMS") reviews, which assess operational risks across the Group and the internal Glanbia Quality System reviews.

Risk management continued

Identifying and assessing climate risk

The identification, assessment and management of climate-related risks follow the Group's existing risk management framework, however, the time horizons have been extended to allow for the longer-term impacts of climate change. This work has been supported by third-party experts and executive-led workshops, which has helped to define a focused set of risks for detailed analysis, as outlined on page 65 of the TCFD Report.

Managing climate risk

As outlined on the previous page, the Audit Committee is responsible for providing structured and systematic oversight of the Group's risk management and internal controls, while the ESG Committee supports the Group's ongoing commitment to our ESG strategy, including our environmental strategy. For further details on our approach to managing climate change and the related risks and opportunities, refer to pages 64-70.

The Group considers insights obtained through our reporting on TCFD climate-related risks and opportunities identification, prioritisation process (likelihood and velocity) and financial quantification assessment (materiality), post the consideration of available mitigation measures. Key outputs of this process are summarised within the TCFD Report on pages 64-70, and assessed through the Group risk register process. The register includes the estimated likelihood, velocity and financial materiality of the climate-related risks and opportunities assessed, which is a key component of our risk management framework and also documents the identified Group-wide controls and actions to mitigate against the respective risks to evaluate the potential residual impact encompassing both transition and physical risks. These risks are consolidated as one principal risk 'Climate Change'.

Climate-related risks and opportunities

The processes for identifying, assessing and managing climate-related risks are incorporated within our risk management framework. As part of this framework, we have a clear approach for defining risk appetite and guidance to support the assessment of materiality. The Group's risk appetite is agreed annually with the Board and regularly monitored to ensure climate-related risks remain

within the Group's risk appetite without unduly impacting the ongoing success of our business. The management of these climate-related risks is undertaken within the function where the risk may occur, for example, raw material risks are primarily managed by procurement. Actions taken are monitored to retain climate risks within the agreed risk appetite for the Group with the CEO for GN having executive responsibility for climate change mitigation measures. He is supported in this work by the Group Operating Executive as outlined on page 119.

TCFD reporting

In line with the recommendations of the TCFD reporting requirements, the Group has considered climate-related impacts within the organisation under the pillars of Governance, Strategy, Risk Management and Metrics and Targets as outlined on pages 64 to 70.

As detailed in our 2022 Annual Report, the Group engaged the Carbon Trust, an independent sustainability consultant, to conduct a comprehensive climate change risk assessment of the parts of the business over which Glanbia has operational control. The identified climate-related risks and opportunities were prioritised by their likelihood, velocity and estimated financial materiality (prior to the consideration of any mitigation measures). This allowed us to better understand the potential impacts from physical climate change risks and opportunities associated with the transition to a decarbonised economy.

Further analysis was carried out to assess, in greater detail, the potential impact that Glanbia's top climate-related risks and opportunities could have on our business, operations and strategy, drawing on climate science and scenario data. Two scenarios were considered for each risk and opportunity; a current policy scenario and a stress scenario. The material risk and opportunity themes that were reviewed as part of assessing the potential impact of climate change, along with the expected timelines are outlined on pages 67-69 of the TCFD Report.

In line with the Group's risk management framework, the risk and opportunity themes were assessed for likelihood, velocity and materiality (impact). The methodology applied to climate risk themes differed from the standard framework definitions as follows:

- **Velocity:** To reflect the nature of climate change, the time horizon applied to velocity was short term up to 3 years, medium term from 3 to 10 years and long term beyond 10 years as opposed to the Group approved thresholds which assess velocity as very rapid if the impact of the risk is felt within 1 month, rapid if within 1 quarter and slow if it extends beyond 1 quarter.
- **Likelihood:** Under the assessment, this is based upon the certainty of outcome across the different climate scenarios analysed. Where there is a highly consistent outcome under all scenarios, the relevant risk or opportunity is categorised with a higher likelihood and conversely, where the outcome is only expected under stress scenarios the risk or opportunity is categorised with a lower likelihood. The standard Group approach to likelihood is measured as a percentage of possible occurrence over a three-year period in line with the Group's strategic plan.

The Directors consider these deviations from the standard risk framework to be appropriate given the nature of the specific risk. The controls for this principal risk are aligned with our strategy and regulatory framework requirements. They include controls relating to governance, leadership and climate adaptation.

Climate change risks are also considered when assessing other principal risks including, but not limited to: Economic and Industry; Market Disruption and Acquisition/Integration. For example, this includes involving the relevant internal functional experts when making acquisition or capital investment decisions or impairment review decisions where required.

The Group concluded that climate change is not expected to have a material impact on the viability of the Group in the short term and summarised the material climate risk themes which will require close monitoring going forward as outlined on pages 64 to 70. Glanbia also has a continuing engagement with the Carbon Trust who provide technical expertise on the Group's carbon footprint mapping, and identification of key carbon reduction projects. The Group plans to continue this work and has committed to building on the progress achieved in 2023 in relation to our climate impact.

Strategic/External	Technological	Operational/Regulatory	Financial
Mainly external risks associated with our operating environment	The systems we use to drive the business and the data they hold	The people and processes we use to power our business model	Our financial status and internal controls
<ul style="list-style-type: none"> ⬆ Geopolitical ⬆ Economic and industry ⬆ Market disruption ↔ Customer concentration ⬆ Climate change 	<ul style="list-style-type: none"> ↔ Digital transformation ⬆ Cyber security and data protection 	<ul style="list-style-type: none"> ↔ Talent management ↔ Health and safety ↔ Supply chain ↔ Product safety and compliance ↔ Acquisition/Integration 	<ul style="list-style-type: none"> ↔ Taxation changes
<p>Risk trend ⬆ Increasing ↔ Stable ⬆ Decreasing</p>			

Risk categories

Our approach recognises the external risks associated with our operating environment, which are typically considered and managed through our strategic processes, and the primarily internal risks associated with our people, processes and systems which are managed through our internal controls. Emerging risks with the potential to impact our longer-term success are also considered to ensure that we plan appropriately to respond to them over time. No new emerging principal risks were identified in 2023.

Identifying our principal risks and uncertainties

The Directors have carried out a robust assessment of the Group’s principal risks, including those that may threaten our business model, future performance, solvency or liquidity and reputation. Key risks are identified based on the likelihood of occurrence, potential impact and velocity on the Group using the process outlined on pages 72 to 75.

Risks are reported on a residual risk basis and represent a snapshot of the Group’s principal risk profile. This is not an exhaustive list of all the risks faced by the Group, there may be other risks and uncertainties that are not yet considered material or not yet known to us. This list will change if these risks assume greater importance in the future. Likewise, some of the current risks will drop off the key risks schedule as management actions are implemented or changes in the operating environment occur.

The Board also fully recognises that many risks do not exist in isolation and that one or more risks may crystallise at the same time which could increase the impact to the Group. The interactions

and relationship between such risks are discussed and considered by the Board throughout the year. Risk benchmarking is completed, which includes a review of external risk publications and emerging risk trends against the Group’s risk landscape. In 2023, discussions included a consideration of the consequences of geopolitical tensions, persistent inflationary, energy rate and interest rate pressures, cybersecurity threats and climate change risks.

Principal risks and uncertainties
Changes to risks during the year

The Directors have considered the Group’s principal risks and uncertainties and have determined that the risks and uncertainties reported in Glanbia plc’s 2022 Annual Report remain relevant with one revision. The principal risk Economic, Industry and Political risk, reported in 2022, has been split into two principal risks with the political narrative now captured within a new Geopolitical principal risk and the Economic and industry risk remaining as a standalone risk.

Some fluctuations in risk trends did arise in 2023 including:

- Geopolitical risk: As geopolitical tensions escalated and became more widespread globally, the Directors have determined that this risk area now warrants a standalone principal risk. The market consequences of the war in Ukraine and tensions in the Middle East continue to create volatility. The Board is also closely monitoring tensions in key trading regions, particularly between China and Taiwan, where any potential conflict, economic sanctions or trade rulings would impact Glanbia’s growth objectives. The upcoming US presidential election also has the potential to create short-term uncertainty.

- Economic and industry: the macroeconomic environment continues to show volatility with recessionary conditions which impacted some countries in 2023 looking set to continue in 2024.
- Market disruption risk continues to trend upwards. Adverse changes in economic conditions, persistent inflation, energy and interest rate pressures have continued to increase the cost of living and could result in reduced consumer spending which may disrupt demand and further increase operational and financial costs.
- Climate change risk continues to trend upwards due to the evolving climate landscape, expected future developments in ESG regulations, the increasing stakeholder reporting expectations and the other climate change risks disclosed in the TCFD Metrics and Targets disclosures on page 64.
- Cyber security and data protection risk continues to trend upwards due to rapidly accelerating technological changes in areas such as artificial intelligence (“AI”) and growing global cybersecurity control threats.
- Supply chain and Talent management risks have stabilised as supply chain risk mitigation measures have been successfully deployed, and labour market conditions continue to normalise.
- The remaining principal risks continue to trend as stable due to the mitigation activities in place by the Group as outlined on pages 76 to 83.

The Group actively manages these and all other risks, inclusive of emerging risks, through its risk management and internal control processes.

Principal risks and uncertainties

Link to strategic priorities (see pages 15 to 18)

 Grow the core

 Optimise our business

 Disciplined capital allocation

Risk trend

 Increasing

 Stable

 Decreasing

Risk	Potential impact	Mitigation
Strategic/External		
<p>Geopolitical </p> <p>Geopolitical events and developments may have the potential to create global or regional instability that could impact on our growth objectives.</p> <p>  </p>	<p>Political instability, civil disturbance, conflicts, trade tensions and regulatory changes may negatively impact performance. Geopolitical tensions in the regions where we operate may pose potential challenges that could adversely affect our pursuit of growth objectives.</p>	<p>The Board conducts a thorough assessment of geopolitical risks, particularly in the regions where we operate, and regularly updates risk profiles to stay informed about changing dynamics.</p> <p>The Group's strategy is aimed at spreading our business activities across diverse regions to reduce dependency on any single geopolitical area, minimising the impact of localised disruptions.</p> <p>The Board and Group Operating Executive are kept informed about geopolitical risks through regular Group risk and business segment operational updates.</p>
<p>Economic and industry </p> <p>Our performance is influenced by global economic conditions, consumer confidence and the stability of the markets in which we operate.</p> <p>  </p>	<p>Deterioration in economic growth or consumer confidence, or significant currency movements may impact performance and the achievement of growth targets.</p>	<p>The Board regularly assesses key market trends, the current economic environment and the related implications on Group performance and strategic objectives.</p> <p>The Group's strategy is aimed at the continued expansion of the Group's geographic reach, focusing on key customer relationships and investment in new product development which helps to protect the Group from significant economic fluctuations and material rapid changes in the external environment.</p>
<p>Market disruption </p> <p>Inflationary pressures may create further headwinds for the business.</p> <p>Increasing competition across certain channels through high promotional activity, competitor product innovation and channel shifts provide an ongoing challenge.</p> <p>  </p>	<p>Continued inflationary pressures above expectations may disrupt demand due to consumer price elasticity.</p> <p>Failing to recognise or obtain accurate and relevant competitive and environmental intelligence may result in the adoption of incorrect business strategies.</p>	<p>Significant actions to mitigate cost inflation were implemented across a range of initiatives including pricing, revenue growth management and efficiency programmes.</p> <p>The GPN team continues to enhance in-house capabilities to assess market trends, ensuring improved accuracy and relevance of data for the Board and management's decision making.</p> <p>GN has focused on differentiating its capabilities from competitors through innovation to enable it to become the preferred partner of choice for nutritional and functional solutions in both the dairy and non-dairy segments.</p> <p>The Group allocates resources to research and development for value-added, customer-specific solutions and invests in necessary promotional activities, where required.</p>
<p>Customer concentration </p> <p>The Group benefits from close commercial relationships with a number of key customers and adverse changes could materially impact the Group.</p> <p> </p>	<p>The loss of, or material disruption with, one or more of these customers, or a significant deterioration in commercial terms, could have a material impact on Group profitability.</p> <p>Pricing risks associated with the growth of the online channel could impact the Group.</p>	<p>The Group has strong relationships with key customers through superior customer service, quality assurance and cost competitiveness. Continued focus remains on new customer and channel development opportunities.</p> <p>Consistent and effective implementation of the GN commercial team's 'one face to the customer' approach.</p> <p>The Board regularly reviews its exposure, including credit exposure, to individual customers and considers the impact of acquisitions where relevant.</p>

Developments in 2023**2024 focus areas**

The Board considers various geopolitical scenarios and their potential impact on the business as part of strategy discussions. This enables the Board to develop proactive strategies and responses to different situations.

Management aims to stay abreast of and comply with international and local regulations, maintaining relationships with local and international stakeholders and consulting with external advisors, where appropriate, to stay informed about political developments and foster cooperation.

Senior leaders from our core segments updated the Board/Audit Committee on segment performance during 2023. This included consideration of geopolitical impacts, where appropriate.

The macroeconomic environment continued to be uncertain as some markets entered recession in 2023. There is continuing pressure from high interest rates, monetary tightening by central banks and currency fluctuations, which the Group continues to navigate and mitigate where possible.

Increased promotional activity and the careful management of price increases were required to address inflationary challenges and other macroeconomic factors. To date, customer demand has sustained these price increases.

Our strategic portfolio review continued in 2023 resulting in divestment decisions around non-core assets as outlined in the Chief Financial Officer's review on pages 40 to 45.

The impact of increasing inflationary pressures and supply chain volatility have been mitigated by price increases and this balance will continue to be closely monitored in 2024.

Marketing spend has continually focused on the areas/brands where recovery momentum is strong.

Continued assessment of the impacts of channel shifts by consumers and the financial strength of our customer base, particularly our US customers which represent the majority of Group Revenue.

Dedicated consumer insights and analytics teams in place who continue to build out our monitoring and consumer intelligence capabilities.

Management continued to monitor credit exposures in 2023 as customers maneuvered high energy costs and interest rates, post the recovery from the pandemic.

The Group will continue to monitor geopolitical tensions closely where any potential conflict, economic sanctions or trade rulings may impact the growth objectives of the Group.

The Group will continue to monitor the upcoming US presidential election, should it cause short-term uncertainty and/or instability to the markets where we operate.

Potential geopolitical impacts will continue to be assessed as part of the Group's strategic discussions and capital allocation decisions, particularly in relation to acquisition activity and strategic capital expenditure.

The macroeconomic environment remains uncertain prompting continuing review throughout 2024. The Group will proactively review and implement mitigating actions to address challenges such as cost inflation and the impact of high living costs, ensuring a responsive and adaptive approach as needed.

The impact of any potential future price increases will continue to be assessed for elasticity effects.

While energy prices have shown signs of stabilising, food prices remain elevated and further shocks from geopolitical tensions may contribute to further inflationary pressures. The Group will continue to monitor this and any other adverse changes in economic conditions, such as the heightened cost of living and increased interest rates that could result in reduced consumer spending and a slowdown in consumer demand.

The Group will continue to invest in developing in-house capabilities to assess trends in key market areas ensuring accurate and relevant data is available to management teams to support decision making.

The Group will continue to review new customer and channel development opportunities.

The Group will continue to build key customer partnerships through strategic capacity expansions and product supply opportunities, particularly with our core GN customers.

The impact of pricing increases associated with the heightened cost of inflation will be closely monitored.

Principal risks and uncertainties continued

Link to strategic priorities (see pages 15 to 18)

Grow the core

Optimise our business

Disciplined capital allocation

Risk trend Increasing Stable Decreasing

Risk	Potential impact	Mitigation
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Strategic/External continued

Climate change

Failing to have an appropriate business model in place to react to the climate-related risks and opportunities and to achieve the Group's commitment to protecting the environment through responsible stewardship.

The risk of non-compliance with regulations.



Changes in government policy, regulation, technologies and weather conditions, may impact the Group or influence consumer preferences.

Failure to comply with environmental incident reporting regulations may cause reputational damage.

An ESG Board subcommittee is in place and a member of the Group Operating Executive has responsibility for overseeing the delivery of the Group's agenda on environmental, social and governance topics.

The Board recognises the scientific consensus that action is required to address the impact of greenhouse gas emissions on rising global temperatures and has ensured that:

- A Board approved strategy is in place to accelerate our climate change commitments, targeting decarbonisation in our operations and supply chain and addressing our most material sustainability impact areas.
- The Group-wide sustainability programme focuses on building a strong culture, systems and governance model to oversee progress and to ensure compliance with environmental incident reporting regulations.
- Clearly defined Board approved KPIs and targets are in place as outlined on pages 126 to 149.
- The Group's Capital Investment Policy incorporates environmental considerations into the existing due diligence process.

The Group has taken a rigorous approach to measuring climate risk impact through data, baselining and risk assessment supported by external experts and aligned to emission reduction targets validated by the Science Based Targets initiative ("SBTi").

Technological

Digital transformation

The risk of the Group implementing an ineffective digital strategy.



A failure to adopt new technologies and/or potential negative consequences associated with integrating digital technologies within the business may impact our targeted growth.

Each core business function has a three-year digital roadmap that is reviewed and updated annually.

Dedicated project teams put in place for material transformation projects with appropriate user acceptance testing completed prior to go-live.

All enterprise systems are deployed using a centrally managed model to ensure architecture alignment and effective process governance.

Executive commitment to ensure the full benefits of the Group's digital capabilities are maximised to increase our speed to market, reduce costs and improve customer experience.

Cyber security and data protection

The Group is dependent on robust IT systems and infrastructure for most of our principal business processes which may be impacted by the significant growth of cyber threats.



An adverse event could result in significant financial loss or reputational damage due to the potential loss of, or unauthorised access to sensitive financial, personal and commercial information. This includes the Group's intellectual property ("IP") or that of our customers.

An adverse event could also result in significant negative impacts to our operational capabilities through ransomware or denial of service attacks.

Financial and reputational loss may also occur through targeted attacks such as phishing or impersonation frauds.

A dedicated Group IT Security team is in place to manage IT risks.

Policies in place regarding the protection of both business and personal information, as well as the use of IT systems and applications by our employees with oversight by the Group Data Protection Committee.

Systems in place, including ongoing audit activities, to monitor compliance with relevant privacy laws and regulations.

The Group maintains a cyber insurance policy and there were no material information or cybersecurity breaches noted over the last three years resulting in an insurance claim.

Continued investment in cyber-crime prevention and information security programme. Regular security scanning across eCommerce sites with penetration testing completed on new sites.

Regular Group IT Board and Audit Committee updates on the Group IT strategy and key Group IT risks.

Developments in 2023

Building on the ESG training provided to the Board in 2022, further external ESG training was provided to both the Audit and ESG Committees in January 2024. This training focused on Glanbia's current and upcoming reporting obligations, market insight benchmarking and the responsibilities of the Audit Committee and the Board in relation to the EU Corporate Sustainability Reporting Directive ("CSRD") reporting.

FY 2023 ESG reporting built on the processes and structures established in 2022 including the issuance of the first Glanbia GRI report in 2023. For more information on other developments and progress made on the environment topic, please refer to the Sustainability Report on pages 48 to 63.

Strong performance was noted against all of the Group's 2023 ESG target areas with continued progress taking place in the development of the Group's Scope 3 strategy. In 2023, 63% (2022: 45%) of our electricity usage was by way of renewable electricity, see page 55 for more information.

In preparation for the CSRD requirements, the Group also conducted a Double Materiality assessment in conjunction with our external advisors. This is designed to determine what disclosures are relevant under the mandatory sustainability standards, required under CSRD, with no new ESG topic noted as a result of this exercise.

2024 focus areas

The Group will continue to update the data systems and processes to meet the CSRD disclosure and evolving ESG legislative requirements.

The Board will be heavily focused on the delivery of the Group's Scope 3 strategy and the continuing commitment to its key targeted reductions in areas such as carbon, water, waste and packaging. Progress in the development of Glanbia's approach to nature and the ongoing work to enable enhanced supply chain transparency will also continue to be closely examined.

The Group is committed to supporting our customers' ESG ambitions, particularly in the provision of sustainability data in relation to carbon, and assurances on ingredient sourcing risks to meet their own public facing targets.

The Audit and ESG Committees will continue to focus on monitoring the effectiveness of the environment metrics and regulatory disclosure requirements to ensure progress is being maintained in line with expectations. Regular updates will continue to be provided to the Board to ensure climate-related impacts are understood and embedded in the Group's governance, operational and strategic model.

The Group has deployed leading ERP technologies which support the automation of our key business processes. The Group successfully upgraded its ERP system to SAP's latest technology and associated hardware, which brings enhanced machine learning and artificial intelligence ("AI") capabilities to the Group.

Fraud and cyber security exercises completed with vulnerability scans implemented across all eCommerce sites.

Continued to integrate our ERP system into acquisitions as part of the IT roadmap.

A reassessment of the optimal manner in which to leverage the D2C platform across GPN was performed during the year. This will help enable resources to be applied to the opportunities best matching the brand strategy.

Cyber security and anti-fraud control reviews were conducted against the US Department of Commerce and National Institute of Standards and Technology Cybersecurity Framework to continue to gain comfort over the effectiveness of the Group's ransomware prevention, detection and response plans.

Additional ransomware detection capability rolled out to SAP/mission critical services. The Group ransomware response policy, playbook, roles and responsibilities were updated and a ransomware simulation workshop was completed with a subcommittee of the Board, members of the Group Operating Executive and relevant Group functional leads in October 2023.

Rolled out phishing simulations across the Group, implemented a new firewall configuration management service and introduced a new multi-factor authentication solution for employee remote access.

With the latest ERP technology now in place, management will focus our digitisation programme on continuing to enhance the Group's supply chain, customer engagement, manufacturing, operations, finance, and HR systems.

A Chief Digital & Transformation Officer has been appointed to the Group Operative Executive to ensure that the Group's global support functions are structured to efficiently deliver high value business services.

Continue to progress the Tirlán (formerly Glanbia Ireland) and Leprino segregation and separation of IT infrastructure and applications from the Group in line with the transition agreements.

Continue to assess the potential benefits and risks associated with emerging AI capabilities as part of cyber risk considerations.

Continue progress on the effective integration of our IT systems and related Group monitoring controls within our recent acquisitions.

The cross-functional teams involved will continue to ensure our IP is protected through appropriate IT security measures, patent applications and related control procedures. Continue to roll out our multi-factor authentication to all employees.

Ongoing cybersecurity awareness will continue to be actively promoted through regular IT awareness communications, information security training and other initiatives to keep employees updated on new and emerging IT threats. This will continue in 2024 with follow up workshops and awareness sessions with the leadership team and Board representatives.

Continue to execute fraud and cyber security reviews and vulnerability scans across all eCommerce sites.

Principal risks and uncertainties continued

Link to strategic priorities (see pages 15 to 18)

 Grow the core

 Optimise our business

 Disciplined capital allocation

Risk trend

 Increasing

 Stable

 Decreasing

Risk	Potential impact	Mitigation
Operational/Regulatory		
<p>Talent management </p> <p>The ability to attract, develop, engage and retain appropriately qualified talent is critical if the Group is to continue to compete effectively.</p>  	<p>Failure to retain, attract and/or develop key talent, particularly in emerging areas of talent need, will impact our ability to deliver sustainable value for all our stakeholders.</p>	<p>The Group's purpose, vision and values are embedded across all levels of the Group through defined training programmes.</p> <p>A remuneration policy is in place with clear links to our strategic objectives. This policy includes a balanced approach to short and long-term incentives and is aimed at mitigating weak performance in any one year and utilising appropriate retention tools for key individuals.</p> <p>Strong recruitment processes, effective human resources policies and procedures, robust succession management planning and talent management initiatives are in place.</p> <p>Global centres of excellence are in place for a number of functions including talent acquisition, learning & development and total reward.</p> <p>Our smart working hybrid model continues to operate effectively across the Group.</p>
<p>Health and safety </p> <p>The risk of non-compliance with health and safety and/or building regulations resulting in injuries or a loss of capacity or closure at a major site.</p>  	<p>Health and safety risks to our people and the wider public.</p> <p>Reputational damage, regulatory penalties and an inability to service customer requirements due to capacity restrictions or plant closure.</p>	<p>An ESG Board subcommittee is in place and a member of the Group Operating Executive is responsible for overseeing health and safety related performance.</p> <p>The Group Operating Executive monitor the progress of our key health and safety, food safety and quality and environmental objectives. This review is focused on the effectiveness of the framework, adherence to Group policies and objectives and timely implementation of corrective actions.</p> <p>All sites are subject to regular health and safety audits by the relevant government bodies and external assurance providers.</p> <p>The Group monitors overall safety and loss prevention performance through the independently assessed GRMS programme. This enables a unified approach to identifying, mitigating, and engaging the workforce in continual improvement activities, while allowing tailored training based on people's roles.</p> <p>Dedicated health and safety officers are in place across core segments.</p>
<p>Supply chain </p> <p>The risk that ongoing geopolitical tensions, evolving on-farm environmental requirements and/or heightened inflation create significant headwinds for the business resulting in prolonged supply chain disruptions.</p>   	<p>A significant geopolitical or pandemic event could result in supply chain constraints, inflationary impacts and/or negative impacts on our international sales channels.</p> <p>Milk availability and pricing can vary from quarter-to-quarter and year-to-year with resulting impacts on production levels and input costs. This can be exacerbated by greater-than-expected inflationary impact.</p>	<p>Appropriate short-term safety stocks are in place for our core raw materials and detailed monitoring of raw material delay risks is in place with alternative sources of supply identified if required.</p> <p>Management aim to achieve a broad geographic spread for our supplier base and other functional ingredient options.</p> <p>Dairy activities in our joint venture operations include established, robust business models to manage this risk.</p> <p>Our milk and procurement strategy teams work proactively with the US patron supplier base to ensure the business remains competitive in its supplier offerings to underpin long-term sustainable supply including the provision of non-pricing value-added initiatives.</p>
<p>Product safety and compliance </p> <p>A breakdown in control processes may result in contamination of products leading to a breach of existing food safety legislation and potential consumer or employee illness.</p>  	<p>Reputational damage, regulatory penalties or restrictions, product recall costs, compensation payments, lost revenues and reduced growth potential.</p> <p>The sudden introduction of more stringent regulations such as additional labelling requirements may also cause operational difficulties.</p>	<p>The global reporting tool and core Glanbia Quality Standards ("GQS") programme continues to be in place.</p> <p>Considerable focus is placed on ensuring suitably qualified and experienced staff are employed within the Group.</p> <p>New regulatory requirements and emerging issues are captured with appropriate team training provided where necessary. A global Quality and Food Safety regulatory review was completed to identify and address any opportunities for improvement in this area.</p> <p>Management ensure that appropriate product liability insurance is maintained.</p>

Developments in 2023

Continued the implementation of Grow@Glanbia, the Group's multi-year HR transformation programme designed to support a future-ready, people centred organisation and high-performance culture.

The People Success Organisation is now operating through a centralised team which supports employees and managers in our major markets and enables our wider HR teams to focus more strategically.

Effective management focus ensured the impacts of a competitive labour market were carefully navigated.

Continued investment in building an actively inclusive culture, growing gender and racial representation and creating more equitable work practices and benefits.

The Group offers a range of best-in-class tailored programmes which include Leading the Future, Leading to Accelerate for emerging female leaders, and Leading the Glanbia Way that are all aligned to our leadership capability model.

Continued progress in our mission towards 'Zero Harm' and other health and safety initiatives during the year as outlined on page 31. Glanbia had zero fatalities or critical work related injuries during the year.

Continued close monitoring of our accident rates with a clear focus on driving effective root cause analysis across the Group. Risk assessment methods and leading indicators ("near miss" reporting) in place to help drive sustainable improvement at site level.

Standardised Group Health and Safety, and Quality and Food Safety KPIs in place aligned to industry benchmarks.

Automated Health and Safety KPI reporting is now circulated to the Group Operating Executives and relevant VP roles.

Significant management effort continued to be deployed to prevent supply chain disruptions.

Constant review of future supply, demand and expected pricing of raw materials through building relationships with suppliers. The Group's whey price volatility exposures stabilised with strategic pricing initiatives undertaken by management.

New commercial terms associated with our US joint venture were agreed as outlined on page 97.

Robust quality and auditing standards continue to be maintained with routine ESG and Audit Committee reporting. A new Food Safety Auditing programme was rolled out in 2023 to supplement existing programmes.

Invested significant management time in ensuring effective oversight of third-party manufacturing qualifications and ongoing compliance with Glanbia's food safety performance standards.

Critical incident trends continue to be closely monitored to ensure effective root cause analysis and implementation of appropriate corrective and preventive actions from previous incidents.

Each of our manufacturing sites are audited on an annual basis with internationally recognised audit schemes such as GFSI and NSF. All Glanbia sites have maintained compliant or above audit scores.

2024 focus areas

Continuing the successful execution of our people strategy which aims to sustain a high-performing, values driven and respectful culture with a diversity and inclusion focus.

DE&I targets are included in senior leader incentives. To assist target delivery, the Group is formally measuring female management representation with particular focus on hiring and retention. Through engagement surveys, employee attitudes toward DE&I measures will continue to be monitored.

Monitoring the evolving talent retention risks driven by inflationary pressures and remote working options.

Continuing to focus on the protection of our employees by engaging in wellbeing and employee communication programmes to support the Group's smart working hybrid models.

The Group HR and operational teams will continue to ensure ongoing surveillance and support across the Group to maintain business continuity and employee engagement and welfare programmes including:

- Sustaining operations in line with local geographical restrictions.
- Ensuring clearly communicated site health and safety policies and procedures are in place.
- Monitoring evolving regulations and working to ensure compliance with the ESRS Health and Safety reporting requirements.
- Implementing the Group's health and safety policies and procedures in all new acquisitions will continue to be a core focus.
- Implementing effective corrective actions to address any improvement opportunities identified.

The impact of price increases across our brand portfolio, which may disrupt demand due to price elasticity, will continue to be monitored. Any potential price increases will be managed against the Group's ambition to continue to drive revenue growth.

Ongoing engagement with our supply base to ensure sustainability of supply at a level of pricing that is both commercial and competitive.

Continuing to monitor the potential impacts of geopolitical tensions, the ESG regulatory landscape and heightened inflation, particularly in relation to the import of key raw materials and/or negative impacts on our international sales channels. Effective action will be taken where required.

Maintaining standards as we integrate new acquisitions and optimise our supply chain globally by encompassing a mix of owned and contract manufacturer facilities.

The Food Safety Auditing programme will continue to be embedded in 2024 where audit follow-ups will be a key focus.

Ensuring all sites achieve or maintain a globally recognised food safety certification in 2024.

Working to continuously improve our operations, particularly in the servicing of higher risk product sectors, while reducing our environmental impacts in a cost effective and sustainable manner.

Principal risks and uncertainties continued

[Link to strategic priorities \(see pages 15 to 18\)](#)

 Grow the core

 Optimise our business

 Disciplined capital allocation

Risk trend

 Increasing

 Stable

 Decreasing

Risk

Potential impact

Mitigation

Operational/Regulatory continued

Acquisition/Integration

 The anticipated benefits of acquisitions may not be achieved if the Group fails to conduct effective due diligence, complete the transaction or properly integrate the acquired businesses.



Below expected performance of the acquired business and the diversion of management attention to integration efforts could result in significant value destruction.

The Board approves the business case and funding requirements for all significant investments and has acquisition integration processes in place to monitor the performance of acquired businesses.

The Chief Corporate Development Officer and the Development Committee are in place to oversee acquisition and divestiture related activity.

Acquired entity management teams are typically strengthened by the transfer of experienced Glanbia managers, which assists in increasing the efficiency of integration efforts.

Mandatory post-acquisition completion and significant capital expenditure project reviews are conducted, with regular Audit Committee updates.

Financial

Taxation changes

 The Group's tax strategy may be impacted by legislative changes to local or international tax rules.



The Group may be exposed to increased tax liabilities.

The Group employs a team of tax professionals to support it in ensuring compliance with legislative requirements globally.

We constructively engage with tax authorities where appropriate and we engage advisors to clarify tax legislation to ensure that we achieve compliance with relevant tax law across the jurisdictions in which we operate.

The Audit Committee is routinely updated on the outcome of tax authority reviews. No material issues arose in any such reviews in recent years.

Developments in 2023

The Group completed the sale of its shareholdings in its Glanbia Cheese Limited and Glanbia Cheese EU Limited (collectively "Glanbia Cheese") mozzarella joint ventures to its joint venture partner Leprino Foods Company in April 2023.

The Group also completed the divestment of Aseptic Solutions, a small US bottling facility, in March 2023.

Both of the disposed businesses were deemed non-core assets arising from the strategic review performed.

The Group completed the acquisition of the B2B bioactive ingredients business of PanTheryx in quarter four 2023 for an initial consideration of \$45.1 million.

The Audit Committee assessed the impairment review of goodwill and intangibles, including an assessment of the current global economic environment, as outlined on page 114 with no issues noted.

2024 focus areas

The Board will continue to review the Group's overall portfolio as part of its strategic review processes and will evaluate potential acquisition opportunities to broaden the portfolio in this context that will drive growth and assist the Group in achieving its ambition.

Acquisition integration and post-acquisition review processes will continue to be monitored through Board and/or Audit Committee reviews. The continuing rollout of the Group ERP system, SAP, across all new acquisitions is seen by the Board as a key enabler in ensuring an effective and consistent control environment is maintained across the Group.

The Audit Committee will continue to review the impairment testing methodology, inputs, assumptions, sensitivity analysis and results of any material businesses performing below expectations.

The Audit Committee received a detailed management presentation on our tax structures and controls, the status of tax audits, the ongoing management of our current operations, overview of the global tax environment and evolving tax legislation.

Based on legislation in effect at 30 December 2023 and current financial projections, the Group does not expect to pay a material top-up tax with respect to its 2024 financial year (the year ending 4 January 2025). The Group is continuing to assess the impact of the Pillar II income taxes legislation on its future financial performance.

Management will continue to monitor developments in international tax legislation, with a focus on maintaining the Group's compliance with legislative requirements, including the new requirements following the introduction of the Pillar Two model rules in Ireland and other jurisdictions where the Group has operations.

The Group will continue to engage external tax advisors where required to clarify tax legislation to ensure that we achieve compliance with relevant tax laws across the jurisdictions in which we operate. Proactive engagement with tax authorities, when appropriate, will also continue.

Risk management continued

Going concern

Glanbia's business activities, together with the main factors likely to affect its future development and performance, are described in the Strategic Report on pages 1 to 85. After due consideration and review, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the Financial Statements.

The Group therefore continues to adopt the going concern basis of accounting in preparing its Financial Statements. In reaching this conclusion the Directors have given due regard to:

- Available cash resources, cash generation from operations, liquidity, borrowing facilities and related covenant requirements which taken together, provide confidence that Glanbia will be able to meet its obligations as they fall due. Further information on the Group's bank facilities is provided in Note 25 to the Financial Statements and outlined in the Chief Financial Officer's review on pages 40 to 45;
- Glanbia's financial risk management policies as described in Note 30 to the Financial Statements, the nature of its business activities and the factors likely to impact our operating performance and future growth; and
- The general macroeconomic environment including inflation, high interest rates and the cost-of-living crisis exacerbated by the ongoing war in Ukraine, geopolitical tensions, climate change, the recoverability of trade receivables, inventory and other assets.

Long-term viability statement

Assessment of prospects

In accordance with the Code and Listing Rule 6.1.82 (3) of Euronext Dublin Listing Rules, the Directors have assessed the viability of the Group and its ability to meet its liabilities as they fall due over a period extending to 2026. This period was chosen as it is aligned to the Group's budget and strategy plans as approved at the Board's strategy review session in December 2023. The Board considers this the most appropriate period to assess the Group's prospects taking into account its current financial position, the Group's strategy and business model and the potential impact arising from the principal risks and uncertainties. Factors considered in assessing long-term prospects include:

(a) The Group's current position

- A team of talented and committed people, focused on the delivery of Group targets in line with the Group's purpose, vision and values.
- Strong market positions in the wholly-owned segments GPN and GN and a robust joint venture business model in place.
- Global nutrition market trends remain positive and underpin the execution of the Group's strategic ambition.
- Key long-term customer relationships, brands with strong equity and leadership positions in ingredients.
- Recent acquisition of the B2B bioactive ingredients business of PanTheryx, which is highly complementary to the capabilities in GN Nutritional Solutions.
- Completion of a €100 million share buyback programme. Share buyback programmes support the Board's confidence in the strength of the Group's financial position.
- Net debt at year end decreased by \$241.3 million versus the prior year, primarily due to the strong cash generation of the Group, and the net impact of M&A activity and returns to shareholders. The net debt to adjusted EBITDA ratio remained low at 0.5 times with continuing strong cash generation.

[See the Chief Financial Officer's review on pages 40 to 45 for more detail.](#)

(b) The Group's strategy and business model

- The Group continues to evolve as a focused, purpose-led global nutrition company via its two growth platforms, GPN and GN, and through its strategic joint venture.
- The strategic agenda progressed with the completion of the sale of Glanbia Cheese Limited and Glanbia Cheese EU Limited (collectively "Glanbia Cheese") mozzarella joint ventures to the Group's joint venture partner Leprino Foods Company and the divestment of Aseptic Solutions, a small non-core US bottling facility.
- Clearly articulated business model with well-defined Group growth targets focused on building GPN top line growth and driving earnings to 2026 from GPN and Nutritional Solutions ("NS").
- Change in the Group's presentation currency from euro to US dollar to reduce the potential impact of foreign exchange volatility in future reported earnings. This came into effect from 1 January 2023.

- New commercial terms associated with our US joint venture were agreed effective January 2024, whereby Glanbia will recognise commissions earned on the sale of joint venture products. Under previous commercial terms, Glanbia recorded the gross value of revenues and corresponding cost of sales on joint venture products sold. The change in commercial terms will only impact the recognition and presentation of revenues and cost of sales from 2024 onwards, and will not have any material impact on profit.
- Clear focus on and prioritisation of the development of a diverse and talented team which remains central to our strategy as outlined in the People section on pages 28 to 31.
- The Group continues to invest for growth, with all key strategic capital expenditure projects on track and the acquisition of the bioactive ingredients business of PanTheryx completed in quarter four 2023.
- Customer demand has sustained in GPN following the 2022 price increases to continue mitigation of input cost inflation.
- Solid progress against the stated environmental, social and governance objectives as outlined in the ESG Committee report on pages 116 to 120.
- Ambition to grow through both organic investment and acquisition activity within a framework of clear capital allocation priorities.

[See the Group's business model on pages 22 to 23 and strategy on pages 15 to 18 for more detail.](#)

(c) Principal risks related to the Group's business

See pages 76 to 83 for a detailed description of each of the Group's principal risks, including climate change risk, related mitigation measures and 2024 focus areas.

Assessment of viability

The Directors' assessment of the Group's viability has been made with reference to the 2023 performance, the principal risks and uncertainties including emerging risks facing the Group and how these are managed within the Board's risk appetite as detailed on pages 75 to 83. The Directors carried out a robust assessment of the consolidated financial forecast for the current year and financial projections for future years to 2026 during its strategy and budget review session in December 2023 with due consideration to the actual and potential consequences of the ongoing war in Ukraine, geopolitical tensions,

climate change risks and the general macroeconomic environment particularly with respect to the significant judgements and estimates made in the application of its accounting policies. The Board reviewed the assessment of the Group's prospects made by management, including:

- The development of a rigorous planning process, the outputs of which are comprised of a strategic plan, a consolidated financial forecast for the current year and financial projections for future years covering the period of the plan;
- A comprehensive review of the strategic plan as part of its annual strategy review, with regular monitoring of the achievement of strategic objectives taking place at each Board meeting;
- Assumptions are developed at both Group and Business Unit levels and are subject to detailed examination, challenge and sensitivity analysis by management and the Directors;
- A consideration of how the impact of one or more of the principal risks and uncertainties, outlined on pages 76 to 83, could materially impact the Group's performance, solvency or liquidity; and
- The impact of climate change on the Financial Statements as outlined in Note 2. The assessment concluded that climate change is not expected to have a material impact on the viability of the Group in the short term. The material climate risk themes which will require close monitoring in the medium and long term are summarised on page 65.

These considerations include external factors such as the impacts of the high levels of inflation and interest rates; lower economic growth and geopolitical tension, particularly in our key areas of operation; currency exchange rate movements, principally the USD/euro and USD/sterling rate; increased regulations; and internal factors such as the strategic plan under-delivering; the loss of a key production site; or a major food safety or health and safety related event. These considerations also took into account additional mitigating measures available to the Group, including the ability to reduce capital expenditure and the potential availability of additional debt facilities. The Board is satisfied that sufficient financial headroom exists to address the potential negative impacts arising from the events considered.

Conclusions

Having considered these elements and the volatile global political landscape, the Board assessed the prospects and viability of the Group in accordance with the UK Corporate Governance Code requirements.

The Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of the assessment. The Board does not expect any reasonably anticipated geopolitical tensions, the ongoing war in Ukraine, Middle East tensions, climate change impacts or general macroeconomic condition to impact the Group's long-term viability or ability to continue as a going concern. The Board, in considering its dividend policy for the years to 2026, believes it will have sufficient distributable reserves to pay dividends. The Board assesses the Group's key financial metrics, liquidity position and projected cash flows before declaring interim and proposing final dividend.

Robust and resilient governance

Donard Gaynor
Group Chairman



“Maintaining and promoting the highest standard of corporate governance is essential to supporting the delivery of our strategy.”

Dear Shareholder,

On behalf of the Board, it is my pleasure to present the Corporate Governance Report for the year ended 30 December 2023. We have continued to deliver sustained growth and the Group maintains focus on continuing to deliver on and exceed our targets. Maintaining and promoting high standards of corporate governance is essential to supporting the delivery of this strategy. It is also a vital element of an effective board, whose primary role is to deliver robust corporate governance.

A performance driven, purpose-led global 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 progress our strategic agenda presented at our Capital Markets Day in November 2022.

Leadership succession

Hugh McGuire was appointed Chief Executive Officer of Glanbia, Executive Director and member of the Development Committee, effective 1 January 2024. The Board and Nomination and Governance Committee diligently planned for Siobhán Talbot’s succession, and we are delighted to have appointed a leader of Hugh’s calibre to the role. Full biographical details for Hugh McGuire can be found on page 88.

Board refreshment

Glanbia recognises the importance of continued Board refreshment and the benefit of appointing Directors with varied perspectives and experience. Gabriella Parisse was appointed as an Independent Non-Executive Director and member of the Development Committee effective 1 June 2023, increasing female Board membership to 46%. This follows the reduction in the representation of Tirlán Co-operative Society Limited (the “Society”) on the Board to three on 4 May 2023, when both Patsy Ahern and John Murphy retired from the Board. I thank Patsy Ahern and John Murphy sincerely for their service and commitment to the Board during their tenure. Full biographical details for Gabriella can be found on page 91.

On 30 December 2023, Róisín Brennan succeeded Dan O’Connor as Senior Independent Director. I’d like to thank Dan for his significant contribution during his time as Senior Independent Director.

Sustainability

Sustainability remains a key focus for the Group and we continued to prioritise significant sustainability projects in 2023. We are committed to delivering better nutrition in a sustainable manner and to our ambitious Environmental Social and Governance (“ESG”) goals. Our ESG strategy is grounded on clear science-based targets and we are proud to have recently committed to the UN 2030 Agenda for Sustainable Development. We are also proud to report that our first ESG targets set in 2021 under the 2018 Long Term Incentive Plan were met in full.

The Group is committed to transparent reporting of our environmental and social impact and were pleased to have published our first Global Reporting Initiative (“GRI”) sustainability report in May 2023, in accordance with the GRI standards.

[Further details on our sustainability strategy can be found on pages 46 to 71.](#)

Stakeholder engagement

Stakeholder engagement, and understanding the views of our stakeholders, is a core part of my role as Group Chairman. During 2023, representatives of the Group held meetings with shareholders and attended a number of investor conferences in the UK, Europe and the USA. Meetings were held face-to-face where possible and included an investor event in London. Additionally, the Remuneration Committee completed a shareholder consultation process as part of the review of the remuneration policy (for the period 2024 to 2026) and engaged with proxy advisors and their feedback is reflected in the remuneration policy which was approved by the Board on 21 February 2024 and will be put to shareholders for their consideration at the 2024 AGM of the Company. These meetings provided a valuable opportunity to outline the Board’s priorities and perspectives on certain matters and to ascertain shareholders’ views on a wide range of topics such as Board composition, succession planning, our strategy, capital allocation policies and our approach to sustainability and remuneration.

[Further details on how we engage with our stakeholders are set out on pages 50 to 51.](#)

Culture

The success of Glanbia derives from the efforts, expertise and collaboration of the people who work for the Group. The Board and senior management are

committed to building a safe, inclusive and diverse organisation. The Board received a number of updates during 2023 on how the Group’s culture and values are embedded and the Board is committed to fostering a supportive, inclusive and diverse culture to create a safe space for employees to be themselves at work. ‘Together We Are More’ is part of Glanbia’s Diversity, Equality and Inclusion (“DE&I”) vision that the business truly stands by. The more included we feel, the more we can achieve together.

We have a robust DE&I policy with a framework for Employee Resource Groups (“ERGs”) to ensure that all employees can network, bring their true selves to work and thrive. Our ERGs play a valuable role in providing a vehicle for Glanbia to listen to employee voices and to address the needs and barriers their members may face. This year our ERGs for female, multicultural and LGBTQIA+ employees increased in members, furthered their agendas and hosted a number of inspirational speakers who bravely shared their stories, created awareness of barriers and educated many on how to be better allies to our colleagues.

[For more on our culture and values see pages 28 to 31 and 95, and for DE&I policies see page 30.](#)

Employee engagement

Employee engagement is key to a strong internal culture. I am delighted to say that in 2023 we resumed in-person employee roadshows, bringing our leaders to meet thousands of employees at townhall-style meetings and giving us the opportunity to reconnect and exchange ideas with our people.

In 2023, Glanbia conducted an employee engagement survey which highlighted an overall good performance and identified certain opportunities for improvement. 80% of the Group’s employees participated in the survey which was very encouraging. We’re listening to our people and acting on their feedback. Key areas of focus that our employees are interested in are wellbeing, communication and belonging.

[For more on our employee engagement see pages 28 to 31.](#)

Management and Committee changes

Steve Yucknut succeeded Hugh McGuire as CEO of Glanbia Performance Nutrition, effective 1 January 2024 and has also

joined the Group Operating Executive. There were a number of changes in the Committees during 2023, which are discussed in more detail in the Nomination and Governance Committee Report on pages 121 to 125.

Board review

In 2023, the performance review of the Board, its Committees and individual Directors was externally facilitated by Board Excellence. The outcome of this review was positive. Further information on the external Board review process and results can be found on page 105.

Looking ahead

As a Board, we have a busy year ahead with a number of governance priorities. We take our legal and regulatory obligations seriously and seek to demonstrate this through consistent adherence to our obligations and by reviewing and updating our governance processes to reflect the latest developments in best practice corporate governance and to ensure continued compliance with the UK Corporate Governance Code (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 2024 Annual General Meeting (“AGM”) which will be held on 1 May 2024 at 11.00 a.m. at The Newpark Hotel, Castlecomer Road, Kilkenny, R95 KP63, 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, by e-mail at 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, without whose commitment and talents we could not continue to deliver the high standard of excellence for which Glanbia is known.



Donard Gaynor
Group Chairman

Current Board of Directors and Senior Management

Group Chairman, Executive Directors and Secretary

Leading by example



Donard Gaynor

Group Chairman and Non-Executive Director

12 March 2013

Ten full years

Extensive knowledge of the food and beverage industry with significant commercial acumen and deep insight into international business.

Donard Gaynor was appointed Group Chairman on 8 October 2020. Donard Gaynor retired in December 2012 as Senior Vice President of Strategy and Corporate Development of Beam, Inc., the premium spirits company previously listed on the New York Stock Exchange. A Fellow of Chartered Accountants Ireland and the American Institute of Certified Public Accountants, he joined Beam, Inc. in 2003 as Senior Vice President and Managing Director – International. Prior to this, he served in a variety of senior executive leadership roles with The Seagram Spirits & Wine Group in New York and was also Audit Client Services Partner with the New York office of PwC.

None.



Hugh McGuire

Chief Executive Officer and Executive Director

1 January 2024

Five full years (over each of his terms)

Extensive strategic, corporate development and acquisition experience. Strong leadership qualities acquired from a successful career within Glanbia plc.

Hugh McGuire was appointed as Chief Executive Officer on 1 January 2024. Hugh joined Glanbia in 2003 and previously held a range of senior leadership roles across the Group. He served as Chief Executive Officer of Glanbia's Performance Nutrition business ("GPN") from 2008 to 2023 where he led a period of substantial growth in the business. He has been a member of the Group Operating Executive since 2013 and previously served on the Board from June 2013 to April 2019. Prior to joining Glanbia, he worked with McKinsey & Company, Nestle and Leaf. Hugh graduated with an M.Sc. in Food Science from University College Dublin and has a Diploma in Accounting and Finance from the Association of Chartered Certified Accountants Ireland.

Director of ClonBio Group Limited



Mark Garvey

Chief Financial Officer and Executive Director

12 November 2013

Ten full years

Strong background in finance and global executive management and extensive experience in the food and beverage industry.

Mark Garvey was appointed as Chief Financial Officer on 12 November 2013. Prior to joining Glanbia he held the position of Executive Vice President and Chief Financial Officer with Sara Lee Corporation, a leading global food and beverage company. Mark also held a number of senior finance roles in the Sara Lee Corporation in the US and Europe and prior to that he worked with Arthur Andersen in Ireland and the US. A Fellow of Chartered Accountants Ireland and the American Institute of Certified Public Accountants, Mark graduated from University College Dublin with a Bachelor of Commerce degree and Diploma in Professional Accounting and has an Executive MBA from Northwestern University, Illinois, USA.

None.



Date of appointment

Board tenure / Tenure

Skills and expertise

Experience

Key external appointments

Committee memberships

Key





Liam Hennigan

Group Secretary and Head of Investor Relations

4 April 2022

One full year

In-depth knowledge of the consumer goods sector, strategy, finance, restructuring, mergers, acquisitions, capital markets and communications.

Liam Hennigan was appointed Group Secretary and Head of Investor Relations on 4 April 2022, having previously held the position of Group Director of Strategic Planning and Investor Relations. Liam joined the Group in 2014 as Head of Investor Relations and later took on added responsibility for Strategic Planning. Liam previously worked as a Corporate Finance Director with PwC and prior to that at Diageo plc where he worked in brand innovation and marketing procurement. Liam has lived and worked extensively in the UK, USA, Spain and Ireland. He holds a degree in Food Technology from University College Cork, as well as an MBA from IE Business School, Spain and a diploma in Accounting from the Association of Chartered Certified Accountants.

None.

UK Corporate Governance Code and Irish Corporate Governance Annex Statement of Compliance (the "Codes")

The Board continues to be committed to maintaining the highest standards of corporate governance. This Corporate Governance Statement describes how throughout the financial year ended 30 December 2023, Glanbia applied the principles of the Codes, and complied with the provisions of the Codes with the exception of the following explained occurrences of non-compliance. The UK Corporate Governance Code recognises 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 Board is comprised of 13 members: the Group Chairman, two Executive Directors and ten Non-Executive Directors including three representatives nominated by the Society, with the Independent Non-Executive Directors making up 50% of the Board excluding the Group Chairman. 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 between Glanbia plc and the Society.

Provision 12 (Appointment of Senior Independent Director)

Dan O'Connor served as Senior Independent Director from 1 May 2019 to 30 December 2023, having been appointed as an Independent Non-Executive Director on 1 December 2014. While Mr O'Connor's tenure on the Board exceeded nine years on 1 December 2023, the Board is satisfied that he demonstrated independence of character and judgement for the entirety of his term as Senior Independent Director.

Róisín Brennan, who was appointed as an Independent Non-Executive Director on 1 January 2021, succeeded Dan O'Connor as Senior Independent Director on 30 December 2023.

Provision 17 (Composition of the Nomination & Governance Committee)

Provision 17 provides that a majority of members of the Nomination and Governance Committee (the "Committee") should be Independent Non-Executive Directors. Membership of the Committee comprises

the Group Chairman, Róisín Brennan and Dan O'Connor. While Mr O'Connor's tenure on the Board exceeded nine years on 1 December 2023, the Board believes that it is appropriate for him to remain a member of the Committee and Board until the 2025 AGM to facilitate ongoing Board succession planning. The Board is satisfied that he continues to demonstrate independence of character and judgement and is free from any business or other relationship that could affect his judgement. The Board will review the composition of the Committee during 2024 in order to comply with Provision 17.

Provision 19 (Chairman tenure)

In accordance with the Relationship Agreement between Glanbia plc and the Society, 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 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's performance is evaluated annually and the Board is satisfied that he continues to demonstrate independence of character and judgement and is free from any business or other relationship that could affect his judgement.

Provision 38 (Pension contributions)

During 2023 we reviewed our workforce pension arrangements so that our Executive Directors would be aligned to the workforce rate in Ireland. From 1 January 2023, the pension contribution for the Group Managing Director and Chief Financial Officer was reduced from 26.5% and 25% of salary respectively to 12% for both. As part of our commitment to supporting the financial wellbeing of our employees, the Group has enhanced, effective 30 December 2023, its employer contribution to our Defined Contribution Scheme (the "DC Scheme"). DC Scheme members can choose to participate and Glanbia will match their contributions up to a maximum of 12% in line with the Executive Directors. 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 this Corporate Governance report.](#)

Current Board of Directors and Senior Management continued

Senior Independent Director, Non-Executive Directors



Róisín Brennan

Senior Independent Director and Non-Executive Director

Date of appointment

1 January 2021

Board tenure

Three full years

Skills and expertise

Extensive strategic and financial advisory experience across many sectors including food and fast moving consumer goods (“FMCG”).

Experience

Róisín Brennan is a former Chief Executive of IBI Corporate Finance Ltd and has over 20 years of investment banking experience, particularly advising public companies in Ireland. She brings strong strategic and financial advisory experience across many sectors including food and FMCG to the Board. Róisín is currently a Non-Executive Director of Ryanair Holdings plc, Musgrave Group plc and Dell Bank International DAC. Formerly, she was a Non-Executive Director of DCC plc from 2005 until 2016 and is also a former Non-Executive Director of Hibernia REIT plc, Wireless Group plc, Coillte DAC and The Irish Takeover Panel. A Fellow of Chartered Accountants Ireland, Róisín graduated from University College Dublin, Ireland with a Bachelor of Civil Law degree.

Key external appointments

Non-Executive Director of Ryanair Holdings plc, Musgrave Group plc and Dell Bank International DAC.

Committee memberships



Paul Duffy

Non-Executive Director

1 March 2021

Three full years

Experienced Chairman and Chief Executive Officer with extensive knowledge of the consumer and beverage industry with significant strategic and brand experience.

Paul Duffy is a former Chairman and CEO of Pernod Ricard North America, a global leader in the Wine and Spirits industry. During his 25 year career with Pernod Ricard, Paul held a number of senior management positions including Chairman and CEO roles at Pernod Ricard UK, The Absolut Company (Sweden) and Irish Distillers. He served on the Pernod Ricard worldwide management executive committee. Paul is currently a director of W.A. Baxter & Sons, a United Kingdom Food Group and is a former director of Corby Spirit and Wine Limited, a leading Canadian marketer and distributor of spirits and wines listed on the Toronto Stock Exchange. Paul is a Fellow of Chartered Accountants Ireland and is a graduate of Trinity College Dublin, Ireland.

Non-Executive Director of W.A. Baxter & Sons and Chairman of Irish Children’s Museum CLG



Ilona Haaijer

Non-Executive Director

1 August 2022

One full year

Extensive and significant leadership experience of strategic development, change management, mergers and acquisitions and leading complex, global businesses in the food ingredients and consumer sectors.

Ilona Haaijer is a former President and CEO of DSM Food Specialties, President of DSM Personal Care and also previously served as CEO of Bugaboo International, CEO of Philips AVENT, Vice President Corporate Strategy of Royal Philips Electronics, and as a Consultant at The Boston Consulting Group. Ilona brings significant international experience of food ingredient and consumer oriented businesses and is currently a Non-Executive Director of Corbion N.V., an Amsterdam based Euronext listed food and bio-technology company. Formerly, she was a Non-Executive Director of RPC Group plc and Royal Boskalis Westminster N.V.. Ilona graduated from the University of Groningen, Netherlands with an MA in Business Economics.

Non-Executive Director of Corbion N.V and Muziekgebouw Eindhoven (Eindhoven Concert Hall).





Jane Lodge

Non-Executive Director

1 November 2020

Three full years

In-depth knowledge of international business, management, corporate transactions, corporate governance and reporting gained from a successful career with Deloitte.

Jane Lodge is a former Senior Audit Partner of Deloitte with extensive knowledge and experience of international businesses in a wide range of sectors. Jane served on the Deloitte UK Board of Partners and was the UK Manufacturing Industry Lead Partner. She is currently a Non-Executive Director of TI Fluid Systems plc, FirstGroup plc and Bakkavor Group plc. She is a former Non-Executive Director of Devro plc, Sirius Minerals plc, Costain Group plc and DCC plc. A Fellow of the Institute of Chartered Accountants in England and Wales, Jane graduated from University of Birmingham, United Kingdom with a BSc in Geology.

Non-Executive Director of TI Fluid Systems plc, FirstGroup plc and Bakkavor Group plc.



Dan O'Connor

Non-Executive Director

1 December 2014

Nine full years

Strong, strategic leadership acquired from 30 years international and financial services sector experience.

Dan O'Connor is currently Chairman of Activate Capital Limited and a Director of Oriel Windfarm Limited. He is former Chairman of International Personal Finance plc and a former Non-Executive Director of CRH plc. Dan is a former President and Chief Executive Officer of GE Consumer Finance Europe and a former Senior Vice-President of GE. He was Executive Chairman of Allied Irish Banks plc from 2009 until 2010. A Fellow of Chartered Accountants Ireland. Dan graduated from University College Dublin, Ireland with a Bachelor of Commerce degree and Diploma in Professional Accounting.

Chairman of Activate Capital Limited and Director of Oriel Windfarm Limited.



Gabriella Parisse

Non-Executive Director

1 June 2023

Less than one full year

Significant experience in consumer brand development, the food ingredients industry, innovation and strategic leadership of multinational businesses.

Gabriella is currently the President and CEO of Velcro Companies and has more than 35 years of international experience in consumer goods and business to business industries. Gabriella joined Velcro Companies in October 2018 as Chief Marketing Officer and President of the Consumer division, and prior to her appointment as CEO in 2021 served as Chief Growth Officer. Prior to Velcro Companies, Gabriella served on the Executive Committee of Tate & Lyle plc, a global food ingredients business, as President of Innovation and Commercial Development, reporting to the CEO. Previously, Gabriella spent 26 years with Johnson & Johnson in a variety of global senior leadership roles. Gabriella graduated from the University of Rome, Italy with a Masters Degree in Statistics and Demographic Sciences.

President & CEO of Velcro Companies.



Kimberly Underhill

Non-Executive Director

1 August 2022

One full year

Extensive and significant leadership experience in US and international consumer products businesses, with particular strength in product development, marketing, portfolio management, brand-building, strategic planning and international business development.

Kimberly Underhill is a former Group President, Consumer Business North America of Kimberly-Clark. During her 33 year career with Kimberly-Clark, she held roles within research and engineering, operations and marketing. Kimberly served as Global President, Kimberly-Clark Professional and as President, Consumer Europe. Kimberly is currently a Non-Executive Director of Foot Locker Inc., the global sportswear and footwear retailer listed on the New York Stock Exchange. She also serves on the Board of Trustees of Theda Care Regional Medical Centre and is a Director of The Menasha Corporation (a privately held company that is a packaging manufacturer and provider of supply chain solutions). Formerly, Kimberly chaired the Network of Executive Women and was a Director of the Food Marketing Institute. Kimberly graduated from Milwaukee School of Engineering with a MSc in Engineering Management, and Purdue University, USA with a BSc in Chemical Engineering.

Non-Executive Director of Foot Locker Inc., and a Director of The Menasha Corporation.



Key

- Audit Committee
- Development Committee
- Nomination and Governance Committee
- Environmental Social and Governance Committee
- Remuneration Committee
- Chair

Board of Directors and Senior Management continued

Non-Executive Directors nominated by the Society



Brendan Hayes

Non-Executive Director nominated by the Society

2 June 2017

11 full years (over each of his terms)

Extensive knowledge of the global food and beverage industry and significant experience in the governance and strategic management of a global business gained from his tenure on the boards of Tirlán Co-operative Society Limited and Glanbia plc.

Brendan Hayes farms at Ballyquinn, Carrick-on-Suir, Co. Waterford, Ireland and previously served four full years on the Board. He was appointed Vice-Chairman of Tirlán Co-operative Society Limited on 8 October 2020. Brendan has completed the Diploma in Corporate Direction in University College Cork, Ireland.

Vice-Chairman of Tirlán Co-operative Society Limited.



John G Murphy

Non-Executive Director nominated by the Society

29 June 2010

13 full years

Extensive knowledge of the global food and beverage industry and significant experience in the governance and strategic management of a global business gained from his tenure on the boards of Tirlán Co-operative Society Limited and Glanbia plc.

John G Murphy farms at Ballinacoola, Craanford, Gorey, Co. Wexford, Ireland. John served as Group Vice-Chairman between 2 June 2017 and 8 October 2020. John was appointed Chairman of Tirlán Co-operative Society Limited on 8 October 2020. John has completed the University College Cork Diploma in Corporate Direction.

Chairman of Tirlán Co-operative Society Limited.



Patrick Murphy

Non-Executive Director nominated by the Society

26 May 2011

12 full years

Extensive knowledge of the global food and beverage industry and significant experience in the governance and strategic management of a global business gained from his tenure on the boards of Tirlán Co-operative Society Limited and Glanbia plc.

Patrick Murphy farms at Smithstown, Maddoxtown, Co. Kilkenny, Ireland. Patrick served as Group Vice-Chairman until 8 October 2020 having served as Vice-Chairman for over five years over two separate terms. He is Vice-Chairman of Tirlán Co-operative Society Limited. Patrick is a Director of Farmer Business Developments plc, FBD Holdings plc and FBD Insurance plc.

Vice-Chairman of Tirlán Co-operative Society Limited, Director of Farmer Business Developments plc and Non-Executive Director of FBD Holdings plc and FBD Insurance plc.

ESG

Date of appointment

Board tenure / Tenure

Skills and expertise

Experience

Key external appointments

Committee memberships

Senior management, Group Operating Executive



Ian Doyle

Chief Corporate Development Officer

4 January 2022

Two full years

A deep knowledge of international corporate finance with extensive experience negotiating and structuring complex acquisitions, divestitures, investments and partnerships.

Ian Doyle is Chief Corporate Development Officer and is responsible for the development and implementation of our ESG strategy and for identifying partnership, acquisition and new business opportunities globally. Prior to joining Glanbia, he was Managing Director in the North American Consumer Retail Group of Nomura Securities with responsibility for food and beverage companies. Previously Ian was based in London and was part of Lehman Brothers' European investment banking business. He holds a degree in Business Studies and German from Trinity College Dublin, Ireland.

None.



Brian Phelan

CEO Glanbia Nutritionals

1 January 2004

Twenty full years

Experienced chief executive officer who has extensive strategic, commercial and corporate development experience. Strong leadership qualities acquired from a successful career within Glanbia.

Brian Phelan was appointed as CEO of Glanbia Nutritionals on 1 June 2013 and served as a Director of the Company between January 2013 and April 2019. Brian was previously Group Human Resources & Operations Development Director from 2004 to 2012. Since joining the Group in 1993, he has held a number of senior management positions. Prior to this, he worked with KPMG. He graduated from University College Cork, Ireland with a Bachelor of Commerce degree and is a Fellow of Chartered Accountants Ireland.

None.



Sue Sweem

Chief Human Resources Officer

1 December 2021

Two full years

A deep knowledge of global human resources management with expertise in organisation development shaping the culture and capabilities of the business, and supporting the integration of acquisitions.

Sue Sweem is Chief Human Resources Officer and has responsibility for the strategic leadership of Group Human Resources within Glanbia. Previously, she was Chief People Officer for GPN from 2015 to 2021 and held other HR positions in GPN since joining in 2012. Prior to joining Glanbia, Sue was a HR Director at Walgreens and gained international experience while serving as Head of HR in the US for AkzoNobel, a global company based in The Netherlands. Sue holds a PhD in Organization Development from Benedictine University, a Masters degree in HR & Industrial Relations from Loyola University and a BS in Sociology from Iowa State University, USA.

None.



Steve Yucknut

CEO Glanbia Performance Nutrition

1 January 2024

Less than one year

Strong leadership qualities with particular experience in business transformation, operations, mergers and acquisitions and performance improvement. Extensive tenure in the food and beverage industry.

Steve was appointed CEO of Glanbia Performance Nutrition on 1 January 2024 having previously held the position of President, GPN Americas. Steve joined the Group in 2015 as Chief Operating Officer of GPN and in 2019 took on the added responsibility of Chief Transformation Officer of GPN. Prior to joining Glanbia, Steve spent more than 25 years with Kraft Foods, holding a number of senior management positions across a range of markets and businesses, in the areas of product supply, R&D and sustainability. He holds a Masters degree in Manufacturing from DePaul University, USA.

None.

Corporate Governance Report continued

Board Leadership and Company Purpose

The Board has an ongoing focus on stakeholder engagement to ensure we build a culture that fosters engagement and enables us to develop successful relationships with our stakeholders. As outlined on pages 50 and 51, stakeholder engagement occurs at all levels of the organisation and we work collaboratively with our customers, suppliers, shareholders and the communities in which we operate.

Shareholder engagement

Effective communications with shareholders is a key priority and the Group devotes considerable time and resources each year to shareholder engagement. The Group Chairman, together with the Senior Leadership Team and Investor Relations team maintain active engagement and dialogue with the investment community and our shareholders to discuss key issues including strategy, sustainability capital allocation, remuneration and governance. There was regular dialogue with individual shareholders and the investment community during 2023 and ongoing engagement with shareholders both at in person and virtual investor conferences and roadshows, as and when necessary, as well as at the time of the release of the annual report and financial results. Details on the issues covered in those meetings and the views of shareholders are circulated to the Board regularly.

A brief outline of the nature of the activities undertaken by our Investor Relations team in 2023 is set out below.

2023 Shareholder engagement

First Quarter 2023

- Released the Full Year Results, along with accompanying presentation, webcast and conference call.
- Investor roadshows were held following the release of formal announcements.
- Media Briefings and interviews were provided on various issues.
- Industry Conferences: attended key sector and investor conferences affording members of the senior management team the opportunity to engage with key investors and analysts.

Second Quarter 2023

- Released the Interim Management Statement, along with accompanying presentation, webcast and conference call.
- 2023 Annual General meeting.
- Investor presentation made available on the Group's website and an analyst event held in London.
- The Group Chairman completed a number of shareholder engagements.

Third Quarter 2023

- Released the Half Year Results, along with accompanying presentation, webcast and conference call.
- Investor roadshows were held following the release of formal announcements.

Fourth Quarter 2023

- Released the Interim Management Statement along with accompanying presentation, webcast and conference call.
- Completed a shareholder consultation on proposed changes to the Group's Remuneration Policy. This consultation was led by the Chair of the Remuneration Committee with feedback shared by the Remuneration Committee members and the Board.
- Attended a number of investor conferences to engage with shareholders.

 For more information see pages 50 to 51.

Employee engagement

Meaningful engagement with our employees is key to attracting, developing and retaining a talented, dedicated and motivated workforce which ensures the successful delivery of our strategy and achievement of our purpose. The Workforce Engagement Director, Group Chairman Donard Gaynor provides regular feedback to the Board on employee engagement activities during the year. The global survey of employees known as 'Your Voice' is carried out annually and its findings are reviewed by the Board.

A key focus in 2023 was the development of a wellbeing strategy for our employees. A series of initiatives were launched and activities hosted to promote and prioritise positive physical and mental employee wellbeing. We have made hybrid working an integral part of our culture and our blended work model supports productivity and employee wellbeing. During the year, the Board also received regular updates on the health, safety and wellbeing of employees. Furthermore, the Workforce Engagement Director held a number of in-person meetings with a broad cross-section of employees across Ireland and the US.

 For more information see pages 28 to 31.

Customers and consumers

Maintaining a broad portfolio of consumer brands and nutritional ingredients is key for our customers and consumers. The Board regularly reviews both innovation and inorganic opportunities to enhance the Group's portfolio and to ensure that it has sufficient depth in its portfolio to meet consumer demand. The Board is also constantly exploring new ways to meet consumers' and customers' needs by listening to consumers' needs and collaborating with our customers. Furthermore, we consider customer and consumer engagement matters as part of the overall Group sustainability strategy. We also assess recommendations in respect of our brands' positioning and focuses on household penetration, net promoter scores and consumption rates.

In terms of the Group's investment in Research & Development activities, the Board, together with management, ensures focus is given to those projects that can best meet customers' needs and thereby enable the Group to achieve its purpose and strategic objectives in relation to revenue growth, margin expansion, return on investment and enabling the delivery of Better Nutrition in a more environmentally sustainable manner.

 For more information see pages 32 to 39.

Local communities

Our vision is to have a positive social and economic impact on our communities, by promoting health and wellbeing while protecting the environment. The Board considers the maintenance of close and supportive relationships with the communities in which Glanbia operates to be of particular importance to the Group. We aim to create long-term value for the communities in which we live, work, source and sell. By ensuring we empower people, increase their access to opportunities and champion inclusion and diversity, we can help build thriving communities and strengthen our business. The Board considers local community engagements as part of the overall Group sustainability strategy. We support and receive updates on Glanbia's involvement in local communities and charitable partnerships.

 For more information see pages 50 and 51.

Suppliers and business partners

As a Group, we are committed to excellence in food safety and quality and adhere to international standards at our manufacturing sites. We take environmental stewardship seriously, supporting our suppliers and safeguarding animal welfare and life on land. The Board, together with management, ensure that the organisation works with suppliers who provide raw materials to the required safety and quality standards, produced on a sustainable basis and with the proper regard for the fair treatment of workers across the supply chain. Our suppliers must be compliant with the regulations and social customs of the countries in which they operate. The Board receives updates on the operation of the Group procurement function and supply chain priorities and initiatives, and we continuously engage with dairy producers as part of the review of our joint venture operations.

 For more information see pages 50 and 51.

Government and non-governmental organisations (NGOs)

As a Board we are cognisant of the regulatory environment in which we operate. The Board engages indirectly with government, regulators, NGOs and policy makers through regular reports from the Senior Leadership Team and management. In particular, the Board has received regular briefings during the year on the macroeconomic environment, world events and emerging geopolitical trends. Management also provided the Board with an analysis of potential developments in regulation and tax policies.

 For more information see pages 50 and 51.

Purpose, values and culture

Purpose

We have a clear purpose to deliver better nutrition for every step of life's journey. Our purpose communicates the Group's strategic direction and intentions to our employees and wider stakeholders.

Our values

Glanbia has a very distinct set of values which articulate the qualities we embody and our underlying approach to doing business. Our values, which are at the heart of our business and culture, are embedded in our operational practices through the policies approved by the Board and the direct oversight and involvement of the Executive Directors. Glanbia's values of: Customers' champion; Performance matters; Find a better way; Winning together; and Showing Respect are the code by which the Group operates both internally and externally.

Our culture

Our business spans several continents, but our culture is universal. Our culture has developed from our values and is a key strength of our business. Fuelled by a positive growth mindset, Glanbia leaders inspire and empower others to maximise their performance and potential. The Board reinforces our culture and values through its decisions, strategy and conduct. The Board monitors the Group's culture through several cultural indicators such as:

- management's attitude to risk;
- health and safety data; and
- compliance with the Group's policies and procedures:
 - key performance indicators, including staff retention;
 - messages received via the Group's whistleblowing 'Speak-Up' system;
 - promptness of payments to suppliers;
 - independent assurance is sought via the internal audit function and other outsourced advisers; and
 - employee surveys.

A key consideration during our recruitment process is a potential candidate's 'fit' with our culture and values. We reinforce our culture and values during our induction programme, town halls, and monitor our employees' 'fit' through performance appraisals. Our senior management teams undertake training to ensure they are supporting their teams and encouraging the behaviours which align with our culture. In addition, the Board receives regular updates from the Chief Executive Officer and Chief Human Resources Officer on the health, safety and wellbeing of employees.

 For more information see pages 28 to 31.

**Q&A with Donard Gaynor,
 Group Chairman and
 Director of Workforce Engagement**



We're listening to our employees

Q
What is your main focus as the Board's Workforce Engagement Director?

A
 As part of this role, I engage directly with employees from across the Group. This allows me to get a better insight and understanding of the views of our employees and any concerns they may have. I ensure our employees views can be considered in Board discussions and decision making. I also regularly meet with Sue Sweem, the Group's Chief Human Resources Officer, to understand the key issues affecting our employees. In 2023, the Group was delighted to launch a Group-wide human resources information system which will assist with providing an improved employee information experience.

Q
Why are employee engagement sessions important to you?

A
 I really value meeting employees from different levels, functions and regions of the organisation. The sessions are open and constructive and allow me to explore trends in the survey results and share this information with the Board. It is wonderful to see our employees demonstrate passion and pride in the Company, its brands and our collaborative culture. Our employees are key to the Group's success and it is important to me to meet face-to-face in a space where they can share their insights.

Q
What are some of the key themes from the 2023 "Your Voice" survey results?

A
 Participation in the survey increased significantly in 2023 with a response rate of 80% which speaks to increased engagement within the organisation. Our employee engagement levels have continued to grow year-on-year, and we believe the reasons for these improvements have been the two-way dialogue and listening strategy we have employed. In particular, we welcomed increased engagement from our hourly workforce and received positive feedback around changes that are happening around wellbeing, hybrid working and parental leave. Our people continue to be interested in developments around career progression and continued learning which is very positive.

Q
What is your focus for 2024?

A
 I hope to continue the two-way direct dialogue through my engagement sessions to ensure we are listening to our employees and that their views are communicated to the Board. I will also continue to focus on wellbeing and employee communications to support our hybrid working model. This is key to the successful execution of our people strategy which aims to maintain a high-performing, values-driven and respectful culture.

[For more information see page 94.](#)



2023 Board highlights

The Board is responsible for promoting the long-term sustainable success of the Group to generate value for its stakeholders and contribute to the wider society. The Board recognises that the alignment of the Group's purpose, strategy and culture is a cornerstone of its leadership role and critical to our success.

The following pages provide an overview of a range of matters that the Board considered at its meetings. These are non-exhaustive and detail the breadth of oversight provided by the Board in order to discharge responsible leadership. The Board considerations in relation to stakeholder engagement can be found on pages 50 to 51 and page 94.

Key Board Considerations

Strategy and performance	<p>The Board had a strong focus on shareholder value creation and returns.</p> <ul style="list-style-type: none"> The Board continues to perform its duties and functions with the Group's purpose of delivering 'Better Nutrition' front and centre of its decision making. In May 2023 the Board approved the raising of full year guidance to between 7% and 11% adjusted EPS growth constant currency, which was increased to between 12% and 15% adjusted EPS growth constant currency in August 2023 and to between 17% and 20% adjusted EPS growth constant currency in November 2023. In October 2023, the Board received detailed strategic updates from senior management. The Board focused on feedback from its shareholders on strategy and performance throughout the year. 	<p>Further details are available on pages 15 to 21.</p>
Presentation currency change	<ul style="list-style-type: none"> The Group's reporting currency was changed from euro to US dollar in 2023 to better align with the Group's core markets and to reflect the fact that a significant majority of the group's revenues are generated in US dollar. 	<p>Further details are available on page 185.</p>
M&A activity	<ul style="list-style-type: none"> The Board approved and completed the acquisition of the B2B bioactive ingredients business of PanTheryx, in quarter four, 2023. The acquisition complements Glanbia Nutritionals' dairy activities and is a natural progression for the Group within this category. The Development Committee continues to monitor the M&A market and regularly updates the Board on potential acquisition opportunities. 	<p>Further details are available on page 41.</p>
Change in US joint venture commercial arrangements and change to EBITDA	<p>Following an announcement on 16 August 2023, the Group has amended the commercial arrangements associated with its US joint venture. Under the new commercial terms, the Group will recognise commissions earned on the sale of joint venture products. Under previous commercial terms, the Group recorded the gross value of revenues and corresponding cost of sales on joint venture products sold. The change in commercial terms will impact the recognition and presentation of revenues and cost of sales from 2024 onwards only.</p>	<p>Further details are available on page 41.</p>
Disposal of interest in Cheese joint venture	<ul style="list-style-type: none"> In April 2023, as part of the Group's ongoing focus on optimising its portfolio, the Board oversaw the sale of the Company's shareholdings in its Glanbia Cheese Limited and Glanbia Cheese EU Limited (collectively "Glanbia Cheese") mozzarella joint ventures to Leprino Foods Company, its joint venture partner in these businesses. 	<p>Further details are available on page 41.</p>
Transition following disposal of Glanbia plc's 40% interest in Tirlán	<ul style="list-style-type: none"> The Board continued to oversee a period of transition following the sale of the Company's minority interest in Tirlán, which completed in April 2022. The Group continues to provide certain business supports to Tirlán for a defined period. The Board continues to evolve the Group's structure and growth strategy following the disposal and other portfolio changes. 	<p>Further details are available on pages 43 and 79.</p>
Share buyback programmes	<ul style="list-style-type: none"> In March 2023, the Group commenced a share buyback programme of €50 million, which was subsequently extended by a further €50 million in May 2023. The buyback programme completed on 15 September 2023. Between 1 March 2023 and 15 September 2023, Glanbia deployed €100 million, repurchasing 7,215,827 ordinary shares on Euronext Dublin at an average price of €13.86 per share. 	<p>Further details are available in Note 22 to the Financial Statements.</p>

Corporate Governance Report continued

Board Leadership and Company Purpose continued

Key Board Considerations		
Group sustainability strategy	<ul style="list-style-type: none"> The Board oversaw the publication of the Company's first GRI Report, in accordance with the GRI standards. The report outlines the progress we are making and sets out our future commitments and action plans. The Board approved that the Group become signatories to the UN Global Compact. This requires a voluntary pledge by member companies to operate responsibly in alignment with universal sustainability principles. 	Further details are available on pages 49 to 71.
Diversity, equity and inclusion ("DE&I")	<ul style="list-style-type: none"> The Board is dedicated to meeting its diversity targets for Board members and senior leadership roles. The Board focused on equipping talent acquisition with the resources to attract and source under-represented talent and educate hiring managers on inclusive hiring practices. The Board rolled out a revised Code of Conduct training for employees. The Board placed an increased emphasis on employee engagement, awareness and impact. 	Further details are available on pages 28 to 31.
Capital investment	<ul style="list-style-type: none"> Glanbia's total investment in capital expenditure (tangible and intangible assets) was \$74.2 million (2022: \$72.5 million). Strategic investment totalled \$51.7 million. Key strategic projects included IT investments, business integrations and ongoing capacity enhancement to drive further efficiencies in operations and new process technologies in Glanbia Nutritionals, nutritional solutions business. The Board is focused on cash generation, disciplined financial management, accretive M&A and balancing investment and return of capital to shareholders. 	Further details are available on page 44.
Site visits	<ul style="list-style-type: none"> It has been the Board's practice to hold a number of site visits at some of our key locations each year in order to provide Directors with the opportunity to meet local teams, see operations on the ground and have presentations on current operations, projects and future plans. In June 2023 the Board met in Illinois, US which provided an opportunity to meet with local leadership, develop a deeper understanding of the Group's customers and the US market. The Board also visited the Group's PacMoore ingredients site which was acquired in 2021. 	Further details are available on page 103.
Cybercrime prevention and security programme	<ul style="list-style-type: none"> A subcommittee of the Board conducted a review of the Group's IT organisation and services, cyber security and anti-fraud controls. This included a review of the protocols the Group would follow in the event of an attack, based on a protect, detect, respond and recover model. Management response simulation testing was performed to assess the completeness of protocols and internal capabilities. Email phishing simulation exercises were conducted with the wider workforce to raise awareness in this area. 	Further details are available on pages 78 and 79.
Dividend payments	<ul style="list-style-type: none"> The Board is recommending a final dividend of 21.21 €cent per share (FY 2022: 19.28 €cent per share) which brings the total dividend for the year to 35.43 €cent per share, representing an increase of 10% for the prior year. The final dividend will be paid on 3 May 2024 to shareholders on the register of members as at 22 March 2024. This reflects our continued strong performance and our commitment to a progressive dividend policy. 	Further details are available on page 45.
CEO succession	<ul style="list-style-type: none"> The Nomination and Governance Committee, together with the support of the Board, oversaw the selection process for the Group's new CEO, Hugh McGuire, supported by an independent executive search firm. 	Further details are available on page 123.
Board renewal	<ul style="list-style-type: none"> Gabriella Parisse was appointed as an Independent Non-Executive Director on 1 June 2023. Patsy Ahern and John Murphy retired from the Board on 4 May 2023. Róisín Brennan was appointed Senior Independent Director, effective 30 December 2023. Dan O'Connor replaced Donard Gaynor as Chair of the ESG Committee on 30 December 2023. Mark Garvey replaced Siobhan Talbot on the ESG Committee on 30 December 2023. 	Board biographical details are available on pages 88 to 92.

Key Board Considerations

Governance	<ul style="list-style-type: none"> The Board received recommendations from committees on key policies and matters reviewed in depth by committees for Board decision. 	Further details are available on pages 86 to 108.
Directors' Remuneration Policy 2024-2026	<ul style="list-style-type: none"> During 2023 the Remuneration Committee completed a review of the Directors' Remuneration Policy. This will be put to shareholders for their consideration at the 2024 Annual General Meeting of the Company. 	Further details are available on pages 130 to 136.
Employee benefits	<ul style="list-style-type: none"> The Group introduced enhanced leave policies to support and prioritise the wellbeing of our employees. The Group reviewed its employee pension arrangements and increased its employer contribution to its Defined Contribution Scheme. This allows scheme members to make enhanced contributions which will be matched by Glanbia up to a maximum of 12% of salary. 	Further details are available on pages 28 to 30.
External Board review	<ul style="list-style-type: none"> The Board engaged Board Excellence to conduct a comprehensive and externally facilitated review in 2023, in line with our agreed triennial cycle. The review was interview based and included observation of meetings. 	Further details are available on page 105.

Meeting attendance for the Board and Committees established under the UK Corporate Governance Code

Director	Years on the Board	Scheduled Board Meetings	Audit Committee	Nomination and Governance Committee	Remuneration Committee
D Gaynor	10	8/8		5/5	12/12
S Talbot ¹	14	8/8			
P Ahern ²	7	2/2			
R Brennan	3	8/8		5/5	12/12
P Duffy	3	8/8	8/8		12/12
M Garvey	10	8/8			
I Haaijer	1	8/8	8/8		
B Hayes	11	8/8			
J Lodge	3	8/8	8/8		12/12
JG Murphy	13	8/8			
J Murphy ²	2	2/2			
P Murphy	12	8/8			
D O'Connor	9	8/8		5/5	
G Parisse ³	less than 1	5/5			
K Underhill	1	8/8	8/8		11/12

1 S Talbot retired from the Board on 31 December 2023

2 P Ahern and J Murphy retired from the Board on 4 May 2023

3 G Parisse was appointed to the Board on 1 June 2023

Corporate Governance Report continued

Corporate governance framework

A description of the Governance Framework as at 30 December 2023 is set out below.

Board of Directors

The Board is collectively responsible for establishing the Group's purpose, values and strategy, promoting its culture, overseeing its conduct and affairs, and for ensuring that the Group provides its stakeholders with a balanced assessment of the Group's position and prospects. It discharges some of its responsibilities directly and others through its Committee framework, the Group Operating Executive and Group Senior Leadership Team.



The following are the key matters reserved for the Board:

- Approval of the Group's strategic plan, oversight of the Group's operations and review of performance in light of the Group's strategy, objectives, business plans and budgets, ensuring that any necessary corrective/transformational action is taken;
- Ultimate oversight of risk, including determining the Group's risk profile and risk appetite;
- Review the performance of the Group in light of its strategic aims, business plans and budgets and ensuring that any necessary corrective action is taken, if required;
- Approval of acquisitions, disposals, share buybacks and other transactions outside delegated limits;
- Financial reporting and controls, including approval of the Half Year Results, Interim Management Statements and Full Year Results, approval of the Annual Report and Financial Statements, approval of any significant changes in accounting policies or practices and ensuring maintenance of appropriate internal control and risk management systems;
- Appointment and removal of Directors;
- Ensuring the Annual Report and Financial Statements present a fair, balanced and understandable assessment of the Group's position and prospects and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy;
- Assessment of the Group's viability and ability to continue as a going concern;
- Capital expenditure, including annual approval of capital expenditure budgets and any material changes to them in line with the Group-wide policy on capital expenditure;
- Dividend policy, including annual review of the dividend policy and declaration of the interim dividend and recommendation of the final dividend;
- Review of the Group's overall corporate governance arrangements;
- Considering the views of shareholders and ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives;
- Formal review of the performance of the Board, its Committees and individual Directors;
- Shareholder documentation, including approval of resolutions and corresponding documentation to be put to the shareholders and approval of all press releases concerning matters decided by the Board; and
- Key business policies.

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	ESG
Donard Gaynor	●	●	●	●	●	●	●	●	●	●
Róisín Brennan	●	●	●	●		●	●	●		
Paul Duffy	●	●	●	●	●	●	●	●	●	
Ilona Haijjer	●	●		●	●	●	●	●	●	●
Brendan Hayes	●							●		●
Jane Lodge	●	●	●			●	●	●	●	
John G Murphy	●	●						●		●
Patrick Murphy	●							●		●
Dan O'Connor	●	●	●	●		●	●	●	●	●
Gabriella Parisse	●	●		●	●	●	●	●	●	
Kimberly Underhill		●		●	●	●		●	●	

Division of Responsibilities

Board responsibilities

To ensure that the Group operates efficiently and effectively, the Directors, the Group Secretary and Head of Investor Relations and the Group Operating Executive have clearly defined responsibilities which are set out below.

Group Chairman

- Leads the Board, sets the agenda and promotes a culture of open debate between Executive and Non-Executive Directors and promotes the highest standards of corporate governance.
- Regularly meets with the Chief Executive Officer and other senior management to stay informed.
- Ensures effective communication with our stakeholders.

Chief Executive Officer

- Develops and implements strategy and chairs the Group Operating Executive.
- Leads the Group through the Group Operating Executive.
- Instils purpose, vision and value standards throughout the organisation.

Senior Independent Director

- Provides a sounding board to the Group Chairman and appraises his performance.
- Acts as intermediary for other Directors, if needed.
- Is available to respond to shareholder concerns when contact through the normal channels is inappropriate.

Chief Financial Officer

- Manages the effectiveness and profitability of the Group including financial and operational risk management.
- Develops appropriate capital and corporate structures to ensure the Group's strategy is met.

Group Operating Executive

- With the Chief Executive Officer, develops and executes the Group's strategy in line with the policies and objectives agreed by the Board.
- Manages operational effectiveness and profitability of the Group.
- Operates as the Group Risk Committee and Group Investment Committee.

Non-Executive Directors

- Provide independent insight and support to the Group Chairman in instilling the appropriate culture, values and behaviours in the Group.
- Contribute to developing strategy.
- Scrutinise and constructively challenge the performance of the business, management and individual Executive Directors.
- Monitor the integrity of financial information and ensures that there are robust financial controls and systems of risk management.
- Determine and agree the framework and policy for executive remuneration.
- Oversee Director succession planning.

Group Secretary and Head of Investor Relations

- Monitors the Group's compliance with legal, regulatory, governance, ethics, policy and procedural matters.
- Ensures the Group is appropriately and strategically positioned with analysts, investors, and all stakeholders.
- In conjunction with the Group Chairman, ensures that the Directors receive timely and clear information so that the Directors are equipped for robust debate and informed decision making.
- Supports the Group Chairman by organising induction and training programmes for Directors.
- Provides support and guidance to the Board and the Group Chairman, and acts as an intermediary for Non-Executive Directors.
- Responsibility for all results publications and investor engagement.

Corporate Governance Report continued

Composition, succession and review

Composition, succession and review

The Board has a clear governance framework with defined responsibilities and accountabilities which ensures that policies and procedures set at Board level are effectively communicated across the whole Group. The Board has established certain principal Committees to assist it in fulfilling its oversight responsibilities, providing detailed focus on particular areas as set out in the respective Committee Reports that follow. The Committees focus on their areas of expertise enabling the Board to focus on strategy, performance, leadership and people, governance and risk, and stakeholder engagement, thereby making the best use of the Board's time together as a whole. The Committee Chairs report to the full Board at each Board meeting following their sessions, ensuring a good communication flow while retaining the ability to escalate matters to the full Board's agenda if appropriate.

Information for the Board

The Group Chairman, with the assistance of the Chief Executive Officer and the Group Secretary and Head of Investor Relations, is responsible for ensuring that Directors are supplied with information in a timely manner and of an appropriate quality that enables them to discharge their duties. Board papers are published typically seven days prior to each meeting to ensure the Board has sufficient time to read the papers and presentations and be prepared in advance of the meeting. In the normal course of business, such information is provided by the Chief Executive Officer in a regular report to the Board that includes information on operational matters, strategic developments, financial performance relative to the business plan, business development, corporate responsibility and investor relations. The Board meets sufficiently frequently to discharge its duties, and holds additional unscheduled meetings when required, for example to discuss a strategic growth opportunity if it arises or deal with a specific matter of business.

Each scheduled Board meeting follows a carefully tailored agenda agreed in advance by the Group Chairman, the Chief Executive Officer and the Group Secretary and Head of Investor Relations. At each scheduled Board meeting, the Chief Executive Officer, the Chief Financial Officer and CEOs of the Group's two global growth platforms, GPN and GN, provide detailed operational and financial updates. Depending on the nature of the agenda item to be considered, other Senior Executives are invited to make presentations or participate in Board discussions to ensure that Board decisions are supported by a full analysis.

Throughout the year the Chairs of the Audit, ESG, Nomination and Governance, Remuneration and Development Committees updated the Board on the proceedings of their meetings, including the key discussion points and any particular areas of concern. All Directors have access to the advice and services of the Group Secretary and Head of Investor Relations, who is responsible for advising the Board on all governance matters. The Directors also have access to independent professional advice, if required, provided by the Group. This is coordinated through the Group Secretary and Head of Investor Relations.

Board and Committee meetings are held in person, usually in Kilkenny or Dublin, with the option for Directors to attend remotely if necessary. In the event that a Director is unable to attend a meeting, they are given an opportunity to make their views known to the Chair or the Chief Executive Officer prior to the meeting.

Board structure

The Board, who come from diverse backgrounds, ranging from corporate finance, accountancy and banking to industry (food and beverage, fast moving consumer goods and production), currently comprises 13 Directors: two Executive Directors, the Group Chairman and 10 Non-Executive Directors of whom three are currently nominated by the Society. On 23 February 2021, the Society and the Board agreed a number of changes which impacted the composition and size of the Board between 2021 to 2023 and which resulted in a gradual reduction in the number of Directors nominated by the Society from five in 2022 to three in 2023. The Board reduced in size from 14 members in 2022 to 13 members in 2023. Two Directors nominated by the Society retired at the 2023 AGM and an additional Independent Non-Executive Director was appointed in 2023, bringing the number of Independent Non-Executive Directors on the Board, excluding the Group Chairman, at the end of the year, to 6 of 12 (50% of the Board).

Appointments to the Board: policy, diversity and succession planning

Having regard to the right of the Society to nominate Directors to the Board, the Nomination and Governance Committee keeps the Board's balance of skills, knowledge, experience and the tenure of Directors under continuous review. During 2018, the Board approved a Board Diversity Policy which recognises the benefits of diversity. This was updated in early 2022 to reflect that the Group has agreed that as new Director appointments are made, the target is that a minimum of 50% of the Independent (of the "Society") Non-Executive Directors will be female. The Group progressed this in 2023 with its most recent Independent Non-Executive Director appointed being female. As at 30 December 2023, females represented over 60% of the Independent (of the "Society") Non-Executive Directors and 46% of the full Board. As at the date of this report, females represent over 60% of the Independent (of the "Society") Non-Executive Directors and 38% of the full Board.

In respect of succession planning and maintaining the skill set of the Board, there is an established procedure for the appointment of new Directors and Senior Executives. The Nomination and Governance Committee considers the set of skills and experience required as well as the Company's targets on Board diversity. External search agencies are engaged to assist where appropriate. The Company also has a formal policy with respect to the appointment of new Independent Non-Executive Directors (other than those nominated by the Society). Further information on appointments to the Board and succession planning can be found on pages 121 to 125.

Induction

The Company puts full, formal and tailored induction programmes in place for all of its new Directors. While Directors' backgrounds and experience are taken into account, the induction programme is aimed to be a broad introduction to the Group's businesses and its areas of significant risk. Directors receive comprehensive briefing documents on the Group, its operations and their duties as a Director and are also given presentations by senior management. In addition, they are encouraged to visit sites and meet with local management. Induction programmes are usually completed within the first six months of a Director's appointment and the Group Secretary and Head of Investor Relations provides assistance and support throughout the induction process. The programmes are reviewed regularly to consider Directors' feedback and are continually updated in line with best practice.

Gabriella Parisse joined the Board on 1 June 2023 and received an extensive and thorough induction involving one-to-one meetings with the Group Chairman, the then Group Managing Director, the Chief Financial Officer and other members of senior management from various Group functions including Group Finance, Group Treasury, Group Tax, Group HR and Group IT.

In June 2023, Gabriella met with each member of the Group Operating Executive team as part of her induction process and visited a number of the Group's manufacturing plants in the US and met with US based senior leaders within GPN and GN.

Board development

The Group Chairman regularly encourages the Non-Executive Directors to update their skills, expertise and knowledge of the Group in order to carry out their responsibilities to a high standard. This is achieved by regular presentations at Board meetings from senior management on matters of significance. During the year the Board and Committees received presentations from the Group Chairman, the Executive Directors, the Chairs of each of the Committees, the CEOs of both GPN and GN and heads of the various Business Units and corporate functions. In 2023, the Board undertook updated training on the Market Abuse Regulation and participated in cyber security training, delivered by an external agency with significant experience in the area.

In addition to the induction programme that all Directors undertake on joining the Board, an ongoing programme of Director development has been established. For example, it is the practice of the Board to visit key Business Unit locations each year to provide Directors with the opportunity to meet local teams, see operations on the ground and have presentations on current operations, projects, future plans and strategy. Opportunities to visit our operations globally and learn more about the business continues to be very important and valuable for the Board, and for new Board members in particular, as they provide our Directors with the opportunity to understand operations, performance and challenges in a regional context. Board members also get the opportunity to meet with local employees in different roles at different levels of seniority and from varying backgrounds. In 2023, the Board met with leadership teams from the GPN and GN segments and visited key channels of GPN. The Board also toured a GN production facility in the US in June 2023.

This aspect of Board visits provides real insight into the culture and operation of the business. These visits also afford Directors the opportunity to meet face-to-face with regional management and employees and develop deeper insights into the quality of our current senior management and the potential for succession. It also helps the Directors to actively embed the values of Glanbia across the Group's key locations.



"My induction to the Glanbia Board has been comprehensive and informative."

Gabriella Parisse
Non-Executive Director

Governance in action

New Director Induction

Gabriella Parisse was appointed to the Board on 1 June 2023. Following her appointment, Gabriella underwent a formal induction programme which was tailored to her individual requirements and included the below induction activities.

Induction activities

- Provision of a detailed information pack including key corporate governance policies, Board papers, financial and strategic documents and information on Directors' duties, responsibilities and regulatory obligations.
- Meetings with all members of the Group Operating Executive.
- Meetings with the Group Chairman, the Senior Independent Director and the Chairs of the Remuneration Committee and the Audit Committee.
- Meetings with functional leaders on matters such as Board and corporate governance, corporate development, internal audit, strategy, investor relations, human resources and sustainability.
- Meetings with business leaders of Glanbia Performance Nutrition and Glanbia Nutritionals to obtain an overview of each business.
- Site visits to see first-hand the Group's operations while engaging with employees and senior management.

Corporate Governance Report continued

Composition, succession and review continued

The Group Secretary and Head of Investor Relations in conjunction with Glanbia's advisers, monitor legal and governance developments and Directors are regularly provided with updates on corporate governance, legislative and regulatory issues, and an annual update is circulated and presented to the Nomination and Governance Committee. As part of their annual performance review, Directors are given the opportunity to discuss their own training and development needs and our Directors can avail of external courses.

Relationship with the Society and independence

Avonmore Foods plc and Waterford Foods plc merged in 1997 to form Glanbia plc, the Company. At the same time, their respective major shareholders also merged to form the Society. The Society held a substantial shareholding (over 30%) in the Company until 13 September 2022 when their holding was reduced below 30%. In accordance with Listing Rule 6.1.7 of Euronext Dublin/Listing Rule 6.5.4R of the United Kingdom Financial Conduct Authority ("FCA"), the Company and the Society entered into a relationship agreement in 2014 clarifying the right of the Society to nominate Directors to the Board of the Company and the intention of the Company and the Society to comply with the independence provisions/undertakings set out in Listing Rule 2.2.15 of Euronext Dublin and 6.5.4R of the FCA (the "Independence Provisions"). When the Society's holding in the Company fell below 30% on 13 September 2022, the Relationship Agreement terminated in part but the provision providing for the right of the Society to appoint Non-Executive Directors remained. The Group continues on an interim basis to provide certain corporate, shared services, IT and Group purchasing services to Tirlán to allow for the complexity of separating shared support environments.

The Board and the Nomination and Governance Committee is of the view that all Non-Executive Directors demonstrate the essential characteristics of independence and bring independent challenge and deliberations to the Board. Notwithstanding this, the Non-Executive Directors nominated by the Society are not counted by the Board as being independent solely for the purposes of the Codes. An explanation of the basis for this belief is set out in the Nomination and Governance Committee Report on page 125.

The Group has robust procedures in relation to conflicts of interest. Directors, upon their appointment are advised of their duty to declare their conflicts and are requested to declare their general interest in any entity in which they are to be regarded as interested in any contract which may, after their appointment, be made with that entity.

Board review

A key component of good governance and board effectiveness is an annual review to ensure that the Board, its Committees and Board members are continuing to operate and perform effectively. The Group has established a formal process for the annual review of the performance of the Board and its principal Committees, including a triennial external review. The external review supplements our existing internal Board performance review processes.

This year, our Board review was an external one in line with our agreed three-year cycle. An external professional reviewer, Board Excellence, was engaged, following a competitive tender process, to facilitate the external reviews of the Board and its Committees. The purpose of the external review was to provide the Board with greater insights into its performance and to identify potential opportunities to improve performance and effectiveness. Board Excellence had no connection with the Group or any of the Directors.

Review process

The process that was followed for the 2023 review and the conclusions of the review are set out on the opposite page.

Board review in practice

Seven step Board review model

Scope	The Group Chairman, Group Secretary and Head of Investor Relations and Deputy Group Secretary met with Board Excellence to agree the scope and process of the review.
Questionnaire	Each Board member and key contributors to the Board and Committees completed a detailed online confidential questionnaire produced by Board Excellence.
Review	Board Excellence conducted a detailed review of the Board and Committee materials and key governance policies and procedures.
Analysis	Questionnaire responses were collated and analysed by Board Excellence. All responses were anonymised.
Observation	Board Excellence observed an in-person Board meeting and Committee meetings.
Interview	Board Excellence held individual meetings with each Director, the Group Secretary and Head of Investor Relations and a number of other senior leaders.
Report	The final review report and presentation was shared with the Board. The report contained a number of recommendations for consideration by the Board.

Findings

The review identified that the overall standards of corporate governance and stewardship at Glanbia are exemplary. It highlighted numerous aspects where the Board is working well, in particular, the effectiveness of the chairmanship of both the Board and the Committees, the commitment of all Directors to their responsibilities, the structure and depth of financial performance reporting and the importance given to particular aspects of risk management and cyber security.

The review indicated that the Board is engaged, committed and effective in discharging its responsibilities with a collegiate and transparent culture and noted the positives from the strength of diversity on the Board. Relations with senior management allow for constructive robust challenge and meaningful debate on key issues. The Group Chairman plans to build in further opportunities to capture Board feedback throughout the year in 2024.

A review of the performance and effectiveness of each of the Board's Committees was also undertaken as part of the external review, covering their terms of reference, composition, procedures, contribution and effectiveness. All Committees enjoy a broad representation of members from across the Board, deal with appropriate matters of relevance and substantially ease the burden of specific matters or areas on the Board as a whole.

The review process is also an opportunity for further evolution and development of the Board by building on the positive areas and focusing on the key recommendations to drive sustained improvement in the Board effectiveness, governance and performance. Following the presentation of the evaluation report, the Board agreed to address the following findings:

- improved strategy collaboration and oversight between the Group Operating Executive and the Board;
- continued focus on Board succession planning and talent development; and
- further refinement of Board materials.

In 2024, an internal review facilitated by the Group Chairman will be conducted, focusing on progress against the key objectives highlighted by the external review.

Corporate Governance Report continued

Composition, succession and review continued

Individual Directors' review

Executive Directors' variable pay is tied to their personal contribution to organisational effectiveness and as such both the Chief Executive Officer and the Chief Financial Officer are subject to rigorous review each year. The Chief Executive Officer sets the strategic performance objectives for the Chief Financial Officer and the Chief Executive Officer's strategic objectives are set by the Group Chairman in conjunction with the Remuneration Committee. All strategic objectives are then agreed with the Remuneration Committee which monitors the Executive Directors' progress throughout the year. More details can be found in the Remuneration Committee report.

The performance of the Group Chairman is reviewed internally each year by the Board (in the absence of the Group Chairman), led by the Senior Independent Director. In 2023 the Board conducted a review of the Chairman's performance and noted that the Group Chairman is very committed to his role and is always available to Directors and stakeholders. The Board acknowledged the Group Chairman's understanding of the Group and his ambition to drive the business forward.

Subject to the right of the Society to nominate Non-Executive Directors, the Non-Executive Directors are appointed for an initial three-year term unless otherwise terminated

earlier by and at the discretion of either party upon written notice. Continuation of their appointment(s) is contingent on satisfactory performance and election or re-election at each AGM. Additionally, all new Independent Non-Executive Directors, and any re-appointments, will be subject to a rigorous review by the Nomination and Governance Committee after each three-year term and annually after six years.

Election or re-election of Directors

In accordance with the Code, all of the Directors are subject to annual re-election by shareholders. Accordingly, each of the Directors will seek election or re-election at the 2024 AGM.

The Group Chairman has confirmed that each of the Directors who are seeking election or re-election continue to be effective members of the Board and demonstrate their commitment to their responsibilities. The Directors bring extensive senior leadership experience, strategic commercial business acumen, wide ranging operational experience and strong understanding of global capital markets and major transactions. The Board believes that the considerable and wide-ranging experience and perspective of the Directors will continue to be invaluable to the Company and its long-term sustainable success and recommends their election or re-election.

Diversity representation as at 30 December 2023

The following tables set out the information required to be disclosed under Provision 23 of the Code and UK Listing Rule 9.8.6R(10) as set out in Annex 2 to UK LR 9, as at 30 December 2023. For the purposes of these tables, executive management is as defined in the Listing Rules, being the executive committee or the most senior executive or managerial management body below the Board (or where there is no such formal committee or body, the most senior level of managers reporting to the Chief Executive Officer, including the company secretary but excluding administrative and support staff). For Glanbia, this is the Group Operating Executive and the Group Secretary and Head of Investor Relations. Collection of data was done on the basis of self-reporting from each Board member and member of executive management.

In accordance with the Relationship Agreement, the Society nominates 3 of the Company's thirteen Board members. The current percentage of women on the Board (excluding the Directors nominated by the Society) is 50% (60% as at 30 December 2023).

Gender identity

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	7	54%	2	5	71%
Women	6	46%	2	2	29%
Not specified/prefer not to say	–	–	–	–	–

Ethnic background

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	13	100%	4	7	100%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Audit, risk and internal control and remuneration

Audit, risk and internal control

Risk management and internal control

Effective risk management underpins our operating, financial and governance activities. The Board continues to place particular emphasis on monitoring both principal and emerging risks and regularly monitors the risk management framework to ensure risks are being appropriately mitigated and new risks identified.

While the Board has ultimate responsibility for determining the Group's risk profile and risk appetite, the Board has delegated responsibility for reviewing the design and implementation of the Group's risk management and internal control systems to the Audit Committee.

These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and provide reasonable, but not absolute, assurance against material misstatement or loss. During the year, the Board considered the Group's key risk reports and received updates from the Chair of the Audit Committee on the programme of risk presentations from key risk managers across the Group. This work provided a comprehensive insight into how key risk exposures are managed and better informs the Board in its evaluation of progress against strategic objectives of the business.

The Board and management are satisfied that appropriate risk management and internal control systems are in place throughout the Group. The Risk Management Report is contained on pages 72 to 85.

Going concern

Glanbia's business activities, together with the main factors likely to affect its future development and performance, are described in the Strategic Report on pages 1 to 85.

After due consideration and review, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the Financial Statements. The Group therefore continues to adopt the going concern basis in preparing its Financial Statements. The full Going Concern Statement is contained on page 84.

Long-term viability statement

In accordance with the Code and Listing Rule 6.1.82(3) of Euronext Dublin Listing Rules, the Directors have assessed the viability of the Group and its ability to meet its liabilities as they fall due over a period extending to 2026, taking into account the Group's current financial position, the Group's strategy and business model and the potential impact arising from the principal risks and uncertainties. The factors considered in assessing the long-term prospects are detailed on pages 84 to 85.

Having considered these factors, the Board assessed the prospects and viability of the Group in accordance with the Code requirements. The Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of the assessment. The full viability statement is contained on pages 84 to 85.

Fair, balanced and understandable

The Directors have concluded 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. This evaluation was supported by the Audit Committee as outlined in its Report on pages 111 to 112.

Adequate accounting records

The Directors are responsible for keeping adequate accounting records that are sufficient to correctly record and explain the transactions of the Company or enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable the Directors to ensure that the Financial Statements comply with the Companies Act 2014, and, as regards the Group Financial Statements, Article 4 of the IAS Regulation, enable those Financial Statements to be audited. The Directors, through the use of appropriate procedures and systems, have also ensured that measures are in place to secure compliance with the Company's and the Group's obligation to keep adequate accounting records. These accounting records are kept at Glanbia House, Kilkenny, R95 E866, Ireland, the registered office of the Company.

Accountability and audit

Directors' responsibilities for preparing the Financial Statements for the Company and the Group are detailed on pages 166.

The Independent Auditor's Report details the respective responsibilities of Directors and the statutory auditor.

Statutory Auditor

The statutory auditor, Deloitte Ireland LLP, continues in office in accordance with section 383(2) of the Companies Act 2014. Deloitte (who was succeeded by Deloitte Ireland LLP) was originally appointed on 27 April 2016.

Disclosure of information to statutory auditor

In accordance with the provisions of section 330 of the Companies Act 2014, each of the persons who are Directors of the Company at the date of approval of this Report confirms that:

- so far as the Director is aware, there is no relevant audit information (as defined in the Companies Act 2014) of which the statutory auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information (as defined) and to ensure that the statutory auditor is aware of such information.

Remuneration

The Remuneration Committee's agenda continued to apply focus to the key matters of Group and individual Executive Director performance and the consideration of appropriate targets for 2024 and beyond. Our aim is to ensure that our remuneration policies and practices remain competitive within our industry to attract, retain and motivate high quality and committed people who are critical to the future development and growth of the Group.

[Details of 2024–2026 Remuneration Policy and the work of the Remuneration Committee can be obtained in the Remuneration Report.](#)

Corporate Governance Report continued

Audit, risk and internal control and remuneration continued

Compliance statements

Directors' compliance statement

It is the policy of the Company to comply with its relevant obligations (as defined in the Companies Act 2014). The Directors have drawn up a compliance policy statement as defined in section 225(3)(a) of the Companies Act 2014. Arrangements and structures have been put in place that are, in the Directors' opinion, designed to secure a material compliance with the Company's relevant obligations. These arrangements and structures were reviewed by the Company during the financial year. As required by section 225(2) of the Companies Act 2014, the Directors acknowledge that they are responsible for the Company's compliance with the relevant obligations. In discharging their responsibilities under section 225, the Directors relied on the advice of third parties whom the Directors believe have the requisite knowledge and experience to advise the Company on compliance with its relevant obligations.

Corporate governance statement

During 2023 the Group was subject to the Codes. Our Corporate Governance Statement can be found on page 89.

The Financial Reporting Council ("FRC") is responsible for the publication and periodic review of the Code, which can be found on the FRC website: www.frc.org.uk

Euronext Dublin is responsible for the publication and periodic review of the ISE Annex, which can be found on the Euronext website: www.euronext.com

Our approach to corporate governance and how we apply the principles of the Codes is set out in this Corporate Governance Report, the Board and senior management section, the non-Financial Reporting Statement, Task Force on Climate-Related Financial Disclosures Report and the Risk Management Report (all of which are deemed to be incorporated in this Corporate Governance Report). The Reports from the Chairs of the Audit, ESG, Nomination and Governance and Remuneration Committees highlight the key areas of focus for, and the background to, the principal decisions taken by those Committees, which form an integral part of our governance structure. A fair, balanced and understandable assessment of the Group's position and prospects is set out in the Strategic Report on pages 1 to 85. The Strategic Report also includes other important information relating to Governance including our approach to People, Sustainability and Stakeholders. Other Statutory Information contains certain other information required to be incorporated into this Corporate Governance Statement. All of these statements are deemed to be incorporated in the Corporate Governance Statement.

UK Corporate Governance Code	pages
Board Leadership and Company Purpose	88-100
Division of Responsibilities	101
Composition Succession and Review	102-106
Audit Risk and Internal Controls	107, 109-115
Remuneration	126-149
Irish Corporate Governance Annex	pages
Board Composition	102-106
Board Appointments	102-106
Board Review	105
Board Election or Re-election	106, 150
Audit Committee	109-115
Remuneration	126-149
Section 1373 Companies Act 2014	pages
Applicable Codes	89
Departures from the Codes	89
Risk Management and Internal Control	72-85, 112-113
Takeover Regulations	150-151
Shareholder Information	261-264
Board and Committees	86-149

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 ERSRs 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
<p>Impairment review of goodwill and intangibles</p> <p>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.</p>	<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.
<p>Exceptional items</p> <p>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.</p>	<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.
<p>Revenue recognition</p> <p>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.</p>	<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.
<p>Uncertain tax provisions</p> <p>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.</p>	<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.

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.

Nomination and Governance Committee Report

Fostering a culture of diversity, equity and inclusion



Donard Gaynor
Nomination and Governance Committee Chair

Committee members and Committee tenure

	Appointed to the Committee	Number of full years on the Committee
D Gaynor (Chair)	12 Dec 14	9
R Brennan	20 Jan 21	3
D O'Connor	12 Dec 14	9

See pages 88 to 91 for more information on current Nomination and Governance Committee members.

Board Gender as at 30 December 2023



Male – 54%
Female – 46%

Board Independence excluding the Group Chairman as at 30 December 2023



Independent – 50%
Non-independent – 50%

Terms of reference

The full terms of reference of the 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

Assessing the composition, structure and size (including skills, knowledge, experience and diversity) of the Board and its Committees and making recommendations on appointments and reappointments to the Board.

Planning for the orderly succession of new Directors to the Board and of senior management, taking into account the challenges and opportunities facing the Group, together with the variety of expertise and diversity required on the Board.

Keeping up to date and fully informed about strategic issues and commercial changes affecting the Group and the market in which it operates.

Keeping under review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the continued ability of the Group to compete effectively in the market place.

Reviewing the talent capability across the Group.

Keeping the extent of Directors' other interests under review to ensure that the effectiveness of the Board is not compromised.

Overseeing the performance review of the Board, its Committees and individual Directors.

Keeping under review corporate governance developments with the aim of ensuring that the Group's governance policies and practices continue to be in line with best practice.

Ensuring that the principles and provisions set out in the Irish Corporate Governance Annex (the "Irish Annex") and the UK Corporate Governance Code 2018 (the "Code") (together the "Codes") (and any other governance code that applies to the Company) are observed and implemented.

Reviewing the disclosures and statements made in the Directors' Report to the shareholders.

Reviewing the results of the Board performance review.

Nomination and Governance Committee Report continued

Dear Shareholder,

On behalf of the Board and the Nomination and Governance Committee (the "Committee"), it is my pleasure to present the Nomination and Governance Committee Report for the year ended 30 December 2023.

The Committee had a busy year continuing its focus on succession planning, and overseeing a number of changes in the composition of the Board. We selected a successor to Siobhán Talbot and oversaw the selection and appointment process for a new independent non-executive director and also oversaw the appointment of a new Senior Independent Director.

Glanbia's values are at the heart of our business and culture, and for this to be the case, it is essential that the Board and each individual Director, our senior leadership team and our wider workforce share these values. We believe in leading by example, and it is a paramount responsibility of the Committee to oversee the review of the Board to ensure these values are being maintained and encouraged in every facet of our business.

We believe that Board members should bring a blend of expertise and skills with a variety of perspectives, to facilitate constructive discussions and effective, balanced decision-making. In this regard, the Committee keeps Board composition under constant review, continuously evaluating the composition, balance and performance of the Board and of its Committees, identifying and recommending to the Board the appointment of new Directors and Committee members to ensure that the Board and its Committees are comprised of an appropriate balance of independence, skills, knowledge, experience and diversity so that they are effective in discharging their responsibilities and in having holistic oversight.

The Committee also identifies the leadership needs of the Group, overseeing talent and succession plans for senior roles and monitors the Group's compliance with, and approach to, all applicable legal, regulatory and guidance related to corporate governance matters.

We consider the current size and composition of the Board to be

appropriate and that the Board as a whole has the appropriate blend of skills, knowledge and experience, from a wide range of industries, regions and backgrounds, necessary to effectively lead the Group. The Board skills matrix on page 101 provides valuable insights into our collective and individual strengths on the Board.

Board appointments

One of the primary areas of focus of the Committee in 2023 was to oversee the selection and appointment of a new Chief Executive Officer and Executive Director to succeed Siobhán Talbot. On 16 August 2023, it was announced that after 10 years in the role, Siobhán Talbot would retire as Group Managing Director effective 31 December 2023. The process to appoint a new Chief Executive Officer involved reviewing both the internal talent pipeline, external talent landscape and working with an independent executive search firm, which is a signatory to the Voluntary Code of Conduct for Executive Search Firms and does not have any other connection with the Company or any individual Director. The search culminated in Hugh McGuire being announced as the incoming Chief Executive Officer effective 1 January 2024. Hugh has led Glanbia Performance Nutrition through an outstanding period of transformation, growth and performance over the last ten years and I look forward to working closely with him. Siobhán remained with the business until 26 January 2024 when she formally retired from the Group.

[Further information on the process of appointing the Chief Executive Officer can be viewed on page 123.](#)

The Committee also oversaw the appointment of a new Independent Non-Executive Director, following the retirement of Society-nominated Directors Patsy Ahern and John Murphy on 4 May 2023. The Committee led this process and was supported by an independent executive search firm, Egon Zehnder, which does not have any other connection with the Company or any individual Director. Gabriella Parisse, an Italian citizen residing and working in the USA was identified for this role and was appointed effective 1 June 2023. Gabriella brings significant experience in consumer brand development, the food ingredients industry and strategic leadership of multinational businesses.

There was also a number of changes to the composition of the Group's Committees in 2023. Further details are set out on page 125.

[Biographical details for Gabriella Parisse are set out on page 91.](#)

Board review

During 2023, in line with our agreed triennial board review cycle, the Committee oversaw an external review of the effectiveness of the Board and its Committees. The results of this process were positive and provided the Board with assurance that it was operating effectively. Information on the review process and a summary of the outcomes of the Board review and the areas of focus for 2024 arising therefrom are set out in more detail on page 105.

Committee aims for 2024

In 2024, Board composition, balance and diversity (both gender and ethnicity), senior management succession planning and governance oversight will continue to be priorities for the Committee.

We will continue to support the Board's broader oversight of talent and succession, ensuring that the frameworks through which the Board analyses and evaluates these matters are thorough, fair and robust. Additionally, the Committee will continue to lead Non-Executive Director search activity and Board renewal with an emphasis on diversity to ensure that at the appropriate time the Group can attract new Directors with the right balance of skills to support its future strategic priorities.

The following pages provide further details on the roles and responsibilities of the Committee and its governance duties.

On behalf of the Nomination and Governance Committee



Donard Gaynor
Nomination and Governance Committee
Chair

Board composition and diversity

The Committee monitors Board composition, leadership and succession needs of the Group to ensure the Group has an effective board which provides the highest standards of governance to a globally diverse business and whose role is to promote the long-term sustainable success of the Group and to generate value for our shareholders. Many of our Board members have gained significant and relevant international industry specific experience throughout their careers and the Board reflects the need as outlined by the Code for an effective board to maintain a balance of skills knowledge and experience. Under the Relationship Agreement dated 5 May 2021, Tirlán Co-operative Society Limited (the "Society") has the right to nominate three Directors to the Board.

Critical to our success is ensuring a culture that complements the delivery of our strategy. The Board continues to focus on engendering a corporate culture that is more diverse, equitable and inclusive and on ensuring that this aligns with the Group's purpose, values and strategy. We strongly believe that diversity throughout the Group and at Board level is a key driver of business success. We recruit talented Board members who have the appropriate mix of skills, capabilities and market knowledge. When recruiting, we look across all sectors and non-traditional talent pools, and we require diversity on our shortlists.

Details of our Board diversity policy is contained on page 102. In 2020, the Group agreed that as new appointments are made, the target is that a minimum of 50% of the Independent (of the Society) Non-Executive Directors will be female. The Group continued to honour this commitment in 2023 with the appointment of Gabriella Parisse. As at 30 December 2023, the Board had met each of the FCA Listing Rules (LR) and the FTSE Women Leaders Review gender targets of achieving a minimum of 40% female representation on the Board, and the additional target of having at least one senior board position held by a female. The Group did not meet the FCA LR target of having at least one Director from a minority ethnic background as the Group concentrated its recent recruitment efforts on gender and nationality. Gender and ethnic diversity will remain a key focus for future Board recruitment.

Governance in action

CEO Appointment

An independent, executive recruitment agency was appointed to assist with the process.

Assessment

Key skills and requirements for the role were prepared, reviewed and approved by the Nomination and Governance Committee taking into account the strategic objectives of Glanbia and its culture.

Requirement

A preliminary assessment of potential external and internal candidates was conducted by the recruitment agency and reviewed by the Nomination and Governance Committee.

Search

A list of potential external and internal candidates was reviewed by the Nomination and Governance Committee.

Screening

The Group Chairman led the selection process which was reviewed and approved by the Nomination and Governance Committee.

Remuneration

Remuneration arrangements for the CEO role were reviewed and approved by the Remuneration Committee in line with the Company's Remuneration Policy.

Approval

The Nomination and Governance Committee recommended the appointment of Hugh McGuire as Glanbia's next Chief Executive Officer to be appointed on 1 January 2024. The Board unanimously approved the appointment and a regulatory announcement was released on 16 August 2023.

Nomination and Governance Committee Report continued

Succession planning

Oversight of succession planning is one of the Board's primary responsibilities, assisted by the Committee. The Committee leads a formal and transparent process for all Board appointments and is responsible for ensuring that plans are in place for orderly Board and senior management succession. In addition, the Committee ensures that the Group's governance framework facilitates the appointment and development of effective Directors and management that can deliver shareholder value over the longer term.

The Committee is also heavily focused on the leadership needs of the Group at senior management level and regularly receives updates from the Chief Human Resources Officer. Crucial to the successful delivery of our strategy is attracting and retaining strong, diverse talent who have an affinity to our culture. Our culture is a major contributing factor to the delivery of long-term success for our stakeholders and this makes the effective internal management of that talent absolutely critical to ensuring that Glanbia's unique culture is preserved as far as possible. The Committee plays a key role in embedding a positive culture by ensuring that our succession planning and appointment process identifies candidates who are exemplars of our values. Our induction and training programmes and the annual performance review process promotes these values in all of our Directors and employees.

A key area of focus of the Committee in 2023 was to oversee the selection and appointment of a new Chief Executive Officer and Executive Director to succeed Siobhán Talbot. On 16 August 2023 it was announced that after 10 years in the role, Siobhán Talbot would retire as Group Managing Director effective 31 December 2023. Hugh McGuire was announced as the incoming Chief Executive Officer effective 1 January 2024.

The Committee is satisfied that effective succession plans for Directors and senior management are in place to ensure the continued ability of the Group to implement strategy and compete effectively in the markets in which it operates in a manner that fosters the Company's culture and values.

Independent Non-Executive Director appointment

In 2023, in accordance with the planned reduction of the Society's representation on the Board, an Independent Non-

Governance in action

Non-Executive Director appointment

Gabriella Parisse were appointed to the Board with effect from 1 June 2023. The key stages of the nomination process are outlined below.

Assessment

The Nomination and Governance Committee assessed the skill set, experience and diversity on the Board, the requirements to meet the Group's strategic plans, together with the planned retirements from the Board over the coming years.

Requirement

The Committee agreed to prioritise diversity of gender and nationality to enable the Company maintain its objective that 50% of the Independent (of the "Society") Non-Executive Directors be female. Such candidate would bring the following mix of skills and experience: marketing background with CEO, President, General Manager, or other commercial leader experience; US market experience; food ingredients industry experience; food or wider consumer products experience; previous board experience and a cultural fit.

Search

The Nomination and Governance Committee and the Group Secretary and Head of Investor Relations led the search process and were assisted by global talent search firm, Egon Zehnder.

Interview

A shortlist of potential candidates went through a two stage interview process meeting with the Group Chairman and the Group Secretary and Head of Investor Relations, initially. Second round interviews involving a number of Non-Executive Directors of the Company as well as the members of the Nomination and Governance Committee and the Executive Directors were undertaken.

Approval

Following a successful interview round, and a check for any disclosures required under Listing Rule 6.1.66 of the Euronext Dublin Listing Rules and 9.6.13 of the FCA Listing Rules, the Group Chairman took independent references on the candidate and then discussed suitability with the Nomination and Governance Committee. The Nomination and Governance Committee then recommended the appointment to the Board for final approval.

Executive Director recruitment and selection process was undertaken to identify a new Independent Non-Executive Director, taking into account the Group's commitment to diversity at all levels of the organisation.

Egon Zehnder, global talent search firm, was engaged to assist in the identification of suitable candidates for appointment as a Non-Executive Director to the Board. Please refer to 'Governance in Action' on page 124 for a detailed description of the process.

External directorships

The Board benefits from the experience and perspective that its Directors bring to the Group from other external appointments that they may hold. Board members are required to devote adequate time to performing their duties which includes preparation for and attendance at Board meetings, attendance at training and development sessions and visits to our sites. Prior to appointment, potential independent non-executive directors are required to disclose details of their other significant commitments to ensure that they have adequate capacity to commit to the position. Existing directors are required to obtain approval of the Board, prior to accepting any significant additional roles.

Committee changes

There were a number of changes to the membership of the Board Committees in 2023:

- Gabriella Parisse was appointed to the Development Committee on 1 June 2023;
- Dan O'Connor was appointed Chair of the ESG Committee effective 30 December 2023 succeeding Donard Gaynor who remains a member of the ESG Committee;
- Siobhán Talbot retired from the ESG Committee on 30 December 2023; and
- Mark Garvey was appointed to the ESG Committee on 30 December 2023.

Workforce Engagement Director

During 2019, the role of Donard Gaynor, an Independent Non-Executive Director (at that time, and now Group Chairman), was expanded to include oversight of workforce engagement to further improve Board involvement in this area and to gather employees views and communicate them to the Board so that employees' views can be considered in Board discussions and decision-making. Details of the Group Chairman's engagements with employees during 2023 are set out on page 96.

Regular matters

A number of regular matters were considered by the Committee in accordance with its terms of reference, such as:

Review of Non-Executive Directors' independence in accordance with the guidance in the Codes

The Board review and review process considered the independence of each of the Non-Executive Directors, taking into account their integrity, objectivity and contribution to the Board and its Committees. A rigorous internal review was carried out in respect of those Non-Executive Directors who served longer than six years.

The Board is of the view that the following behaviours are essential for a Non-Executive Director to be considered independent:

- provides an objective, robust and consistent challenge to the assumptions, beliefs and views of senior management and the other Directors;
- questions intelligently, debates constructively and challenges rigorously and dispassionately;
- acts at all times in the best interests of the Company and its shareholders; and
- has a detailed and extensive knowledge of the Company and the Group's business and of the market as a whole which provides a solid background with which they can consider the strategy of the Company and the Group objectively and help the Executive Directors develop proposals on strategy.

The Board also gives due regard to applicable legislation. The Board and the Committee believe that all Non-Executive Directors demonstrated the essential characteristics of independence and brought independent challenge and deliberations to the Board.

The reviews took into consideration the fact that Donard Gaynor (who was independent on his appointment as Group Chairman), Dan O'Connor, Brendan Hayes, John G Murphy and Patrick Murphy have each served on the Board for more than nine years, a factor the Codes state could be relevant to the determination of a Non-Executive Director's independence. The Codes also make it clear, however, that a director may be considered independent notwithstanding these facts. This reflects the Board's view that independence is determined by the Director's character

as set out above. Nevertheless, Donard Gaynor (who was independent on appointment), Dan O'Connor and the Non-Executive Directors nominated by the Society are not considered by the Board to be independent for the purposes of the Codes.

Extension of tenure(s)

On 11 August 2021, the Board extended the tenure of Donard Gaynor as Group Chairman until 2025. The Board remain unanimous in its view that the Group Chairman continues to provide strong, objective and effective leadership to the Board notwithstanding that he has served on the Board for more than nine years. The Board believes that the extension of the Group Chairman's tenure for a limited period beyond nine years was warranted in this particular instance to facilitate effective succession planning and the development of a diverse board.

Dan O'Connor has indicated that he intends to remain on the Board until the 2025 AGM to facilitate ongoing Board succession planning.

Election or re-election of Directors

The Committee continues to be of the view that all Directors should be re-elected to the Board at the Company's AGM. Accordingly, all Directors are seeking election or re-election at the 2024 AGM. The Group Chairman has confirmed that each of the Directors continue to be effective members of the Board and demonstrate their commitment to their responsibilities. The Committee assessed the Non-Executive Directors' time commitment considering both the time required for Glanbia Board and Committee appointments and the number and nature of the Directors' external commitments. All Non-Executive Directors continue to demonstrate that they have sufficient time to devote to their present role on the Board. This was also a consideration of the Board in assessing potential candidates for the role of Independent Non-Executive Director in 2023.

Committee performance

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

Remuneration Committee Report

Focusing on our strategic objectives and sustaining performance



Jane Lodge
Remuneration Committee Chair

Committee members and Committee tenure

	Appointed to the Committee	Number of full years on the Committee
R Brennan	20 Jan 21	3
P Duffy	17 Jun 21	2
D Gaynor	13 May 14	9
J Lodge (Chair)	14 Dec 20	3
K Underhill	1 Aug 22	1

See pages 88-91 for more information on the current Remuneration Committee members.

Terms of reference

The Remuneration Committee terms of reference were reviewed and approved by the Committee during 2023, and can be found on the Group's website: www.glanbia.com or obtained from the Group Secretary and Head of Investor Relations.

Key responsibilities

Determine and agree with the Board the framework and policy for remuneration of the Executive Directors and other Senior Executives including the Group Secretary as required considering the strategic rationale for the policy, structures and metrics, the matters set out in paragraph 40 of the UK Code in respect of clarity, simplicity, risk, predictability, proportionality and alignment to culture and consider on an annual basis whether the policy has operated as intended.

Oversee remuneration design and target setting of annual and long-term incentive arrangements, to ensure comprehensive linkages between performance and reward and to incentivise delivery of Group strategy.

Determine, within the agreed policy, individual total compensation packages for the Executive Directors and other Senior Executives including the Group Secretary annually, and consider as appropriate internal and external measures.

Determine the compensation for the Chairman of the Board.

Determine, within the agreed policy, any employee share-based incentive awards and any performance conditions to be used for such awards.

Consider and approve Executive Directors' and other Senior Executives' including Group Secretary total compensation payable including consideration of the exercise of discretion to adjust formulaic incentive outturn.

Determine the achievement of performance conditions for vesting of Annual and Long-Term Incentive Plans ("LTIP").

Review and understand reward policies and practices including the alignment of incentives and rewards with culture.

Ensuring engagement with the workforce to explain how executive remuneration aligns with wider Company pay policies.

Engaging with shareholders as deemed appropriate to explain and seek feedback on proposed changes in approach to the compensation of the Executive Directors.

Preparing the Remuneration Report annually.

Dear Shareholder,

On behalf of the Board and the Remuneration Committee, I am pleased to present the Directors' Remuneration Committee Report for the year ended 30 December 2023.

2023 has been a busy year for the Committee. We managed our usual annual calendar of business, setting targets for incentives for the year ahead and reviewing incentive outturn in addition to determining the remuneration for our incoming Group Chief Executive Officer ("CEO") Hugh McGuire. The Committee also spent time carefully considering how to ensure the smooth transition of the executive leadership team to support our new Group CEO in driving future Group strategy and performance.

Business performance 2023

As noted in the Group Chairman's statement, our 2023 results are outstanding and even more so given the economic market challenges that the business needed to deal with. It is within this context that the Committee has reviewed the incentive outturn to which I refer further below.

2023 saw Glanbia deliver its highest earnings ever in terms of adjusted Earnings Per Share ("EPS"), with growth in adjusted EPS from continuing operations of 20.5% constant currency against the originally guided range of 5% to 10%.

Profit, cash and return on capital employed ("ROCE") all grew in 2023. Pre-exceptional Group EBITA increased by 16.4%, constant currency, to \$424.0 million (+15.9% reported). ROCE, a key metric for the Group, was 12.2% and our strong Operating Cash Flow conversion continued at 90.4%

In April we completed the sale of our interest in the Glanbia Cheese joint ventures for initial transaction proceeds of €178.9 million (comprising cash consideration of €114 million and repayment of €64.9 million of shareholder loans) and in quarter four 2023 we acquired the B2B bioactive ingredients business of PanTheryx, a US based health and nutrition business for consideration of \$45.1 million.

Retirement of Siobhán Talbot and appointment of Hugh McGuire as Group Chief Executive Officer

In August 2023, we announced Siobhán Talbot's intention to retire from Glanbia. Siobhán stepped down as Group Managing Director and from the Glanbia Board on 31 December 2023 and retired from the Group on 26 January 2024. On behalf of all the Board and Committees the Chairman has acknowledged the contribution that Siobhán made to the strategic evolution of the Group over her tenure, particularly as Group Managing Director. Siobhán is treated as a good leaver by reason of her retirement and her remuneration arrangements are in line with our Remuneration Policy and set out in full later in this Remuneration Report.

The Board was delighted to announce the appointment of Hugh McGuire as Group Chief Executive Officer effective from 1 January 2024. Hugh's remuneration is detailed in the section on operation of policy for 2024. His salary on appointment is €1,000,000 with Short-Term Incentive Plan ("STIP") and LTIP opportunities at 250% and 150% of salary respectively, in line with our Remuneration Policy.

Retention award for the Group Chief Financial Officer

As would be usual for any Board, with the retirement of our Group Managing Director and in the context of senior leadership succession, the Board considered how best to secure the continuity of our executive leadership. Having been Group CFO since November 2013, the Board agreed it was important to ensure retention of Mark Garvey to support our new Group CEO in driving Group performance. As a result, the Board decided that, subject to the Group CFO agreement to remain with the Group for at least 24 months from January 2024, he should receive a special retention award of shares.

This retention award will be an award of 42,545 shares with a value of one times salary; calculated using the volume weighted average Glanbia share price for the month of December 2023 which is €15.47. The award will vest subject to the Group CFO remaining in employment for a two year period to 31 December 2025. There will be a further 12 month holding period subject to any sales to pay taxes on vesting. Save for the specific terms detailed above, the general terms and conditions for the LTIP will apply to the retention award, including in relation to malus and clawback, corporate events,

leaver provisions and the terms and conditions that cannot be amended to the recipient's advantage without shareholder approval.

Our current Remuneration Policy was approved by shareholders at our 2022 AGM and is due for renewal at either the 2025 or 2026 AGM (under UK and Irish regulation respectively). To facilitate the implementation of the retention award a new Remuneration Policy will be brought to shareholders at our 2024 AGM. No other changes are being proposed to the remuneration policy of the Group at this time with the Committee noting 99.29% support for our 2022 Remuneration Report clearly endorsing the effectiveness of our current policy. The grant of the award will be made under Rule 6.1.33 of the Euronext Dublin and Rule 9.4.2 of the UK Listing Rules, and will be settled in market purchased shares. These Listing Rules provide an exemption from seeking shareholder approval to a LTIP where the only participant is a director and the arrangement is to facilitate in unusual circumstances the retention of an individual. The Committee is comfortable with this approach, noting the unusual circumstances of our Group Managing Director retiring from the Board, the appointment of a new Group CEO and the need to ensure continuity of the senior management team to support the uninterrupted delivery of our growth strategy for the benefit of our shareholders.

I wrote to our largest shareholders to seek feedback on our proposal and would like to thank those shareholders that engaged with me through email correspondence as well as those who met with me. Our shareholders are very supportive of Mark Garvey as an exceptional Group CFO and a critical member of our management team and understand the importance of retaining him during this period of transition for the business.

A number of shareholders asked that the Committee consider including a threshold level of performance to determine vesting or a performance underpin. The Committee gave this careful consideration and is satisfied that the proposed structure is appropriate, with the award granted in shares, the value of which will be aligned to shareholder experience over the vesting and holding period.

During engagement, shareholders and the proxy agencies asked that the Committee set out in the Remuneration

Remuneration Committee Report continued

Report the detailed rationale for the award. This is set out below:

- This is a one-off exceptional award in unusual circumstances, which the Board considers is absolutely in the best interests of the business and shareholders. It is not a change in the remuneration structure for the Executive Directors.
- The retention of our Group CFO provides continuity for our executive team and ensures uninterrupted focus on delivering our growth strategy.
- The award is made in shares and the value is entirely aligned to shareholder experience over both the vesting and holding periods (three years in total). There is no need, therefore, for additional performance linkage.
- The retention award recognises the exceptionally strong pre-grant performance of both the business and the Group CFO during 2023.
- The Group CFO has incentive awards of 350% of salary annually through his annual STIP and LTIP awards which drive and reward performance against specific business metrics with 100% of the LTIP and 50% of the STIP delivered in shares.
- Our Group CFO is highly regarded by the external market, holds Irish and US citizenship and has considerable experience working in the US in prior roles. In the Board's view, the Group CFO could easily transition to a US-based role where market rates of remuneration are significantly higher. The Committee believes it is appropriate, therefore to have a retention award to mitigate this risk.
- While the Committee understands that retention-based awards for Executive Directors are not common practice in Irish and UK listed companies, we took into account that our Group pay structures are very much aligned with US market practice. Below Board level in the US, in line with local market practice, the Group operates a mix of performance shares, restricted shares, and retention awards. Our Executive Directors currently have a more typical Irish/UK incentive structure, which is driven by shareholder and proxy agency expectation. The Committee further believes that, as highlighted in the Capital Markets Industry taskforce November 2023 open letter, it is critical that there is a level playing field in respect of the remuneration structures that we can employ in our business. In the context of US remuneration levels and structures, both of which are significantly higher than those seen in the Irish and UK markets, the

Committee considers the proposed award to be fair and reasonable.

Remuneration in respect of 2023 Executive Director base salary, benefits and pension

Base salaries for the Executive Directors were increased by 3.4% which the Remuneration Committee considered was appropriate in the context of the average increases in the wider workforce with a higher rate of increase in both the US of 4.1% and the UK of 4.3%. The salary increases for our different locations vary dependent on local conditions, levels of inflation and market positioning of overall remuneration. The resulting base salary for the Group Managing Director from 1 January 2023 was €1,144,002 and for the Group CFO was €633,015.

Pension contributions were aligned to the workforce at 12% of salary and benefits remained unchanged.

2023 Annual Incentive

The annual incentive for the Group Managing Director and Group CFO remained at 250% and 200% of salary respectively, with 50% of the incentive deferred into shares in accordance with policy. Annual incentive measures and weightings for 2023 were also unchanged from 2022 and comprised 70% financial targets (adjusted EPS and Cash Conversion, with a 50% and 20% weighting respectively), strategic (20% weighting) and ESG (10% weighting) objectives.

The Group's performance against all key financial targets for 2023 was strong, progressively upgrading earnings guidance during the year as the Group navigated changing market dynamics. The Group exceeded its maximum growth target for adjusted EPS (20.5% growth vs annual incentive maximum of 9%, constant currency). The Group also exceeded target for cash conversion (90.4% vs annual incentive target 80%). In respect of the ESG measures, female hiring exceeded the maximum target with voluntary female turnover above target performance reflecting our significant internal focus on gender balance. The Executive Directors performed strongly against the operating and strategic objectives set by the Remuneration Committee.

The formulaic outcome of the annual incentive is 98% of maximum for the Group Managing Director and 98.8% of maximum for the Group CFO, reflecting a year of very strong performance.

Full details on the targets and related performance can be found on page 137 to 137. 50% of the annual incentive earned is deferred into shares with 30% released after two years and the remaining 20% after three years.

2021 Share Awards Vesting

The vesting of the 2021 LTIP is determined by performance over the three-year performance period to 30 December 2023, measuring adjusted EPS Growth (50% weighting), Group ROCE (30% weighting), relative Total Shareholder Return ("TSR") against the STOXX Europe 600 Food and Beverage Index (10% weighting) and ESG sustainability metrics (10%).

The formulaic vesting outcome for both the Group Managing Director and Group CFO for the 2021 share awards is 100% of maximum. The full vesting of the 2021 awards reflects the exceptionally strong performance of our Executive Directors and the Group over the last three years. The team delivered on both the strategic and annual performance agenda for the Group against an extremely challenging business environment. We emerged from the Covid 19 pandemic into a difficult economic backdrop with the Ukraine war, supply chain challenges, energy crisis and high inflation.

The Committee carefully considered the incentive outcomes for the year in light of all the matters set out above and, noting our strong share price performance, concluded that the outcomes are appropriate and no discretionary adjustments are required. The Committee has noted that the incentive quantum delivered over both the STIP and LTIP is as a result of the Group's outstanding performance. This outcome reflects the high STIP and LTIP vesting levels as well as the LTIP award level granted under our previous policy (where the Group CEO STIP maximum was 150% of salary and LTIP 250% of salary) and the STIP payment level under our current policy (where the Group CEO STIP maximum is 250% of salary and the LTIP 150% of salary). As part of its considerations the Committee noted that the 2021 share award was granted at normal award levels based on a €11.51 share price. This followed a scale back of award levels in 2020 when the grant price was €8.79. The Committee is comfortable that the value of the 2021 share award on vesting reflects the strong performance of the Group and is not in any way the result of a windfall gain.

The 2021 share awards will not vest before 17 March 2024, the third anniversary of grant. Full details of the targets and related performance can be found on page 140.

2023 Share Awards

2023 share awards were made under the Remuneration Policy with grants of 150% of salary to both Executive Directors. The metrics and weightings were adjusted EPS (40%), ROCE (40%) and ESG sustainability measures (20%). The share price on grant was €13.76 compared to the share price for the 2022 award of €11.83.

2024 operation of Remuneration Policy

Executive Director Fixed Remuneration

Our new Group CEO is appointed on a base salary €1,000,000.

The base salary of the Group CFO is increased by 4% from €633,015 to €658,336 effective 1 January 2024. The Remuneration Committee considers that this increase is appropriate in the context of the average increases in the wider workforce with increases planned in the US, Ireland and the UK of between 4% and 4.4%.

During 2023 we completed our pension review with no further adjustments required to our Executive Director pension level at 12% of salary. Benefits for our Group CFO remain unchanged from 2023. Our new Group CEO benefits comprise company car or equivalent, medical and life assurance.

2024 Annual Incentive

The maximum annual incentive opportunity for 2024 remains at 250% and 200% of salary for the Group CEO and Group CFO respectively. The performance metrics and weightings also remain the same as for 2023, being 50% adjusted EPS, 20% Cash Conversion, 20% strategic objectives and 10% ESG measures. The targets for the annual incentive are commercially sensitive and will be disclosed retrospectively in next year's Remuneration Report. However, the Remuneration Committee is comfortable that the targets set for 2024 reflect our business planning and are appropriately stretching taking into account both the annual incentive opportunity as well as the current economic and business environment.

2024 Share Awards

2024 share awards will be granted at 150% of salary for both the Group CEO and Group CFO. Performance and vesting will also be determined by the same key Group performance metrics that applied to the 2023 award of adjusted EPS (40%), ROCE (40%) and ESG sustainability measures (20%). Full details on measures, weightings and targets are set out on page 144.

Non-Executive Director Remuneration

Our Chair and Non-Executive Director fees for 2024 will be increased by 4% in line with the increase for our Executive Directors.

Conclusion

2023 was another outstanding year for the Glanbia management team, both from a financial performance and operational perspective. The Committee is delighted that the remuneration outcomes reflect the performance delivered during the year and, in respect of the 2021 share award, over the last three years. The Committee reweighted the STIP and LTIP, as part of our new policy introduced in 2022, to provide significant focus on shorter term operational performance from year-to-year which builds sustainable growth and returns to shareholders over the longer term. The Committee believes that the exceptional performance delivered since the introduction of our new policy demonstrates its effectiveness supporting the delivery of our business strategy and incentivising our management team for this. The policy is also significantly aligned to shareholder experience given the significant deferral into shares and the required holding periods for both the STIP and LTIP incentives. The Board is of the view that the key policy changes approved at the 2022 AGM are achieving the desired outcomes. As Chair of the Remuneration Committee, I do however plan to seek feedback from shareholders on the operation of our remuneration policy well in advance of the obligatory policy renewal date, to ensure that any shareholders' views are considered by the Committee.

I would again like to thank shareholders for their engagement and the time they took to speak with me on the proposed retention award for the Group CFO.

The Committee believes that the grant of a retention award provides critical stability to our senior leadership team as the business moves forward under the leadership of our new Group CEO and believes that this is the right approach in the best interests of the business and its shareholders. I hope, therefore, that shareholders will understand and support our approach.

I look forward to receiving your support at the AGM for (1) the advisory shareholder resolution to approve the Remuneration Report excluding the Directors' Remuneration Policy, and (2) our separate advisory shareholder resolution to approve our new Directors' Remuneration Policy, including this Annual Statement (insofar as it relates to the Retention Award for the Group CFO).

I am available through our Group Secretary and Head of Investor Relations if you wish to engage with me prior to our 2024 AGM.



Jane Lodge
Remuneration Committee Chair

Remuneration Committee Report continued

At a glance: Individual Executive Remuneration for the year ended 30 December 2023 (Audited)

	GMD (S Talbot)	CFO (M Garvey)
Base salary	€1,144,002 (3.4%) increase	€633,015 (3.4%) increase
Benefits	Company car or equivalent, medical/life assurance and accommodation allowance	Company car or equivalent, medical/life assurance and tax equalisation
Pension	12% of salary (cash in lieu of pension)	12% of salary
Short-Term Incentive Plan ("STIP")		
Measures	Adj. EPS (50%), Cash Conversion (20%), strategic objectives (20%), and ESG measures (10%)	
Maximum opportunity	250% of salary	200% of salary
Achievement	€2,802,805 (98% of max)	€1,250,838 (98.8% of max)
Structure	50% of bonuses earned deferred into shares – 30% released after year 2, 20% released after year 3	
Long-Term Incentive Plan ("LTIP")		
Measures 2023 award	Adj. EPS (40%), Group ROCE (40%) and ESG measures (20%)	
Award level 2023 award	150% of salary	150% of salary
Achievement 2021 award	€3,485,421 (100% of max)	€1,542,887 (100% of max)
Structure	Paid in shares, subject to two-year post vesting holding period	
Other Policy elements		
Shareholding requirements	250% of salary 50% of shares vesting under the annual bonus and LTIP must be retained until achieved	200% of salary 50% of shares vesting under the annual bonus and LTIP must be retained until achieved
Post-employment shareholding requirements	The lower of shares actually held and 100% of salary for the first year after ceasing to be an Executive Director and 50% of salary for the second year	

Section A: Directors Remuneration Policy 2024 - 2026

Under Section 1110M of the Irish Companies Act 2014, the Company is required to obtain shareholder approval of its Directors' Remuneration Policy every four years, or sooner if changes are required. UK regulations, which the Company follows as a matter of best practice, where practicable, require a new policy to be brought to shareholders every three years, or sooner if material changes are required.

The decision-making process to develop the 2024–2026 Remuneration Policy and operation of Policy is set out in the Chair's Annual Statement on Remuneration and the section below on Remuneration Committee Governance and is incorporated into the Remuneration Policy by reference.

The 2024–2026 Remuneration Policy will be subject to a shareholder advisory vote at the 2024 AGM and is expected to apply for a three-year period. The Committee, may under Irish regulation, extend the Policy by one-year and seek shareholder approval to a new Policy after a four-year period if this is deemed appropriate.

Remuneration Strategy, Policy, and Purpose

The Remuneration Policy has been developed to attract, retain and motivate executives to ensure that they perform in the best interests of the Group and its shareholders by growing and developing the business over the long-term. Performance-related elements of remuneration are designed to form an appropriate portion of the overall remuneration package of Executive Directors and link remuneration to business performance and individual performance, while aligning their interests with those of shareholders.

The Policy focuses on incentivising the successful implementation of our corporate strategy, consistent with our risk management framework. This strategy aims to deliver sustainable, superior earnings growth, solid financial stewardship and total shareholder return for our shareholders over the long-term through the strong performance of high-quality and committed leadership, critical to the future development of the Group. The Group Key Performance Indicators ("KPI"s), which are detailed on pages 24 and 25, underpin the selection of performance criteria used within the incentive arrangements.

Factors considered when developing the Remuneration Policy

The Remuneration Committee considered the following factors when developing the Directors' Remuneration Policy:

- **Clarity** – All elements of the Policy and its implementation are set out clearly in the Directors' Remuneration Report.
- **Simplicity** – The Policy is simple and straightforward with the structures used being common across listed companies.
- **Risk** – The Policy has been developed so that incentive structures discourage inappropriate risk taking through use of long-term incentives, the balance of measures used to determine variable remuneration outcomes and through features such as shareholding requirements and malus and clawback.
- **Predictability** – The Policy has been constructed to have clear limits on the variable remuneration payable, with the scenario chart later in this report providing illustrative examples of how the Policy may operate in practice.
- **Proportionality** – There is a sensible balance between fixed and variable pay, and variable remuneration is appropriately structured to sustainable long-term performance.
- **Alignment to culture** – Through the assessment of financial and non-financial performance, executives are incentivised to achieve performance in a way that aligns to Glanbia's values and culture.

Summary of changes being made to the Directors' Remuneration Policy

The only substantive change to the Policy is to enable the grant of a one-off retention award to the Group CFO.

There are some minor wording changes to take account of the retirement of Siobhán Talbot as Group Managing Director and the appointment of Hugh McGuire as Group CEO.

Executive Directors' Remuneration Policy table

The following table sets out the different elements of remuneration for the Executive Directors. The Remuneration Policy is subject to approval with an advisory non-binding shareholder resolution at the 2024 AGM.

Element	Objective	Description, Performance Measures and Maximum Value
Base salary (fixed) Annual fixed pay	Provide competitive base pay which reflects market value of role, job size, responsibility and individual skills and experience.	Set by reference to the relevant market median of Europe and US based companies on an external independent evaluation of the role against appropriate peer companies. Reviewed annually by the Remuneration Committee. Any reviews, unless reflecting a change in role or increased complexity, usually take effect from the commencement of the relevant financial year. While there is no maximum increase or maximum salary amount, increases as a percentage of salary will normally be aligned to those of the wider workforce, although the Remuneration Committee may determine that it is appropriate to make higher increases than this, for example, but not limited to, where there is an increase in role including responsibilities and complexities.
Pension (fixed) Retirement benefit	Provide market aligned, affordable and sustainable retirement benefits.	Determined as a percentage of base salary. Pension contribution aligned to the workforce in the country of appointment which is currently 12% of salary in Ireland.
Other Benefits (fixed)	Provide competitive benefits which recognise market value of role, job size and responsibility.	Determined in consideration of the level of responsibilities and local market practice. Benefits to include but not be limited to company car or equivalent, medical/life assurance, tax equalisation payments and accommodation/relocation or other business-related allowances where appropriate.
Short-Term Performance Related Incentive (variable)	<p>Incentivise Executive Directors to achieve specific performance goals and personal performance objectives which are linked to the Group's business plans during a one-year period.</p> <p>Ensure greater linkage of remuneration to performance.</p> <p>Ensure greater linkage to long-term sustainability and alignment to Group Risk Management Policy.</p> <p>Alignment with shareholders and/or share value growth.</p>	<p>The annual incentive scheme rewards achievement of specific short-term annual performance metrics.</p> <p>The Group CEO and the Executive Directors can earn 125% and 100% of base salary at target performance respectively and up to 250% and 200% of base salary respectively for maximum performance. Annual bonus starts to accrue at 0% for threshold performance.</p> <p>In relation to strategic targets the structure of the target will vary based on the nature of the target set and it will not always be practicable to set targets using a graduated scale. Vesting may therefore take place in full if specific criteria are met in full.</p> <p>The majority of the STIP will be based on financial metrics. The Remuneration Committee reviews and determines the metrics, weightings and calibration of targets annually taking into account the business planning process and the strategic priorities of the business. The Remuneration Committee has the discretion to adjust the formulaic vesting outcome if it deems it appropriate.</p> <p>50% of any annual incentive earned is deferred into shares and once the appropriate taxation and social security deductions have been made, invested in shares in the Company. The shares are subject to a holding period, 30% is released after 2 years, and 20% after 3 years.</p> <p>Deferred incentives are subject to malus and clawback (for a period of two years following this investment) to the extent determined by the Remuneration Committee as outlined in Note 1 on page 132.</p>

Remuneration Committee Report continued

Element	Objective	Description, Performance Measures and Maximum Value
<p>Long-Term Performance Related Incentive (variable)</p> <p>LTIP under which shares are granted in the form of a provisional allocation of shares for which no exercise price is payable</p>	<p>To align the interests of Executive Directors and shareholders through a long-term share-based incentive linked to share ownership and holding requirements.</p> <p>To focus on greater alignment with shareholders, long-term retention and reward for sustainable performance.</p>	<p>Long-term incentive individual annual share award level cannot exceed 150% of base salary.</p> <p>The majority of the LTIP will be based on financial metrics. The Remuneration Committee reviews and determines the performance metrics and weightings annually ensuring that they support the strategic priorities of the business.</p> <p>For all financial performance metrics, 25% vests at threshold performance and 100% vests at maximum with straight line vesting in between these points.</p> <p>In relation to strategic targets the structure of the target will vary based on the nature of the target set, and it will not always be practicable to set targets using a graduated scale. Vesting may therefore take place in full if specific criteria are met in full.</p> <p>The extent of vesting shall be dependent on the level of achievement, measured over a three-year period, of the relevant performance conditions. The Remuneration Committee has the discretion to select different performance criteria (including the measures, their weighting and calibration) where deemed appropriate for new Long-Term incentive awards to ensure they continue to reflect the strategic priorities of the business. The performance conditions for each award will be disclosed in the Directors' Remuneration Report which will be subject to a shareholder non-binding advisory vote.</p> <p>The Remuneration Committee has the discretion to adjust the formulaic vesting outcome if it deems it appropriate and a share award shall not vest unless the Remuneration Committee is satisfied that the Group's underlying financial performance has shown a sustained improvement in the period since the date of grant.</p> <p>Executive Directors will be required to hold shares received pursuant to the vesting of share awards for a minimum period of two years post vesting subject to sales to meet taxes. Share awards are subject to malus and clawback (during the two-year holding period following vesting), to the extent determined by the Remuneration Committee as outlined in Note 1 below.</p>
<p>Retention Award</p> <p>One-off retention award to be made to the Group Chief Financial Officer</p>	<p>To retain the Group Chief Financial Officer to provide stability of the executive leadership team over the next 24 months.</p>	<p>One-off conditional award of shares to the Group CFO. The award is equal to 100% of base salary. The number of shares subject to the award is determined using the Glanbia plc volume weighted average share price for the month of December 2023.</p> <p>The award is subject to a two year vesting period commencing on 1 January 2024 with vesting subject to the Group CFO being an Executive Director on 31 December 2025. The vested shares are subject to a one-year post vesting holding period subject to sales to meet taxes.</p> <p>Save for the specific terms detailed above, the general terms and conditions for the LTIP will apply to the retention award, including in relation to malus and clawback, corporate events, leaver provisions and the terms and conditions that cannot be amended to the recipient's advantage without shareholder approval, as outlined in Note 1 below.</p>
<p>Shareholding Requirement</p> <p>Minimum share ownership requirements to be built up over time through the retention of vested incentive awards</p>	<p>Ensure a greater alignment with shareholders' interests.</p>	<p>Executive Directors are required to build a shareholding through retaining 50% of shares vesting under the annual bonus and LTIP (subject to sales to meet taxes) until shareholding requirement is achieved.</p> <p>The Group CEO is required to build and maintain a shareholding of 250% of base salary and other Executive Directors are required to build up and maintain a shareholding of 200% of base salary.</p>
<p>Post-Employment Shareholding Requirement</p> <p>Minimum share ownership requirements to be built up over time through the retention of vested incentive awards</p>	<p>Ensure a greater alignment with shareholders' interests</p>	<p>The lower of shares actually held and 100% of salary for the first year following cessation of employment and 50% of salary for the second year with Remuneration Committee discretion to amend the requirement in exceptional circumstances.</p> <p>Applies to the Group CFO to incentive awards granted from 2022 and to other Executive Directors from the date of appointment and for all Executive Directors, not to shares purchased from the executive's own funds.</p> <p>Requirement is to retain 50% of vested LTIPs and bonus shares (after sales to meet taxes) until sufficient shares held to meet post-employment requirement.</p>

Note 1: Malus and clawback – the Remuneration Committee may, at any time within two years of a share award or annual deferred incentive vesting, determine that malus and clawback shall apply if the Remuneration Committee determines that there was a material misstatement of the financial statements of the Company upon which the performance targets were assessed or an erroneous calculation was made in assessing the extent to which performance targets were met. Additionally, the Remuneration Committee can determine at any time within two years of a share award or annual deferred incentive vesting that malus and clawback will apply if an award holder is found guilty, or pleads guilty, to a crime which causes reputational damage; or an award holder is guilty of serious misconduct or gross negligence which causes loss or reputational damage, or where corporate failure or failure in risk management has occurred.

Executive Director employment conditions

The Remuneration Committee adopts a transparent framework when making Board appointments of either external or internal candidates.

Recruitment policy

When recruiting new Executive Directors, the Group's policy is to provide an appropriate remuneration package to attract the right calibre of individuals taking into account the skills and experience appropriate to the role being filled, and taking into account cost and remuneration across the Group, including other senior executives, and that offered by other international food and nutritional companies and other companies of similar size and complexity. New Executive Directors will generally be appointed on remuneration packages with the same structure and pay elements as described in the table below. Each element of remuneration to be included in the package offered to a new Executive Director would be considered.

Element	Description
Base salary (fixed)	Base salary levels will be set in consideration of the skills, experience and expected contribution to the role, the current salaries of other Executive Directors in the Group and current market levels for the role.
Pension (fixed)	Pension contribution will be aligned to the workforce in the country of appointment unless there is specific market practice in the country of appointment and where for the recruitment of the right candidate it is considered necessary by the Remuneration Committee for the executive to participate in retirement benefits applicable to their local market and in line with relevant scheme rules and Company practice.
Other benefits (fixed)	Will be considered in light of relevant market practice for the role, the benefit received by the candidate in current role and the provisions in place for other Executive Directors.
Short-Term Performance Related Incentive (variable)	<p>The maximum level of short-term variable remuneration which may be granted to a new recruit is 250% (total maximum variable remuneration is 400%, annual and long-term variable). This excludes any buyout share awards that might arise.</p> <p>The Remuneration Committee will consider whether it is appropriate for the new recruit to participate in the same annual incentive plan applicable to the current Executive Directors. If this is considered appropriate, the same financial measures, weighting, payout scale and target and maximum incentive opportunity (as a percentage of base salary) which apply to the existing Executive Directors will generally apply to the new recruit.</p>
Long-Term Performance Related Incentive (variable)	<p>The maximum level of long-term variable remuneration which may be granted to a new recruit is 150% (total maximum variable remuneration is 400%, annual and long-term variable). This excludes any buyout share awards that might arise.</p> <p>The award of long-term incentives will depend on the timing of the appointment and where this fits into the typical annual grant cycles.</p>

In addition to the above, when appointing an Executive Director, all other aspects of the Remuneration Policy such as malus and clawback and shareholding requirements will apply.

In exceptional circumstances or where the Remuneration Committee determines that it is necessary for the recruitment of key executives, the Remuneration Committee reserves the right to offer additional cash and/or share-based payments to take into account remuneration relinquished including incentive awards forfeited when leaving the former employer which would reflect as far as possible the nature (delivery vehicle), time horizons and performance requirements attached to that remuneration.

The Remuneration Committee's approach to this matter is to carry out a detailed review of the awards or other remuneration element which the individual will lose and calculate the estimated value of them. In doing so, the Remuneration Committee will consider the vesting period; the award exercise period if applicable; whether the awards are cash or share-based; performance-related or not; the former employer's recent performance and payout levels and any other factors the Remuneration Committee considers appropriate. If a buyout share award is to be made, the structure and level will be carefully designed and will generally reflect and replicate the previous awards as accurately as possible. The award will be made subject to appropriate clawback provisions in the event that the individual resigns, or their employment is terminated within a certain time frame.

For an internal appointment, any variable pay element awarded in respect of the prior role may be allowed to payout according to its terms, adjusted as relevant to take into account the appointment. In addition, any ongoing remuneration obligations existing prior to appointment (which are inconsistent with the policy as disclosed herein) may continue, provided they are disclosed to the Remuneration Committee and in the Annual Report on Remuneration. The Remuneration Committee may also, if it considers it appropriate and in the best interests of the Group and its shareholders, realign existing incentive awards to the Director's Remuneration Policy applicable at the time of appointment.

Remuneration Committee Report continued

Executive Director Service Agreements

The Group's policy is to provide rolling service contracts with a 12 month notice period. The Group CEO, Hugh McGuire and the Group CFO Mark Garvey, service agreements have a rolling 12 month notice period. The Group retains the sole right to terminate with payment in lieu of 12 months' notice, or part thereof, at any time.

Employment contracts for Executive Directors do not provide for any compensation for loss of office beyond payments in lieu of notice and therefore, except as may otherwise be required by Irish law, the amount payable under the contract upon termination is limited to a maximum of 12 months' remuneration. If so required, the Group reserves the right to make necessary payments in settlement of a Director's statutory employment rights.

The former Group Managing Director Siobhán Talbot and incumbent Group CFO have additional 12 month restrictive covenant agreements which were introduced in 2019 and are in addition to the contract of service and notice period. These restrictive covenant agreements were put in place under the 2018-2021 Remuneration Policy, were grandfathered into the 2022-2024 policy and our new 2024-2026 policy. These agreements are necessary as a matter of law and aligned to market practice in Ireland to ensure enforceability of non-compete obligations. The Remuneration Committee will ensure that careful consideration is given to the remuneration payable on any termination of employment including whether an Executive Director is required to work his or her notice period to minimise the total cost of severance.

All new appointments will have restrictive covenant agreements incorporated into their service contracts with no additional payment in respect of these.

Exit pay policy

The Group's exit pay policy for the variable pay of Executive Directors is as follows:

- STIP awards – STIP awards will vest pro-rata to reflect the performance period, which was worked and the performance outcomes achieved, in accordance with plan rules with the Remuneration Committee applying its discretion to allow all or part of STIP award to vest. STIP payments will normally be made at the usual time;
- LTIP awards – In the event an Executive Director leaves before an award vests for reasons of death, redundancy, injury, ill health or disability, retirement with the agreement of the Remuneration Committee or any other reason approved by the Remuneration Committee, LTIP awards lapse unless the Remuneration Committee exercises its discretion to allow all or some of the Executive Director's awards to vest taking into account pro-rating for service and the extent to which the performance conditions of the award are met (save in the case of death or if the circumstances are sufficiently exceptional as determined by the Remuneration Committee where the Remuneration Committee may reduce the pro-rating and vest awards earlier than the normal time). The Remuneration Committee may at any time prior to vesting, in its absolute discretion, revoke any determination to permit awards to vest where an Executive Director breaches a protective covenant. For all other leavers awards will lapse: in the event of a takeover, merger, scheme of arrangement or other similar event involving a change of control of the Company or a demerger of a substantial part of the Group, or a special dividend, or an event which has the effect of materially changing the Group's business, or an Executive Director's employment with the Group terminates by reason of a transfer of his/her employment to an entity outside the Group or other similar events that affects the Group's shares to a material extent, share awards under the 2018 LTIP will vest early, subject to normal restrictions on sale and the pro-rating of the share awards to reflect the reduced period of time between the commencement of the performance period and the early vesting; and
- The Remuneration Committee can decide not to apply restrictions on sale or pro-rata a share award if it regards it as inappropriate to do so in the particular circumstances; and other payments, such as legal or other professional fees, relocation or outplacement costs, payments to settle legal claims may be paid if it is considered appropriate and is at the absolute discretion of the Remuneration Committee.

Policy on external Board appointments

The long-standing policy of allowing Executive Directors to hold external Non-Executive Directorships with the prior approval of the Remuneration Committee will continue. The Remuneration Committee considers that external directorships provide the Group's Executive Directors with valuable experience that is of benefit to Glanbia. The Remuneration Committee believes that it is reasonable for the individual Executive Director to retain any fees received from such appointments given the additional personal responsibility that this entails.

Remuneration below Executive Directors

The Group's remuneration principles and the Policy underpin remuneration practice across the Group. Below the level of the Executive Directors, similar principles and policy framework, as outlined in the preceding pages, cascade as far as possible, taking account of seniority and relevant local market practice.

The table below outlines the reward elements which apply to employees across the Group depending on their level of seniority and market location.

Element	Description
Base salary (fixed)	Set by reference to role responsibilities relative to the relevant local market based on external independent market data against appropriate peer companies. Reviewed annually in consideration of personal performance with any change of pay approved by a member of the Group Operating Executive (and by the Remuneration Committee for senior executives falling under its remit).
Pension (fixed)	Employees participate in retirement benefits applicable to their local market and in line with relevant scheme rules and Company practice.
Other benefits (fixed)	Employees participate in other benefits applicable to their local market and in line with relevant rules and Company practice. Other benefits may include car benefit, illness benefit, medical insurance, relocation expenses/payments.
Short-Term Performance Related Incentive (variable)	The annual incentive potential is based on appropriate and specific Group or Business Unit measures, as determined by the Remuneration Committee. For designated senior executives, deferral of the proportion of the annual incentive earned once the appropriate taxation and social security deductions have been made, will be invested in shares in the Company and delivered over three years following investment.
Long-Term Performance Related Incentive (variable)	The LTIP is focused on key Group financial metrics aligned to the awards made to the Executive Directors. The Remuneration Committee may also assign a portion of the share award as restricted stock over the performance period with annual vesting of restricted stock awards to ensure incentive awards are aligned to market practice and remain competitive in the markets in which Glanbia operates.

Consideration of employment conditions elsewhere in the Group

The Remuneration Committee considers all employees across the Group when establishing and implementing policy for Executive Directors. Senior and high-performing individuals within the organisation are invited to participate in both annual and long-term incentive arrangements. Similar to the Executive Directors, incentives are calibrated to provide appropriate rewards only on the achievement of superior performance. In addition, senior executives below Board level may be eligible to participate in restricted stock awards as part of the annual LTIP grant.

The Remuneration Committee has not previously consulted directly with employees when formulating Executive Director pay policy. However, it does solicit and take into account information provided by the Group Human Resources function and the independent external advice from its Remuneration Advisers. During 2023 there has been engagement with employees to explain how executive remuneration aligns with the wider company policy.

The Group Chairman is the designated Non-Executive Director for workforce engagement.

The Workforce Engagement Director held numerous engagement sessions with employees at all levels and at various global sites during 2023 in Ireland and the US as well as at Business Unit leadership conferences. The employee engagement sessions provided two-way direct dialogue on the topics of total reward, benefits, wellbeing, communication, and diversity, equity & inclusion. The annual employee engagement survey "Your Voice" with over 80% participation in 2023, also provides rich data and feedback from the employees. Positively, employees believed action was being taken by the company to address topics raised through the employee engagement survey and other feedback mechanisms, for example improvements to our Family Leave policies globally. Insights were also shared by the Workforce Engagement Director on the remit of Board committees on remuneration, audit and ESG oversight and they highlighted the positive development in Board member diversity. Emphasis was placed on the Board's keen desire to hear the voice of the employee and to take that into account when decisions were being made.

Remuneration Committee Report continued

Elements of remuneration for Non-Executive Directors

The Remuneration Policy for the Group Chairman and Non-Executive Directors is set out below.

Element	Objective	Description
Annual Fees	Recognise market value of role, job size, responsibility and reflects individual skills and experience.	Set by reference to market rates based on an external independent evaluation of comparator companies of a similar scale and complexity. Includes a base fee for the role of Non-Executive Director and additional fees reflecting responsibilities for chairmanship of a committee of the Board and Senior Independent Director, additional fees as appropriate for other roles and increased time commitments. The Group Chairman fee is reviewed from time-to-time by the Remuneration Committee and other Non-Executive Director fees are reviewed by the Board. Any reviews usually take effect from 1 January in the relevant year. The Group Chairman receives a single all-encompassing fee.
Travel allowance	To recognise the additional time commitment associated with travel on Company business.	Set by reference to market rates where comparable allowances are paid and taking into account the associated time commitment. A travel allowance may be structured as appropriate from time to time, taking into account the location of the Non-Executive Director and travel commitments, including but not limited to an annual allowance, an allowance per meeting and different allowances payable for Non-Executives based in different continents.
Benefits and expenses	Reimburse role-based expenses incurred during performance of the duties of the role.	No additional benefits are provided other than direct expenses relating to the role. Such expenses may include travel in the course of the role for the Group and any tax payable in respect of the reimbursement grossed up if appropriate.

The Non-Executive Directors do not have service contracts but have letters of appointment detailing the basis of their appointment.

The Non-Executive Directors do not have periods of notice and the Group has no obligation to pay compensation when their appointment terminates in accordance with their letters of appointment. They are subject to annual re-election at the AGM of the Company.

Section B: Annual Report on Remuneration

Remuneration Committee Governance

The Remuneration Committee comprises the Group Chairman who was independent on appointment and four Independent Non-Executive Directors, of whom two members constitute a quorum.

The Group CEO, Group CFO and Chief Human Resources Officer attend Remuneration Committee meetings by invitation only and as necessary. No Director or member of the Group Operating Executive is involved in considering their own remuneration, they absent themselves when their remuneration is discussed. The Group Secretary and Head of Investor Relations acts as secretary to the Remuneration Committee.

Remuneration best practices

The Remuneration Committee complies with all relevant reporting and legislative requirements applicable to an Irish incorporated company with a primary listing on Euronext Dublin. With a secondary Premium listing on the London Stock Exchange, the Remuneration Committee has also resolved on a voluntary basis to align, to the extent it considers possible and appropriate having had regard to Irish law, the Directors' Remuneration Policy and Remuneration Reporting with UK remuneration best practices including the regulations applicable to UK incorporated and listed companies.

The Remuneration Committee receives independent external advice on executive remuneration from Korn Ferry, a member of the Remuneration Consultants Group and signatory to its Code of Conduct, who were appointed as Remuneration Advisers in 2019 following a competitive selection process in the same year. Korn Ferry, who do not have any connection with any Directors of the Company, provide advice to the Remuneration Committee which supports robust and sound decision making. The Remuneration Committee is satisfied that its remuneration advisers act independently. Korn Ferry fees for advising the Remuneration Committee during 2023 were €103,000.

The Remuneration Committee is committed to strong and effective engagement with its stakeholders and to provide remuneration reporting disclosures that effectively explain our remuneration decisions. The Remuneration Committee continues to actively listen and incorporate, as far as possible, the views of the stakeholders.

Executive Directors' Remuneration 2023

Executive Director Remuneration Payments 2023

Executive Directors	Full Year	Fixed Pay			Annual Incentives		Long-term Incentives	Total fixed pay €'000	Total variable pay €'000	Total ⁵ €'000
		Base salary €'000	Pension contribution €'000	Other benefits ¹ €'000	Annual incentive (payable in cash) ² €'000	Annual incentive (deferred shares) ³ €'000	Long-term incentive ⁴ €'000			
S Talbot	2023	1,144	-	517	1,401	1,401	3,485	1,661	6,288	7,949
	2022	1,106	-	567	1,220	1,220	2,200	1,673	4,640	6,313
M Garvey	2023	633	76	67	625	625	1,543	776	2,794	3,570
	2022	612	153	93	545	545	974	858	2,064	2,922

- Other benefits include company car or equivalent, medical/life assurance, tax equalisation payment to M Garvey in respect of the DC pension contribution in Ireland, taxable cash in lieu of pension payments of 12% of salary and an accommodation allowance of €100,000 for S Talbot. Having elected to forego annual revaluation of her accrued pension (which applies to active members of the pension scheme), S Talbot received a cash pension amount of €95,360 in 2023.
- This reflects the proportion of the annual incentive payable in cash to Executive Directors in respect of performance for full year 2022 and 2023 performance.
- 50% of the annual incentive will be deferred, with 30% being released after 2 years and 20% after 3 years.
- For 2022, this reflects the value of the 2020 share award which vested on 11 May 2023. The vesting value has been updated from the 2022 Remuneration Report with the actual share price on vesting. For 2023, this reflects the value of the 2021 share award which will not vest before 17 March 2024, where the performance period ended on 30 December 2023. The gross value of the 2023 award is calculated using the official closing share price on 29 December 2023 (last day of trading for the 2023 financial year) of €14.91. Vested awards are held for a 2-year period from the date of vest.
- The total remuneration for both 2022 and 2023 is as a result of outstanding performance where the LTIP vesting levels were granted under our previous policy (STIP maximum was 150% of salary for GMD/Group CFO and LTIP was 250% and 200% of salary for GMD/Group CFO respectively) and the STIP payment levels under our current policy (STIP maximum is 250% and 200% of salary respectively and LTIP is 150% of salary for GMD/Group CFO).

Fixed Remuneration 2023

Base salary 2023

Base salary of the Group Managing Director and the Group CFO increased by 3.4% to €1,144,002 and €633,015 respectively, effective 1 January 2023, which was lower than the increase for the broader employee population.

Pension 2023

Both Executive Directors received pension contributions equal to 12% of salary with the Group Managing Director receiving a cash payment in lieu of pension and the CFO participating in a defined contribution retirement plan.

Other benefits 2023

Other benefits include the use of a company car or equivalent, medical/life assurance and an annual accommodation allowance and for the Group CFO who holds Irish and US citizenships, a tax equalisation in respect of defined contribution ("DC") pension contributions in Ireland. All benefits are subject to normal deductions per the relevant regulations.

Annual Incentive 2023

The table below summarises the 2023 annual incentive targets, weightings and outcomes.

Measure	Weighting	Threshold	Target	Maximum	Achievement as a % of maximum	Achievement outcome
Adjusted EPS (€ cent)¹	50%	112.06	115.33	118.59	100%	50.00%
				131.37		
Group OCF/Cash Conversion²	20%	75%	80%	90%	100%	20.00%
				90.4%		
ESG - Female Hiring %	5%	40%	45%	48%	100%	5.00%
				54.10%		
ESG - Voluntary Female Turnover %	5%	11%	9%	7%	100%	5.00%
				6%		
Strategic - Group MD	20%			90%	90%	18.00%
Strategic - Group CFO	20%			94%	94%	18.80%
Outcome - Group MD						98.00%
Outcome - Group CFO						98.80%
					Group MD	Group CFO
Overall outcome (% of salary)					245.00%	197.60%
Annual incentive award					EUR 2,802,805	EUR 1,250,838

- The 2023 adjusted EPS outcome was 131.89% cent adjusted to 131.37% cent when the impact of the acquisition during the year was excluded.
- The 2023 OCF outcome was 91.4% adjusted to 90.4% when the impact of the acquisition during the year was excluded.

Remuneration Committee Report continued

Key Strategic Objectives 2023

Strategic objectives are aligned with the Group strategy reflecting the Executive Director's personal contribution to organisational effectiveness, the execution of the strategic growth plan and driving innovation capability. The Group Managing Director proposed the strategic performance objectives for the Group CFO, with the Group Managing Director's strategic objectives proposed by the Group Chairman and all objectives approved, monitored during the year and scored by the Remuneration Committee.

Group Managing Director Siobhán Talbot

Measure/Objective	Weighting %	Performance Assessment	Achievement %
Objective 1 – Team development: Advance career development and succession plans for Group senior leaders.	10%	Facilitated succession planning of the Group CEO role with the Nominations and Governance Committee. Detailed senior leader succession planning process completed in 2023 with clear development plans in place for senior leaders. Strong execution of the Group talent, culture and DE&I strategy actioned in 2023 with clear actions against strategic goals well executed.	10%
Objective 2 – Deliver key GPN business initiatives for 2023 including sustained brand revenue and consumption growth particularly for the largest brand Optimum Nutrition ("ON") and margin progression across the business.	15%	Strong 2023 financial metrics achieved in GPN. The global ON brand delivered strong double digit revenue growth with momentum across both volume and pricing in the year. The business increased consumer investment and engagement across all brands. The US lifestyle brand portfolio continues to perform well while the SlimFast brand continues to be negatively impacted by the lack of movement in the diet category. Very strong GPN margin progression in the year with EBITA margins increasing by 300bps to 14.2%.	12%
Objective 3 – Deliver key GN business initiatives for 2023 including volume and margin growth in NS.	10%	2023 inventory rebalancing by customers was greater than expected in GN NS particularly in the first quarter of the year. This trend was well managed with progressive volume improvements each quarter and volume growth in the second half of the year. Customer relationships remain strong with continued strategic evolution of the business across the key platforms of protein and premix solutions. Very strong operational performance continued across all the GN operations through 2023. Strong margin progression in the year with EBITA margins in GN NS increasing by 110bps to 12.5%	8.8%
Objective 4 – Ensure achievement of targeted M&A for 2023.	8%	Strong pipeline of potential acquisitions evaluated through 2023. Acquisition of the B2B bioactive ingredients business of PanTheryx completed as a strong bolt on to the GN NS business activity.	7.2%
Objective 5 – Strategic portfolio assessment.	7%	Capital allocation decisions well executed in the year through a combination of organic growth, M&A activity and share buybacks. Simplification and streamlining of the Group business portfolio continued with the execution of the sale of Glanbia's interest in the Glanbia UK and EU joint ventures ("JV"s) and the change in commercial arrangements associated with our US JV operations which will simplify Group reporting from 2024. With the delivery of the 2023 performance Glanbia is strongly on track to deliver on the 2023-2025 targets communicated to the capital markets in November 2022.	7%
Total achievement	50%		45%

Group Chief Financial Officer
Mark Garvey

Measure/Objective	Weighting %	Performance Assessment	Achievement %
Objective 1 – Assess specified areas of the Group support organisation to optimise organisational design for future needs.	12%	Significant work completed during 2023 in the transitioning of financial services post the 2022 disposal of Glanbia's interest in Irish dairy and related operations. Strong progress made in the assessment of potential future optimal organisational design for core Group functional service areas. Further work will continue on this item through 2024.	10.8%
Objective 2 – Strategic portfolio assessment and optimisation of Group capital allocation decisions.	13%	Capital allocation decisions well executed in the year through a combination of organic growth, M&A activity and share buybacks. Strong M&A pipeline evaluated through the year and the PanTheryx business acquisition completed. Simplification and streamlining of the Group business portfolio continued with the execution of the sale of Glanbia's interest in the Glanbia UK and EU joint ventures ("JVs") and the change in commercial arrangements associated with our US JV operations which will simplify group reporting from 2024. With delivery of the 2023 performance Glanbia is strongly on track to deliver on the 2023-2025 targets communicated to the capital markets in November 2022.	11.8%
Objective 3 – In collaboration with the Business Unit teams, deliver key Group financial programmes including planned IT strategy and Group-wide key margin improvement initiatives.	10%	Strong delivery across the core finance agenda in 2023. Key IT system investments successfully executed to plan and strong margin progression achieved in 2023 across the Group including key growth platforms of GPN and GN NS.	10%
Objective 4 – Investor Relations: develop and execute plans.	3%	Strong programme stakeholder engagement in 2023 including a successful GPN capital markets event held in May 2023 outlining the strategic ambition of the global ON brand.	3%
Objective 5 – Finance team development.	2%	Clear career development and succession plans in place and actioned for global Group finance leaders and strong support provided for the overall Group talent, culture and DE&I agenda.	2%
Total achievement	40%		37.6%

Remuneration Committee Report continued

Vesting of 2021 Long-Term Incentive Share Awards

The 2021 share awards granted on 16 March 2021 had a three-year performance period (2021 to 2023) which ended on 30 December 2023.

Performance against the targets set has been measured and independently verified by external advisers on behalf of the Remuneration Committee with vesting as follows:

Measure	Weighting	Threshold	Maximum	Outcome as a % of maximum	Weighted outcome
Group EPS	50%	6% CAGR	11% CAGR	100.0%	50.00%
		20.8%			
Group ROCE	30%	8%	11%	100.0%	30.00%
		11.10%			
Group TSR	10%	Median	Top Quartile	100.0%	10.00%
		Between median and top quartile			
Group ESG	10%	See table below for details			

Group ESG performance	Weighting	Threshold	Maximum	Outcome as a % of maximum	Weighted Outcome
Renewable Energy	5%	30% Conversion	<40% Conversion	100.0%	5.00%
Energy Efficiency	2.5%	Audits completed, energy efficiency plan approved	Completed planned actions within performance period	100.0%	2.50%
Waste Utilisation	2.5%	Base lining completed and plans approved	Completed planned actions within performance period	100.0%	2.50%
				Outcome	100.0%

- * Group ROCE adjusted from 8.00 to 8.05% and 11.00 to 11.05% for the impact of the Glanbia Ireland (now known as Tirlan) disposal.
- Targets are set in consideration of acquisitions and disposals over the three-year performance period and therefore no adjustment is normally made for acquisitions and disposals to determine vesting. However as noted in the 2021 Remuneration Report, the disposal of the Company's interest in Glanbia Ireland (now known as Tirlan) was not contemplated at the time the targets for the 2020 (and 2021) LTIP awards were set. Following completion, the Remuneration Committee considered the implications of the disposal on inflight incentives and given the exceptional nature of the disposal, determined to adjust the inflight LTIP awards made in 2020 and 2021 such that the performance conditions measure continuing businesses only and take no account of either the gain or subsequent earnings impact of the disposal event.
- FY2020 Group adjusted EPS of 73.78 cents (euro) (84.28 cents (US dollar)), as set out in the 2020 Annual Report was used as a base year and has been adjusted on a continuing basis. Adjusted EPS is calculated as the profit attributable to the equity holders of the Company before exceptional items and intangible asset amortisation and impairment (excluding software amortisation) net of related tax, divided by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Group and held as own shares. FY 2023 Group adjusted EPS is 131.37 \$ cents. The EPS performance condition is measured using constant currency to reflect more accurately underlying earnings performance and remove any distortionary effect of currency volatility.
- Group ROCE is defined as the Group's earnings before interest, and amortisation (net of related tax) plus the Group's share of the results of joint ventures after interest and tax divided by capital employed. Capital employed comprises the sum of the Group's total assets plus cumulative intangible asset amortisation and impairment less current liabilities and deferred tax liabilities excluding all borrowings and lease liabilities, retirement benefit assets, cash and acquisition related contingent consideration and contract options. It is calculated by taking the average of the relevant opening and closing balance sheet amounts. In years where the Group makes significant acquisitions or disposals, the ROCE calculation is adjusted appropriately, to ensure the acquisition or disposal are equally time apportioned in the numerator and the denominator.

The vesting of the share awards granted to Executive Directors in 2021 which will not vest before 17 March 2024 is as follows:

Executive Directors	Total number of shares awarded	Number of shares to vest in 2024	Percentage outcome %	Value at grant of the shares vesting (A)	Change in value over vesting period of share vesting (B)	Total vesting value (A+B) ¹
S Talbot	233,764	233,764	100%	€2,690,624	€794,797	€3,485,421
M Garvey	103,480	103,480	100%	€1,191,055	€351,832	€1,542,887

1. This reflects the value of share awards expected to vest in 2024 with a three-year performance period ended on 30 December 2023. The total vesting values have been estimated using the official closing share price on 29 December 2023 (last day of trading for FY 2023) of €14.91. The value at grant of the shares vesting was €11.51 being the mean between the high and low of a Glanbia plc share on 15 March 2021 (being the last day of trading on the Euronext Dublin before the grant of the award on 16 March 2021), which was the value used to determine the number of shares of the 2021 award.

Long-Term Incentive Plan share awards 2022 and 2023

Details of the 2023 LTIP awards made to the Group Managing Director and Group CFO on 5 April 2023 are as follows:

Executive Director	Type of award	Basis of award	Face value of award ¹	Number of shares under award	End of performance period
S Talbot	Conditional award	150% of salary	€1,716,010	124,710	3 January 2026
M Garvey	Conditional award		€949,523	69,006	

1. Face value calculated using a share price of €13.76 being the mean between the highest and lowest share price on the date of grant.

The performance conditions and weightings for all outstanding share awards are set out in the following table.

Performance Condition	2022 Performance Measures Financial Period 2022 – 2024				2023 Performance Measures Financial Period 2023 – 2025			
	Weighting % of max	Vesting 0%	Vesting 25% (Threshold) ¹	Vesting 100% (Maximum) ¹	Weighting % of max	Vesting 0%	Vesting 25% (Threshold) ¹	Vesting 100% (Maximum) ¹
Group EPS Three-year adjusted EPS	40%	< 4% CAGR	= 4% CAGR	≥ 9% CAGR	40%	< 5% CAGR	= 5% CAGR	≥ 10% CAGR
Group ROCE	40%	< 8%	= 8%	≥ 11%	40%	< 10%	= 10%	≥ 13%
ESG measures	20%		See table overleaf		20%		See table overleaf	

1. Straight line vesting between threshold performance and maximum performance for Group EPS and ROCE.

Achievement against financial performance conditions is determined on a constant currency basis to reflect more accurately underlying earnings performance and remove any distortionary effect of currency volatility. LTIP performance targets are set with future acquisitions in mind and are therefore reflective of the expected impact acquisitions may have on key performance conditions. This approach acknowledges the strategic importance of acquisitions to the Group's long-term performance and strategy.

ESG measures

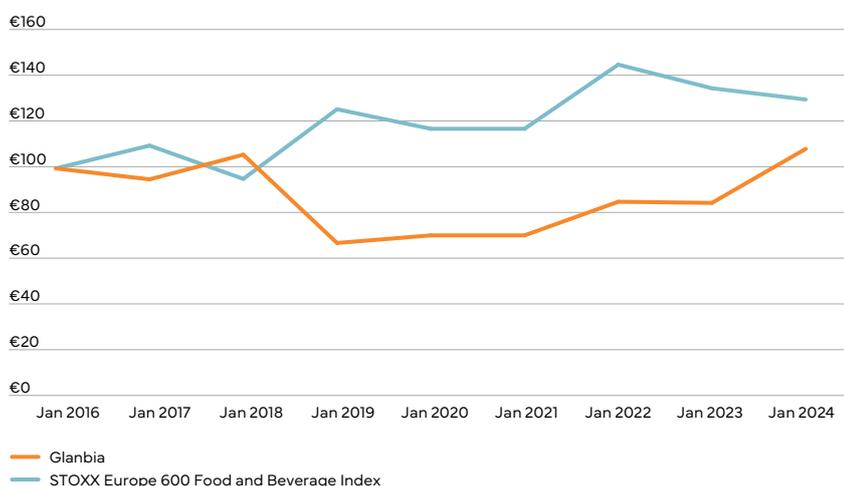
2022 – 2024 LTIP (20% weighting)	Threshold	Maximum
Scope 1 & 2 emissions reduction	20% reduction by the end of the performance period compared to 2021 emissions	29% reduction by the end of the performance period compared to 2021 emissions

2023 – 2025 LTIP (20% weighting)	Weighting	Vesting 0%	Vesting 25% (Threshold)	Vesting 100% (Maximum)
Scope 1 & 2 emissions (reduction vs 2022 base year)	10%	<26%	26%	31%
Water (reduction vs 2021 base year)	5%	<8%	8%	11%
Packaging (% of packaging that is recyclable)	5%	<75%	75%	87%

TSR performance

The graph illustrates the Total Shareholder Remuneration ("TSR") performance of the Group over the past eight years showing the change in value of €100 invested in Group's shares from 3 January 2016 to 30 December 2023 (dates aligning with opening and closing financial periods) compared with the STOXX Europe 600 Food & Beverage Index of which the Group is a constituent. This chart was first incorporated into our reporting for 2020 covering five years.

The STOXX Europe 600 Food and Beverage Index has been selected as an appropriate index as it comprises other companies within the same broad sector to Glanbia and of which Glanbia is a constituent.



Remuneration Committee Report continued

Group Managing Director total remuneration

The table below sets out the remuneration received by the Group Managing Director. This table will be extended each year to 2025 to cover a 10-year period.

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Remuneration €'000	2,631	3,133	3,229	3,466	1,577 ¹	2,310	3,459	6,313	7,949
Annual Incentive achieved as a % of maximum	81.2%	90.5%	71.6%	92.8%	0.0% ¹	36.3%	97.7%	88.2%	98%
Long-term Incentives achieved as a % of maximum	74.98%	81.07%	76.79%	58.13%	17.64%	21.0%	21.6%	65.9%	100%

1. S Talbot voluntarily waived the entire 2019 annual incentive which would have otherwise resulted in a Total Remuneration earned in 2019 of €2.104 million. Annual Incentive earned in 2019 was 33.4% of maximum.

Directors shareholdings

As at 30 December 2023 the Executive Directors share ownership against the guidelines was as follows:

Executive Directors	Shares held as at 30 December 2023	% of base salary based on market value as at 30 December 2023 ¹	Shareholding guideline
S Talbot	532,220	694%	250%
M Garvey	207,667	489%	200%

1. The market values have been estimated using the official closing price of a Glanbia plc share on 29 December 2023 (being the last day of trading on the Euronext Dublin before year end 30 December 2023) of €14.91.

Other disclosures

Dilution

Share awards granted under the 2018 LTIP and the Annual Deferred Incentive are satisfied through the funding of employee benefit trusts which acquire shares in the market. The Company's employee benefit trusts held 2,368,126 shares at 30 December 2023.

Payments to past Directors

There are no payments to past Directors.

Payments for loss of office

Siobhán Talbot stepped down from the Board and her position as our Group Managing Director on 31 December 2023. She continued to be employed in the business through January and received her base salary, benefits and pension allowance (a total of €117,607) for the period 1 January 2024 until she retired from the Group on 26 January 2024.

Ms Talbot's 2023 STIP and 2021 LTIP have been determined based on performance in the normal way as disclosed earlier in this report. The holding periods for these awards, in addition to those applicable to STIP and LTIP payments and vesting in prior years, will continue post her stepping down from the Board.

Ms Talbot is a Good Leaver by reason of retirement and retains her 2022 and 2023 LTIP awards with vesting determined at the normal time based on performance, prorating for service and subject to the normal post vesting holding periods.

The policy to retain 100% of salary in shares for one year post ceasing to be an Executive Director and 50% of salary for the second year was introduced in 2022 and applies to STIP and LTIP awards from 2022. The 2022 and 2023 STIP and LTIP awards remain subject to vesting and holding periods that will exceed the two years to which the shareholding requirement applies.

Under non-solicitation and non-compete restrictive covenants which were put in place and formed part of our shareholder approved policy in 2018, Ms Talbot will receive 12 months' base salary (€1,144,002) payable in 12 equal monthly instalments in arrears. There are no payments to Ms Talbot in lieu of notice and total payments on stepping down from the Board do not exceed 12 months' base salary.

Change in remuneration of Directors compared to employees

The table below shows the percentage change in total remuneration using the single figure methodology for the for the last four financial years for the Directors of the Company and the average of all permanent employees of the Group on a full-time equivalent basis. For the purpose of this disclosure the Group is defined as all employees of wholly-owned entities in US and Ireland who are deemed to be most representative of the global workforce.

		2019-2023 ¹									
		Total remuneration 2023 €'000	Total remuneration 2022 €'000	Total remuneration 2021 €'000	Total remuneration 2020 €'000	Total remuneration 2019 €'000	Change in total remuneration % 2022 to 2023	Change in total remuneration % 2021 to 2022	Change in total remuneration % 2020 to 2021	Change in total remuneration % 2019 to 2020	
Executive Directors											
S Talbot	Earned	7,949	6,313	3,497	2,310	2,104	25.9%	80.5%	51.4%	9.8%	
	Paid	7,949	6,313	3,497	2,310	1,577	25.9%	80.5%	51.4%	46.5%	
M Garvey	Earned	3,570	2,922	1,822	1,238	1,165	22.2%	60.4%	47.2%	6.3%	
	Paid	3,570	2,922	1,822	1,238	1,103	22.2%	60.4%	47.2%	12.2%	
Non-Executive Directors⁵											
D Gaynor		346	335	325	150	95	3.3%	3.1%	116.7%	57.9%	
P Ahern ³		15	43	43	43	43	–	0%	0%	0%	
R Brennan		93	90	85	–	–	3.3%	5.9%	–	–	
P Duffy		106	100	71	–	–	6%	40.8%	–	–	
B Hayes		69	43	43	43	43	60.5%	0%	0%	0%	
I Haaijer		93	38	–	–	–	144.7%	–	–	–	
J Lodge		106	103	93	14	–	2.9%	10.8%	564.3%	0%	
JG Murphy		69	43	43	56	60	60.5%	0%	-23.2%	-6.7%	
J Murphy ³		15	43	43	10	–	–	0%	330.0%	–	
P Murphy		69	43	43	45	60	60.5%	0%	-23.2%	-6.7%	
D O'Connor		106	103	95	95	95	2.9%	8.4%	0%	0%	
K Underhill		123	50	–	–	–	146%	–	–	–	
G Parisse ²		72	–	–	–	–	0%	–	–	–	
Average remuneration on full-time equivalent basis Employees of the Group ⁴											
		89	91	84	81	75	-2.2%	8%	4%	8%	

- For supporting notes regarding 2020, 2021 and 2022 remuneration, reference should be made to the 2020, 2021 and 2022 Remuneration Reports.
- Gabriella Parisse was appointed as an Independent Non-Executive Director effective 1 June 2023.
- Patsy Ahern and John Murphy retired from the Board 4 May 2023.
- Average remuneration has been determined based on workforce of wholly-owned entities in Ireland and the US which is most representative of the global workforce.
- Non-Executive Director fees were increased for FY 2023 by 3.4% save for (a) the Non-Executive Directors nominated by the Society whose fees were aligned with those of other Non-Executive Directors effective 1 July 2023 and (b) certain other Non-Executive Directors whose Committee memberships changed during the year resulting in marginal differences in their percentage increases. I Haaijer and K Underhill joined the Board as Non-Executive Directors on 1 August 2022 and the percentage change in their total remuneration between 2022 and 2023 reflects that they each only worked part of the year in 2022.

Group Managing Director to all-employee pay ratio

Whilst not a reporting requirement, a voluntary disclosure on Group Managing Director pay ratio is set out below. The disclosure is based on the workforce of wholly-owned entities in Ireland and the US which is most representative of the global workforce. Total remuneration has been determined using the 'single total figure' methodology as it provides a like-for-like comparison between the Group Managing Director and other employees. All elements of remuneration were calculated on a full-time and full-year equivalent basis and no adjustments or assumptions were made by the Remuneration Committee.

The Committee notes that the median pay ratio for 2023 has increased compared to 2022. This is primarily driven by the nature of the Group Managing Directors' remuneration structures rather than changes in wider workforce remuneration. As expected by shareholders and aligned to market practice, a greater proportion of the remuneration awarded to the Group Managing Director is performance based and therefore at risk. As a result, where the Group delivers strong financial and strategic performance the total remuneration of the Group Managing Director increases at a proportionately greater rate compared to the wider workforce. The Remuneration Committee is satisfied that the pay ratio is appropriate relative to the strong performance achieved during the year and is consistent with Glanbia's reward and progression policies. The Remuneration Committee is committed to ensuring that remuneration structures below Board level are appropriate and enable the business to attract, retain, incentivise and reward our people – see page 136 for further details on our below Board level remuneration arrangements.

Financial Year		P25 (Lower Quartile)	P50 (Median)	P75 (Upper Quartile)	Chief Executive (€'000)
2019	Total Remuneration Ratio	41	28	18	1,577 ¹
2020	Total Remuneration Ratio	57	41	26	2,310
2021	Total Remuneration Ratio	86	62	39	3,497
2022	Total Remuneration Ratio	119	91	64	6,313
2023	Total Remuneration	49	65	92	7,949
	Total Remuneration Ratio	160	121	86	–
	Base Salary (€'000)	40	49	69	1,144

- In 2019 S Talbot was paid Total Remuneration of €1,577 million but earned €2.104 million. S Talbot voluntarily waived the entire 2019 annual incentive, 33.4% of maximum.

Remuneration Committee Report continued

Implementation of policy in 2024

Salary, pension and benefits

The base salary for the Group CEO is €1,000,000 and was set on appointment. The base salary for the Group CFO is €658,336 effective 1 January 2024 being an increase of 4% of salary from 2023. This annual salary increase is consistent with our overall workforce for Ireland and the US.

Benefits are the same as for 2023 except that the Group CEO will not receive any housing allowance. The Group CFO retention award will be granted during 2024.

2024 Annual Incentive

The Annual Incentive opportunity for the Group CEO and Group CFO in 2024 is 250% and 200% of salary respectively.

The Annual Incentive is based on the following measures:

Measure	Weighting
Group adjusted EPS	50%
Group Operating Cash flow	20%
Strategic objectives	20%
ESG	10%

The ESG measures in the 2024 annual incentive will focus on increasing female representation which aligns with our DE&I strategy. For 2024, the key DE&I measures will impact the behaviours which contribute to the ultimate outcome: 1) measuring the female hiring rates for management roles; and 2) measuring the retention/voluntary turnover of females in management positions. These measures are being measured on a Group-wide basis and also by Business Unit as the measures apply to the Executive Directors, Group Operating Executive and the Business Unit leadership teams.

The Remuneration Committee believes that the targets set for 2024 reflect internal planning and are appropriately stretching relative to prior years given the current commercial circumstances and ensuring there continues to be a strong link between pay and performance at all times and incentivise exceptional performance from management. Targets and performance against them will be disclosed in our 2024 Remuneration Report.

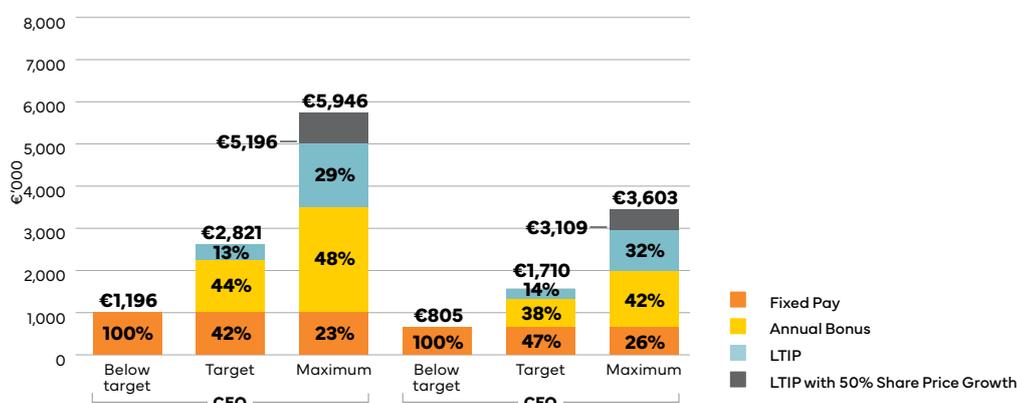
2024 LTIP share awards

The 2024 share awards will be made under our new Policy at 150% of salary for both the Group CEO and Group CFO.

Executive Directors	Weighting	Vesting 0%	Vesting 25% (Threshold)	Vesting 100% (Maximum)
Group adjusted EPS				
Three-year adjusted EPS CAGR	40%	< 5% CAGR	= 5% CAGR	≥ 10% CAGR
Group ROCE	40%	< 10%	= 10%	≥ 13%
Scope 1 & 2 emissions (reduction vs 2022 base year)	10%	<32%	32%	43%
Packaging (% of packaging that is recyclable)	10%	<82%	82%	88%

Application of Remuneration Policy for 2024

The chart below shows how the composition of each of the Executive Directors packages varies at different levels of performance under the operation of the Remuneration Policy for 2024 (excluding the Group CFO retention award). The assumptions noted for "target" performance are provided for illustration purposes only.



	Threshold	Target	Maximum 1. Assuming constant share price; and 2. Assuming 50% increase in share price
Fixed pay	Fixed pay, being base salary, pension allowances for the 2024 financial year and other benefits taken from the single total figure for the prior year		
Annual Incentives	Nil	125% of salary for the Group Chief Executive Officer 100% of salary for the Group Chief Financial Officer	250% of salary for the Group Chief Executive Officer 200% of salary for the Group Chief Financial Officer
Long-term incentives	Nil	25% vesting of share awards 37.5% of salary for Group Chief Executive Officer and Group Chief Financial Officer	100% vesting of share awards 150% of salary for Group Chief Executive Officer and Group Chief Financial Officer

Non-Executive Director fees

Non-Executive Director fees are increased for FY 2024 by 4% being the same percentage increase applied to the Executive Directors.

A summary of the fee levels is provided below:

Role	2024 €	2023 €
Group Chairman	360,246	346,390
Non-Executive Director (base fee)	96,782	93,060
Senior Independent Director/Committee Chairs	13,442	12,925
Intercontinental travel allowance for US-based Non-Executive Directors	30,000	30,000

Directors' Remuneration Report results at 2023 AGM

Resolution to receive and consider the Directors' Remuneration Report for the year ended 31 December 2022

For	%	Against	%	Total excluding withheld	%	Withheld	%	Total including withheld	%
167,356,301	99.29%	1,197,438	0.71%	168,553,739	100.00%	407,330	0.00%	168,961,069	100.00%

Directors' Remuneration Policy results at 2022 AGM

Resolution to receive and consider the Directors' Remuneration Policy 2022-2024

For	%	Against	%	Total excluding withheld	%	Withheld	%	Total including withheld	%
166,421,089	87.91%	22,883,020	12.09%	189,304,109	100.00%	2,438	0.00%	189,306,547	100.00%

Directors' remuneration and interests in shares in Glanbia plc

Tables A to G on the following pages give details of the Directors' remuneration and interests in shares in Glanbia plc held by Directors and the Group Secretary and Head of Investor Relations, and their connected persons as at 30 December 2023. There have been no changes in the interests listed in Tables B to G between 30 December 2023 and 20 February 2024 (being the latest practicable date prior to the signing of the Financial Statements), save that Siobhán Talbot retired as a Director on 31 December 2023. The official closing share price on 29 December 2023 (last day of trading for the 2023 financial year) was €14.91 and the range during the year was €11.12 to €16.04. The average price for the year was €13.93.

Remuneration Committee Report continued

Table A: 2023 Directors remuneration

The salary, fees and other benefits pursuant to the remuneration package of each Director during the year were:

	Date of Directorship appointment ("App")/ retirement ("Ret")	Salary €'000	Fees €'000	Pension contribution ¹ €'000	Other benefits ² €'000	Annual Incentive paid in cash ³ €'000	Annual Incentive deferred into shares ⁴ €'000	Long-term Incentive ⁵ €'000	2023 Total €'000	2022 Total ⁶ €'000
Executive Directors										
	S Talbot	1,144	–	–	517	1,401	1,401	3,485	7,949	6,313
	M Garvey	633	–	76	67	625	625	1,543	3,570	2,922
	2023	1,777	–	76	584	2,026	2,026	5,028	11,519	–
	2022	1,718	–	153	660	1,765	1,765	3,174	–	9,235
Non-Executive Directors										
	D Gaynor	–	346	–	–	–	–	–	346	335
	P Ahern Ret 4 May 2023	–	15	–	–	–	–	–	15	43
	R Brennan App 1 January 2021	–	93	–	–	–	–	–	93	90
	P Coveney Ret 30 March 2022	–	–	–	–	–	–	–	–	23
	P Duffy App 1 March 2021	–	106	–	–	–	–	–	106	100
	V Gorman Ret 5 May 2022	–	–	–	–	–	–	–	–	15
	I Haaijer App 1 August 2022	–	93	–	–	–	–	–	93	38
	B Hayes	–	69	–	–	–	–	–	69	43
	J Lodge	–	106	–	–	–	–	–	106	103
	JG Murphy	–	69	–	–	–	–	–	69	43
	J Murphy Ret 4 May 2023	–	15	–	–	–	–	–	15	43
	P Murphy	–	69	–	–	–	–	–	69	43
	D O'Connor	–	106	–	–	–	–	–	106	103
	K Underhill App 1 August 2022	–	123	–	–	–	–	–	123	50
	G Parisse App 1 June 2023	–	72	–	–	–	–	–	72	–
	2023	–	1,282	–	–	–	–	–	1,282	–
	2022	–	1,072	–	–	–	–	–	–	1,072
	Total 2023	1,777	1,282	76	584	2,026	2,026	5,028	12,801	–
	Total 2022	1,718	1,072	153	660	1,765	1,765	3,174	–	10,307

1. M Garvey participates in the Glanbia defined contribution plan with a DC contribution of 12% in 2023.
2. Other benefits include company car or equivalent, medical/life assurance, tax equalisation payment to M Garvey in respect of DC pension contribution in Ireland, taxable cash in lieu of pension payments of 26.5% of salary to S Talbot and an accommodation allowance of €100,000 for S Talbot. Having elected to forego annual revaluation of her accrued pension (which applies to active members of the pension scheme), S Talbot received a cash pension amount of €95,360 in 2023.
3. This reflects the proportion of the gross Annual Incentive (50% of total Annual Incentive) payable in cash to Executive Directors in respect of performance for full year 2023.
4. This reflects the proportion of the gross Annual Incentive (50% of total Annual Incentive) which will be invested in shares. Following the deduction of appropriate taxation and social security 30% will be retained for two years and 20% will be retained for three years.
5. This reflects the value of the 2021 share awards which will vest on 17 March 2024, earliest, the performance period for which ended on 30 December 2023. The gross value is calculated using the official closing price of a Glanbia plc share on 29 December 2023 (being the last day of trading on the Euronext Dublin for the 2023 financial year) of €14.91. 2021 vested share awards will be held for a two year period from the date of vest.
6. 2022 Total Remuneration has been restated to update the value of the 2020 share awards to the value on the date of vest, 11 May 2023. The restated gross value is calculated using the official opening share price on the date of vest of €13.97. 2020 vested share awards will be held for a two year period to May 2025.

Details of Directors' long-term awards expected to vest in respect of performance to 30 December 2023 are set out on page 140.

The defined pension benefit of the Executive Directors during the year was as follows:

	Transfer value of increase in accrued pension €' 000	Annual pension accrued in 2023 in excess of inflation €' 000	Total annual accrued pension at 31 December 2023 €' 000
S Talbot	–	–	159
2023	–	–	159
2022	–	–	159

Table B: Directors' and Secretary's interests in ordinary shares in Glanbia plc

Notes	As at 30 December 2023 Ordinary Shares	As at 1 January 2023 Ordinary Shares*
Directors		
D Gaynor	10,000	10,000
S Talbot	532,220	398,889
R Brennan	4,000	4,000
P Duffy	6,930	6,930
M Garvey	207,667	148,423
I Haaijjer	–	–
B Hayes	43,696	43,696
J Lodge	5,000	5,000
J G Murphy	11,849	11,849
P Murphy	15,687	15,687
D O' Connor	7,680	7,680
G Parisse	–	–
K Underhill	–	–
	844,729	652,154
Secretary		
L Hennigan	8,968	9,421

* or at date of original appointment to the Board if appointed during financial year.

- Executive Director. Retired 31 December 2023.
- Appointed 1 June 2023.

Note: The ordinary shares held in trust for the Directors and Secretary disclosed in Table C below are included in the total number of ordinary shares held by the Directors and Secretary above.

The Directors and Secretary did not use their shares as security during 2023 or up to 20 February 2024, being the latest practicable date prior to the signing of the FY 2023 Financial Statements.

Table C: Directors' interests in ordinary shares in Glanbia plc subject to restriction

	2018 LTIP ²	2018 LTIP ³	2018 LTIP ⁴	2021 Annual Deferred Incentive ⁵	2022 Annual Deferred Incentive ⁶	2022 Annual Deferred Incentive ⁷	Total ¹
Executive Directors							
S Talbot	16,832	84,203		38,822	28,768	20,360	188,985
M Garvey	7,451	37,274		21,482	12,865	9,105	88,177
Group Secretary and Head of Investor Relations							
L Hennigan			4,401				4,401

- The above ordinary shares are held on trust for the Directors and Group Secretary and Head of Investor Relations by the Glanbia plc Section 128D Employee Benefit Trust and are included in the total number of ordinary shares held in trust by the Directors and Secretary disclosed in Table B.
- Subject to restriction on sale until 25 May 2024.
- Subject to restriction on sale until 11 May 2025.
- Subject to restriction on sale until 11 May 2024.
- Subject to restriction on sale until 28 March 2024.
- Subject to restriction on sale until 28 March 2025.
- Subject to restriction on sale until 28 March 2026.

Remuneration Committee Report continued

Table D: Summary of Directors interests in Glanbia plc 2018 LTIP

	As at 30 December 2023 2018 LTIP Share Awards	As at 1 January 2023 2018 LTIP Share Awards
Executive Directors		
S Talbot	498,287	612,553
M Garvey	249,849	286,630

Table E: Directors' interests in 2018 LTIP

Date of Grant	As at 1 January 2023	Granted during the year	Vested during the year	Lapsed during the year	As at 30 December 2023	Market price at date of award €	Earliest date for vesting	Expiry date	Notes
Executive Directors									
S Talbot									
23-Mar-20	238,976	–	157,486	81,490	–	8.24	23-Mar-23	23-Mar-24	1
16-Mar-21	233,764	–	–	–	233,764	11.57	16-Mar-24	16-Mar-25	2
11-May-22	139,813	–	–	–	139,813	11.82	11-May-25	11-May-26	3
05-Apr-23	–	124,710	–	–	124,710	13.655	05-Apr-26	05-Apr-27	4
Total:	612,553	124,710	157,486	81,490	498,287				
M Garvey									
23-Mar-20	105,787	–	69,714	36,073	–	8.24	23-Mar-23	23-Mar-24	1
16-Mar-21	103,480	–	–	–	103,480	11.57	16-Mar-24	16-Mar-25	2
11-May-22	77,363	–	–	–	77,363	11.82	11-May-25	11-May-26	3
05-Apr-23	–	69,006	–	–	69,006	13.655	05-Apr-26	05-Apr-27	4
Total:	286,630	69,006	69,714	36,073	249,849				

- Share awards granted on 23 March 2020 were subject to performance conditions measured over the three financial years ended 31 December 2022. The awards vested on 11 May 2023 and the percentage of the awards vested are shown on page 149. Directors were permitted to sell sufficient shares to satisfy any tax or social security deductions arising on the acquisition of the shares. The balance of the shares are restricted from sale for two years and are held on trust for the Directors by the trustee of the Glanbia plc Section 128D Employment Benefit Trust. The total number of shares subject to restriction are included in the total number of ordinary shares disclosed in Table B on page 147.
- Share awards granted on 16 March 2021 were subject to performance conditions measured over the three financial years ended 30 December 2023. The outcome of these performance conditions and the number of share awards expected to vest to Executive Directors during 2024 are set out on pages 140. The vested share award, net of relevant taxation and social security deductions, will be restricted from sale for two years and held on trust for them by the trustee of the Glanbia plc section 128D Employee Benefit Trust.
- The performance period in respect of the 2018 LTIP awards made in 2022 is the three financial years ending FY 2024.
- The performance period in respect of the 2018 LTIP awards made in 2023 is the three financial years ending FY 2025.

The performance conditions attached to the awards granted in 2022 and 2023 are detailed in the section entitled 'Long-Term Incentive Plan Share Awards 2022 and 2023' on page 141.

Table F: Executive Directors' annual deferred incentive paid

	Value of Annual Incentive converted into shares € ¹	Date of conversion/ acquisition of shares	Acquisition price per share at date of conversion	Number of shares acquired ³
Executive Directors²				
S Talbot				
2022 Annual Deferred Incentive	€1,220,000	28-Mar-23	€13.62871	89,502
2021 Annual Deferred Incentive	€770,000	28-Mar-22	€10.61872	72,469
M Garvey				
2022 Annual Deferred Incentive	€545,000	28-Mar-23	€13.62871	40,025
2021 Annual Deferred Incentive	€426,000	28-Mar-22	€10.61872	40,100

- Numbers are rounded to the nearest thousand.
- The Directors are required to hold 60% of the shares received (net of any applicable taxes and social security) for a period of two years and three years for the balance post vesting.
- The total number of shares subject to restriction are included in the total number of ordinary shares disclosed in Table B on page 147.

Table G: Value of awards expected to vest in 2024 and awards vested in 2023

	Number of shares awarded expected to vest in 2024	Percentage Outcome %	Estimated Market Value € ¹	Number of shares vested in 2023	Percentage Outcomes %	Market Value on Date of Vest € ²
Executive Directors						
S Talbot	233,764	100.0%	3,485,421	157,486	65.9%	2,200,079
M Garvey	103,480	100.0%	1,542,887	69,714	65.9%	973,905

1. This reflects the value of long-term incentive share awards expected to vest in 2024 with a three year performance period ended on 30 December 2023. The market values have been estimated using the official closing price of a Glanbia plc share on 29 December 2023 (being the last day of trading on the Euronext Dublin before year end 30 December 2023) of €14.91.
2. This reflects the value of long-term incentive share awards vested in 2023 with a three year performance period ended on 31 December 2022. These have been valued at the market value of the shares on the date of vesting €13.97 per share (official opening price).

Statutory information and Forward-looking statement

Principal activities, strategy and business model

Glanbia plc is a better nutrition company, headquartered in Ireland, with people based in 30 countries worldwide.

The Group's business model and strategy are summarised in the Strategic Report on pages 15 to 27.

The Group Chairman's statement on pages 10 to 11, the Chief Executive Officer's review on pages 12 to 14, the Operations review on pages 32 to 39 and the Chief Financial Officer's review on pages 40 to 45 contain a review of the development and performance of the Group's business during the year, of the state of affairs of the business at 30 December 2023, of recent events and of likely future developments. Information in respect of events since the year end is included in these sections and in Note 36 to the Financial Statements.

As set out on page 43, the Group reported a profit for the period of \$344.5 million after exceptionals. Comprehensive reviews of the financial and operating performance of the Group during 2023 are set out in the Chief Financial Officer's review on pages 40 to 45 and in the Operations review on pages 32 to 39. Key Performance Indicators are set out on pages 24 and 25. The treasury policy and the financial risk management objectives of the Group are set out in detail in Note 30 to the Financial Statements. Our approach to our people, diversity equity and inclusion, and our stakeholders are discussed on pages 28 to 31, pages 50 and 51 and page 94 and sustainability is discussed on pages 46 to 71.

Non-Financial Reporting Statement

The Group complies with the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017, S.I. No. 360 of 2017 (as amended). The table on page 71 is designed to help stakeholders navigate to the relevant sections in this Annual Report to understand the Group's approach to these non-financial risks. Many of our policies can be viewed on www.glanbia.com.

Process for appointment/retirement of Directors

In addition to the Companies Act 2014, the constitution of the Company contains provisions regarding the appointment and retirement of Directors. At each Annual General Meeting ("AGM") the constitution of the Company provides that each Director who has been in office at the conclusion of each of the three preceding AGMs, and who has not been appointed or reappointed at either of the two most recently held of those three meetings, shall retire from office; however in accordance with the UK Corporate Governance Code 2018 (the "Code"), all of the Directors are subject to annual re-election. Each of the current Directors will retire at the 2024 AGM and, being eligible, offer themselves for election or re-election. The constitution of the Company also allows the election and re-election of Independent Directors, where applicable, to be conducted in accordance with the election provisions for Independent Non-Executive Directors in the Euronext Dublin Listing Rules and the United Kingdom Financial Conduct Authority ("FCA") Listing Rules.

No person, other than a Director retiring by rotation, shall be appointed a Director at any general meeting unless they are recommended by the Directors or, not less than seven nor more than 42 days before the date appointed for the meeting notice, executed by a member qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment. If a Director is also a director of Tirlán Co-operative Society Limited (the "Society"), the constitution of the Company provides that their appointment as a Director shall terminate automatically in the event of them ceasing to be a director of the Society. The constitution of the Company also contains provisions regarding the automatic retirement of a Director in certain other limited circumstances.

Annual General Meeting

The Company's 2024 AGM will be held on 1 May 2024 at 11.00 a.m. at Newpark Hotel, Kilkenny, R95 KP63, Ireland. Full details of the 2024 AGM, together with explanations of the resolutions to be proposed, will be contained in the Notice of the 2024 AGM. The record date for the 2024 AGM will be determined in accordance with section 1087G and 1105 of the Companies Act 2014.

Powers of the Directors

The Directors are responsible for the management of the business of the Company and the Group and may exercise all powers of the Company subject to applicable legislation and regulation and the constitution of the Company. At the 2023 AGM, the Directors were given the power to issue new shares up to a nominal amount of €4,662,758.40. This power will expire on the earlier of the close of business on the date of the 2024 AGM or 3 August 2024. Accordingly, a resolution will be proposed at the 2024 AGM to renew the Company's authority to issue new shares.

At the 2023 AGM, the Directors were also given the power to:

- i. dis-apply the strict statutory pre-emption provisions in the event of a rights issue or other pre-emptive issue or in any other issue up to an aggregate amount equal to 5% of the nominal value of the Company's issued share capital. This 5% limit includes any treasury shares re-issued by the Company while this authority remains operable; and
- ii. dis-apply the strict statutory pre-emption provisions for an additional 5% for specific transactions. The resolution gave the Directors an additional power to allot shares on a non-pre-emptive basis and for cash up to a further 5% of the issued share capital in connection with an acquisition or a specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six month period and is disclosed in the announcement of the issue. The 5% limit includes any treasury shares reissued by the Company while this authority remains operable.

These powers will expire on the date of the 2024 AGM or 3 August 2024, whichever is earlier. Accordingly, resolutions will be proposed at the 2024 AGM to renew these authorities. At the 2023 AGM, the Directors were also given the power to buy back a maximum number of 27,228,736 ordinary shares at a minimum price of €0.06 each. The maximum price was an amount equal to 105% of the average of the

middle market quotations of the Company's ordinary shares as derived from the Euronext Dublin Daily Official List for the five business days immediately preceding the day on which such ordinary shares are contracted to be purchased. This power will expire at the earlier of the conclusion of the 2024 AGM or 3 August 2024 and a resolution will be proposed at the 2024 AGM to renew this power. A special resolution will be proposed at the 2024 AGM to renew the Company's authority to acquire its own shares. At the 2023 AGM, shareholders also authorised the maximum and minimum prices at which the Company may reissue off-market such shares as it may purchase. This authority will expire at the earlier of the conclusion of the 2024 AGM or 3 August 2024 (whichever is earlier) and a resolution will be proposed at the 2024 AGM to renew this authority.

Research and development

The Group is fully committed to ongoing technological innovation in all sectors of its business, providing integrated customer-focused product development by leveraging our global technology capabilities and expertise. Expenditure on research and development amounted to \$22.1 million in 2023 (2022: \$21.5 million) as disclosed in Note 5 to the Financial Statements.

Dividends

An interim dividend of 14.22 €cent per share was paid on 6 October 2023 (an aggregate of €37.7 million) to shareholders on the share register at the close of business on 25 August 2023. The Directors propose a final dividend of 21.21 €cent per share which based on the issued share capital at 20 February 2024 (being the latest practicable date prior to the signing of the Financial Statements) would equate to (an aggregate of €56.2 million) bringing the total dividend in respect of 2023 to 35.43 €cent per share (an aggregate of €93.9 million). Subject to shareholder approval, the final dividend will be paid on 3 May 2024 to shareholders on the share register on 22 March 2024. The foregoing amounts paid are net of dividends waived by the Group's Employee Trusts.

Total dividends paid during 2023 amounted to an aggregate of €89.8 million (being a final dividend of 19.28 €cent per share paid on 5 May 2023 (an aggregate of €52.1 million) and an interim dividend of 14.22 €cent per share paid on 6 October 2023 (an aggregate of €37.7 million). The foregoing amounts paid are net of dividends waived by the Group's Employee Trusts.

All dividend payments will be made by direct credit transfer into a nominated bank or financial institution. If a shareholder has not provided their account details prior to the payment of the dividend, a shareholder will be sent the normal tax voucher advising a shareholder of the amount of their dividend and that the amount is being held because their direct credit transfer instructions had not been received in time. A shareholder's dividends will not accrue interest while they are held. Payment will be transferred to a shareholder's account as soon as possible on receipt of their direct credit transfer instructions.

For the past number of years, dividends have been paid in sterling to shareholders whose address, according to the Company's share register, is in the UK (unless they have elected otherwise). On 15 March 2021 this structure changed and a default currency of euro is applied to all new shareholders who come on to the Company's share register, regardless of their registered address. Where an existing shareholder holds shares in certificated (i.e. paper) form and has previously received sterling because their registered address is in the UK or because they have previously elected to receive sterling, they will continue to receive sterling unless they elect otherwise. All other shareholders will from 15 March 2021 automatically be paid in euro unless a sterling currency election is made (including those shareholders who hold their shares in uncertificated (i.e. dematerialised) form).

Shareholders holding their shares via the central securities depository operated by Euroclear Bank or CREST will receive dividends electronically via such systems. To avail of these facilities, shareholders should follow the applicable rules and guidelines issued by the operators of those systems from time to time.

Irish Dividend Withholding Tax ("DWT") must be deducted from dividends paid by an Irish resident company, unless a shareholder is entitled to an exemption and has submitted a properly completed exemption form to the Company's Registrar. DWT is deducted at the standard rate of Income Tax (25%). Non-resident shareholders located in countries with a double tax treaty with Ireland and certain Irish companies, trusts, pension schemes, investment undertakings and charities may be entitled to claim exemption from DWT. Copies of the exemption form may be obtained from the Company's Registrar. Shareholders should note that DWT will be deducted from dividends in cases where a properly completed form has not been received by the market deadline for the dividend. Individuals who are resident in Ireland for tax purposes are not entitled to an exemption. If shares are held via Euroclear Bank or CREST, the owners of the shares will need to contact the intermediary through whom the shares are held to ascertain arrangements for tax relief to be applied at source.

Political donations

The Electoral Act, 1997 (as amended) requires companies to disclose all political donations over €200 in aggregate made during the financial year. The Directors, on enquiry, have satisfied themselves that no payment or other donations in excess of this amount have been made by the Group.

Issued share capital

At 30 December 2023 the authorised share capital of the Company was 350,000,000 ordinary shares of €0.06 each and the issued share capital was 265,071,533 (2022: 272,287,360) ordinary shares of €0.06 each, of which circa 28.50% was held by the Society. All the Company's shares are fully paid up and quoted on Euronext Dublin and the London Stock Exchange. The Company purchased 7,215,827 ordinary shares during the year as part of the share buyback programme.

Details of the Company's share capital and shares under share award at 30 December 2023 are given in Notes 22 and 23, respectively, to the Financial Statements.

Statutory information and Forward-looking statement continued

Share buyback

During 2023, the Company repurchased a total of 7,215,827 ordinary shares, returning a total of circa €100 million in cash to shareholders. The table below sets out the ordinary shares repurchased under the buyback programme in 2023. See note 23 to the Consolidated Financial Statements for further details.

Month	Total number of share buyback purchases	Average price paid per share
March	1,456,548	13.22
April	869,394	13.68
May	1,184,596	13.88
June	1,251,968	13.54
July	967,504	13.82
August	1,053,040	14.59
September	432,777	15.53
Total 2023	7,215,827	13.86

Rights and obligations of ordinary shares

On a show of hands at a general meeting, every holder of ordinary shares present in person or by proxy and entitled to vote shall have one vote. On a poll, every shareholder present in person or by proxy, shall have one vote for every ordinary share held. In accordance with the provisions of the constitution of the Company, holders of ordinary shares are entitled to a dividend where declared or paid out of profits available for such purposes. On a return of capital on a winding up, holders of ordinary shares are entitled to participate.

Restrictions on transfer of shares/votes

With the exception of restrictions on transfer of shares under the Group's share schemes, (while the shares are subject to such schemes), there are no restrictions on the voting rights attaching to the Company's ordinary shares (except as outlined below) or the transfer of securities in the Company.

Certain restrictions on transfers of shares may from time to time be imposed by the Group's share dealing rules and/or the Market Abuse Regulation (EU) No 596/2014. Directors and certain employees are required to seek the Company's approval to deal in its shares. Additionally, members of the Group Operating Executive are required to hold a proportion of the value of their base salary in shares. These shares may not normally be transferred during the individuals' period in office and a short period thereafter, subject to Remuneration Committee discretion to amend the requirement in exceptional circumstances. Where participants in a Group share scheme operated by the Group are the beneficial owners of shares but not the registered owner, the voting rights are normally exercised by the registered owner at the direction of the participants.

Article 2 of the constitution of the Company provides that any ordinary shares acquired by any person who is/was an employee of the Group or any associate or joint venture (provided such person is neither a Director of the Company nor a director of the Society) shall be non-voting shares if such acquisition would, if not for this restriction on voting rights, cause such person to be deemed to have acquired indirect control of the Company or to have to make an offer under Rule 9 of the Irish Takeover Panel Act 1997, Takeover Rules 2022.

Under the constitution of the Company, the Directors have the power to impose restrictions on the exercise of rights attaching to share(s) where the holder of the share(s) fails to disclose the identity of any person who may have an interest in those shares. No person holds securities in the Company carrying special rights with regard to control of the Company. The Company is not aware of any agreements between holders of securities that may result in restrictions in the transfer of securities or voting rights.

Exercise of rights of shares in employee share schemes

As detailed in Note 23 to the Financial Statements at 30 December 2023, 2,368,126 ordinary shares (2022: 1,711,322) were held in employee benefit trusts for the purpose of the Company's employee share schemes.

The Group's employee benefit trusts have waived dividends due to them in respect of unallocated shares save a nominal amount.

The Trustees of the Group's employee trusts do not seek to exercise voting rights on shares held in the employee trusts other than on the direction of the underlying beneficiaries. No voting rights are exercised in relation to shares unallocated to individual beneficiaries.

Rights under the Shareholders' Rights (Directive 2007/36/EC) Regulations 2009

Shareholder(s) have the right to ask questions related to items on the agenda of a general meeting and to receive answers, subject to certain qualifications. Shareholder(s) holding 3% of the issued share capital of the Company, representing at least 3% of its total voting rights, have the right to put items on the agenda and to table draft resolutions at AGMs. The request must be received by the Company at least 42 days before the relevant meeting. Further details of shareholders' rights under the Shareholders' Rights (Directive 2007/36/EC) Regulations 2009 will be contained in the Notice of the 2024 AGM.

Restrictions on voting deadlines

The notice of any general meeting shall specify the deadline for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be proposed at the general meeting. The number of proxy votes for, against or withheld in respect of each resolution is published on the Group's website after the meeting.

Constitution of the Company

The Company's constitution details the rights attaching to the shares; the method by which the Company may purchase or reissue its shares, the provisions which apply to the holding of shares and voting at general meetings and the rules relating to the Directors, including their appointment, retirement, election, re-election, duties and powers. A copy of the Company's constitution can be obtained from the Group's website: www.glanbia.com.

Unless expressly specified to the contrary in the constitution of the Company, the Company's constitution may be amended by special resolution of the Company's shareholders.

Change of control provisions

The Group has certain debt facilities which may require repayment in the event that a change in control occurs with respect to the Group.

In addition, the Company's employee share plans contain change of control provisions which can allow for the acceleration of the exercisability of share options and the vesting of share awards in the event of a change of control.

The Board is satisfied that no change of control has occurred in respect of these agreements.

Substantial interests

The Company has been advised of the following notifiable interests in its ordinary share capital as at 30 December 2023 and 20 February 2024 (being the latest practicable date prior to the signing of the Financial Statements):

Shareholder	No. of ordinary shares as at 30 December 2023	% of issued share capital as at 30 December 2023	No. of ordinary shares as at 20 February 2024	% of issued share capital as at 20 February 2024
Tirlán Co-operative Society Limited	75,537,305	28.50%	75,537,305	28.50%
Franklin Mutual Advisors, LLC	10,776,688	4.07%	10,776,688	4.07%

Statutory information and Forward-looking statement continued

Contracts of significance

On 5 May 2021, the Company and the Society entered into an amended and restated relationship agreement, which was originally entered into in accordance with Euronext LR 6.1.7/FCA LR 9.2.2AD, effective as of 23 February 2021 (the "Relationship Agreement"). Under the Relationship Agreement, in 2023, the number of Directors nominated by the Society reduced from five to three in a board comprising of 13 members, with eight other Non-Executive Directors and two Executive Directors. When the Society's holding in the Company fell below 30% on 13 September 2022, the provisions of the Relationship Agreement terminated with the exception of the above provisions providing for the right of the Society to appoint Non-Executive Directors.

In connection with disposal by the Company of its interest in Tirlán Limited (formerly Glanbia Ireland DAC) ("Tirlán"), certain agreements were entered into by the Company and the Society, the principal terms and conditions of which were included in the circular sent to shareholders on 1 February 2022 in respect of the Extraordinary General Meeting held on 25 February 2022 and is available to view on www.glanbia.com/egm.

These agreements include:

- the Services Amendment Agreement between the Company, Tirlán and Glanbia Management Services Limited dated 7 December 2021; and
- Pensions Agreement between Glanbia, the Society, Glanbia Foods Ireland Limited and Tirlán dated 7 December 2021 in respect of pension matters arising in the context of the Proposed Transaction.

Information required to be disclosed by LR 6.1.77, Euronext Dublin Listing Rules/FCA LR 9.8.4 R

For the purposes of Euronext LR 6.1.77/LR 9.8.4 R, the information required to be disclosed by Euronext LR 6.1.77/FCA LR 9.8.4 R can be found in the following locations:

Section	Topic	Location
(1)	Interest capitalised and related tax relief	Financial Statements, Note 10
(2)	Publication of unaudited financial information	Not applicable
(3)	Small related party transactions	Not applicable
(4)	Details of long-term incentive schemes	Remuneration Committee Report
(5)	Waiver of emoluments by a director	Not applicable
(6)	Waiver of future emoluments by a director	Not applicable
(7)	Non pre-emptive issues of equity for cash	Not applicable
(8)	Item (7) in relation to major subsidiary undertakings	Not applicable
(9)	Parent participation in a placing by a listed subsidiary	Not applicable
(10)	Contracts of significance	Page 154
(11)	Provision of services by a controlling shareholder	Not applicable
(12)	Shareholder waivers of dividends	Page 153
(13)	Shareholder waivers of future dividends	Page 153
(14)	Agreement with controlling shareholders and independence provisions/undertakings	Not applicable

All the information cross-referenced above is hereby incorporated by reference into this Directors' Report.

Forward-looking statements

The Group has made forward-looking statements in this Annual Report that are based on management's beliefs and assumptions and on information currently available to management. Forward-looking statements include, but are not limited to, information concerning the Group's possible or assumed future results of operations, business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, the effects of competition and the effects of future legislation or regulations. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words 'believe,' 'develop,' 'ensure,' 'expect,' 'arrive,' 'achieve,' 'anticipate,' 'maintain,' 'grow,' 'aim,' 'deliver,' 'sustain,' 'should,' 'should be,' 'will be' or the negative of these terms or similar expressions. Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. You should not place undue reliance on any forward-looking statements. The risk factors included at pages 75 - 83 of this Annual Report could cause the Group's results to differ materially from those expressed in forward-looking statements. There may be other risks and uncertainties that the Group is unable to predict at this time or that the Group currently does not expect to have a material adverse effect on its business. These forward-looking statements are made as of the date of this Annual Report. The Group expressly disclaims any obligation to update these forward-looking statements other than as required by law. The forward-looking statements in this Annual Report do not constitute reports or statements published in compliance with any of Regulations 4 to 9 and 26 of the Transparency (Directive 2004/109/EC) Regulations 2007 or any equivalent provisions of the Disclosure and Transparency Rules of the FCA. As an Irish-incorporated company, the Strategic Report does not constitute a strategic report for the purposes of the UK Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, and the Remuneration Committee report does not constitute a remuneration report for the purposes of the UK Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations.

Subsidiary and associated undertakings/branches outside the State

A list of the principal subsidiary and associated undertakings and their activities including details of any branches of the Group outside the State is included in Note 37 to the Financial Statements.

Consolidated disclosures pursuant to Article 8 Taxonomy Regulation

The below disclosure required by Article 8 of the EU Taxonomy Regulation forms part of the Group's Non-financial Reporting Directive Statement.

Article 8 Taxonomy Regulation

The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving carbon neutrality by 2050 in line with EU goals as the Taxonomy is a classification system for environmentally sustainable economic activities.

During 2023 the European Commission adopted the Environmental Delegated (Commission Delegated Regulation (EU) 2023/2486) Act as well as the Delegated Act amending the Climate Delegated Act (Commission Delegated Regulation (EU) 2023/2485) bringing new economic activities in scope for Taxonomy reporting under all six environmental objectives.

In the following section, in line with regulatory guidance, only the wholly-owned business is considered. This therefore excludes joint venture and associates activities from our evaluation. We present the share of our group turnover, capital expenditure ("Capex") and operating expenditure ("Opex") for the reporting period 2023, which are associated with existing Taxonomy-aligned economic activities related to the first two environmental objectives (climate change mitigation and climate change adaptation) and the share which are associated with Taxonomy-eligible economic activities for all new economic activities introduced in 2023 relating to all six of the environmental objectives. The results of the evaluation is disclosed in line with Art. 2 of the Art. 8 Delegated Act, (Disclosures Delegated Act 2021/2178). The environmental objectives are as follows:

1. Climate change mitigation ("CCM")
2. Climate change adaptation ("CCA")
3. Sustainable use and protection of water and marine resources ("WTR")
4. Transition to a circular economy ("CE")
5. Pollution prevention and control ("PPC")
6. Protection and restoration of biodiversity and ecosystems ("BIO")

Glanbia Activities

Following consideration of the EU Taxonomy Compass, and after a thorough review involving all relevant divisions and functions, including carrying out detailed workshops with the business unit ("BU") operational and finance senior leadership teams, the group classified each business activity in line with the EU Taxonomy. The assessment was done by reviewing the economic activities description and NACE code definitions as referenced within the; Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139 amendments 2022/1214 & 2023/2485); Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486) and subsequent amendments and annexes supplementing The Taxonomy Regulation (2020/852). The Group classified each business activity as either:

Taxonomy non-eligible	An economic activity that is not described in the Climate/Environmental Delegated Acts
Taxonomy-eligible but not environmentally sustainable	An economic activity which is described in the Climate/Environmental Delegated Acts and does not meet the requirements associated with a Taxonomy-aligned economic activity
Taxonomy-aligned	Taxonomy-eligible and meets the defined Technical Screening Criteria consisting of substantially contributing to at least one environmental objective and doing no significant harm to any of the other environmental objectives; and is carried out in compliance with 'Minimum Safeguards'

Our assessment determined, for the limited business activities we identified as Taxonomy-eligible, that most of them related to the objective Climate change mitigation with one business activity classified as Taxonomy-eligible under both Climate change mitigation and The transition to a circular economy. We avoided double counting between different environmental objectives by allocating our business activities to only climate change mitigation in the disclosure tables. This reflects the Group's actions in working towards our targets for the reduction of GHG emissions.

Key Performance Indicators (KPIs)

The KPIs include Turnover, Capex and Opex calculations.

Please refer to the disclosure tables included below setting out our KPIs. We also assessed activities against the Complementary Climate Delegated Act (2022/1214) and have not completed templates 1 to 5 as none of the activities listed in this Act are applicable to Glanbia.

Statutory information and Forward-looking statement continued

Turnover KPI

Glanbia has not identified Taxonomy-eligible economic activities in relation to turnover generated during 2023, reflecting the fact that Glanbia's core activities of food manufacturing and processing are not listed activities within the Climate Delegated Act or Environmental Delegated Act. We also undertook a deeper review of turnover with cross functional support from our finance and operational senior leadership team to evaluate if there was any revenue generated outside of our core economic activities that would meet the activity description. No eligible turnover was identified during this review.

In line with last year, with no eligible turnover (numerator) and using a base of our total turnover (denominator) as reported in our Consolidated Income Statement, we established the proportion of eligible turnover to be zero.

Capex KPI

Overall based on the review exercise carried out, 11.1% of the Group's capital expenditure during the year met the eligibility criteria as defined within the Climate Delegated Act and Environmental Delegated Acts. Due to the nature of our activities in food manufacturing and processing much of our capital expenditure such as: plant upgrades within GN facilities to support production efficiency and strategy commitments; ITC platform development, reporting and integration costs and capitalised research and development ("R&D") costs relating to Glanbia's product development costs, are not covered by the EU Taxonomy activities and therefore our eligible Capex is a small percentage of our total spend.

In 2023 we identified a total of 12 eligible activities

- CCM 4.15 District heating/cooling distribution – \$0.1m (0.1%) of eligible spend, relating to the replacement of existing assets in heat exchanger systems used in the dairy processing plants.
- CCM 5.1 Construction, extension and operation of water collection, treatment and supply systems – \$0.9m (0.8%) of eligible spend relating to the replacement of existing assets as part of the long-term maintenance of the systems across dairy processing plants.
- CCM 5.7 Anaerobic digestion of bio-waste – \$0.1m (0.1%) of eligible spend, various asset replacements on existing system.
- CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles \$0.5m (0.5%) of eligible spend relating to the leasing of cars.
- CCM 6.6 Freight transport services by road - leasing of freightliner trucks for \$1.2m (1.1%).
- CCM 7.2/CE 3.2 Renovation of existing buildings – \$2.4m (2.2%) of eligible spend, various building renovation projects across numerous sites.
- CCM 7.3 Installation, maintenance and repair of energy efficient equipment – \$0.1m (0.1%) of eligible spend, installation of LED lighting at various sites.
- CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings - \$0.1m (0.1%) of eligible spend being the installation of electric Vehicle ("EV") chargers at a facility in Germany.
- CCM 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings- \$0.1m (0.1%) of eligible spend, a programme was conducted across a number of sites to install energy management systems, including power meters.
- CCM 7.6 Installation, maintenance and repair of renewable energy technologies - installation of solar photovoltaic panels ("PV") panels on European facility, \$0.7m (0.6%) of eligible spend.
- CCM 7.7 Acquisition and ownership of buildings - \$5.8m (5.4%) of eligible spend mostly relating to the buildings acquired as part of the acquisition of the bioactive ingredients business of PanTheryx.

In conjunction with our engineering senior leadership team we assessed the eligible list against the Technical Screening Criteria ("TSC") and minimum safeguards. Following the assessment, it was concluded that projects from the following activities met the alignment criteria:

CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

Substantial contribution – The activity involves the installation of EV charging stations in the car park.

CCM 7.6 Installation, maintenance and repair of renewable energy technologies

Substantial contribution – The activity involves the installation of solar PV on the roof of a manufacturing facility which provide electricity as part of the technical building system.

Do no significant harm (“DNSH”) – Climate change adaptation

We assessed the two activities in line with the technical screening criteria to which the DNSH criteria for climate change adaptation applies in the context of the climate-related risks and hazards as outlined in Appendix A of the TSC. As a result of the review it was determined that for the site in question in relation to activities 7.4 & 7.6 there were no material risks applicable. The climate-related risks were assessed using two global warming impact scenarios RCP 2.6 and RCP 8.5 and current conditions.

Minimum Safeguards

The scope of the minimum safeguards covers the following four topics:

Human Rights

Glanbia has adopted a Human Rights policy that is grounded in universally recognised human rights standards including; UN Universal Declaration of Human Rights; UN Guiding Principles on Business and Human Rights; International Labour Organisations Declaration on Fundamental Principles and Rights at Work. We expect our supply chain partners to comply with the principles of this policy and to adhere to our Supplier Code of Conduct.

Corruption and Bribery

Glanbia has an Anti-bribery and Corruption policy, which in conjunction with the Glanbia Code of Conduct outlines the expectations for behaviour of all employees and associated persons. External and internal bribery risks are regularly assessed and appropriate risk-based procedures are implemented, along with training for employees as appropriate to their activities and associated risks. We operate a “Speak Up” policy and a 24 hour ‘Safecall’ hotline should any person have a concern.

Taxation

Glanbia’s tax strategy is designed to ensure compliance with all legal and disclosure requirements across the jurisdictions in which the Group operates as well as with the applicable legal and fiduciary duties of directors and employees, and to support the delivery of the Group’s strategy through the appropriate management of its tax affairs. www.glanbia.com/about/corporate-governance/tax-strategy

Fair Competition

The Group’s Code of Conduct is read by all employees and a declaration of compliance is obtained once an online course has been completed. There is a section in the Code of Conduct in relation to compliance with applicable competition laws. Additional training takes place for senior managers and high-risk positions as and when appropriate.

www.glanbia.com/about/corporate-governance/our-policies

Glanbia satisfies the requirements of the minimum safeguards in reference to the four topics above and has not been convicted in court in cases related to human rights, corruption and bribery, taxation or fair competition. Moreover there has been no refusal to enter in a dialogue or final statement on non-compliance from an OECD National Contact Point (“NCP”) for Responsible Business Conduct and no not-responding to allegations by the Business & Human Rights Resource Centre (“BHRRC”).

Summary of Aligned Capex

Activity	Additions to PP&E	Internally generated or purchased intangibles	Right-of-use assets	Total	Acquired through Business Combinations	As part of a Capex Plan
CCM 7.4	\$0.1m			\$0.1m		
CCM 7.6	\$0.7m	–	–	\$0.7m	–	–
Total	\$0.8m	–	–	\$0.8m	–	–

Note: There was no aligned Capex in 2022

Statutory information and Forward-looking statement continued

Opex KPI

The analysis of Opex led to the amount analysed being considered insignificant. The ratio of total Opex as defined by the Taxonomy ('Taxonomy Opex') over Total Group Opex (\$m) as noted in note 5 is only 1.2%, predominantly consisting of costs related to the manufacture and sale of nutritional food and ingredient products, therefore Taxonomy Opex is not a significant expense in our business model. As a result, the low representativeness of Taxonomy Opex, combined with the fact that the Group's activities are not eligible to-date, leads the Group to be exempted from the detailed calculation of the Taxonomy Opex KPI. The Taxonomy Opex denominator is disclosed in the opex tables on page 164 and the calculation of the denominator is set out in the Accounting Policy below.

Accounting Policy

The specification of the KPIs is determined in accordance with Annex I of the Disclosures Delegated Act. We determine the Taxonomy-eligible but not environmentally sustainable and the Taxonomy-aligned KPIs in accordance with the legal requirements and describe our accounting policy in this regard as follows:

Turnover

The denominator used for the turnover KPI is based on the total revenue recognised pursuant to International Accounting Standard ("IAS") 1, paragraph 82 (a) as reported in the Group Income Statement on page 180.

In determining the KPI for Turnover, the proportion that is Taxonomy-aligned (numerator) and Taxonomy-eligible but not environmentally sustainable (numerator) are each divided by the denominator.

Refer to note 2 'Accounting policies' on page 187 which outlines the Group's revenue recognition policy. Refer to note 5 'Operating profit' incorporating the 'Revenue' line for the denominator value. The denominator includes total revenue recognised pursuant to International Accounting Standard ("IAS") 1, paragraph 82(a).

Capital Expenditure

The denominator used for the Capex KPI consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes additions to fixed assets (IAS 16), intangible assets (IAS 38) and right-of-use assets (IFRS 16). Additions resulting from business combinations are also included. Goodwill is not included in Total Capex as it is not defined in Annex I of the Disclosures Delegated Act.

In determining the KPI for Capex, the proportion that is Taxonomy-aligned (numerator) and Taxonomy-eligible but not environmentally sustainable (numerator) are each divided by the denominator.

Refer to note 2 'Accounting policies' on pages 190 - 192 which outlines our property plant and equipment, intangible assets and leasing accounting policies. A reconciliation to the denominator is provided below.

EU Taxonomy	Financial Statements Ref.	2023 \$m	2022 \$m
PPE – Acquisitions	Note 14	11.4	6.5
PPE – Additions	Note 14	41.8	35.2
Intangible – Acquisitions	Note 16	17.8	46.3
Intangible – Additions	Note 16	32.2	39.1
Rights of Use – Acquisitions	Note 15	1.2	0.6
Rights of Use – Additions	Note 15	3.6	10.8
Capex Denominator		108.0	138.5

Operating Expenditure

The denominator used for the Opex KPI consists of direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment. This includes:

- Research and development expenditure recognised as an expense during the reporting period in our income statement, refer to the second table in note 5 'Operating profit' where a specific line: 'Research and development costs' is included. In line with our consolidated financial statements (IAS 38.126), this includes all non-capitalised expenditure that is directly attributable to research or development activities.
- The volume of non-capitalised leases was determined in accordance with IFRS 16 and includes expenses for short-term leases and low-value leases, refer to note 15 'Leasing'. Even though low-value leases are not explicitly mentioned in the Disclosures Delegated Act, we have interpreted the legislation as to include these leases.
- Maintenance and repair and other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment were determined based on the income statement general ledger accounts categorised as repairs and maintenance. Other direct expenditures relates to spare parts and tools.

The denominator does not include expenditures relating to the day-to-day operation of property, plant and equipment such as: raw materials, cost of employees operating the machine or electricity or fluids that are necessary to operate the property, plant and equipment.

In determining the KPI for Opex, the proportion that is Taxonomy-aligned (numerator) and Taxonomy-eligible but not environmentally sustainable (numerator) are each divided by the denominator.

Statutory information and Forward-looking statement continued

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023.

Financial year N	Year	Substantial contribution criteria									
		Economic activities ⁽¹⁾	Code(s) ⁽²⁾	Turnover ⁽³⁾	Proportion of turnover year N ⁽⁴⁾	Climate change mitigation ⁽⁵⁾	Climate change adaptation ⁽⁶⁾	Water ⁽⁷⁾	Pollution ⁽⁸⁾	Circular Economy ⁽⁹⁾	Biodiversity ⁽¹⁰⁾
				USD	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES											
A.1. Environmentally sustainable activities (Taxonomy-aligned)											
		Activity 1		–	0%						
		Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		–	0%						
		Of which Enabling		–	0%	%	%	%	%	%	%
		Of which Transitional		–	0%	%					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)											
						EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
		Activity 1		–	0%						
		Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		–	0%	%	%	%	%	%	%
		A. Turnover of Taxonomy eligible activities (A.1+A.2)		–	0%	%	%	%	%	%	%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											
		Turnover of Taxonomy-non-eligible activities		5,425.4	100%						
		TOTAL		5,425.4	100%						

DNSh criteria ('Does Not Significantly Harm')

Climate change mitigation ⁽¹¹⁾	Climate change adaptation ⁽¹²⁾	Water ⁽¹³⁾	Pollution ⁽¹⁴⁾	Circular Economy ⁽¹⁵⁾	Biodiversity ⁽¹⁶⁾	Minimum safeguards ⁽¹⁷⁾	Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, year N-1 ⁽¹⁸⁾	Category enabling activity ⁽¹⁹⁾	Category transitional activity ⁽²⁰⁾
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
							%		
							%		
							%	E	
							%		T
							%		
							%		
							%		

Statutory information and Forward-looking statement continued

Proportion of Capex from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023.

Financial year N	Year	Substantial contribution criteria								
		Economic activities ⁽¹⁾	Code(s) ⁽²⁾	Capex ⁽³⁾	Proportion of Capex year N ⁽⁴⁾	Climate change mitigation ⁽⁵⁾	Climate change adaptation ⁽⁶⁾	Water ⁽⁷⁾	Pollution ⁽⁸⁾	Circular Economy ⁽⁹⁾
		USD	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.1	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.7	0.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.8	0.7%	%	%	%	%	%	%	%
Of which Enabling		0.8	0.7%	%	%	%	%	%	%	%
Of which Transitional		–	0.0%	%						
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
District heating/cooling	CCM 4.15	0.1	0.1%	EL						
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	0.9	0.8%	EL						
Anaerobic digestion of bio-waste	CCM 5.7	0.1	0.1%	EL						
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.5	0.5%	EL						
Freight transport services by road	CCM 6.6	1.2	1.1%	EL						
Renovation of existing buildings	CCM 7.2/ CE 3.2	2.4	2.2%	EL						
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.1	0.1%	EL						
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.1	0.1%	EL						
Acquisition and ownership of buildings	CCM 7.7	5.8	5.4%	EL						
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		11.2	10.4%	%	%	%	%	%	%	%
A. Capex of Taxonomy eligible activities (A.1+A.2)		12.0	11.1%	%	%	%	%	%	%	%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
Capex of Taxonomy-non-eligible activities		96.0	88.9%							
TOTAL		108.0	100.0%							

DNSH criteria ('Does Not Significantly Harm')

Climate change mitigation ⁽¹¹⁾	Climate change adaptation ⁽¹²⁾	Water ⁽¹³⁾	Pollution ⁽¹⁴⁾	Circular Economy ⁽¹⁵⁾	Biodiversity ⁽¹⁶⁾	Minimum safeguards ⁽¹⁷⁾	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Capex, year N-1 ⁽¹⁸⁾	Category enabling activity ⁽¹⁹⁾	Category transitional activity ⁽²⁰⁾
Y	Y	Y	Y	Y	Y	Y	0%	E	
Y	Y	Y	Y	Y	Y	Y	0%	E	
Y	Y	Y	Y	Y	Y	Y	0%		
Y	Y	Y	Y	Y	Y	Y	%	E	
Y	Y	Y	Y	Y	Y	Y	%		T

0%

0%

0%

0.4%

1.1%

3.4%

0%

0%

1.9%

6.8%

6.8%

	Proportion of Capex/Total Capex	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.7%	10.4%
CCA	-	-
WTR	-	-
CE	-	2.2%
PPC	-	-
BIO	-	-

Note: table shows all objectives where there is eligibility

Statutory information and Forward-looking statement continued

Proportion of Opex from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023.

Financial year N	Year	Substantial contribution criteria									
		Economic activities ⁽¹⁾	Code(s) ⁽²⁾	Opex ⁽³⁾	Proportion of Opex year N ⁽⁴⁾	Climate change mitigation ⁽⁵⁾	Climate change adaptation ⁽⁶⁾	Water ⁽⁷⁾	Pollution ⁽⁸⁾	Circular Economy ⁽⁹⁾	Biodiversity ⁽¹⁰⁾
				USD	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES											
A.1. Environmentally sustainable activities (Taxonomy-aligned)											
		Activity 1		–	%						
		Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		–	%	%	%	%	%	%	%
		Of which Enabling		–	%	%	%	%	%	%	%
		Of which Transitional		–	%	%					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)											
						EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
		Activity 1		–	%						
		Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		–	%	%	%	%	%	%	%
		A. Opex of Taxonomy eligible activities (A.1+A.2)		–	%	%	%	%	%	%	%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											
		Opex of Taxonomy-non-eligible activities		61.8	100%						
		TOTAL		61.8	100%						

DNSh criteria ('Does Not Significantly Harm')

Climate change mitigation ⁽¹¹⁾	Climate change adaptation ⁽¹²⁾	Water ⁽¹³⁾	Pollution ⁽¹⁴⁾	Circular Economy ⁽¹⁵⁾	Biodiversity ⁽¹⁶⁾	Minimum safeguards ⁽¹⁷⁾	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Opex, year N-1 ⁽¹⁸⁾	Category enabling activity ⁽¹⁹⁾	Category transitional activity ⁽²⁰⁾
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
							%		
							%		
							%	E	
							%		T
							%		
							%		
							%		

Directors' Responsibility Statement

The Directors are responsible for preparing the Annual Report and the Group and Company Financial Statements in accordance with applicable law and regulations. Irish company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors are required to prepare the Group Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Article 4 of the IAS Regulation and elected to prepare the Company Financial Statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) as applied in accordance with the provisions of the Companies Act 2014. Under Irish law the Directors shall not approve the Group and Company Financial Statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position, of the Group and Company respectively, as at the end of the financial year and of the profit or loss of the Group for the financial year and otherwise comply with the Companies Act 2014.

In preparing these Group and Company Financial Statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the Financial Statements comply with IFRS as adopted by the European Union and ensure the Financial Statements contain the information required by the Companies Act 2014 and as regards the Company Financial Statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) as applied in accordance with the provisions of the Companies Act 2014; and
- prepare the Financial Statements on a going concern basis, unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are also required by the Transparency Directive (Directive 2004/109/EC) Regulations 2007, the Central Bank (Investment Market Conduct) Rules 2019, the Companies Act 2014, the Listing Rules issued by Euronext Dublin and the Disclosure and Transparency Rules of the UK Financial Conduct Authority to prepare a Directors' Report and reports relating to Directors' remuneration and corporate governance and the Directors are required to include a management report containing, amongst other things, a fair review of the development and performance of the Group's business and of its position and a description of the principal risks and uncertainties facing the Group.

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy;
- enable the Directors to ensure that the Group and Company Financial Statements and the Directors' Report comply with the Companies Act 2014, and as regards the Group Financial Statements Article 4 of the IAS Regulation; and
- enable the Group and Company Financial Statements to be audited.

The Directors are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of certain corporate and financial information included on the Group's website (www.glanbia.com). Legislation in Ireland concerning the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names and functions are listed on page 88 and pages 90 - 92 (current Directors) confirms that he/she considers 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 position, performance, business model and strategy of the Company and the undertakings included in the consolidation taken as whole. Each of the Current Directors also confirms that to the best of each person's knowledge and belief:

- the Group Financial Statements prepared in accordance with IFRS as adopted by the European Union and the Company Financial Statements prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and as applied in accordance with the provision of the Companies Act 2014 give a true and fair view of the assets, liabilities and financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Directors' Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Directors' Report

The Directors' Report for the purpose of the Transparency Directive (Directive 2004/109/EC) Regulations 2007, the Central Bank (Investment Market Conduct) Rules 2019, the Companies Act 2014, the Listing Rules issued by Euronext Dublin and the Disclosure and Transparency Rules of the UK Financial Conduct Authority consists of pages 1-166.

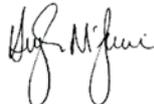
On behalf of the Board



Donard Gaynor

Directors

27 February, 2023



Hugh McGuire



Mark Garvey

Financial Statements

Independent auditor's report to the members of Glanbia Public Limited Company

Report on the audit of the financial statements

Opinion on the financial statements of Glanbia Public Limited Company (the 'Company')

In our opinion the Group and Company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 30 December 2023 and of the profit of the Group for the period then ended; and
- have been properly prepared in accordance with the relevant financial reporting frameworks and, in particular, with the requirements of the Companies Act 2014 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The financial statements we have audited comprise:

The Group financial statements:

- the Group income statement;
- the Group statement of comprehensive income;
- the Group balance sheet;
- the Group statement of changes in equity;
- the Group statement of cash flows; and
- the related notes 1 to 37, including a summary of material accounting policies as set out in note 2.

The Company financial statements:

- the Company balance sheet;
- the Company statement of changes in equity; and
- the related notes 1 to 10, including a summary of material accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in the preparation of the Group financial statements is the Companies Act 2014 and International Financial Reporting Standards as adopted by the European Union ("IFRS") ("the relevant financial reporting framework"). The relevant financial reporting framework that has been applied in the preparation of the Company financial statements is the Companies Act 2014 and FRS 101 'Reduced Disclosure Framework' issued by the Financial Reporting Council ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our approach

Key audit matters	The key audit matters that we identified in the current year were: <ul style="list-style-type: none"> • Impairment of goodwill and other intangible assets • Provisions for uncertain tax positions • Revenue recognition • Exceptional items
Materiality	The Group materiality that we used in the current year was \$14.0m which was determined on the basis of 4.1% of profit before tax ("PBT") excluding exceptional items. The Company materiality that we used in the current year was €6.9m which was determined on the basis of 1.3% of Net Assets.
Scoping	We focused our Group audit scope primarily on the audit work in 60 components. 6 of these were subject to a full audit, whilst the remaining 54 were subject to audits of specified balances where the extent of our testing was based on our assessment of the associated risks of material misstatement, and the materiality of the component's operations to the Group. Analytical review procedures were performed by the Group audit team on all other components within the Group.
Significant changes in our approach	There have been no significant changes in our audit approach in the current financial period.

Independent auditor's report to the members of Glanbia Public Limited Company continued

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group and Company's ability to continue to adopt the going concern basis of accounting included:

- We evaluated the design and determined the implementation of the relevant controls in place for the directors' review of the budgets and forecasts for at least a period of 12 months from the date of signing of the Annual Report and Financial Statements, including reviewing their challenge of these;
- We evaluated the Group and Company's financing arrangements, including the agreements in respect of the undrawn committed bank facilities in place within the Group;
- We challenged the directors' assumptions and the basis for their evaluation and the inclusion of sensitivities incorporated in the budgets and forecasts related to macro-economic factors such as geopolitical factors, any potential supply-chain disruption, labour challenges and inflationary pressures on future trading;
- We performed a look back analysis of the historical accuracy of forecasts prepared by management;
- We considered throughout the audit any contradictory information to the directors' confirmation that the Group and Company is a going concern, including evaluating whether the assumptions are realistic, achievable and consistent with the external and internal environment; and
- We evaluated the completeness and accuracy of the disclosures made on pages 84 and 247 by reference to the understanding we have obtained of the Group's and Company's financial performance during 2023, our assessment of the directors' projections and our reading of the Group's and Company's financing agreements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code and the Irish Corporate Governance Annex, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of goodwill and other intangible assets

Key audit matter description	<p>The Group's goodwill and other intangible assets of \$1,537.3m, which are held across 5 (2022: 8) individual Cash Generating Units (CGUs), represent approximately 41% of the Group's total assets at period end.</p> <p>The Group consolidated 3 recently acquired, individual CGUs into the Nutritional Solutions ("NS") CGU during 2023. The directors based their decision to consolidate these CGUs due to the interdependency of cash inflows and the original acquisition strategy being that these bolt-on businesses were to benefit from synergies within the NS segment. As at 30 December 2023, there is 1 (2022: 4) distinct CGU in Glanbia Nutritionals ("GN") that holds goodwill, namely NS. There was one acquisition in 2023 within Glanbia Nutritionals which due to the acquisition accounting being performed on a provisional basis, has not been allocated to a CGU for impairment purposes. As a result of these changes the number of significant CGUs in the Group has decreased from 8 to 5.</p> <p>In carrying out their impairment review, significant judgement is required by the directors in identifying indicators of impairment, and estimation is required in determining the recoverable amount of the Group's CGUs.</p> <p>There is a significant fraud risk, pinpointed to 2 CGUs, that the net present value of future cashflows within the CGUs will not be sufficient to recover the Group's carrying value of each CGU including goodwill and other intangible assets including those with indefinite lives, leading to an impairment charge that has not been recognised in the financial statements.</p> <p>The recoverable amount used in the impairment assessment is determined based on value in use calculations which rely on directors' assumptions and estimates of future trading performance. These assumptions and estimates may be impacted by new risks and uncertainties arising from geopolitical factors, and other macro-economic factors such as supply chain disruption, labour challenges, inflationary and recessionary pressures, resulting in reduced headroom and potentially impairment in the carrying value of goodwill and other intangible assets. The key assumptions utilised by the directors in the impairment reviews are discount rates, cash flow projections and long-term growth rates.</p> <p>Due to the high degree of auditor judgement and increased audit effort, including the need to involve our fair value specialists, we have identified this as a key audit matter.</p> <p>Refer also to page 114 (Audit Committee Report), pages 191-192 (Intangible assets accounting policy), note 3 (Critical accounting estimates and judgements) and note 16 to the financial statements.</p>
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Independent auditor's report to the members of Glanbia Public Limited Company continued

How the scope of our audit responded to the key audit matter We evaluated the design and determined the implementation of relevant controls in respect of the impairment review process and the budgeting process upon which the Group's cash flow projections are based.

In conjunction with our valuation specialists, we evaluated the Group's impairment review methodology applied by the directors in preparing the value in use calculations.

We evaluated and challenged the judgements applied in determining the CGUs, particularly in relation to the change to the composition of the CGUs within GN.

We performed a retrospective review of assumptions used in prior period value in use calculations and compared these to actual outturn.

We understood and challenged the underlying key assumptions within the Group's impairment model, including assessing for any indicators of management bias, by developing an independent view of the discount rates and long-term growth rates where, in conjunction with our valuation specialists, we benchmarked the rates used by the directors against market data and comparable organisations.

We obtained and challenged cash flow projections by comparing them to historic growth rates and the Group's strategic plans. We challenged and assessed for any indicators of management bias in the Group's forecasts with reference to recent performance and macro-economic factors such as climate, geopolitical factors, supply chain disruption, labour challenges, inflationary and recessionary pressures and trend analysis including comparing recent historic CGU performance to budgets. We evaluated the directors' sensitivity analysis and performed our own sensitivity analysis on the key assumptions used.

Where we noted any significant reductions or increases in headroom for a CGU since the prior period, we gained an understanding of the reasons giving rise to the reduction/increase and performed additional procedures to substantiate these reasons. We held discussions with the business unit controllers to understand the changes being implemented at the site level to achieve the targets set in the strategic plans.

We evaluated the completeness and accuracy of the disclosures in relation to goodwill and other intangible assets for compliance with the relevant financial reporting framework.

Key observations While we note that specific actions are required by the Group to achieve the forecasts outlined in the Group's strategic plans, particularly in light of increasing inflationary pressures, over the short and medium term, we concurred with the directors' conclusions from their annual impairment review, that there was no impairment of goodwill or indefinite life intangible assets.

Provisions for uncertain tax positions

Key audit matter description	<p>The Group operates across numerous multinational jurisdictions, the most significant of which are Ireland and the US, and are subject to periodic challenge by local tax authorities on a range of tax matters during the normal course of business including transfer pricing, Group financing arrangements and transaction-related tax matters.</p> <p>The directors apply significant judgement in assessing current and deferred tax risks and exposures in relation to the interpretation of local and international tax laws, rates and treaties relating to worldwide provisions for uncertain tax positions.</p> <p>As a result, there is a significant risk that tax authorities could have different interpretations to those of the directors, and that the directors' judgements are reflective of management bias, resulting in potential misstatement of tax provisions.</p> <p>Due to the high degree of auditor judgement and increased audit effort, including the need to involve our tax specialists, we have identified this as a key audit matter.</p> <p>Refer also to page 114 (Audit Committee Report), pages 189-190 (Income taxes accounting policy), note 3 (Critical accounting estimates and judgements) and notes 11 and 26 to the financial statements.</p>
How the scope of our audit responded to the key audit matter	<p>To obtain evidence over the appropriateness of the directors' assumptions in determining provisions for uncertain tax positions, we obtained an understanding of the Group's tax strategy, tax operating models and correspondence with various tax authorities during the financial period.</p> <p>We evaluated the design and determined the implementation of the relevant controls in respect of the tax risk management process.</p> <p>We also reviewed the directors' assessment of related tax risks and exposures across the Group for the identification of uncertain tax positions.</p> <p>We engaged our Irish and International tax specialists as part of our audit team, including US tax specialists, to analyse and challenge the appropriateness of the assumptions made by the directors in determining the current and deferred tax provisions and any movements in those provisions on an annual basis.</p> <p>We challenged and evaluated directors' assumptions and estimates, including any indicators of management bias within these, including external advice obtained, in respect of tax risks and related provisions. We focused particularly on the directors' judgements made in relation to transfer pricing models, interpretations of relevant tax laws, new and amended Group financing arrangements and the directors' assessment of likely outcomes for uncertain tax positions in key jurisdictions where the Group has significant trading operations.</p> <p>We inspected relevant correspondence between the Group and various tax authorities.</p> <p>We evaluated the completeness and accuracy of current and deferred tax disclosures for compliance with the relevant financial reporting framework.</p>
Key observations	<p>We note that there is inherent uncertainty and unpredictability in relation to the above tax matters, however, based on the audit work performed as outlined above, we have concluded the Directors' judgement and measurement of uncertain tax positions to be within an acceptable range of estimates.</p>

Independent auditor's report to the members of Glanbia Public Limited Company continued

Revenue recognition

Key audit matter description The Group sells products to customers under a variety of contractual terms. The Group's revenue arrangements are predominantly straightforward and require little judgement to be exercised. However, in the Performance Nutrition (GPN) segment, discounts, rebates and other promotional arrangements are a feature and revenue must be recognised net of these selling arrangements.

At the period end, management estimates the level of discounts, rebates and other promotional arrangements to be applied to its sales contracts. Judgement is required to determine the level of accruals required to settle these arrangements with customers post period-end, which impacts the amount of revenue recognised in the period. We have therefore pinpointed the significant presumed risk of fraud, including management bias, in revenue recognition to a period-end accrued rebates relating to selling arrangements, and the corresponding debit adjustment to revenue as a risk exists that revenue could be misstated either intentionally to achieve performance targets, or as a result of error.

Due to the judgements made by management in respect of discounts, rebates and other promotional arrangements, this required extensive audit effort, therefore we have considered this as a key audit matter.

Refer also to page 114 (Audit Committee Report), and page 187 (Revenue recognition accounting policy)

How the scope of our audit responded to the key audit matter We obtained an understanding of the various revenue contracts and selling arrangements in place with customers across all segments of the Group, and of the relevant internal controls and IT systems in place over the revenue processes to determine if revenue was appropriately recognised to reflect the terms of contracts with customers.

We focused specifically on the GPN segment as these selling arrangements are a significant feature of the GPN business. We evaluated the design and determined the implementation of relevant controls in respect of discounts, rebates and promotional arrangements applied to revenue contracts.

Operating effectiveness testing was performed, and controls were relied upon.

We discussed key contractual arrangements with management and obtained relevant documentation, including documentation in respect of discounts, rebates and other promotional arrangements.

On a sample basis, we recalculated period-end accruals based on underlying contracts with customers and assessed whether there was any evidence of management bias in key judgements made by management.

We also performed retrospective look-back analysis over changes to prior period estimates to challenge the assumptions made, including assessing the amounts recorded for evidence of management bias.

Key observations We have no observations that impact on our audit in respect of the amounts and disclosures related to revenue recognition.

Exceptional items

Key audit matter description As described in note 2 (summary of accounting policies) and note 6 (Exceptional items) the Group, in accordance with its stated accounting policy, classified a number of significant items of income and expense totalling a gain of \$46.4m as exceptional items. These exceptional items primarily relate to net exceptional gain on disposal/exit of operations, pension related costs, portfolio reorganisation costs, exceptional charge after tax from discontinued operations and the related tax impact of these exceptional items.

Earnings before interest, tax and amortisation (EBITA) is disclosed throughout the Annual Report and Financial Statements on a pre-exceptional basis and is one of the Group's key performance indicators.

The classification of items as exceptional affects adjusted earnings per share and is inherently judgemental. As a result, there is a risk that items are not consistently classified as exceptional items in line with the Group's accounting policy, or are not adequately disclosed.

Because of the significant audit effort and judgement made by the directors in respect of the classification of exceptional items, we have identified this as a key audit matter.

Refer also to page 114 (Audit Committee Report), and page 187 (Exceptional Items accounting policy)

How the scope of our audit responded to the key audit matter We obtained an understanding of the process the directors undertook to identify and present exceptional items within the Annual Report and Financial Statements. For each of these exceptional items, we audited the underlying transactions giving rise to the charge or credit recognised.

We challenged the nature and classification of transactions as exceptional items in accordance with the Group's accounting policy, whilst also challenging whether the accounting policy for exceptional items is appropriate and has been applied consistently with previous periods.

We evaluated the completeness and accuracy of the presentation and disclosures of exceptional items in the Group's financial statements against requirements under the relevant financial reporting framework.

Key observations We have no observations that impact on our audit in respect of the amounts and disclosures related to exceptional items.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

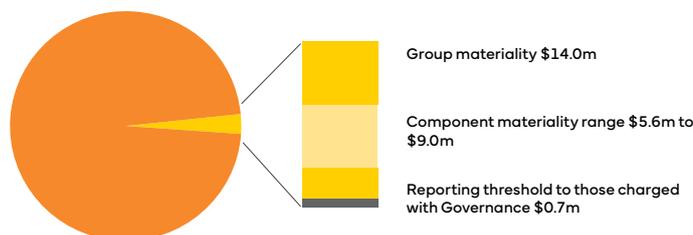
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Materiality	\$14.0m (2022 : \$13.2m)	€6.9m (2022 : €6.9m)
Basis for determining materiality	4.1% of profit before tax ("PBT") excluding exceptional items	1.3% of Net Assets
Rationale for the benchmark applied	We have considered PBT excluding exceptional items to be the critical component for determining materiality because it is the most important measure for the users of the Group's financial statements and the impact of exceptionals is excluded to avoid distortion of the critical component on an annual basis.	As a non-trading Company, the Company does not generate significant revenues but instead incurs costs, thus net assets are of most relevance to the users of the Company financial statements.

Independent auditor's report to the members of Glanbia Public Limited Company continued

Profit before tax ("PBT") excluding exceptional items \$344.6m



We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Company financial statements
Performance materiality	80% (2022: 80%) of Group materiality	80% (2022: 80%) of Company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: <ul style="list-style-type: none"> • Our cumulative knowledge of the Group and Company's control environment and the quality of the control environment and our ability to rely on controls; and • the nature, volume and size of misstatements (corrected and/or uncorrected) in the previous audit 	

We agreed with the Audit Committee that we would report to them all audit differences in excess of \$0.7m (2022: \$0.66m) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

We determined the scope of our Group audit by obtaining an understanding of the Group and its environment, including disposals and acquisitions that occurred during the financial period, Group-wide internal financial controls, and assessing the risks of material misstatement at the Group level. Based on that assessment, we focused our Group audit scope primarily on the audit work in 60 components. 6 of these were subject to a full audit, whilst the remaining 54 were subject to specified audit procedures where the extent of our testing was based on our assessment of the associated risks of material misstatement and of the materiality of the component's operations to the Group. Analytical review procedures were performed by the Group audit team on all other components within the Group.

The above components were selected based on the level of coverage achieved on revenue and net assets, the qualitative and risk considerations of these components and to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified. Our audit work for all components was executed at levels of materiality applicable to each individual component which were lower than Group materiality and ranged from \$5.6m to \$9.0m.

At the Group level, we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to a full audit or specified audit procedures.

The Group audit team, adopting a hybrid approach, held planning discussions in person and/or virtually with all significant components during the period and visited a number of locations in the US and Ireland as part of our audit planning.

In addition to our planning meetings, we sent detailed instructions to our component audit teams, included them in our team briefings, discussed their risk assessment, attended client planning and closing meetings, and, for significant risks and judgemental areas, reviewed their audit working papers.

The impact of climate change on our audit

In planning our audit, we considered the potential impacts of climate change on the Group and Company's business and its financial statements. The Group has set out in the Strategic Report on pages 48 to 71 its commitment to achieving reductions in Scope 1 and Scope 2 greenhouse gas emissions (GHGs) and also reductions in Scope 3 GHGs by 2030 as well as its commitment to a number of other shorter-term targets.

As a part of our audit, we have incorporated climate change into our risk assessment, including enquiries of management, to understand how the impact of these commitments made by the Group in respect of climate change may impact the financial statements and our audit. There was no impact of this work on our key audit matters.

We have read the disclosures of climate related information in the Annual Report and Financial Statements and considered whether it is materially consistent with the financial statements and our audit knowledge.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management internal audit, legal counsel, Company Secretary and the Audit Committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, valuations, pensions, and IT regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: 'Impairment of goodwill and other intangible assets', 'Provisions for uncertain tax positions' and 'Revenue recognition'. In common with all audits under ISAs (Ireland), we are also required to perform specific procedures to respond to the risk of management override.

Independent auditor's report to the members of Glanbia Public Limited Company continued

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Irish Companies Act 2014, UK Corporate Governance Code, Irish Corporate Governance Annex, Irish and UK Listing Rules, pensions legislation, and tax legislation in Ireland and the United States.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the food safety and environmental regulations that the Group operates under.

Audit response to risks identified

As a result of performing the above, we identified 'Impairment of goodwill and other intangibles', 'Provisions for uncertain tax positions' and 'Revenue recognition' as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax authorities; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The Company balance sheet is in agreement with the accounting records.
- In our opinion the information given in those parts of the directors' report as specified for our review is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Corporate Governance Statement required by the Companies Act 2014

We report, in relation to information given in the Corporate Governance Statement on pages 86 to 108 that:

- In our opinion, based on the work undertaken during the course of the audit, the information given in the Corporate Governance Statement pursuant to subsections 2(c) and (d) of section 1373 of the Companies Act 2014 is consistent with the Company's statutory financial statements in respect of the financial year concerned and such information has been prepared in accordance with the Companies Act 2014.
- Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information; and
- In our opinion, based on the work undertaken during the course of the audit, the Corporate Governance Statement contains the information required by Regulation 6(2) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and Groups) Regulations 2017 (as amended); and
- In our opinion, based on the work undertaken during the course of the audit, the information required pursuant to section 1373(2)(a), (b), (e) and (f) of the Companies Act 2014 is contained in the Corporate Governance Statement.

Corporate Governance Statement

The Listing Rules and ISAs (Ireland) require us to review the directors' statement in relation to going concern, longer-term viability and the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code and Irish Corporate Governance Annex specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 84 and 247;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on pages 84 and 85;
- the directors' statement on fair, balanced and understandable set out on page 107;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and an explanation of how they are being managed or mitigated set out on pages 75 to 83;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 72 to 75; and
- the section describing the work of the Audit Committee set out on pages 109 to 115.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Group and Company and its environment obtained in the course of the audit, we have not identified material misstatements in those parts of the directors' report as specified for our review.

The Companies Act 2014 requires us to report to you if, in our opinion, the Company has not provided the information required by Regulation 5(2) to 5(7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and Groups) Regulations 2017 (as amended) for the period end date. We have nothing to report in this regard.

The Companies Act 2014 also requires us to report to you if, in our opinion, the Company has not provided the information required by Section 1110N in relation to its remuneration report. We have nothing to report in this regard.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

The Listing Rules of the Euronext Dublin require us to review six specified elements of disclosures in the report to shareholders by the Board of Directors' remuneration committee. We have nothing to report in this regard.

Other matters which we are required to address

We were appointed by Glanbia plc on 27 April 2016 to audit the financial statements for the financial period end date 31 December 2016. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is eight years, covering the financial periods ending 31 December 2016 to 30 December 2023.

The non-audit services prohibited by IAASA's Ethical Standard were not provided and we remained independent of the Company in conducting the audit.

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISA (Ireland) 260.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Emer O'Shaughnessy

For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

27 February 2024

An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial statements since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area.

Legislation in Ireland governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

Group income statement

for the financial year ended 30 December 2023

	Notes	2023			Restated* 2022		
		Pre- exceptional \$m	Exceptional \$m (note 6)	Total \$m	Pre- exceptional \$m	Exceptional \$m (note 6)	Total \$m
Continuing operations							
Revenue	4/5	5,425.4	–	5,425.4	5,943.7	–	5,943.7
Operating profit before intangible asset amortisation and impairment (earnings before interest, tax and amortisation (EBITA))							
	5	424.0	47.8	471.8	365.7	(23.1)	342.6
Intangible asset amortisation and impairment	5	(79.6)	–	(79.6)	(79.1)	(27.9)	(107.0)
Operating profit	5	344.4	47.8	392.2	286.6	(51.0)	235.6
Finance income	10	9.8	–	9.8	1.9	7.7	9.6
Finance costs	10	(22.1)	–	(22.1)	(23.7)	(0.6)	(24.3)
Share of results of joint ventures accounted for using the equity method	17	12.5	–	12.5	16.3	0.2	16.5
Profit before taxation		344.6	47.8	392.4	281.1	(43.7)	237.4
Income taxes	11	(46.5)	1.8	(44.7)	(33.1)	6.0	(27.1)
Profit from continuing operations		298.1	49.6	347.7	248.0	(37.7)	210.3
Discontinued operations							
(Loss)/profit after tax from discontinued operations	33	–	(3.2)	(3.2)	–	60.3	60.3
Profit for the year		298.1	46.4	344.5	248.0	22.6	270.6
Attributable to:							
Equity holders of the Company	24			344.4			271.4
Non-controlling interests				0.1			(0.8)
				344.5			270.6
Earnings Per Share from continuing operations attributable to the equity holders of the Company							
Basic Earnings Per Share (cent)	12			130.41			76.55
Diluted Earnings Per Share (cent)	12			128.67			75.59
Earnings Per Share attributable to the equity holders of the Company							
Basic Earnings Per Share (cent)	12			129.21			98.40
Diluted Earnings Per Share (cent)	12			127.50			97.18

* Restated throughout for presentation in US Dollar. See note 2 for further details.

Group statement of comprehensive income

for the financial year ended 30 December 2023

	Notes	2023 \$m	Restated* 2022 \$m
Profit for the year		344.5	270.6
Other comprehensive income			
Items that will not be reclassified subsequently to the Group income statement:			
Remeasurements on defined benefit plans, net of deferred tax		1.5	12.7
Revaluation of equity investments at FVOCI, net of deferred tax	23	0.2	0.5
Share of other comprehensive income of joint ventures accounted for using the equity method, net of deferred tax	17	0.1	0.5
Items that may be reclassified subsequently to the Group income statement:			
Currency translation differences	23	4.4	(32.5)
Currency translation difference arising on net investment hedge	23	3.5	(5.7)
Movement in cash flow hedges, net of deferred tax	23(c)	(2.9)	2.8
Share of other comprehensive income of joint ventures accounted for using the equity method, net of deferred tax	17	(2.5)	17.2
Other comprehensive income for the year, net of tax		4.3	(4.5)
Total comprehensive income for the year		348.8	266.1
Attributable to:			
Equity holders of the Company		348.7	266.9
Non-controlling interests		0.1	(0.8)
Total comprehensive income for the year		348.8	266.1

* Restated throughout for presentation in US Dollar. See note 2 for further details.

Group balance sheet

as at 30 December 2023

	Notes	30 December 2023 \$m	Restated* 31 December 2022 \$m	Restated* 2 January 2022 \$m
ASSETS				
Non-current assets				
Property, plant and equipment	14	515.1	510.8	549.6
Right-of-use assets	15	88.3	100.7	113.2
Intangible assets	16	1,537.3	1,548.8	1,557.7
Interests in joint ventures	17	159.3	225.3	209.3
Other financial assets	18	2.6	2.3	2.2
Loans to joint ventures	35	–	65.6	48.1
Deferred tax assets	26	5.2	5.0	5.4
Other receivables		–	0.3	0.9
Derivative financial instruments	29(a)	–	–	0.6
Retirement benefit assets	8	8.2	3.2	3.3
		2,316.0	2,462.0	2,490.3
Current assets				
Inventories	20	550.2	750.5	672.3
Trade and other receivables	19	501.8	404.8	407.0
Current tax receivable		17.4	13.7	10.0
Derivative financial instruments	29(a)	–	3.1	2.5
Cash and cash equivalents (excluding bank overdrafts)	21	413.7	467.9	261.7
		1,483.1	1,640.0	1,353.5
Assets held for sale	33	–	15.2	265.0
		1,483.1	1,655.2	1,618.5
Total assets		3,799.1	4,117.2	4,108.8
EQUITY				
Issued capital and reserves attributable to equity holders of the Company				
Share capital and share premium	22	129.7	130.2	131.1
Other reserves	23	172.1	167.9	161.8
Retained earnings	24	1,830.8	1,686.2	1,669.0
		2,132.6	1,984.3	1,961.9
Non-controlling interests		–	8.4	9.2
Total equity		2,132.6	1,992.7	1,971.1
LIABILITIES				
Non-current liabilities				
Borrowings	25	553.5	682.5	789.7
Lease liabilities	15	89.3	103.5	119.0
Other payables		–	–	36.9
Retirement benefit obligations	8	1.0	1.5	19.3
Deferred tax liabilities	26	137.9	138.3	163.6
Provisions	27	4.3	4.0	4.1
		786.0	929.8	1,132.6
Current liabilities				
Trade and other payables	28	659.1	826.5	758.1
Borrowings	25	108.9	275.4	154.6
Lease liabilities	15	20.1	19.0	16.4
Current tax liabilities		67.3	54.1	60.0
Derivative financial instruments	29(a)	2.0	1.0	1.4
Provisions	27	23.1	12.0	14.6
		880.5	1,188.0	1,005.1
Liabilities held for sale	33	–	6.7	–
		880.5	1,194.7	1,005.1
Total liabilities		1,666.5	2,124.5	2,137.7
Total equity and liabilities		3,799.1	4,117.2	4,108.8

* Restated throughout for presentation in US Dollar. See note 2 for further details.

On behalf of the Board

Donard Gaynor
Directors
27 February 2024

Hugh McGuire

Mark Garvey

Group statement of changes in equity

for the financial year ended 30 December 2023

	Attributable to equity holders of the Company				Non-controlling interests \$m	Total \$m
	Share capital and share premium \$m (note 22)	Other reserves \$m (note 23)	Retained earnings \$m (note 24)	Total \$m		
2023						
Balance at 1 January 2023	130.2	167.9	1,686.2	1,984.3	8.4	1,992.7
Profit for the year	-	-	344.4	344.4	0.1	344.5
Other comprehensive income	-	2.7	1.6	4.3	-	4.3
Total comprehensive income for the year	-	2.7	346.0	348.7	0.1	348.8
Dividends	-	-	(97.2)	(97.2)	-	(97.2)
Purchase of own shares	-	(148.1)	-	(148.1)	-	(148.1)
Cancellation of own shares	(0.5)	109.2	(108.7)	-	-	-
Cost of share-based payments	-	24.5	-	24.5	-	24.5
Transfer on exercise, vesting or expiry of share-based payments	-	5.8	(5.8)	-	-	-
Deferred tax on share-based payments	-	-	2.1	2.1	-	2.1
Acquisition of NCI	-	-	8.2	8.2	(8.5)	(0.3)
Transfer to Group income statement	-	10.1	-	10.1	-	10.1
Balance at 30 December 2023	129.7	172.1	1,830.8	2,132.6	-	2,132.6
Restated* 2022						
Balance at 2 January 2022	131.1	161.8	1,669.0	1,961.9	9.2	1,971.1
Profit for the year	-	-	271.4	271.4	(0.8)	270.6
Other comprehensive income	-	(17.7)	13.2	(4.5)	-	(4.5)
Total comprehensive income for the year	-	(17.7)	284.6	266.9	(0.8)	266.1
Dividends	-	-	(88.9)	(88.9)	-	(88.9)
Purchase of own shares	-	(207.4)	-	(207.4)	-	(207.4)
Cancellation of own shares	(0.9)	183.7	(182.8)	-	-	-
Cost of share-based payments	-	19.8	-	19.8	-	19.8
Transfer on exercise, vesting or expiry of share-based payments	-	(2.0)	2.0	-	-	-
Deferred tax on share-based payments	-	-	0.5	0.5	-	0.5
Sale of shares held by a subsidiary	-	-	1.8	1.8	-	1.8
Remeasurement of put option liability	-	28.0	-	28.0	-	28.0
Transfer to Group income statement	-	1.7	-	1.7	-	1.7
Balance at 31 December 2022	130.2	167.9	1,686.2	1,984.3	8.4	1,992.7

* Restated throughout for presentation in US Dollar. See note 2 for further details.

Group statement of cash flows

for the financial year ended 30 December 2023

	Notes	2023 \$m	Restated* 2022 \$m
Cash flows from operating activities			
Cash generated from operating activities before exceptional items	32(a)	491.4	413.6
Cash outflow related to exceptional items		(11.8)	(13.6)
Interest received		10.7	1.6
Interest paid (including interest expense on lease liabilities)		(22.0)	(24.4)
Tax paid		(40.5)	(62.9)
Net cash inflow from operating activities		427.8	314.3
Cash flows from investing activities			
Payment for acquisition of subsidiaries		(71.9)	(60.3)
Purchase of property, plant and equipment		(42.0)	(33.4)
Purchase of intangible assets	16	(32.2)	(39.1)
Proceeds from sale of property, plant and equipment		–	3.6
Dividends received from related parties		32.0	15.3
Proceeds from disposal/redemption of FVOCI financial assets		–	0.4
Proceeds on sale of shares held by subsidiary	24	–	1.8
Proceeds from disposal of Glanbia Cheese** (exceptional)	33	123.4	–
Proceeds on repayment of loans advanced to Glanbia Cheese	33	71.3	–
Loans advanced to Glanbia Cheese	35	(3.5)	(49.5)
Proceeds from disposal of assets and liabilities held for sale (exceptional)		8.6	–
Net cash (outflow)/inflow from discontinued operations***		(1.7)	360.8
Net cash inflow from investing activities		84.0	199.6
Cash flows from financing activities			
Purchase of own shares	23	(148.1)	(207.4)
Drawdown of borrowings	25/32(c)	140.8	707.5
Repayment of borrowings	25/32(c)	(271.6)	(822.5)
Payment of lease liabilities	32(c)	(19.9)	(17.4)
Acquisition of NCI		(0.3)	–
Dividends paid to Company shareholders	13/24	(97.2)	(88.9)
Net cash outflow from financing activities		(396.3)	(428.7)
Net increase in cash and cash equivalents			
	25	115.5	85.2
Cash and cash equivalents at the beginning of the year		192.5	107.1
Cash and cash equivalents acquired on acquisition	25/34	0.5	1.0
Effects of exchange rate changes on cash and cash equivalents		(3.7)	(0.8)
Cash and cash equivalents at the end of the year	21	304.8	192.5

* Restated throughout for presentation in US Dollar. See note 2 for further details.

** Comprised Glanbia Cheese Limited and Glanbia Cheese EU Limited (collectively referred to as "Glanbia Cheese") which are now named Leprino Foods Limited and Leprino Foods EU Limited respectively (collectively referred to as "Leprino Foods").

*** Related to disposal of Tirlán Limited (formerly known as Glanbia Ireland DAC). \$1.7 million related to reimbursement of rebranding costs to Tirlán Limited (note 33) (exceptional). \$360.8 million in the prior year comprised proceeds from disposal of \$339.3 million (exceptional), proceeds on repayment of loans of \$30.3 million (note 35), and cash outflow related to exceptional items of \$8.8 million.

Notes to the financial statements

for the financial year ended 30 December 2023

1. General information

Glanbia plc (the "Company") and its subsidiaries (together the "Group") is a leading global nutrition group with geographical presence in regions that include Americas, Europe and Asia Pacific. The Company is a public limited company incorporated and domiciled in Ireland, the number under which it is registered is 129933. The address of its registered office is Glanbia House, Kilkenny, Ireland, R95 E866. The Company is the ultimate parent of the Group and its shares are quoted on the Euronext Dublin and London Stock Exchange.

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 27 February 2024.

2. Accounting policies

The material accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented by the Group and joint ventures unless otherwise stated.

Basis of preparation

The consolidated financial statements have been prepared in accordance with EU adopted International Financial Reporting Standards ("IFRS"), IFRIC interpretations and those parts of the Companies Act 2014, applicable to companies reporting under IFRS. IFRS as adopted by the European Union ("EU") comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"). The consolidated financial statements comply with Article 4 of the EU IAS Regulation. IFRS adopted by the EU differs in certain respects from IFRS issued by the IASB. References to IFRS hereafter refer to IFRS adopted by the EU.

The consolidated financial statements have been prepared under the historical cost convention as modified by use of fair values for certain other financial assets, contingent consideration, put option liability, and derivative financial instruments.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of estimates, judgements and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from these estimates. See note 3.

Amounts are stated in US Dollar millions (\$m) unless otherwise stated. These financial statements are prepared for the 52-week period ended 30 December 2023. Comparatives are for the 52-week period ended 31 December 2022. The balance sheets for 2023 and 2022 have been drawn up as at 30 December 2023 and 31 December 2022 respectively.

The Going Concern Statement on page 84 forms part of the Group financial statements.

Change of presentation currency

Glanbia generates the majority of its revenue and earnings, and has significant assets and liabilities denominated in US Dollar. To reduce the potential for foreign exchange volatility in current and future reported earnings, the Group decided to change its presentation currency from euro to US Dollar effective from 1 January 2023.

A change of presentation currency represents a change in accounting policy under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which is accounted for retrospectively. The reported financial information for the year ended 31 December 2022 and Group balance sheet as at 1 January 2022 have been translated from euro to US Dollar using the following procedures:

- Assets and liabilities denominated in non-US Dollar currencies were translated into US Dollar at the relevant closing rates of exchange;
- Non-US Dollar trading results were translated into US Dollar at the relevant average rates of exchange;
- Share capital, share premium, own shares, dividends and movements in capital and merger account were translated at the historic rates prevailing on the date of each transaction. Movements in other equity accounts were translated into US Dollar at the relevant average rates of exchange; and
- The cumulative translation reserve was set to nil at 4 January 2004, the date of transition to IFRS, and has been restated as if the Group has reported in US Dollar since that date.

The principal exchange rates used for the translation of results and balance sheets into US Dollar are as follows:

	Average		Closing Rates		
	2023	2022	30 December 2023	31 December 2022	1 January 2022
1 US Dollar =					
euro	0.9247	0.9493	0.9050	0.9376	0.8829
Pound sterling	0.8043	0.8095	0.7865	0.8315	0.7419

Notes to the financial statements continued

2. Accounting policies continued

Impact of climate related matters

The Group has considered the impact of climate change on the financial statements including the impairment of financial and non-financial assets, the useful lives of those assets, and provisions, particularly in the context of the potential transition and physical risks identified and assessed within Taskforce for Climate-related Financial Disclosure (TCFD) report and the associated mitigation plans in place. In the prior year, the assessment concluded that climate change is not expected to have a significant impact on the viability of the Group. The findings and conclusion of the assessment continue to be valid for the current year. See below for specific considerations which were included in the assessment.

- The climate-related risk and opportunity (CRO) assessment to assess the potential impact of these risks and opportunities for the Group did not indicate obsolete production methods, site locations or products. Consequently, management do not determine any significant impact on the business, including operating or capital expenditure requirements, at this point in time.
- The impact of transition and physical risks identified and the potential impact on the carrying value of fixed assets and intangible assets were specifically considered in the context of the estimated time horizon impact and output from the financial quantification exercise carried out on each of the climate-related risks assessed. There was no significant impact to the carrying value of these assets as recorded in the Group balance sheet.
- The Group considered our environmental commitments, including our carbon emission reduction targets, and the proposed scope 1 and 2 transition plan to 2030 and concluded that there was no significant provision requirements related to these commitments or plans required.

In addition to the above considerations, we further considered the impact of climate change in the impairment testing of goodwill and indefinite life intangibles for 2023. Refer to note 16 for further details.

Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Company and to the non-controlling interests ("NCI"). Inter-company assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

Interests in joint ventures

Interests in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Interests in joint ventures are accounted for using the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost. The Group's share of joint ventures' post acquisition profits or losses after tax are recognised in the 'Share of results of joint ventures accounted for using the equity method' in the Group income statement. The Group's share of joint ventures post acquisition movement in reserves is recognised in the Group statement of comprehensive income.

The cumulative post acquisition movements are adjusted against the carrying amount of the investment less any impairment in value. Where indicators of impairment arise, the carrying amount of the joint venture is tested for impairment by comparing its recoverable amount against its carrying value.

Unrealised gains arising from transactions with joint ventures are eliminated to the extent of the Group's interest in the entity. Unrealised losses are similarly eliminated to the extent that they do not provide evidence of impairment of a transferred asset.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses unless the Group has incurred obligations or made payments on behalf of the joint venture.

When the Group ceases to have joint control, any retained interest in the entity is re-measured to its fair value at the date when joint control is lost with the change in carrying amount recognised in the income statement. This may mean that amounts previously recognised in other comprehensive income are classified to the Group income statement.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's subsidiaries and joint ventures are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in US Dollar. Refer to the earlier section, "Change of Presentation Currency".

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges or net investment hedges.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Currency translation differences on monetary assets and liabilities are taken to the income statement, except when deferred in equity in the currency translation reserve as (i) qualifying cash flow hedges or (ii) exchange gains or losses on long-term intra-group loans and on net investment hedges.

Subsidiaries and joint ventures

The income statement and balance sheet of subsidiaries and joint ventures that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities at each reporting date are translated at the closing rate at the reporting date of the balance sheet;
- income and expenses in the income statement and statement of comprehensive income are translated at average exchange rates for the year (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Resulting exchange differences are taken to a separate currency reserve within equity. When a foreign entity is disposed of outside the Group, such exchange differences are recognised in the income statement as part of the gain or loss on disposal.

Business combinations

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are denominated in the functional currency of the foreign entity, recorded at the exchange rate at the date of the transaction and subsequently retranslated at the applicable closing rates.

Revenue recognition

The Group manufactures and sells performance nutrition and lifestyle nutrition products, cheese and dairy, and non-dairy nutritional and functional ingredients. In general, there is one performance obligation relating to the sale of products in a contract with a customer. Performance obligations are met at the point in time when control of the products has transferred to the customer, which is dependent on the contractual terms with each customer. In most cases, control transfers to the customer when the products are dispatched or delivered to the customer. Delivery occurs when the products have been delivered to the specific location. The Group is deemed to be a principal in an arrangement when it controls the promised goods before transferring them to a customer, and accordingly recognises revenue on a gross basis.

Rebates and discounts are provided for based on agreements or contracts with customers, agreed promotional arrangements and accumulated experience using the most likely method. Judgement is exercised by management in the determination of quantum and likelihood of rebates and discounts based on experience and historical trading patterns. Rebates and discounts are recorded in the same period as the original revenue.

Generally, payment of the transaction price is due within credit terms that are consistent with industry practices, with no element of financing. Thus, the Group does not adjust any of the transaction prices for the time value of money as a practical expedient as the Group does not expect to have any contracts where the period between the transfer of the promised products to the customer and payment by the customer exceeds one year.

Income statement format**Exceptional items**

The Group has adopted an income statement format that seeks to highlight significant items within the Group results for the year. Such items may include impairment of assets, including significant adjustments arising from the re-assessment of asset lives, adjustments to contingent consideration, significant acquisition integration costs, restructuring costs including termination benefits, profit or loss on disposal or termination of operations, significant reorganisation programmes that may span over a reporting period(s), significant acquisition costs, litigation settlements, legislative changes, gains or losses on defined benefit pension plan restructuring, external events including disasters relating to weather, pandemics, wars and other acts of God and natural disasters, and profit or loss on disposal of investments. Certain items may span over a reporting period(s). Judgement is used by the Group in assessing the particular items which by virtue of their scale and/or nature should be disclosed in the income statement and notes as exceptional items.

Earnings before interest, tax and amortisation

The Group believes that Earnings before interest, tax and amortisation ("EBITA") is a relevant performance measure and has therefore disclosed this amount in the Group income statement. EBITA is stated before considering the share of results of joint ventures accounted for using the equity method.

Notes to the financial statements continued

2. Accounting policies continued

Segment reporting

The segments reported in note 4 reflect the Group's organisation structure and the nature of the information reported to the Chief Operating Decision Maker ("CODM") who is identified as the Group Operating Executive.

In identifying the Group's operating segments, management considered the following principal factors:

- the Group's organisational structure, namely Glanbia Performance Nutrition, Glanbia Nutritionals and joint ventures
- how financial information is reported to the CODM
- existence of managers responsible for the components
- the nature of the component business activities; refer to note 4 for details
- the degree of similarity of products and services, and production processes

Finance income, finance costs and income taxes are not allocated to segments, as this type of activity is driven by central treasury and taxation functions which manage the cash and tax position of the Group. Unallocated assets and liabilities primarily include tax, cash and cash equivalents, other financial assets, financial liabilities and derivatives. Inter-segment revenue is determined on an arm's-length basis. Where a material dependency or concentration on an individual customer would warrant disclosure, this is disclosed in note 4.

Finance income

Finance income is recognised in the income statement as it accrues using the effective interest rate method and includes net gains on hedging instruments that are recognised in the income statement, and changes in fair value of call options and contingent consideration.

Finance costs

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method, net losses on hedging instruments that are recognised in the income statement, facility fees, the unwinding of discounts on provisions, the interest expense component of lease liabilities, and changes in fair value of call options and contingent consideration.

General and specific finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other finance costs are expensed in the income statement in the period in which they are incurred.

Pension obligations

The Group operates various pension plans. The plans are funded through payments to trustee-administered funds. The Group has both defined contribution and defined benefit plans.

Defined contribution pension

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as an employee benefit expense in the income statement when they are due.

Defined benefit pension obligation

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. The fair value of plan assets is based on market price information and in the case of quoted securities in active markets it is the published bid price.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Remeasurements are not reclassified to the income statement in subsequent periods.

A curtailment arises when the Group significantly reduces the number of employees or employee entitlements covered by a plan. A past service cost may be either a loss (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or a gain (when benefits are withdrawn or changed so that the present value of the defined benefit obligation decreases).

A settlement occurs when an entity enters into a transaction that eliminates all further legal or constructive obligation for part or all of the benefits provided under a defined benefit plan (other than a payment of benefits to, or on behalf of, employees in accordance with the terms of the plan and included in the actuarial assumptions). The gain or loss on a settlement is the difference between:

- (a) the present value of the defined benefit obligation being settled, as determined on the date of settlement; and
- (b) the settlement price, including any plan assets transferred and any payments made directly by the entity in connection with the settlement.

The deferred tax impact of pension plan obligations is disclosed separately within deferred tax assets.

Share-based payments

The Group operates a number of equity settled share-based compensation plans which include share option and share award schemes which are open to Executive Directors and certain senior managers.

The charge to the income statement in respect of share-based payments is based on the fair value of the equity instruments granted and is spread over the performance period.

Awards under the 2018 Long-term incentive plan (2018 LTIP)

The fair value of the awards is calculated using discounted cash flows or the Monte Carlo simulation technique where the awards contain both market and non-market vesting conditions. Where applicable, the market vesting condition is total shareholder return ("TSR") and, accordingly, the fair value assigned to the related equity instruments is adjusted so as to reflect the anticipated likelihood at the grant date of achieving the market-based vesting condition. There are no revisions to the fair value at subsequent reporting dates for changes in TSR estimates.

Awards under the 2019 Restricted share plan (2019 RSP)

The fair value of the awards is calculated using the discounted cash flow method. The awards typically contain only non-market vesting and service conditions.

Awards under the Annual incentive deferred into shares scheme (AIDIS)

The fair value of shares awarded is determined in line with the Group's Annual Incentive Scheme rules and equates with the cash value of the portion of the annual incentive that will be settled by way of shares. The expense is recognised immediately in the income statement with a corresponding entry to equity.

In respect of 2018 LTIP and 2019 RSP, non-market vesting and service conditions are included in assumptions about the number of awards that are expected to vest. At each reporting date, the Group revises its estimates of the number of awards that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement with a corresponding adjustment to equity. The non-market based charge to the income statement is reversed where awards do not vest because non-market performance conditions have not been met or where, subject to the rules of the scheme, an employee in receipt of share awards leaves service before the end of the vesting period.

When the awards are exercised, the Company reissues shares from own shares and the fair value of the awards exercised is reclassified from the share-based payment reserve to retained earnings.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (i) when the Group can no longer withdraw the offer of those benefits; and (ii) when the entity recognises costs for a restructuring that is within the scope of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and involves the payment of termination benefits.

Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity, respectively.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of in-house tax experts, professional firms and previous experience of the Group. Further detail on estimates and judgements are set out in note 3.

Notes to the financial statements continued

2. Accounting policies continued

Current tax

Current tax is calculated on the basis of tax laws enacted or substantively enacted at the Group balance sheet date in countries where the Group operates and generates taxable income, taking into account adjustments relating to prior years.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is determined using tax rates and laws enacted or substantively enacted by the reporting date. Deferred tax is provided on a non-discounted basis, using the balance sheet liability method, providing for temporary differences on the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax liabilities are not recognised to the extent they arise from the initial recognition of goodwill not having full tax basis.

The carrying amount of a deferred tax asset or liability may change for reasons other than a change in the temporary difference itself. Such changes might arise as a result of a change in tax rates or laws, a reassessment of the recoverability of a deferred tax asset or a change in the expected manner of recovery of an asset or the expected manner of a settlement of a liability. The impact of these changes is recognised in the income statement or in other comprehensive income depending on where the original deferred tax balance was recognised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and joint ventures except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Earnings Per Share

Earnings Per Share ("EPS") represents the profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the period excluding own shares.

Adjusted EPS is calculated on the net profit attributable to the owners of the Company before exceptional items and intangible asset amortisation and impairment (excluding software amortisation), net of related tax, divided by the weighted average number of ordinary shares in issue during the period excluding own shares. Full details on the calculation and reconciliation to IFRS reported numbers are included in the Glossary section.

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Property, plant and equipment

Cost

Property, plant and equipment ("PP&E") is stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs, for example the costs of major renovation, are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the income statement. Borrowing costs directly attributable to the construction of property, plant and equipment which take a substantial period of time to get ready for its intended use are capitalised as part of the cost of the assets.

Depreciation

Depreciation is calculated on the straight-line method to write off the cost less residual value of each asset over its estimated useful life at the following rates:

	%
Land	Nil
Buildings	2.5–5
Plant and equipment	4–33
Motor vehicles	20–25

Land and assets under construction are not depreciated. Residual values and useful lives are reviewed and adjusted if appropriate at each reporting date.

Impairment

Carrying amounts of items of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement. Following the recognition of an impairment loss, the depreciation charge applicable to the asset is adjusted prospectively in order to systematically allocate the revised carrying amount, net of any residual value over the remaining useful life.

Leases

Right-of-use assets

The Group recognises right-of-use assets ("ROU assets") at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the initial amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are generally depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate ("IBR") at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

For leases of plant and equipment, and motor vehicles for which the Group is a lessee, it has elected not to separate lease and non-lease components, and instead account for these as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Impairment

Carrying amounts of items of right-of-use assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Intangible assets

Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquired entity over the net identifiable assets of the acquired subsidiary or joint venture at the date of acquisition. Goodwill on acquisition of subsidiaries is included within intangible assets. Goodwill associated with the acquisition of joint ventures is not recognised separately and included within the interest in joint ventures under the equity method of accounting.

Following initial recognition, goodwill is carried at cost less accumulated impairment losses, if applicable. Goodwill impairments are not reversed. Goodwill is not amortised but is subject to impairment testing on an annual basis and at any time during the year if an indicator of impairment is considered to exist. The annual goodwill impairment tests are undertaken at a consistent time in each annual period.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Notes to the financial statements continued

2. Accounting policies continued

Research and development costs

Research expenditure is recognised as an expense in the income statement as incurred.

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility and costs can be measured reliably. Development costs are amortised using the straight-line method over their estimated useful lives. The useful life is typically three years.

Brands, customer relationships, recipes, know-how and other intangibles

Brands, customer relationships, recipes, know-how and other intangibles acquired as part of a business combination are stated at their fair value at the date control is achieved.

Indefinite life brands are carried at cost less accumulated impairment losses, if applicable. Indefinite life brands are not amortised on an annual basis but are tested annually for impairment. Indefinite life intangible assets are those for which there is no foreseeable limit to their expected useful life. The classification of intangible assets as indefinite is assessed annually.

Definite life brands, customer relationships, recipes, know-how and other intangibles are amortised using the straight-line method over their useful life as follows:

	Years
Brands	3–40
Customer relationships	5–15
Recipes, know-how and other intangibles	2–15

The useful life used to amortise definite life brands, customer relationships, recipes, know-how and other intangibles relates to the future performance of the assets acquired and management's judgement of the period over which the economic benefit will be derived from the assets.

The carrying values of definite life brands, customer relationships, recipes, know-how and other intangibles are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or circumstances indicate that the carrying values may not be recoverable.

Computer software

Computer software is stated at cost less accumulated amortisation and impairment losses. Costs incurred on the acquisition of computer software are capitalised, as are costs directly associated with developing computer software programmes for internal use, if they meet the recognition criteria of IAS 38 'Intangible Assets'. Computer software costs recognised as assets are amortised using the straight-line method over their estimated useful lives, which is normally between five and 10 years.

Impairment of intangible assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purposes of impairment testing, assets are grouped at the lowest level for which there are separately identifiable cash inflows (cash generating units ("CGUs")). An impairment is recognised in the income statement for the amount by which the carrying value of the CGU exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Value in use is determined as the discounted future cash flows of the CGU.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost includes all expenditure incurred in the normal course of business in bringing the products to their present location and condition. Cost is determined by the first-in, first-out (FIFO) method or by weighted average cost. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal capacity). Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges which relate to purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less all estimated costs of completion and selling expenses. Allowance is made, where necessary, for aged, slow moving, obsolete and defective inventories.

Trade and other receivables, loans to joint ventures and financial assets at amortised cost

Trade and other receivables, loans to joint ventures and financial assets at amortised cost are classified and measured at amortised cost as they are held to collect contractual cash flows which comprise solely payments of principal and interest, where applicable. They are recognised initially at fair value plus transaction costs, except trade receivables that do not contain significant financing components which are recognised at transaction price. They are subsequently measured at amortised cost using the effective interest method less expected credit loss allowance.

The Group recognises an allowance for expected credit losses ("ECL") for financial assets not held at fair value through profit or loss. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition or where there has been a credit impaired event, a lifetime expected loss allowance is recognised, irrespective of the timing of the default.

The Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for all trade receivables. A loss allowance for the amount of receivables that is subject to credit risk is estimated based on expected credit losses. To measure ECL, historical loss rates are calculated based on historical credit loss experience. The loss allowance based on historical loss rates is adjusted where appropriate to reflect current information and forward-looking information on macroeconomic factors, including the trading environment of countries in which the Group sells its goods, which affect the ability of the debtors to settle the receivables.

The above financial assets are written off when there is no reasonable expectation of recovery such as a debtor failing to engage in a repayment plan with the Group.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and deposits held on call with banks. For the purposes of the Group statement of cash flows, cash and cash equivalents consists of cash and cash equivalents net of bank overdrafts as bank overdrafts are repayable on demand and they form an integral part of cash management.

Investments in equity instruments

The Group classifies and measures its investments in equity instruments at fair value. Changes in their fair value are recognised in the income statement unless management has elected to present fair value gains and losses in OCI on an investment by investment basis. When an election is made for an investment, there is no subsequent reclassification of fair value gains and losses related to the investment to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss when the Group's right to receive payments is established.

Borrowings

Borrowings are recognised initially at fair value and subsequently stated at amortised cost.

Trade and other payables

Trade and other payables, other than put options over non-controlling interests, are recognised initially at their fair value and subsequently measured at amortised cost which approximates to fair value given the short-term nature of these liabilities. These amounts represent liabilities for goods and services provided to the Group prior to, or at the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30–90 days of recognition depending on the terms negotiated with suppliers.

Provisions, contingent liabilities and contingent assets

Provisions are recognised on the balance sheet when the Group has a constructive or legal obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured using management's best estimate of the present value of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to passage of time is recognised as an interest expense.

Provisions arising on business combinations are only recognised to the extent that they have qualified for recognition in the financial statements of the acquiree prior to acquisition.

A contingent liability is not recognised but is disclosed where the existence of the obligation will only be confirmed by future events or where it is not probable that an outflow of resources will be required to settle the obligation or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

Notes to the financial statements continued

2. Accounting policies continued

Derivative financial instruments

Derivatives are initially recorded at fair value and subsequently remeasured at their fair value at the reporting date. Derivative contracts are recognised on the trade date, other than 'regular way' contracts for which settlement date accounting is applied.

The fair value of any foreign currency contracts or any commodities contract is estimated by discounting the difference between the contractual forward price and the current forward price, using the market interest rate at the measurement date, for a time period equal to the residual maturity of the contract. The fair value of any interest rate swap is estimated by discounting future cash flows under the swap, using the market interest rates, at the measurement date, for time periods equal to the residual maturity of the contracted cash flows.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised in the income statement. The Group adopts the hedge accounting model in IFRS 9.

The Group designates certain derivatives as either: (i) hedges of the fair value of recognised assets or liabilities or an unrecognised firm commitment (fair value hedge); or (ii) hedges of a cash flow risk associated with the cash flows of recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and half yearly, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 29. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in OCI. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Where option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument. Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the hedging reserve within equity. The changes in the time value of the options that relate to the hedged item are recognised within OCI in the cost of hedging reserve within equity.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), the amounts accumulated in equity are included within the initial cost of the asset. The recycled gain or loss relating to the effective portion of interest rate swaps hedging variable interest rates on borrowings is recognised in the income statement within 'finance income'. The recycled gain or loss relating to the effective portion of foreign exchange contracts is recognised in the income statement. The recycled gain or loss relating to the time value and the effective portion of the intrinsic value of commodity option contracts are included within the initial cost of an asset.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in OCI and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to the income statement when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to the income statement.

Net investment hedge

Net investment hedges, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument (for instance foreign currency borrowings) relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the income statement.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of: the amount determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments; and the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the revenue recognition policies set out above.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Share capital

Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Repurchase of the Company's own equity instruments is recognised and deducted from equity with a transfer between the own shares reserve and retained earnings when they are cancelled. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Own shares

Where the Employee Share Trust and/or the Employee Share Scheme Trust (on behalf of the Company) purchases the Company's equity share capital, under the 2018 Long-term incentive plan, the 2019 Restricted share plan and the Annual incentive deferred into shares scheme, the consideration paid is deducted from distributable reserves and classified as own shares until they are re-issued. Where such shares are re-issued, they are re-issued on a first-in, first-out basis and the proceeds on re-issue of own shares are transferred from own shares to retained earnings.

Dividends

Dividends on ordinary shares to the Company's shareholders are recognised as a liability of the Company when approved by the Company's shareholders. Interim dividends are recognised when paid.

Proposed dividends that are approved after the balance sheet date are not recognised as a liability but are disclosed in the dividends note.

Business combinations

The Group uses the acquisition method of accounting to account for business combinations, whether equity instruments or other assets are acquired. The acquisition date is defined as the date the Group gained control of the entity. The cost of the acquisition is measured at the aggregate of the fair value of the consideration given.

Upon acquisition, the Group assesses the assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date except for deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements which are recognised and measured in accordance with IAS 12 'Income Taxes' and IAS 19 'Employee Benefits' respectively. The fair value of the assets and liabilities are based on valuations using assumptions deemed by management to be appropriate. Professional valuers are engaged when it is deemed appropriate to do so.

Goodwill represents the excess of the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquired entity over the net identifiable assets acquired. If this is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the valuation of the fair value of assets acquired and liabilities assumed is still in progress. Those provisional amounts are adjusted during the measurement period of one year from the date control is achieved when additional information is obtained about facts and circumstances which would have affected the amounts recognised as of that date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in the income statement.

Acquisition related costs are expensed as incurred in the income statement.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of the carrying value and the fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than continued use. This condition is regarded as satisfied only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year of the date of classification.

When the Group is committed to a sale plan involving disposal of a joint venture, the interest in the joint venture that will be disposed of is classified as held for sale when the criteria described above are met. The Group then ceases to apply the equity method of accounting in relation to the portion that is classified as held for sale.

Notes to the financial statements continued

2. Accounting policies continued

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operation, is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Group income statement. In addition, the comparative Group income statement and Group statement of comprehensive income are re-presented as if the operation had been discontinued from the start of the comparative year.

Additional disclosures are provided in Note 33. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

Adoption of new and amended standards

The following changes to IFRS became effective for the Group during the financial year but did not result in material changes to the Group's financial statements:

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1
- International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 (see below for further details)

Amendments to IAS 12

The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal taxable and deductible temporary differences e.g. leases. For leases, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date.

The Group previously accounted for deferred tax on leases on a net basis. Following the amendments, the Group has retrospectively recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. There was no impact on previously reported profit or net assets. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised (refer to note 26).

New and amended standards that are not yet effective

The Group has not applied new amendments to existing standards that have been issued but are not yet effective. The Group intends to adopt these amended standards, if applicable, when they become effective.

Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (EU effective date: on or after 1 January 2024)

The amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The Group is currently evaluating the impact of the amendments on future periods.

Other changes to IFRS have been issued but are not yet effective for the Group. However, they are either not expected to have a material impact on the Group or they are not currently relevant for the Group.

3. Critical accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates may not equal the related actual results. Revisions to estimates are recognised prospectively.

The most significant judgements and key sources of estimation uncertainty identified in the preparation of these financial statements are set out in this note. With the exception of retirement benefit obligations which are subject to market conditions, it is not expected that there will be a material adjustment to the carrying value of assets and liabilities of the other outlined areas.

Judgements

Exceptional items

The Group considers that items of income or expense which are significant by virtue of their scale and/or nature should be disclosed separately if the Group financial statements are to fairly present the financial performance and financial position of the Group. Determining which transactions are to be considered exceptional in nature is often a subjective matter. However, circumstances that the Group believes would give rise to exceptional items for separate disclosure are outlined in the accounting policy on exceptional items in note 2. Exceptional items are included on the income statement line item to which they relate. In addition, for clarity, separate disclosure is made of all items in one column on the face of the Group income statement.

Interests in joint ventures

As Glanbia Cheese operations were disposed of during 2023, this judgement is no longer a critical judgement but included here for comparative purposes. The Group held 51% of the share capital of Glanbia Cheese Limited but this entity was considered to be a joint venture as the Group did not have control of the company as along with its joint venture partner Leprino Foods Company, it had equal representation on the Board of Directors who directed the relevant activities of the business. Decisions about the relevant activities required unanimous consent of the Group and the joint venture partner. The Group controlled 50% of the voting rights and was entitled to appoint 50% of the total number of Directors to the Board.

Estimates**Retirement benefit obligations**

The Group operates a number of defined benefit pension plans both in Ireland and the UK. The rates of contributions payable, the pension cost and the Group's total obligation in respect of defined benefit plans is calculated and determined by independent qualified actuaries and updated at least annually. Refer to note 8 for the amounts associated with the Irish and UK plans.

The size of the obligation and cost of the benefits are sensitive to actuarial assumptions. These include demographic assumptions covering mortality and longevity, and economic assumptions including price inflation, benefit and salary increases together with the discount rate used. The Group disclose the UK defined benefit pension plan details separately from the Irish plans to identify the impact of a change in UK assumptions on the Group's defined benefit pension plans.

The discount rate is a highly sensitive input to the calculation of scheme liabilities. Sensitivity analysis has been completed to assess the impact of a change in the discount rate used and other principal actuarial assumptions. Refer to note 8 for the sensitivity analysis.

Impairment reviews of goodwill and indefinite life intangibles

The Group tests annually whether goodwill and indefinite life intangibles have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of CGUs have been determined based on value in use calculations. These calculations require the use of estimates.

Goodwill and intangible assets in respect of CGUs within the Glanbia Performance Nutrition and Glanbia Nutritionals operating segments are tested for impairment using projected cash flows over a three year period. In cases where management have strategic plans beyond three years these numbers are also used in the projections. Discount rates are based on the Group weighted average cost of capital adjusted for company risk factors and specific country risk. A terminal value assuming 2% growth into perpetuity is also applied. Refer to note 16 for the sensitivity analysis on the key assumptions used for calculating value in use of the CGUs.

Additional information in relation to impairment reviews is disclosed in note 16.

Income taxes

The Group is subject to income tax in numerous jurisdictions. Significant estimation is required in determining the worldwide provision for income taxes. There are many transactions during the ordinary course of business for which the ultimate tax determination is uncertain and the applicable tax legislation is open to differing interpretations. The Group takes external professional advice to help minimise this risk. It recognises liabilities for anticipated tax authority reviews based on estimates of whether additional taxes will be due, having regard to all information available on the tax matter. The Group engages with local tax experts to support the judgements made where there is significant uncertainty about the position taken.

In determining any liability for amounts expected to be paid to tax authorities, the Group has regard to the tax status of the entities involved, the external professional advice received, the status of negotiations and correspondence with the relevant tax authorities, the best estimate of the amount expected to become payable, past practices of the tax authorities and any precedents in the relevant jurisdiction. Where the final outcome of these tax matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits may be utilised. The Group estimates the most probable amount of future taxable profits using assumptions consistent with those employed in impairment calculations and taking into consideration applicable tax legislation in the relevant jurisdiction.

Income taxes and deferred taxes are disclosed in notes 11 and 26 respectively.

Notes to the financial statements continued

4. Segment information

In accordance with IFRS 8 'Operating Segments', the Group has identified Glanbia Performance Nutrition and Glanbia Nutritionals as reportable segments as at 30 December 2023. Glanbia Performance Nutrition manufactures and sells sports nutrition and lifestyle nutrition products through a variety of channels including specialty retail, online, Food, Drug, Mass, Club (FDMC), and gyms in a variety of formats, including powders, Ready-to-Eat (bars and snacking foods) and Ready-to-Drink beverages. Glanbia Nutritionals manufactures and sells cheese, dairy and non-dairy nutritional and functional ingredients, and vitamin and mineral premixes targeting the increased market focus on health and nutrition.

Following the disposal of Tirlán Limited in the prior year (note 33), it was no longer reported as a segment.

All other segments and unallocated include both the results of joint ventures who manufacture and sell cheese and dairy ingredients and unallocated corporate costs. These investees did not meet the quantitative thresholds for reportable segments in 2023 or 2022. Amounts stated for joint ventures represents the Group's share.

These segments align with the Group's internal financial reporting system and the way in which the CODM assesses performance and allocates the Group's resources. Each segment is reviewed in its totality by the CODM. The CODM assesses the trading performance of operating segments based on a measure of earnings before interest, tax, amortisation and exceptional items. Given that net finance costs and income tax are managed on a centralised basis, these items are not allocated between operating segments for the purposes of the information presented to the CODM and are accordingly omitted from the detailed segmental analysis below.

	2023				2022			
	Glanbia Performance Nutrition \$m	Glanbia Nutritionals \$m	All other segments and unallocated \$m	Total \$m	Glanbia Performance Nutrition \$m	Glanbia Nutritionals \$m	All other segments and unallocated \$m	Total \$m
Segment results (pre-exceptional)								
Total gross segment revenue	1,795.7	3,717.4	–	5,513.1	1,712.6	4,343.3	–	6,055.9
Inter-segment revenue	(0.1)	(87.6)	–	(87.7)	(0.1)	(112.1)	–	(112.2)
Revenue	1,795.6	3,629.8	–	5,425.4	1,712.5	4,231.2	–	5,943.7
Operating profit before intangible asset amortisation and impairment (EBITA)								
	255.4	168.6	–	424.0	191.9	173.8	–	365.7
Share of results of joint ventures accounted for using the equity method	–	–	12.5	12.5	–	–	16.3	16.3
Segment assets and liabilities								
Segment assets	1,859.6	1,285.1	654.4	3,799.1	1,939.3	1,348.5	829.4	4,117.2
Segment liabilities	394.7	403.5	868.3	1,666.5	461.9	503.3	1,159.3	2,124.5
Other segment information (pre-exceptional)								
Depreciation of PP&E and ROU assets	26.9	42.5	–	69.4	24.1	47.0	–	71.1
Amortisation of intangible assets	56.8	22.8	–	79.6	55.9	23.2	–	79.1
Capital expenditure – additions	16.1	48.9	12.6	77.6	21.4	46.7	17.0	85.1
Capital expenditure – business combinations	–	41.8	–	41.8	–	78.1	–	78.1

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. Revenue of approximately \$966.2 million (2022: \$1,133.8 million) and \$771.3 million (2022: \$873.7 million) is derived from two external customers respectively within the Glanbia Nutritionals segment.

Pre-exceptional segment operating profit before intangible asset amortisation and impairment (EBITA) is reconciled to reported profit before tax and profit after tax in the Group income statement.

Geographical information

Revenue from external customers, and non-current assets, other than financial instruments, deferred tax assets, and retirement benefit assets attributable to the country of domicile and all foreign countries of operation for which revenue/non-current assets exceed 10% of total Group revenue/non-current assets are set out on below.

Revenue from external customers in the table below and in the disaggregation of revenue by primary geographical markets table below is allocated to geographical areas based on the place of delivery or collection of the products sold as agreed with customers as opposed to the end use market where the product may be consumed.

	2023		2022	
	Revenue \$m	Non-current assets \$m	Revenue \$m	Non-current assets \$m
Ireland (country of domicile)	18.0	821.4	11.6	818.2
US	4,296.7	1,281.5	4,859.8	1,316.8
Other				
– North America (excluding US)	106.6	6.3	101.5	6.4
– Europe (excluding Ireland)	473.0	178.7	455.7	232.6
– Asia Pacific	379.3	12.0	394.5	11.9
– LATAM	95.0	0.1	72.9	–
– Rest of World	56.8	–	47.7	–
	5,425.4	2,300.0	5,943.7	2,385.9

Disaggregation of revenue

Revenue is disaggregated based on the Group's internal reporting structures, the primary geographical markets in which the Group operates, the timing of revenue recognition, and channel mix as set out in the following tables.

	2023			2022		
	Glanbia Performance Nutrition \$m	Glanbia Nutritionals \$m	Total \$m	Glanbia Performance Nutrition \$m	Glanbia Nutritionals \$m	Total \$m
Internal reporting structures						
Nutritional Solutions	–	1,008.5	1,008.5	–	1,186.8	1,186.8
US Cheese	–	2,621.3	2,621.3	–	3,044.4	3,044.4
GPN Americas	1,166.7	–	1,166.7	1,156.6	–	1,156.6
GPN International (including Direct-to-Consumer)	628.9	–	628.9	555.9	–	555.9
	1,795.6	3,629.8	5,425.4	1,712.5	4,231.2	5,943.7
Primary geographical markets						
North America	1,185.5	3,217.8	4,403.3	1,159.6	3,801.7	4,961.3
Europe	361.1	129.9	491.0	334.8	132.5	467.3
Asia Pacific	196.6	182.7	379.3	170.3	224.2	394.5
LATAM	13.6	81.4	95.0	14.5	58.4	72.9
Rest of World	38.8	18.0	56.8	33.3	14.4	47.7
	1,795.6	3,629.8	5,425.4	1,712.5	4,231.2	5,943.7
Timing of revenue recognition						
Products transferred at point in time	1,795.6	3,629.8	5,425.4	1,712.5	4,231.2	5,943.7
Products transferred over time	–	–	–	–	–	–
	1,795.6	3,629.8	5,425.4	1,712.5	4,231.2	5,943.7

	2023 \$m	2022 \$m
Channel mix for Glanbia Performance Nutrition		
Distributor	369.3	386.6
Food, Drug, Mass, Club (FDMC)	630.3	606.3
Online	576.3	508.1
Specialty	219.7	211.5
	1,795.6	1,712.5

The disaggregation of revenue by channel mix is most relevant for Glanbia Performance Nutrition.

Notes to the financial statements continued

5. Operating profit

	Notes	2023			2022		
		Pre-exceptional \$m	Exceptional \$m	Total \$m	Pre-exceptional \$m	Exceptional \$m	Total \$m
Revenue		5,425.4	–	5,425.4	5,943.7	–	5,943.7
Cost of goods sold		(4,301.3)	–	(4,301.3)	(4,920.7)	(17.5)	(4,938.2)
Gross profit		1,124.1	–	1,124.1	1,023.0	(17.5)	1,005.5
Selling and distribution expenses		(474.6)	(0.4)	(475.0)	(437.5)	(0.1)	(437.6)
Administration expenses		(228.1)	48.2	(179.9)	(219.3)	(5.0)	(224.3)
Net impairment gain/(loss) on financial assets		2.6	–	2.6	(0.5)	(0.5)	(1.0)
Operating profit before intangible asset amortisation and impairment (EBITA)		424.0	47.8	471.8	365.7	(23.1)	342.6
Intangible asset amortisation and impairment	16	(79.6)	–	(79.6)	(79.1)	(27.9)	(107.0)
Operating profit		344.4	47.8	392.2	286.6	(51.0)	235.6

Operating profit is stated after (charging)/crediting:

	Notes	2023			2022		
		Pre-exceptional \$m	Exceptional \$m	Total \$m	Pre-exceptional \$m	Exceptional \$m	Total \$m
Cost of inventories recognised as an expense in cost of goods sold	20	(3,850.7)	–	(3,850.7)	(4,452.9)	(4.5)	(4,457.4)
Employee benefit expense	7	(495.3)	(6.7)	(502.0)	(489.4)	(0.4)	(489.8)
Depreciation of property, plant and equipment	14	(49.7)	–	(49.7)	(51.3)	–	(51.3)
Impairment of property, plant and equipment	14	–	–	–	–	(10.1)	(10.1)
Loss on disposal of property, plant and equipment	32(a)	(1.2)	–	(1.2)	(0.4)	–	(0.4)
Depreciation of right-of-use assets	15	(19.7)	–	(19.7)	(19.8)	–	(19.8)
Impairment of right-of-use assets	15	–	–	–	–	(2.7)	(2.7)
Amortisation of intangible assets	16	(79.6)	–	(79.6)	(79.1)	–	(79.1)
Impairment of intangible assets	16	–	–	–	–	(27.9)	(27.9)
Research and development costs		(22.1)	–	(22.1)	(21.5)	–	(21.5)
Lease rentals		(4.2)	(0.1)	(4.3)	(4.3)	–	(4.3)
Net impairment gain/(loss) on financial assets		2.6	–	2.6	(0.5)	(0.5)	(1.0)
Auditor's remuneration		(2.3)	–	(2.3)	(2.0)	–	(2.0)
Net foreign exchange (loss)/gain		(0.4)	–	(0.4)	0.2	–	0.2

The following table discloses the fees paid or payable to Deloitte Ireland LLP, the Group auditor, and to other statutory audit firms in the Deloitte network:

	Statutory auditor		Other statutory auditor network firms	
	2023 \$m	2022 \$m	2023 \$m	2022 \$m
The audit of the Group financial statements	1.3	1.2	1.0	0.8
Other assurance services	–	–	–	–
Tax advisory services	–	–	–	–
Other non-audit services	–	–	–	–
	1.3	1.2	1.0	0.8

In addition to the above, Deloitte Ireland LLP and Deloitte network member firms received fees of \$0.3 million (2022: \$0.2 million) in respect of the audit of the Group's joint ventures.

6. Exceptional items

The nature of the total exceptional items is as follows:

	Notes	2023 \$m	2022 \$m
Net exceptional gain on disposal/exit of operations	(a)	(56.3)	–
Pension related costs	(b)	2.5	1.8
Portfolio related reorganisation costs	(c)	6.0	3.1
Remeasurements of contingent consideration	(d)	–	(7.1)
Non-core assets held for sale	(e)	–	46.1
Total		(47.8)	43.9
Share of results of joint ventures	(b)	–	(0.2)
Tax credit on exceptional items	11	(1.8)	(6.0)
Total exceptional (gain)/charge from continuing operations		(49.6)	37.7
Exceptional charge/(gain) after tax from discontinued operations	(f)	3.2	(60.3)
Total exceptional gain after tax for the year	32(a)	(46.4)	(22.6)

Details of the exceptional items are as follows:

- (a) **Net exceptional gain on disposal/exit of operations** primarily relates to the net gains on disposal of the UK and EU Glanbia Cheese joint venture operations and a small US bottling facility (Aseptic Solutions) which was designated as held for sale at 31 December 2022 (note (e) below). Both transactions concluded during 2023 and the net gain represents the difference between proceeds received, net of costs associated with the investment and exit of these non-core businesses and the carrying value of the investments.
- (b) **Pension related costs** relate to the restructure of legacy defined benefit pension schemes associated with the Group and joint ventures, which included initiating a process for the ultimate buy-out and wind up of these schemes and a further simplification of schemes that remain. Costs incurred relate to the estimated cost of the settlement loss as a result of acquiring bulk purchase annuity policies to mirror and offset movements in known liabilities of the schemes ('buy-in' transaction), as well as related advisory and execution costs, net of gains from risk reduction activities. The restructuring effort involved the careful navigation of external market factors, with final wind up of the schemes anticipated in 2024.
- (c) **Portfolio related re-organisation costs** relate to indirect one off costs as a result of recent portfolio changes. Following divestment decisions related to non-core businesses, the Group launched a programme to realign Group-wide support functions and optimise structures of the remaining portfolio, to more efficiently support business operations and growth. This strategic multi-year programme continues in 2024. Costs incurred to date relate to advisory fees and people-related costs.
- (d) Prior year **remeasurements of contingent consideration** relate to contingent payments associated with the 2021 LevUp acquisition that reduced following an assessment of conditions that gave rise to the additional payments.
- (e) Prior year **non-core assets held for sale** relate to fair value adjustments to reduce the carrying value of certain assets to recoverable value. The assets relate to the Aseptic Solutions business which was successfully divested during 2023 (see note (a) above).
- (f) **Exceptional charge/(gain) after tax from discontinued operations** relates to the divestment of Tirlán Limited (formerly known as Glanbia Ireland DAC) ("Tirlán"). The prior year gain represented the initial gain on disposal of the Group's interest in this entity. The current year charge relates to the crystallisation of certain contingent costs associated with the divestment transaction following the conclusion of negotiations on separation of the common infrastructure of both organisations.

Notes to the financial statements continued

7. Employment

The aggregate payroll costs of employees (including Executive Directors) in the Group were:

	Notes	2023 \$m	2022 \$m
Wages and salaries		415.8	404.6
Social insurance costs		32.6	35.3
Retirement benefit costs			
– Defined contribution plans	8	14.4	13.7
– Defined benefit plans	8	1.5	2.3
		15.9	16.0
Other compensation costs			
– Private health insurance		28.4	29.0
– Cost of share-based payments	9	24.5	19.8
– Company car allowance		2.4	2.4
		55.3	51.2
		519.6	507.1

Included within the aggregate payroll costs are exceptional items of \$6.7 million (2022: \$0.4 million) which include redundancy costs of \$4.3 million (2022: nil). Capitalised labour costs of \$17.6 million (2022: \$17.3 million) are included within the aggregate payroll costs while the remaining post-exceptional cost of \$502.0 million (2022: \$489.8 million) are recognised as an expense (note 5).

The Directors' remuneration information is shown on tables A to G on pages 146 to 149 in the Remuneration Committee Report.

The average number of employees, excluding the Group's joint ventures, is analysed into the following reportable segments:

	2023	2022
Glanbia Performance Nutrition	2,040	1,996
Glanbia Nutritionals	2,814	3,010
	4,854	5,006

8. Retirement benefit obligations

Defined contribution pension plans

The Group has a number of defined contribution pension plans in operation. \$14.4 million (2022: \$13.7 million) was recognised in the Group income statement during the year (note 7).

Defined benefit pension plans

Recognition in the Group balance sheet:

	2023 \$m	2022 \$m
Non-current assets – Surplus on defined benefit pension plan	8.2	3.2
Non-current liabilities – Deficit on defined benefit pension plan	(1.0)	(1.5)
Net defined benefit pension plans asset	7.2	1.7

The Group operates defined benefit pension plans in the Republic of Ireland ("Ireland") and the United Kingdom ("UK"). The defined benefit pension plans in Ireland and the UK are administered by independent Boards of Trustees through separate trustee controlled funds. These Boards are responsible for the management and governance of the pension plans including compliance with all relevant laws and regulations. Each of the Group's defined benefit pension plans operate under their respective regulatory frameworks and minimum funding requirements in Ireland and the statutory funding objective in the UK. The UK pension plans comprise solely of pensioners and deferred pensioners.

The defined benefit pension plans provide retirement and death benefits for the Group's employees. The majority of the defined benefit pension plans are career average pension plans, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their average salary over their period of employment.

The contributions paid to the defined benefit pension plans are in accordance with the schedule of contributions agreed between the Group and the Trustees of the relevant plans as recommended in the actuarial valuation reports or in subsequent actuarial advice. The contributions are partly funded by the employees, where they are required to contribute a fixed percentage of pensionable salary, and partly by the Group. The latest actuarial valuation reports for these plans, which are not available for public inspection, are dated between 30 June 2018 and 1 January 2022.

In 2021, the Trustee Boards of two UK pension plans completed a buy-in transaction whereby the assets of the plans were invested in a bulk purchase annuity policy with a UK pension insurance specialist. During 2023, the Trustee Boards completed a full buy-out of the plans, following which the insurance company became responsible for the plan obligations, and the associated defined benefit assets and matching defined benefit obligations were derecognised from the Group balance sheet.

The net UK pension liabilities at the end of the reporting period relate primarily to Guaranteed Minimum Pension equalisation ("GMPE") which requires an additional contribution(s) from the Group. Such contributions will result in a charge/gain in the income statement. During 2023, there was a contribution from the Group of \$1.6 million in respect of these GMPE liabilities for a UK pension plan which resulted in a charge to the income statement of \$0.7 million.

Notes to the financial statements continued

8. Retirement benefit obligations continued

The amounts recognised in the Group balance sheet and the movements in the net defined benefit asset over the year are as follows:

	Present value of obligation			Fair value of plan assets			Net (liability)/ asset \$m
	ROI \$m	UK \$m	Total \$m	ROI \$m	UK \$m	Total \$m	
2023							
At the beginning of the year	(94.4)	(85.9)	(180.3)	97.5	84.5	182.0	1.7
Current service cost	(1.0)	–	(1.0)	–	–	–	(1.0)
Interest (expense)/income	(3.4)	(3.3)	(6.7)	3.6	3.3	6.9	0.2
Settlement gain/(loss)*	–	76.3	76.3	–	(77.0)	(77.0)	(0.7)
Recognised in profit or loss	(4.4)	73.0	68.6	3.6	(73.7)	(70.1)	(1.5)
Remeasurements							
– Return of plan assets in excess of interest income	–	–	–	3.8	(7.2)	(3.4)	(3.4)
– Gain/(loss) from experience adjustments	2.8	(0.8)	2.0	–	–	–	2.0
– Gain from changes in demographic assumptions	–	1.5	1.5	–	–	–	1.5
– (Loss)/gain from changes in financial assumptions	(4.6)	6.2	1.6	–	–	–	1.6
Recognised in OCI	(1.8)	6.9	5.1	3.8	(7.2)	(3.4)	1.7
Exchange differences	(3.4)	(2.9)	(6.3)	3.6	2.9	6.5	0.2
Contributions paid by the employer	–	–	–	3.5	1.6	5.1	5.1
Contributions paid by the employee	(0.3)	–	(0.3)	0.3	–	0.3	–
Benefits paid	5.5	7.7	13.2	(5.5)	(7.7)	(13.2)	–
At the end of the year	(98.8)	(1.2)	(100.0)	106.8	0.4	107.2	7.2
2022							
At the beginning of the year	(145.1)	(151.0)	(296.1)	134.4	145.7	280.1	(16.0)
Current service cost	(1.9)	–	(1.9)	–	–	–	(1.9)
Interest (expense)/income	(1.5)	(2.5)	(4.0)	1.4	2.4	3.8	(0.2)
Settlement loss*	–	–	–	–	(0.2)	(0.2)	(0.2)
Recognised in profit or loss	(3.4)	(2.5)	(5.9)	1.4	2.2	3.6	(2.3)
Remeasurements							
– Return of plan assets in excess of interest income	–	–	–	(26.9)	(42.3)	(69.2)	(69.2)
– Loss from experience adjustments	(0.1)	(4.8)	(4.9)	–	–	–	(4.9)
– Gain from changes in financial assumptions	41.8	48.5	90.3	–	–	–	90.3
Effect of irrecoverable plan surplus	–	–	–	(1.8)	–	(1.8)	(1.8)
Recognised in OCI	41.7	43.7	85.4	(28.7)	(42.3)	(71.0)	14.4
Exchange differences	8.4	16.2	24.6	(7.8)	(15.7)	(23.5)	1.1
Contributions paid by the employer	–	–	–	2.2	2.3	4.5	4.5
Contributions paid by the employee	(0.3)	–	(0.3)	0.3	–	0.3	–
Benefits paid	4.3	7.7	12.0	(4.3)	(7.7)	(12.0)	–
At the end of the year	(94.4)	(85.9)	(180.3)	97.5	84.5	182.0	1.7

* Included in pension related costs (note 6).

The net asset disclosed above relates to funded plans.

In the prior year, the Group recognised an amount of the total surplus on one of the plans based on the economic benefits that the Group could gain from a reduction in future contributions.

The fair value of plan assets at the end of the reporting period is as follows:

	2023				2022			
	Quoted \$m	Unquoted \$m	Total \$m	%	Quoted \$m	Unquoted \$m	Total \$m	%
Equities								
– Consumer	3.3	–	3.3	3	3.1	–	3.1	2
– Financials	2.5	–	2.5	2	2.5	–	2.5	1
– Information technology	3.9	–	3.9	4	2.1	–	2.1	1
– Other	7.8	–	7.8	7	8.0	–	8.0	4
Corporate bonds								
– Investment grade	8.5	–	8.5	8	7.8	–	7.8	4
– Non investment grade	0.6	–	0.6	1	–	–	–	–
– Cash	0.1	–	0.1	–	–	–	–	–
Government bonds and gilts	16.3	–	16.3	15	48.3	–	48.3	27
Property	–	2.4	2.4	2	–	2.3	2.3	1
Cash	0.2	1.7	1.9	2	1.5	0.5	2.0	1
Investment funds	9.2	–	9.2	9	8.5	–	8.5	5
Insured assets	–	–	–	–	–	83.9	83.9	46
Annuities	–	50.4	50.4	47	–	10.7	10.7	6
Other	0.3	–	0.3	–	2.8	–	2.8	2
	52.7	54.5	107.2	100	84.6	97.4	182.0	100

The plan assets at the end of the reporting period do not include any equities held in the Group, nor does the Group use or occupy any of the plan assets.

Principal risks in the defined benefit pension plans

The Group is exposed to limited risk from the UK pension plans given that the net UK pension liabilities at the end of the reporting period relate primarily to GMPe. Accordingly the most significant risk that the Irish pension plans are subject to are detailed below.

Investment risk

The pension liabilities are discounted using market yields on high-quality corporate bonds. If the return on plan assets is below this rate, it will create a plan deficit. Currently, the pension plans hold investments in primarily annuities and government bonds and gilts. The Trustees conduct investment reviews to take advice on asset allocation, taking into account asset valuations, liability durations, funding measurements and an achievement of an appropriate return on assets.

Interest rate risk

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings. A change in the net defined benefit obligation as a result of changes in the discount rate leads to volatility in the Group balance sheet, Group income statement and Group statement of comprehensive income. It also impacts the funding requirements for the plans.

Inflation risk

A significant proportion of the benefits under the plans are linked to inflation, be it consumer price inflation or retail price inflation, which in most cases are subject to a cap on annual increases. Although there are caps in force on inflation increases and the plans' assets are expected to provide a good hedge against inflation over the long term, higher inflation will lead to higher liabilities.

Longevity risk

The present value of the defined benefit obligation is calculated by reference to the best estimate of the life expectancy of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the defined benefit obligation.

Notes to the financial statements continued

8. Retirement benefit obligations continued

Principal assumptions used in the defined benefit pension plans

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2023		2022	
	ROI	UK	ROI	UK
Discount rate	3.20%	4.70%	3.70%	5.00%
Inflation rate	2.00%	2.55%-3.10%	2.50%	2.65%-3.30%
Future salary increases*	3.00%	0.00%	3.50%	0.00%
Future pension increases	0.00%	2.55%-3.00%	0.00%	2.65%-3.15%
Mortality rates (years)				
– Male – reaching 65 years of age in 20 years' time	24.3	21.7	24.2	22.2
– Female – reaching 65 years of age in 20 years' time	26.4	24.1	26.3	24.5
– Male – currently aged 65 years old	22.1	20.7	21.9	21.2
– Female – currently aged 65 years old	24.4	22.9	24.3	23.3

* The ROI defined benefit pension plans are on a career average structure therefore this assumption does not have a material impact. The UK defined benefit pension plans comprise solely pensioners and deferred pensioners.

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Sensitivity analysis for principal assumptions used to measure plan liabilities

There are inherent uncertainties surrounding the financial assumptions adopted in calculating the actuarial valuation of the Group's defined benefit pension plans. The following table analyses, for the Group's pension plans, the estimated impact on the plan liabilities resulting from changes to key actuarial assumptions, with all other assumptions remaining constant. A sensitivity analysis has not been provided for the UK pension plans for 2023 as their remaining liabilities at the reporting date relate to GMPe which are independent of the assumptions.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated. The impact on the plan liabilities has been calculated using the projected unit credit method, which is the same as that applied in calculating the defined benefit obligation recognised in the Group balance sheet.

There have been no changes from the previous year in the methods used in preparing the sensitivity analysis.

Assumption	Change in assumption	ROI		UK	
		Increase \$m	Decrease \$m	Increase \$m	Decrease \$m
2023					
Discount rate	0.50% movement	(6.0)	6.6	-	-
Inflation rate	0.50% movement	1.4	(1.3)	-	-
Mortality rate	1 year movement	2.7	(2.7)	-	-
Future salary increases*					
Future pension increases**					
2022					
Discount rate	0.50% movement	(5.7)	6.2	(1.8)	1.9
Inflation rate	0.50% movement	1.4	(1.3)	1.3	(1.4)
Mortality rate	1 year movement	2.5	(2.5)	1.3	(1.4)
Future salary increases*					
Future pension increases**					
2023					
2022					
Expected contributions to the defined benefit plans for the coming year (\$m)		0.2	-	3.4	-
Weighted average duration of the defined benefit plans (years)***		13	-	14	12

* The majority of the defined benefit plans are career average plans. As a result, future salary increases will not have a material impact on the plan liabilities.

** There are no future pension increases agreed in the material defined benefit pension plans.

*** The reduction relating to the UK plans is due to the buy-outs that took place during the year.

9. Share-based payment expense

The Group operates various equity settled share-based payment arrangements which are described in this note. Further details of the plans are available in the Remuneration Committee Report on pages 126 to 149.

The total cost recognised in the Group income statement is analysed as follows:

	Notes	2023 \$m	2022 \$m
The 2018 Long-term incentive plan (2018 LTIP)		18.8	14.4
The 2019 Restricted Share Plan (2019 RSP)		1.8	1.6
The annual incentive deferred into shares scheme (AIDIS)		3.9	3.8
	7/32(a)	24.5	19.8

2018 LTIP

For awards granted from 2022 to participants other than the Executive Directors and members of the Group Operating Executive ("GOE"), 50% of the awards vest over a three year period based on the vesting conditions as described below. The remaining 50% vest annually and evenly over three consecutive years following the grant based on service condition and personal objectives. For awards granted to Executive Directors and members of the GOE, and previously granted awards, the awards vest over a three-year period based on vesting conditions as detailed below.

The extent of vesting for awards granted from 2022 is determined based on a combination of performance metrics that comprised of Group adjusted Earnings Per Share ("EPS"), Group Return on Capital Employed ("ROCE"), Environmental, Social and Governance ("ESG"), and a service condition. For previously granted awards, the extent of vesting for awards is determined based on Group adjusted EPS, Group ROCE, relative Total Shareholder Return ("TSR") performance against the STOXX Europe 600 Food & Beverage index, business segment EBITA and ROCE where applicable, a service condition, personal objectives, and ESG for the 2021 share awards where applicable.

Vesting is determined on a straight line basis between threshold and maximum. There is a requirement to hold shares received pursuant to the vesting of LTIP awards for a minimum period of two years post-vesting for members of the GOE (and one year otherwise for awards granted before 2022).

The maximum annual award level is 150% of base salary. Awards lapse/expire by the fourth anniversary of the date of a grant.

2019 RSP

This scheme was introduced in 2019 to provide share awards to certain employees. The maximum award level is 150% of base salary. The extent of vesting for awards outstanding is generally determined based on a service condition and personal objectives.

AIDIS

This scheme is an annual performance related incentive scheme for Executive Directors and members of the GOE. The fair value of AIDIS was calculated as \$3.9 million in 2023 (2022: \$3.8 million) and equates to the cash value of the portion of the annual incentive that will be settled by way of shares. The number of shares received is determined by the share price on the date of vest. Effective 2022, the Executive Directors and members of the GOE are required to hold 60% of the shares received (net of any applicable taxes and social security) for a period of two years and three years for the balance post vesting.

Details of awards granted under 2018 LTIP and 2019 RSP are as follows:

	2023		2022	
	2018 LTIP	2019 RSP	2018 LTIP	2019 RSP
At the beginning of the year	4,595,659	279,990	4,033,767	371,834
Granted	1,403,396	23,397	1,703,218	179,868
Vested	(1,367,455)	(122,039)	(315,578)	(195,122)
Lapsed	(578,155)	–	(825,748)	(76,590)
At the end of the year	4,053,445	181,348	4,595,659	279,990
Weighted average fair value of awards granted	€12.69	€13.93	€11.12	€11.36

The assumptions used in the valuation of the awards granted under 2018 LTIP and 2019 RSP included:

	2023 awards		2022 awards	
	2018 LTIP	2019 RSP	2018 LTIP	2019 RSP
Year of earliest vesting date	2024	2024-2025	2023	2023-2024
Share price at date of award	€13.66	€13.47-€15.14	€11.82	€10.45-€12.52
Expected dividend yield	2.77%	2.13%-2.39%	2.25%	2.62%-2.63%
Fair value – non-market performance component	€12.69	–	€11.12	–

Notes to the financial statements continued

10. Finance income and costs

	Notes	2023 \$m	2022 \$m
Finance income			
Interest income on loans to joint ventures		1.0	1.2
Interest income on cash and deposits		4.6	0.4
Interest income on swaps		4.0	0.2
Remeasurements of call option		–	0.1
Remeasurements of contingent consideration		0.2	7.7
Total finance income		9.8	9.6
Finance costs			
Bank borrowing costs		(6.4)	(7.4)
Facility fees		(2.9)	(1.8)
Finance cost of private placement debt		(10.1)	(10.2)
Interest expense on lease liabilities	15	(2.7)	(2.7)
Remeasurements of call option		–	(0.6)
Remeasurements of contingent consideration		–	(1.6)
Total finance costs		(22.1)	(24.3)
Net finance costs		(12.3)	(14.7)

11. Income taxes

	Notes	2023 \$m	2022 \$m
Current tax			
Irish current tax charge		5.3	20.9
Adjustments in respect of prior years		(2.3)	(1.3)
Irish current tax for the year		3.0	19.6
Foreign current tax charge		47.0	29.9
Adjustments in respect of prior years		(5.8)	2.1
Foreign current tax for the year		41.2	32.0
Total current tax		44.2	51.6
Deferred tax			
Deferred tax – current year		(5.2)	(25.0)
Adjustments in respect of prior years		5.7	0.5
Total deferred tax	26	0.5	(24.5)
Tax charge		44.7	27.1

The tax credit on exceptional items included in the above amounts is as follows:

	Notes	2023 \$m	2022 \$m
Current tax credit on exceptional items		(1.8)	(0.6)
Deferred tax credit on exceptional items		–	(5.4)
Total tax credit on exceptional items for the year	6	(1.8)	(6.0)

The tax credit on exceptional items has been disclosed separately above as it relates to costs and income which have been presented as exceptional.

The tax on the Group's profit before tax differs from the theoretical amount that would arise applying the corporation tax rate in Ireland, as follows:

	2023 \$m	2022 \$m
Profit before tax	392.4	237.4
Income tax calculated at Irish rate of 12.5% (2022: 12.5%)	49.1	29.7
Earnings at non-standard Irish tax rate	0.9	1.4
Difference due to overseas tax rates (capital and trading)	(4.8)	0.2
Adjustment to tax charge in respect of previous periods	(2.3)	1.4
Tax on share of results of joint ventures accounted for using the equity method included in profit before tax	(1.6)	(2.1)
Other reconciling items	3.4	(3.5)
Total tax charge	44.7	27.1

Details of deferred tax charged or credited directly to other comprehensive income during the year are outlined in note 26.

Factors that may affect future tax charges and other disclosure requirements

The total tax charge in future periods will be affected by any changes to applicable tax rates in force in jurisdictions in which the Group operates and other relevant changes in tax legislation. The total tax charge of the Group may also be influenced by the effects of corporate development activity and the resolution of uncertain tax positions where the outcome is different from the amounts recorded (note 3).

The Group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Global Anti-Base Erosion ('GloBE') rules published by the OECD (the 'Pillar Two' model rules) including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The Group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

The Group has applied the temporary exception contained in the amendments issued by the IASB from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

On 18 December 2023, the government of Ireland enacted Pillar Two income taxes legislation in Ireland, effective 1 January 2024, under which Glanbia plc, the ultimate parent company of the Group, will be required to pay to the Irish tax authorities top-up tax on the profits of its subsidiaries with an effective tax rate of less than 15 per cent for each jurisdiction in which the Group operates, or it can elect to rely on safe harbour criteria to exclude qualifying subsidiaries.

No current tax income or expense related to Pillar Two income taxes was recognised in the tax charge for the year ended 30 December 2023.

Based on legislation in effect at 30 December 2023 and current financial projections, the Group does not expect to pay a material top-up tax with respect to its 2024 financial year (the year ending 4 January 2025). The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

14. Property, plant and equipment

	Notes	Land and buildings \$m	Plant and equipment \$m	Motor Vehicles \$m	Total \$m
Year ended 30 December 2023					
Opening carrying amount		239.2	271.5	0.1	510.8
Exchange differences		0.9	0.9	0.2	2.0
Acquisitions	34	5.6	5.8	–	11.4
Additions		4.7	37.1	–	41.8
Depreciation charge	5/32(a)	(11.9)	(37.7)	(0.1)	(49.7)
Reclassification		3.4	(3.4)	–	–
Disposal of assets		–	(1.2)	–	(1.2)
Closing carrying amount		241.9	273.0	0.2	515.1
At 30 December 2023					
Cost		385.5	736.9	3.5	1,125.9
Accumulated depreciation and impairment		(143.6)	(463.9)	(3.3)	(610.8)
Carrying amount		241.9	273.0	0.2	515.1
Year ended 31 December 2022					
Opening carrying amount		251.4	298.0	0.2	549.6
Exchange differences		(3.3)	(1.9)	0.1	(5.1)
Acquisitions		2.8	3.7	–	6.5
Additions		3.2	32.0	–	35.2
Depreciation charge	5/32(a)	(11.3)	(39.8)	(0.2)	(51.3)
Impairment	5	(0.2)	(9.9)	–	(10.1)
Assets classified as held for sale	33	(0.2)	(9.9)	–	(10.1)
Disposal of assets		(3.2)	(0.7)	–	(3.9)
Closing carrying amount		239.2	271.5	0.1	510.8
At 31 December 2022					
Cost		370.4	689.7	2.9	1,063.0
Accumulated depreciation and impairment		(131.2)	(418.2)	(2.8)	(552.2)
Carrying amount		239.2	271.5	0.1	510.8

Included in the closing cost at 30 December 2023 is an amount of \$56.0 million (2022: \$45.8 million) incurred in respect of assets under construction. Included in the cost of additions for 2023 is \$0.8 million (2022: \$0.6 million) incurred in respect of staff costs capitalised into assets.

Notes to the financial statements continued

15. Leasing

The movement in right-of-use assets during the year is as follows:

	Notes	Land and buildings \$m	Plant and equipment \$m	Motor vehicles \$m	Total \$m
Year ended 30 December 2023					
Opening carrying amount		91.8	5.3	3.6	100.7
Exchange differences		0.3	–	–	0.3
Acquisitions	34	1.1	0.1	–	1.2
Additions		0.6	1.3	1.7	3.6
Disposals		(1.3)	(0.1)	–	(1.4)
Remeasurements		3.6	–	–	3.6
Depreciation charge	5/32(a)	(14.8)	(2.7)	(2.2)	(19.7)
Closing carrying amount		81.3	3.9	3.1	88.3

At 30 December 2023					
Cost		129.6	9.8	9.7	149.1
Accumulated depreciation and impairment		(48.3)	(5.9)	(6.6)	(60.8)
Carrying amount		81.3	3.9	3.1	88.3

Year ended 31 December 2022					
Opening carrying amount		106.2	2.9	4.1	113.2
Exchange differences		(0.8)	(0.1)	(0.1)	(1.0)
Acquisitions		0.2	0.4	–	0.6
Additions		2.9	5.9	2.0	10.8
Disposals		(0.8)	(1.4)	(0.1)	(2.3)
Impairment	5	(2.5)	(0.2)	–	(2.7)
Remeasurements		4.6	–	–	4.6
Assets classified as held for sale	33	(2.5)	(0.2)	–	(2.7)
Depreciation charge	5/32(a)	(15.5)	(2.0)	(2.3)	(19.8)
Closing carrying amount		91.8	5.3	3.6	100.7

At 31 December 2022					
Cost		126.3	8.9	8.7	143.9
Accumulated depreciation and impairment		(34.5)	(3.6)	(5.1)	(43.2)
Carrying amount		91.8	5.3	3.6	100.7

Amounts recognised in the Group income statement included the following:

	Notes	2023 \$m	2022 \$m
Depreciation charge of right-of-use assets	5	19.7	19.8
Impairment of right-of-use assets	5	–	2.7
Interest expense on lease liabilities	10	2.7	2.7
Expense relating to short-term leases		4.2	3.8
Expense relating to variable lease payments not included in lease liabilities		0.1	0.6

The total cash outflow for leases during the year was \$24.9 million (2022: \$23.3 million). At 30 December 2023, the Group was committed to \$0.8 million (2022: \$0.7 million) for short-term leases. Income from subleasing was immaterial in the current and prior year.

Certain building leases contain extension options exercisable by the Group. As at 30 December 2023, undiscounted potential future lease payments of \$75.9 million (2022: \$80.9 million) have not been included in lease liabilities because it is not reasonably certain that the extension options, \$72.3 million (2022: \$71.8 million) of which relate to periods more than five years from the reporting date, will be availed of. At 30 December 2023, the undiscounted future lease payments relating to leases that have not yet commenced which the Group is committed to are \$0.5 million (2022: \$0.1 million). The effect of excluding future cash outflows arising from variable lease payments, termination options, and residual value guarantees from lease liabilities is not material for the Group.

Lease liabilities shown in the Group balance sheet are as follows:

	Notes	2023 \$m	2022 \$m
Current		20.1	19.0
Non-current		89.3	103.5
Total	30(c)/32(c)	109.4	122.5

Refer to note 30(b) for a maturity analysis of the undiscounted lease liabilities arising from the Group's leasing activities.

16. Intangible assets

	Notes	Goodwill \$m	Brands and other intangibles \$m	Software costs \$m	Development costs \$m	Total \$m
Year ended 30 December 2023						
Opening carrying amount		712.9	726.8	85.3	23.8	1,548.8
Exchange differences		3.1	1.4	2.5	–	7.0
Acquisitions	34	11.4	17.8	–	–	29.2
Additions		–	–	20.1	12.1	32.2
Disposals		–	–	–	(0.3)	(0.3)
Amortisation	4/5/32(a)	–	(46.5)	(19.7)	(13.4)	(79.6)
Closing carrying amount		727.4	699.5	88.2	22.2	1,537.3
At 30 December 2023						
Cost		727.4	1,121.9	200.2	68.2	2,117.7
Accumulated amortisation and impairment		–	(422.4)	(112.0)	(46.0)	(580.4)
Carrying amount		727.4	699.5	88.2	22.2	1,537.3
Year ended 31 December 2022						
Opening carrying amount		712.5	740.8	79.3	25.1	1,557.7
Exchange differences		(5.5)	(2.8)	(3.2)	–	(11.5)
Acquisitions		24.7	46.3	–	–	71.0
Additions		–	–	26.8	12.3	39.1
Impairment	5	(18.8)	(8.8)	(0.3)	–	(27.9)
Disposals		–	–	–	(0.5)	(0.5)
Amortisation	4/5/32(a)	–	(48.7)	(17.3)	(13.1)	(79.1)
Closing carrying amount		712.9	726.8	85.3	23.8	1,548.8
At 31 December 2022						
Cost		731.8	1,123.5	177.8	63.3	2,096.4
Accumulated amortisation and impairment		(18.9)	(396.7)	(92.5)	(39.5)	(547.6)
Carrying amount		712.9	726.8	85.3	23.8	1,548.8

The average remaining amortisation period for software costs is 4 years (2022: 5.5 years) and development costs is 1.8 years (2022: 1.9 years).

Approximately \$12.8 million (2022: \$11.2 million) of software additions during the year were internally generated which included \$10.8 million (2022: \$10.0 million) of staff costs capitalised. \$12.1 million of development cost additions during the year (2022: \$12.3 million) were internally generated which included \$6.0 million (2022: \$6.7 million) of staff costs capitalised.

Notes to the financial statements continued

16. Intangible assets continued

Brands and other intangibles

	Notes	Brands \$m	Customer relationships \$m	Recipes, Know- how and other \$m	Total \$m
Year ended 30 December 2023					
Opening carrying amount		491.1	194.4	41.3	726.8
Exchange differences		1.1	0.3	–	1.4
Acquisitions	34	3.3	4.5	10.0	17.8
Reclassification		0.2	(0.1)	(0.1)	–
Amortisation		(12.9)	(30.2)	(3.4)	(46.5)
Closing carrying amount		482.8	168.9	47.8	699.5
At 30 December 2023					
Cost		580.5	475.2	66.2	1,121.9
Accumulated amortisation and impairment		(97.7)	(306.3)	(18.4)	(422.4)
Carrying amount		482.8	168.9	47.8	699.5
Year ended 31 December 2022					
Opening carrying amount		512.3	193.0	35.5	740.8
Exchange differences		(2.2)	(0.6)	–	(2.8)
Acquisitions		1.8	33.5	11.0	46.3
Reclassification		(7.0)	–	7.0	–
Impairment		–	–	(8.8)	(8.8)
Amortisation		(13.8)	(31.5)	(3.4)	(48.7)
Closing carrying amount		491.1	194.4	41.3	726.8
At 31 December 2022					
Cost		584.4	472.7	66.4	1,123.5
Accumulated amortisation and impairment		(93.3)	(278.3)	(25.1)	(396.7)
Carrying amount		491.1	194.4	41.3	726.8

Individually material intangible assets with definite useful lives

	2023		2022	
	Carrying amount \$m	Average remaining amortisation period Years	Carrying amount \$m	Average remaining amortisation period Years
Brands				
Glanbia Performance Nutrition – BSN	43.1	27	44.7	28
Glanbia Performance Nutrition – Isopure	55.6	31	57.4	32
Glanbia Performance Nutrition – think!	68.7	32	70.8	33
Glanbia Performance Nutrition – Amazing Grass	33.8	33	34.9	34
Glanbia Performance Nutrition – Body & Fit	11.1	33	11.1	34
Glanbia Performance Nutrition – SlimFast North America	98.3	35	101.6	36
Glanbia Performance Nutrition – SlimFast International	20.4	35	21.0	36
Glanbia Performance Nutrition – LevUp	13.5	18	13.8	19
Customer relationships				
Glanbia Performance Nutrition – Optimum Nutrition	–	–	3.9	–
Glanbia Performance Nutrition – BSN	5.9	2	8.8	3
Glanbia Performance Nutrition – Isopure	9.6	4	12.2	5
Glanbia Performance Nutrition – think!	28.3	5	34.4	6
Glanbia Performance Nutrition – Amazing Grass	21.9	8	24.7	9
Glanbia Performance Nutrition – SlimFast North America	33.6	10	37.7	11
Glanbia Performance Nutrition – SlimFast International	13.4	10	14.8	11
Glanbia Nutritionals – Sterling Technology	29.5	13	31.7	14

Management reviewed the amortisation period and amortisation method for the intangible assets with definite useful lives at the reporting date. Management noted no difference in the expected useful life of the brands and customer relationship assets from the original estimates and noted no change in the expected pattern of consumption of the future economic benefits of the assets.

Individually material indefinite life intangible assets

Carrying amount	2023 \$m	2022 \$m
Brands		
Glanbia Performance Nutrition – Optimum Nutrition	122.7	122.7

As at the reporting date management reviewed the events and circumstances supporting the indefinite useful life assessment. The brand is long established, continues to have a strong market presence with high customer recognition and there are no material legal, contractual or other factors that limit its useful life. In addition, the likelihood that market based factors could truncate the brand's life is relatively remote because of the size, diversification and market share of the brand. It was determined that this asset will continue to contribute indefinitely to the cash flows of the Group.

Impairment tests for goodwill and indefinite life intangibles

Goodwill and indefinite life intangibles acquired in business combinations are allocated to the Group's cash generating units ("CGUs") that are expected to benefit from the business acquisition, rather than where the assets are owned. The CGUs represent the lowest level within the Group at which the associated goodwill and indefinite life intangibles are monitored for internal management purposes and are not larger than the operating segments determined in accordance with IFRS 8 'Operating Segments'. CGUs are kept under review to ensure that they reflect changing interdependencies of cash inflows within the Group and how management monitors operations.

The CGUs to which significant amounts of goodwill and indefinite life intangibles have been allocated and the associated discount rates used for impairment testing as at 30 December 2023 and 31 December 2022 are set out below:

	2023			2022		
	Goodwill \$m	Indefinite life intangibles \$m	Discount rate	Goodwill \$m	Indefinite life intangibles \$m	Discount rate
Americas	412.5	113.1	8.33%	412.5	113.1	7.93%
International	65.2	9.6	7.97%	64.6	9.6	9.73%
Direct-to-Consumer (Body & Fit)	31.5	–	6.73%	30.4	–	8.40%
Direct-to-Consumer (LevlUp)	30.3	–	6.23%	29.3	–	7.76%
Nutritional Solutions	176.5	–	8.25%	138.9	–	8.20%
Other CGUs without individually significant goodwill	–	–	–	37.2	–	7.93%–8.68%
Carrying amount	716.0	122.7		712.9	122.7	

Other CGUs without significant goodwill were consolidated into the Nutritional Solutions CGU in 2023. These bolt-on businesses were originally acquired in order to benefit from synergies with the Nutritional Solutions segment. Certain conditions have now been met which mean that these businesses are now fully integrated into the Nutritional Solutions platform.

As at 30 December 2023, an initial amount of goodwill of \$11.4 million associated with the PanTheryx acquisition (note 34) has not been allocated to a CGU for impairment purposes. This is due to the acquisition accounting being performed on a provisional basis as the date of acquisition was proximal to the reporting date. Upon the finalisation of the acquisition accounting in 2024, it is expected that the goodwill will be allocated to Nutritional Solutions CGU which is expected to benefit from the business acquisition.

Key assumptions

The recoverable amount of goodwill and indefinite life intangibles allocated to a CGU is determined based on a value in use computation. The key assumptions for calculating value in use of the CGUs are discount rates, growth rates and cash flows as described below.

As disclosed in note 2, specific consideration was given to the potential impact of the transition and physical risks associated with climate change identified in our goodwill impairment assessment, including the estimated time horizon impact and output from the financial quantification exercise carried out on each of the climate-related risks assessed, concluding that there was no significant impact on the goodwill impairment assessment in the current year.

Discount rates

Refer to the table within this section for the pre-tax discount rates that are applied to the cash flow projections in the value in use computations. The pre-tax discount rates are based on the Group's weighted average cost of capital, calculated using the Capital Asset Pricing Model adjusted for the Group's specific beta coefficient together with a country risk premium to take account of the countries from where the CGU derives its cash flows.

Growth rates

A terminal value of 2% growth into perpetuity was used to extrapolate cash flows beyond the budget and strategic plan period. This growth rate does not exceed the long-term average growth rate for the industries in which each CGU operates. The application of the terminal value has taken account of the Group's position, playing in large and growing markets which centre around nutrition and healthy lifestyles.

Notes to the financial statements continued

16. Intangible assets continued

Cash flows

The cash flow projections are based on three years of cash flows being, the 2024 budget formally approved by, and the strategic plan for 2025 and 2026 as presented to, the Board of Directors. In cases where management have strategic plans beyond 2026 these numbers are also used in the projections. Due to management's plan as part of the Direct-to-Consumer business model to reinvest the profits of the business for a number of years to drive revenue growth and build the brand for potential expansion into other markets, the cash flows of the CGU relating to Direct-to-Consumer are over a four year period from 2024 to 2027. These cash flows have been used in the impairment calculations.

In preparing the 2024 budget and strategic plan, management considered the Group's history of earnings, past experience, and cash flow generation. Management also considered external sources of information pertaining to estimated growth of the relevant market, customer and consumer behaviours, competitor activity and developing trends in the industry which the CGU operates in. Business sustaining capital expenditure and working capital requirements are estimated by assigning values to the investment required to support the estimated future profitability taking into account historic investment patterns and past experience. The cash flow projections exclude the impact of future development and acquisition activity.

During 2022, fair value adjustments of \$27.9 million reduced the carrying value of certain assets of a small US based bottling facility to their recoverable value. The amounts were included as an exceptional item.

Sensitivity analysis

The key assumptions underlying the impairment reviews are set out above. Sensitivity analysis has been conducted in respect of each of the CGUs using the following sensitivity assumptions: 1% increase in the discount rate; 10% decrease in EBITDA growth; and nil terminal value growth. In addition, future capital expenditure has been flexed by an additional 50% to further consider the impact of climate change by way of shorter remaining useful lives of assets or need for increased investment in technology to address climate challenges. There were no CGU impairments as a result of the applied sensitivity analysis in 2023.

17. Interests in joint ventures

Set out below are the joint ventures of the Group at the end of the reporting period. During 2023, the Group disposed of its interests in Glanbia Cheese Limited and Glanbia Cheese EU Limited (note 33).

	Notes	2023 \$m	2022 \$m
MWC-Southwest Holdings LLC	(a)	159.3	169.0
Glanbia Cheese Limited	(b)	–	50.0
Glanbia Cheese EU Limited	(c)	–	6.3
Interests in joint ventures		159.3	225.3

(a) MWC-Southwest Holdings LLC was established in 2018 to hold 100% of the ownership interest in Southwest Cheese Company, LLC (“Southwest Cheese”) and MWC (Michigan) LLC (“MWC”). Consequently, the Group owns 50% of MWC-Southwest Holdings LLC and its two subsidiaries. The Group controls 50% of the voting rights and is entitled to appoint 50% of the total number of Directors to the Board. Southwest Cheese and MWC are large scale manufacturers of premium quality block cheese and whey protein ingredients for consumer foods markets internationally.

(b) Glanbia Cheese Limited is a leading European mozzarella producer which was a joint venture with Leprino Foods Company.

(c) Glanbia Cheese EU Limited is a mozzarella cheese producer which was established in 2018 and was a joint venture with Leprino Foods Company.

The joint ventures have share capital, consisting solely of ordinary shares, membership interests or membership units and preference shares. Decisions about the relevant activities of the joint ventures require unanimous consent of the Group and the respective joint venture partners. Refer to note 37 for further details of the joint ventures.

The movement in the interests in joint ventures recognised in the Group balance sheet is as follows:

	Notes	2023 \$m	2022 \$m
At the beginning of the year		225.3	209.3
Share of profit after tax (post-exceptional)		12.5	16.5
Share of OCI – remeasurements on defined benefit plan, net of deferred tax	24	0.1	0.5
Share of OCI – fair value movement on cash flow hedges, net of deferred tax	23(c)	(2.5)	17.2
Dividends received	35	(32.0)	(15.2)
Income tax movement		6.1	2.9
Transferred to assets held for sale*		(51.0)	–
Exchange differences		0.8	(5.9)
At the end of the year		159.3	225.3

* Relates to the carrying amount of Glanbia Cheese which was translated using the exchange rate on 14 February 2023 when it was reclassified as held for sale. The carrying amount of \$52.2 million in note 33 is based on the exchange rate on 28 April 2023 when the sale transaction of Glanbia Cheese was completed.

Notes to the financial statements continued

17. Interests in joint ventures continued

Summarised financial information for joint ventures accounted for using the equity method

Set out below is the summarised financial information for the Group's joint ventures which are accounted for using the equity method. The information reflects the amounts presented in the financial statements of the joint ventures reconciled to the carrying value of the Group's investments in joint ventures.

	2023	2022			Total
	MWC-Southwest Holdings LLC \$m	MWC-Southwest Holdings LLC \$m	Glanbia Cheese Limited \$m	Glanbia Cheese EU Limited \$m	
Summarised balance sheet (100%):					
Non-current assets	745.9	786.9	44.1	164.7	995.7
Current assets					
Cash and cash equivalents	19.2	15.1	53.2	5.0	73.3
Other current assets	229.3	300.4	84.2	36.2	420.8
	248.5	315.5	137.4	41.2	494.1
Non-current liabilities					
Borrowings	(475.0)	(508.0)	–	–	(508.0)
Other non-current liabilities	(7.7)	(8.4)	(4.5)	(176.6)	(189.5)
	(482.7)	(516.4)	(4.5)	(176.6)	(697.5)
Current liabilities					
Bank overdrafts and loans	–	(10.0)	–	–	(10.0)
Other current liabilities	(192.9)	(238.0)	(84.4)	(16.6)	(339.0)
	(192.9)	(248.0)	(84.4)	(16.6)	(349.0)
Net assets (100%)	318.8	338.0	92.6	12.7	443.3
Net assets attributable to equity holders of the Company	318.8	338.0	92.6	12.7	443.3
Reconciliation to carrying amount:					
Group's share of net assets	159.4	169.0	46.3	6.3	221.6
Dividend income receivable	–	–	3.7	–	3.7
Adjustment in respect of unrealised profit in stock to the Group	(0.1)	–	–	–	–
Carrying amount	159.3	169.0	50.0	6.3	225.3
Summarised income statement (100%):					
Revenue	1,875.7	2,224.9	525.2	44.6	2,794.7
Depreciation	(42.6)	(42.0)	(5.5)	(1.3)	(48.8)
Amortisation	(2.5)	(2.4)	(0.1)	–	(2.5)
Interest (expense)/income	(24.1)	(23.4)	0.4	(4.2)	(27.2)
Tax	(0.8)	(6.3)	(8.4)	5.6	(9.1)
Exceptional items net of tax	–	–	0.3	–	0.3
Profit/(loss) after tax	28.7	16.5	25.6	(17.1)	25.0
Other comprehensive income	(5.3)	35.2	0.1	–	35.3
Total comprehensive income	23.4	51.7	25.7	(17.1)	60.3
Profit/(loss) after tax attributable to equity holders of the Company	28.7	16.5	25.6	(17.1)	25.0
Total comprehensive income attributable to equity holders of the Company	23.4	51.7	25.7	(17.1)	60.3
Reconciliation to the Group's share of total comprehensive income:					
Group's share of total comprehensive income	11.7	25.9	12.9	(8.6)	30.2
Adjustment in respect of unrealised profit on sales to the Group	–	0.3	–	–	0.3
Dividends receivable by the Group	–	–	3.7	–	3.7
Group's share of total comprehensive income	11.7	26.2	16.6	(8.6)	34.2
Dividends received by Group	27.5	12.5	2.7	–	15.2

18. Other financial assets

Other financial assets comprise the following:

	Notes	2023 \$m	2022 \$m
Equity instruments designated at FVOCI			
The BDO Development Capital Fund		1.7	1.4
Others		0.9	0.9
Other financial assets		2.6	2.3

Other financial assets are classified as non-current assets, unless they are expected to be realised within 12 months of the reporting date or unless they will need to be sold to raise operating capital.

The movement in other financial assets is as follows:

		2023 \$m	2022 \$m
At the beginning of the year		2.3	2.2
Disposals/redemption		(0.1)	(0.4)
Fair value adjustment	23	0.3	0.7
Exchange differences		0.1	(0.2)
At the end of the year		2.6	2.3

19. Trade and other receivables

		2023 \$m	2022 \$m
Current			
Trade receivables		450.7	367.3
Less: loss allowance	30(b)	(10.0)	(13.8)
Trade receivables – net		440.7	353.5
Receivables from joint ventures		0.2	0.8
Receivables from other related parties		7.2	5.3
Value added tax		4.3	1.9
Prepayments		27.2	20.8
Other receivables		22.2	22.5
		501.8	404.8

See note 32(b) for analysis of the movement in trade and other receivables. Information in relation to the fair value estimation process and the Group's credit risk is included in notes 29(b) and 30(b) respectively.

The currency profile of trade and other receivables is as follows:

	US dollar \$m	euro \$m	Pound sterling \$m	Australian dollar \$m	Other \$m	Total \$m
At 30 December 2023	405.3	42.2	33.6	5.2	15.5	501.8
At 31 December 2022	316.8	38.8	26.6	4.1	18.5	404.8

Principal currencies in "other" include Canadian dollar, Indian rupee, New Zealand dollar, South African rand and Chinese renminbi (2022: Canadian dollar, Indian Rupee and Chinese renminbi).

Notes to the financial statements continued

20. Inventories

	2023 \$m	2022 \$m
Raw materials	167.0	275.7
Work in progress	19.0	15.3
Finished goods	326.5	422.6
Consumables	37.7	36.9
	550.2	750.5

Recognition in the Group income statement:

	Notes	2023 \$m	2022 \$m
Cost of inventories recognised as an expense in Cost of Goods Sold	5	3,850.7	4,457.4
Write down of inventory to net realisable value during the year		34.1	29.3
Previous write downs of inventories reversed during the year*		(15.7)	(10.5)
		18.4	18.8

* Previous write downs have been reversed as a result of increased sales prices in certain markets.

21. Cash and cash equivalents

	Notes	2023 \$m	2022 \$m
Cash at bank and in hand		404.5	461.3
Short term bank deposits		9.2	6.6
Cash and cash equivalents in the Group balance sheet		413.7	467.9
Bank overdrafts used for cash management purposes	25	(108.9)	(275.4)
Cash and cash equivalents in the Group statement of cash flows	25	304.8	192.5

22. Share capital and share premium

	Number of shares (thousands)	Ordinary shares \$m	Share premium \$m	Total \$m
At 1 January 2023	272,287	20.3	109.9	130.2
Cancellation of own shares	(7,215)	(0.5)	–	(0.5)
At 30 December 2023	265,072	19.8	109.9	129.7
At 2 January 2022	287,169	21.2	109.9	131.1
Cancellation of own shares	(14,882)	(0.9)	–	(0.9)
At 31 December 2022	272,287	20.3	109.9	130.2

The total authorised number of ordinary shares is 350 million shares (2022: 350 million shares) with a par value of €0.06 per share (2022: €0.06 per share). All issued shares are fully paid, carry one vote per share and a right to dividends. The rights and obligations of the ordinary shares and the restrictions on the transfer of shares and voting rights are provided in Other Statutory Information.

During 2023, 7.2 million (2022: 14.9 million) ordinary shares were cancelled on the share buyback programme (note 23(d)). The amount paid to repurchase these shares was initially recognised in the own shares reserve and was transferred to retained earnings on cancellation.

23. Other reserves

	Capital and merger reserve \$m note (a)	Currency reserve \$m note (b)	Hedging reserve \$m note (c)	Own shares \$m note (d)	Share- based payment reserve \$m note (e)	Other \$m note (f)	Total \$m
Balance at 1 January 2023	136.2	12.6	9.7	(22.0)	31.4	-	167.9
Currency translation differences	-	4.4	-	-	-	-	4.4
Net investment hedge	-	3.5	-	-	-	-	3.5
Revaluation – gross	-	-	(6.5)	-	-	0.3	(6.2)
Reclassification to profit or loss – gross	-	-	(0.3)	-	-	-	(0.3)
Deferred tax	-	-	1.4	-	-	(0.1)	1.3
Net change in OCI	-	7.9	(5.4)	-	-	0.2	2.7
Purchase of own shares	-	-	-	(148.1)	-	-	(148.1)
Cancellation of own shares	0.5	-	-	108.7	-	-	109.2
Cost of share-based payments	-	-	-	-	24.5	-	24.5
Transfer on exercise, vesting or expiry of share-based payments	-	-	-	23.9	(18.1)	-	5.8
Transfer to Group income statement*	-	9.9	0.2	-	-	-	10.1
Balance at 30 December 2023	136.7	30.4	4.5	(37.5)	37.8	0.2	172.1
Balance at 2 January 2022	135.3	50.8	(12.0)	(7.0)	23.2	(28.5)	161.8
Currency translation differences	-	(32.5)	-	-	-	-	(32.5)
Net investment hedge	-	(5.7)	-	-	-	-	(5.7)
Revaluation – gross	-	-	29.8	-	-	0.7	30.5
Reclassification to profit or loss – gross	-	-	(3.4)	-	-	-	(3.4)
Deferred tax	-	-	(6.4)	-	-	(0.2)	(6.6)
Net change in OCI	-	(38.2)	20.0	-	-	0.5	(17.7)
Purchase of own shares	-	-	-	(207.4)	-	-	(207.4)
Cancellation of own shares	0.9	-	-	182.8	-	-	183.7
Cost of share-based payments	-	-	-	-	19.8	-	19.8
Transfer on exercise, vesting or expiry of share-based payments	-	-	-	9.6	(11.6)	-	(2.0)
Remeasurement of put option liability	-	-	-	-	-	28.0	28.0
Transfer to Group income statement*	-	-	1.7	-	-	-	1.7
Balance at 31 December 2022	136.2	12.6	9.7	(22.0)	31.4	-	167.9

* On disposal of foreign operations in the current year (2022: discontinued operation).

(a) Capital and merger reserve

The reserve includes capital reserve of \$5.6 million (2022: \$5.1 million) and merger reserve of \$131.1 million (2022: \$131.1 million) at the reporting date.

The capital reserve comprises of a capital redemption reserve and a capital reserve which arose on the re-nominalisation of the Company's share capital on conversion to the euro. The reserve also includes \$0.5 million (2022: \$0.9 million) undenominated share capital that arose on the cancellation of own shares during the year.

The merger reserve arose on the merger of Waterford Foods plc now named Waterford Foods DAC and Avonmore Foods plc now named Glanbia plc in 1997. The merger reserve adjustment represents the difference between the nominal value of the issued share capital of Waterford Foods DAC and the fair value of the shares issued by Glanbia plc.

	\$m
Share premium representing excess of fair value over nominal value of ordinary shares issued in connection with the merger of Avonmore Foods plc and Waterford Foods plc	411.7
Merger reserve adjustment	(379.1)
Share premium and other reserves relating to nominal value of shares in Waterford Foods plc	98.5
At the beginning and end of the current and prior year	131.1

Notes to the financial statements continued

23. Other reserves continued

(b) Currency reserve

The currency reserve reflects the foreign exchange gains and losses arising from the translation of the net investment in foreign operations and on borrowings designated as hedges of the net investment which are taken to equity. The movement in euro foreign exchange rates from 0.9376 as at 31 December 2022 to 0.9050 as at 30 December 2023 is the primary driver of the movement in the currency reserve in the year. When an entity is disposed of the accumulated foreign currency gains and losses are recycled to the income statement.

(c) Hedging reserve

The hedging reserve reflects the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges. Amounts accumulated in the hedging reserve are recycled to the income statement in the periods when the hedged item affects income or expense, or are included in the initial cost of a hedged non-financial item, depending on the hedged item. The hedging reserve also reflects the Group's share of the effective portion of changes in the fair value of derivatives that are entered into by the Group's joint ventures (note 29(a)).

The movements on the hedging reserve for the years ended 30 December 2023 and 31 December 2022 are as follows:

	Joint ventures \$m	Group \$m	Total \$m
Balance at 1 January 2023	7.3	2.4	9.7
Changes in fair value – gross			
– Foreign exchange contracts (currency risk)	0.1	–	0.1
– Interest rate swaps (interest rate risk)	(3.6)	(3.0)	(6.6)
Recognised in OCI	(3.5)	(3.0)	(6.5)
Reclassification to profit or loss – gross			
– Foreign exchange contracts (currency risk)	–	(0.3)	(0.3)
Reclassified from OCI to profit or loss	–	(0.3)	(0.3)
Deferred tax	1.0	0.4	1.4
Net change in OCI	(2.5)	(2.9)	(5.4)
Transfer to Group income statement	0.2	–	0.2
Balance at 30 December 2023	5.0	(0.5)	4.5
Balance at 2 January 2022	(11.6)	(0.4)	(12.0)
Changes in fair value – gross			
– Foreign exchange contracts (currency risk)	(0.7)	0.9	0.2
– Commodity contracts (commodity price risk)	1.4	–	1.4
– Interest rate swaps (interest rate risk)	23.9	4.3	28.2
Recognised in OCI	24.6	5.2	29.8
Reclassification to profit or loss – gross			
– Foreign exchange contracts (currency risk)	0.1	(2.0)	(1.9)
– Commodity contracts (commodity price risk)	(1.5)	–	(1.5)
Reclassified from OCI to profit or loss	(1.4)	(2.0)	(3.4)
Deferred tax	(6.0)	(0.4)	(6.4)
Net change in OCI	17.2	2.8	20.0
Transfer to Group Income Statement	1.7	–	1.7
Balance at 31 December 2022	7.3	2.4	9.7

(d) Own shares reserve

The own shares reserve reflects the ordinary shares of Glanbia plc which are held in trust.

An Employee Share Trust was established in May 2002 to operate initially in connection with the Company's Saving Related Share Option Scheme and subsequently for the vesting of shares under the 2018 LTIP and 2019 RSP (note 9). The Trustee of the Employee Share Trust is Computershare Trustees (Jersey) Limited, a Jersey based trustee services company. The dividend rights in respect of these shares have been waived, save 0.001 cent per share. An Employee Share Scheme Trust was established in April 2013 to operate in connection with the Company's AIDIS. The Trustee of the Employee Share Scheme Trust is Glanbia Management Services Limited. The dividend rights in respect of shares which have not vested have been waived.

From 2020 to 2023, the Group launched and completed several share buyback programmes. During 2023, the Group repurchased 7.2 million (2022: 14.9 million) ordinary shares under the programmes which were subsequently cancelled (note 22).

The movement in own shares reserve is as follows:

	2023			2022		
	Value \$m	Nominal value \$m	Number of Shares	Value \$m	Nominal value \$m	Number of Shares
At the beginning of the year	22.0	0.1	1,711,322	7.0	0.1	412,493
Purchased by Employee Share (Scheme) Trust	39.4	0.1	2,412,343	24.6	0.1	2,049,210
Purchased under share buyback	108.7	0.5	7,215,827	182.8	0.9	14,881,985
Allocated under Employee Share (Scheme) Trust	(23.9)	(0.1)	(1,755,539)	(9.6)	(0.1)	(750,381)
Cancelled under share buyback	(108.7)	(0.5)	(7,215,827)	(182.8)	(0.9)	(14,881,985)
At the end of the year	37.5	0.1	2,368,126	22.0	0.1	1,711,322

The shares purchased during the year and those held in trust are allocated to employees under the various share-based schemes. Shares purchased under the share buyback programmes were cancelled. The shares acquired during the year represented an insignificant amount of the total share capital at the beginning and end of the year. Shares purchased are deemed to be own shares in accordance with IAS 32 'Financial Instruments'. The own shares at 30 December 2023 restrict distributable profits by \$37.5 million (2022: \$22.0 million) and had a market value of \$39.1 million (2022: \$21.6 million).

(e) Share-based payment reserve

The share-based payment reserve reflects the equity settled share-based payment plans in operation by the Group (note 9).

(f) Other

The reserve includes FVOCI reserve of \$0.2 million (2022: nil). In the prior year, the reserve includes a put option liability which recorded the initial estimate of the fair value of the consideration to acquire the NCI shares that were subject to the put option and subsequent remeasurements of the estimated liability (note 29(b)).

24. Retained earnings

	Notes	2023 \$m	2022 \$m
At the beginning of the year		1,686.2	1,669.0
Profit for the year attributable to equity holders of the Company		344.4	271.4
Other comprehensive income			
– Remeasurements on defined benefit plans	8	1.7	14.4
– Deferred tax on remeasurements on defined benefit plans	26	(0.2)	(1.7)
– Share of measurements on defined benefit plans from joint ventures, net of deferred tax	17	0.1	0.5
		1.6	13.2
Dividends	13	(97.2)	(88.9)
Cancellation of own shares	23(d)	(108.7)	(182.8)
Transfer on exercise, vesting or expiry of share-based payments	23	(5.8)	2.0
Deferred tax on share-based payments	26	2.1	0.5
Sale of shares held by a subsidiary		–	1.8
Derecognition of NCI		8.2	–
At the end of the year		1,830.8	1,686.2

Notes to the financial statements continued

25. Borrowings

	Notes	2023 \$m	2022 \$m
Non-current			
Bank borrowings		178.5	307.5
Private placement debt		375.0	375.0
	29(b)	553.5	682.5
Current			
Bank overdrafts	21	108.9	275.4
Total borrowings	30(b)/30(c)	662.4	957.9

At the year-end, the Group had multi-currency committed term facilities of \$1,320.7 million (2022: \$1,296.3 million) of which \$767.2 million (2022: \$613.8 million) were undrawn.

The maturity profile of borrowings, and undrawn committed and uncommitted facilities is as follows:

	2023			2022		
	Borrowings \$m	Undrawn committed facilities \$m	Undrawn uncommitted facilities \$m	Borrowings \$m	Undrawn committed facilities \$m	Undrawn uncommitted facilities \$m
Less than 1 year	108.9	–	16.9	275.4	–	16.4
Between 1 and 2 years	–	–	–	–	–	–
Between 2 and 5 years	278.5	767.2	–	307.5	613.8	–
More than 5 years	275.0	–	–	375.0	–	–
	662.4	767.2	16.9	957.9	613.8	16.4

The weighted average maturity of committed facilities is 4.7 years (2022: 5.8 years).

Bank borrowings

The Group has committed unsecured bank facilities maturing in 2027. They are borrowed at fixed and floating interest rates. At 30 December 2023, \$169.0 million of bank borrowings denominated in USD are at fixed nominal interest rate of 4.35% (2022: \$169.0 million at 1.24%). The remaining bank borrowings are subject to interest rate changes, taking account of contractual repricing dates. Nominal interest rates of these borrowings range primarily from 5.24%–6.37% (2022: 3.24%–4.73%). Floating interest rates are set at commercial market rates for the respective currency and tenor plus a margin with borrowing tenors up to six months.

Private placement debt

At 30 December 2023, \$175.0 million of private placement debt matures in December 2031, bears interest at a fixed 2.75% nominal interest rate and is denominated in USD. \$100.0 million of private placement debt facility matures in March 2028, bears interest at a fixed 2.49% nominal interest rate and is denominated in USD and a further \$100.0 million matures in March 2031, bears interest at a fixed 2.82% nominal interest rate and is denominated in USD.

Bank overdrafts

Bank overdraft interest rates are variable and range from 4.15%–6.95% (2022: 2.13%–5.20%). At 30 December 2023, the Group had undrawn uncommitted bank overdraft facilities of \$11.9 million (2022: \$11.3 million).

Guarantees

Financial liabilities are guaranteed by Glanbia plc. The Group has complied with the financial covenants of its borrowing facilities during 2023 and 2022 (note 30(a)).

Net debt is a non-IFRS measure which we provide to investors as we believe they find it useful. It is also used to calculate leverage under the Group's financing arrangements, as defined within covenants. Refer to the Financing Key Performance Indicators section in the Glossary for more details. Net debt comprises the following:

	Notes	2023 \$m	2022 \$m
Private placement debt		375.0	375.0
Bank borrowings		169.0	169.0
Not subject to interest rate changes*		544.0	544.0
Bank borrowings		9.5	138.5
Cash and cash equivalents net of bank overdrafts	21	(304.8)	(192.5)
Subject to interest rate changes*		(295.3)	(54.0)
Net debt	30(a)	248.7	490.0

* Taking into account contractual repricing dates at the reporting date.

The movement in net debt is as follows:

	Notes	Cash and short-term bank deposits \$m (note 21)	Overdrafts \$m (note 21)	Borrowings \$m	Private placement debt \$m	Total \$m
At 1 January 2023		(467.9)	275.4	307.5	375.0	490.0
Drawdown of borrowings	32(c)	-	-	140.8	-	140.8
Repayment of borrowings	32(c)	-	-	(271.6)	-	(271.6)
Net change in cash and cash equivalents		59.4	(174.9)	-	-	(115.5)
Acquisitions	34	(0.5)	-	-	-	(0.5)
Exchange differences		(4.7)	8.4	1.8	-	5.5
At 30 December 2023		(413.7)	108.9	178.5	375.0	248.7
At 2 January 2022		(261.7)	154.6	414.7	375.0	682.6
Drawdown of borrowings	32(c)	-	-	707.5	-	707.5
Repayment of borrowings	32(c)	-	-	(822.5)	-	(822.5)
Net change in cash and cash equivalents		(209.6)	124.4	-	-	(85.2)
Acquisitions		(1.0)	-	-	-	(1.0)
Exchange differences		4.4	(3.6)	7.8	-	8.6
At 31 December 2022		(467.9)	275.4	307.5	375.0	490.0

The currency profile of net debt is as follows:

	US dollar \$m	euro \$m	Pound sterling \$m	Other \$m	Total \$m
At 30 December 2023					
Borrowings	(561.4)	(81.7)	(9.5)	(9.8)	(662.4)
Cash and cash equivalents (note 21)	217.4	106.4	19.7	70.2	413.7
	(344.0)	24.7	10.2	60.4	(248.7)
At 31 December 2022					
Borrowings	(733.1)	(189.1)	(23.8)	(11.9)	(957.9)
Cash and cash equivalents (note 21)	308.5	84.4	23.7	51.3	467.9
	(424.6)	(104.7)	(0.1)	39.4	(490.0)

Principal currencies in "other" include Indian Rupee, Chinese renminbi and Canadian Dollar (2022: Canadian Dollar, Australian Dollar and New Zealand Dollar).

Notes to the financial statements continued

26. Deferred taxes

Recognition in the Group balance sheet:

	2023			2022*		
	Deferred tax assets \$m	Deferred tax liabilities \$m	Net \$m	Deferred tax assets \$m	Deferred tax liabilities \$m	Net \$m
Deferred tax assets/(liabilities) before set off	78.1	(210.8)	(132.7)	88.5	(221.8)	(133.3)
Set off of deferred tax	(72.9)	72.9	–	(83.5)	83.5	–
Deferred tax assets/(liabilities) after set off	5.2	(137.9)	(132.7)	5.0	(138.3)	(133.3)

The movement in the net deferred tax liability recognised in the Group balance sheet is as follows:

	Notes	2023 \$m	2022 \$m
At the beginning of the year		(133.3)	(158.2)
Income statement (charge)/credit	11	(0.5)	24.5
Deferred tax credit to other comprehensive income			
– on remeasurement of defined benefit plans	24	(0.2)	(1.7)
– on disposal/redemption of FVOCI financial assets	23	(0.1)	(0.2)
– on fair value movements	23(c)	0.4	(0.4)
Deferred tax credit to equity			
– on share-based payments	24	2.1	0.5
Exchange differences		(1.1)	2.2
At the end of the year		(132.7)	(133.3)

The movement in deferred tax assets during the year is as follows:

	Retirement benefit obligations \$m	Other employee obligations \$m	Tax losses \$m	Lease liabilities \$m	Other \$m	Total \$m
At 1 January 2023	3.4	18.5	4.4	40.9	21.3	88.5
(Charge)/credit to income statement	0.8	(4.3)	1.9	(2.7)	(7.9)	(12.2)
Charge to other comprehensive income	(0.2)	–	–	–	(0.1)	(0.3)
Credit to equity	–	2.1	–	–	–	2.1
Exchange differences	(0.1)	0.2	0.2	–	(0.3)	–
At 30 December 2023	3.9	16.5	6.5	38.2	13.0	78.1
At 2 January 2022*	5.5	18.2	5.1	38.6	14.5	81.9
(Charge)/credit to income statement	(0.5)	(0.5)	(0.2)	2.3	7.1	8.2
Charge to other comprehensive income	(1.7)	–	–	–	(0.2)	(1.9)
Credit to equity	–	0.5	–	–	–	0.5
Exchange differences	0.1	0.3	(0.5)	–	(0.1)	(0.2)
At 31 December 2022*	3.4	18.5	4.4	40.9	21.3	88.5

The movement in deferred tax liabilities during the year is as follows:

	Accelerated tax depreciation \$m	Fair value gain \$m	Development costs and other intangibles \$m	Right-of-use assets \$m	Other \$m	Total \$m
At 1 January 2023	(76.8)	(1.1)	(79.2)	(34.0)	(30.7)	(221.8)
Credit/(charge) to income statement	9.9	0.7	12.2	2.2	(13.3)	11.7
Charge to other comprehensive income	–	0.4	–	–	–	0.4
Exchange differences	–	–	–	–	(1.1)	(1.1)
At 30 December 2023	(66.9)	–	(67.0)	(31.8)	(45.1)	(210.8)
At 2 January 2022*	(77.1)	–	(89.5)	(32.6)	(40.9)	(240.1)
Credit/(charge) to income statement	0.3	(0.6)	9.5	(1.4)	8.5	16.3
Charge to other comprehensive income	–	(0.4)	–	–	–	(0.4)
Exchange differences	–	(0.1)	0.8	–	1.7	2.4
At 31 December 2022*	(76.8)	(1.1)	(79.2)	(34.0)	(30.7)	(221.8)

* Restated due to amendments to IAS 12. Refer to note 2 for details.

A deferred tax asset has been recognised on the basis that the realisation of the related tax benefit through future taxable profits is probable. This includes deferred tax assets which are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable.

At the balance sheet date, the Group has unused tax losses of \$190.1 million (2022: \$135.5 million) available for offset against future profits. A deferred tax asset has been recognised in respect of \$6.2 million (2022: \$4.4 million) of such losses. No deferred tax asset has been recognised in respect of the remaining \$183.9 million (2022: \$131.1 million) as it is not considered probable that there will be future taxable profits available. Unrecognised tax losses include \$86.2 million (2022: \$49.4 million) of capital losses. All tax losses may be carried forward indefinitely.

No deferred tax liability has been recognised on temporary differences of \$50.5 million (2022: \$43.8 million) relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. Temporary differences arising in connection with interests in joint ventures are insignificant.

27. Provisions

	Restructuring and portfolio related re- organisation \$m note (a)	Property and lease commitments \$m note (b)	Legal and operational \$m note (c)	Total \$m
Balance at 1 January 2023 – non-current	–	4.0	–	4.0
Balance at 1 January 2023 – current	–	2.7	9.3	12.0
Reclassification	–	(0.5)	0.5	–
Amount provided for in the year	7.1	0.8	10.2	18.1
Utilised in the year	–	(0.3)	(2.9)	(3.2)
Unused amounts reversed in the year	–	(0.3)	(3.9)	(4.2)
Unwinding of discount	–	0.2	–	0.2
Exchange differences	0.2	0.2	0.1	0.5
Balance at 30 December 2023	7.3	6.8	13.3	27.4
Non-current	–	4.3	–	4.3
Current	7.3	2.5	13.3	23.1
	7.3	6.8	13.3	27.4

(a) The restructuring and portfolio related re-organisation provision relates to redundancies and also obligations that exist following the divestment of Glanbia Cheese and Tirlán. The timing of the utilisation of these provisions is uncertain.

(b) The property and lease commitments provision relates to restoration provisions associated with right-of-use assets and to property remediation works and related mitigating actions associated with a property previously owned by the Group. Due to the nature of these items there is some uncertainty around the amount and timing of payments.

(c) The legal and operational provision relates to certain legal claims, insurance claims and other items that arise in the normal course of business. Due to the nature of these items, there is some uncertainty around the amount and timing of payments.

See note 32(b) for analysis of the movement in provisions.

Notes to the financial statements continued

28. Trade and other payables

	Notes	2023 \$m	2022 \$m
Current			
Trade payables	30(b)	280.2	385.0
Amounts due to joint ventures	30(b)	115.7	154.2
Amounts due to other related parties	30(b)	8.3	10.1
Social insurance costs		7.6	7.5
Accrued expenses		247.3	242.7
Contingent consideration	29(b)/30(c)	–	27.0
		659.1	826.5

See note 32(b) for analysis of the movement in current trade and other payables. See note 29(b) for information on the Group's fair value estimation process.

29. Derivatives and fair value of financial instruments

(a) Derivatives

	2023 Assets \$m	2023 Liabilities \$m	2022 Assets \$m	2022 Liabilities \$m
Cross currency swaps – fair value through income statement	–	(1.5)	–	(0.7)
Foreign exchange contracts – cash flow hedges (currency risk)	–	(0.5)	0.1	(0.3)
Interest rate swaps – cash flow hedges (interest rate risk)	–	–	3.0	–
	–	(2.0)	3.1	(1.0)
Non-current	–	–	–	–
Current	–	(2.0)	3.1	(1.0)
	–	(2.0)	3.1	(1.0)

Derivatives recognised at fair value through income statement

Included in cross currency swaps is a US dollar euro cross currency swap with notional amounts of \$59.3 million and €55.0 million accounted for at fair value. The translation loss included in the income statement in respect of these swaps is \$1.5 million.

At 31 December 2022, there was a pound sterling euro cross currency swap with a notional amount of £28.0 million and €32.0 million and a US dollar euro cross currency swap with notional amounts of \$79.7 million and €75.0 million. The translation loss included in the 2022 income statement in respect of these swaps was \$0.7 million.

Hedge accounting

The Group enters into hedge relationships when there is an economic relationship between the hedged item and the hedging instrument. When the critical terms of the hedged item and hedging instrument are closely aligned for the prospective assessment of effectiveness, a qualitative assessment is performed. In instances where changes occur to the hedged item which result in the critical terms being no longer closely aligned, the Group uses the hypothetical derivative method to assess the ineffectiveness. A hedge ratio of one to one is established as the quantities of the hedged item and the hedging instrument used to hedge that hedged item are the same. Potential sources of ineffectiveness may include the timing and amounts of cash flows, and changes in credit risk of the hedging instruments or hedged items.

Derivative assets and liabilities designated as cash flow hedges

Foreign exchange contracts

The Group may use foreign exchange contracts to hedge its future cash flow risk from movements in foreign exchange rates on foreign denominated sales or purchases. Such contracts are generally designated as cash flow hedges. Weighted average hedged rate of foreign exchange contracts (including forward points) as at 30 December 2023 is 1 US dollar = 0.9305 euro (2022: 1 US dollar = 0.9543 euro).

The notional principal amounts of the outstanding foreign exchange contracts as at 30 December 2023 were \$17.6 million (2022: \$13.9 million). All outstanding foreign exchange contracts will mature and be released to the income statement within 12 months of the reporting date (2022: within 12 months of the reporting date).

Interest rate swaps

The Group may use floating to fixed interest rate swaps to hedge against its future cash flow risk from its exposure to variable rates on its long-term borrowings with floating rates. There were no interest rate swaps outstanding at 30 December 2023. The notional principal amounts of the outstanding EURIBOR linked interest rate swaps designated as cash flow hedges at 31 December 2022 were \$128.0 million. Weighted average hedged rate of interest rate swaps at 31 December 2022 was 0.20%.

Commodity contracts

The Group may use commodity contracts to hedge its future cash flow risk from movement in milk prices. There were no outstanding commodity contracts as at 30 December 2023 (2022: nil). All commodity contracts that were entered into during the period, if any, had expired as at the end of the reporting period.

Changes in fair value recognised in other comprehensive income	Notes	2023 \$m	2022 \$m
Foreign exchange contracts	23(c)	–	0.9
Interest rate swaps	23(c)	(3.0)	4.3
		(3.0)	5.2
Reclassified from cash flow hedge reserve to the Group income statement			
Foreign exchange contracts	23(c)	(0.3)	(2.0)

The reclassified amounts relating to foreign exchange contracts are recorded in the relevant line item in the income statement relating to the hedged item (e.g. "Administration expenses", "Revenue", "Cost of goods sold").

No material ineffectiveness was recognised in respect of the cash flow hedges in the current or prior year. If ineffectiveness had been recognised, it would have been recorded in "Administration expenses" in the income statement.

Refer to note 23(c) for the balances in the cash flow hedge reserve. The maturity profile of the cash flows of the derivative financial instruments is included in note 30(b).

Derivatives entered into by joint ventures

The Group's joint ventures enter into interest rate swaps, commodity contracts (e.g. butter and cheese) and foreign exchange contracts. The Group's share of the movement in the derivative financial instruments designated as cash flow hedges is recognised in other comprehensive income and against the carrying value of the interest in joint ventures.

The movement recognised in other comprehensive income on interest rate swaps (note 23(c)) represents the Group's share of the movement in the interest rate swaps entered into by joint ventures. All movements are recognised against the carrying value of the interest in joint ventures until repayment of the related bank borrowings.

Net investment hedge

A portion of the Group's US dollar denominated borrowings with a nominal amount of \$98.5 million (2022: \$98.5 million) is designated as a hedge of a portion of the net investment in the Group's US dollar net assets amounting to \$98.5 million (2022: \$98.5 million). Therefore, hedge ratio is 1:1. Refer to note 23 for the amounts recognised in other comprehensive income.

There was no ineffectiveness recognised in the income statement during the year (2022: nil). If ineffectiveness had been recognised, it would have been recorded in "Administration expenses" in the income statement.

Notes to the financial statements continued

29. Derivatives and fair value of financial instruments continued

(b) Fair value of financial instruments

Fair value of financial instruments measured at amortised cost

Except as detailed in the following table the Group deemed that the carrying amounts of financial instruments measured at amortised cost approximate their fair value due to their short term nature:

	Notes	2023		2022	
		Carrying amount \$m	Fair value \$m	Carrying amount \$m	Fair value \$m
Financial assets					
– Non-current loans to joint ventures	35	–	–	65.6	65.6
Financial liabilities					
– Non-current borrowings	25	553.5	496.8	682.5	605.0

Fair value is estimated by discounting future contractual cash flows using current market interest rates from observable interest rates at the end of the reporting period that are available to the Group for similar financial instruments (classified as level 2 in the fair value hierarchy).

Group's fair valuation process

The Group's finance department includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including Level 3 fair values. The valuation team reports directly to the Chief Financial Officer who in turn reports to the Audit Committee. Discussions of valuation processes and results are held between the Chief Financial Officer and the Audit Committee. Changes in Level 2 and Level 3 fair values are analysed at each reporting date. As part of this discussion, the valuation team presents a report that explains the reasons for fair value movements.

In accordance with IFRS 13 'Fair Value Measurements', the Group has disclosed the fair value of instruments by the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Fair value of financial instruments carried at fair value

The following table shows the fair values of financial instruments measured at fair value:

	Notes	Fair value hierarchy	2023 \$m	2022 \$m
Assets				
Equity instrument designated at FVOCI – The BDO Development Capital Fund	(a)	Level 2	1.7	1.4
Foreign exchange contracts – cash flow hedges	(b)	Level 2	–	0.1
Interest rate swaps – cash flow hedges	(c)	Level 2	–	3.0
Contingent consideration receivable – Glanbia Cheese	(e)	Level 3	–	–
Liabilities				
Foreign exchange contracts – cash flow hedges	(b)	Level 2	(0.5)	(0.3)
Cross currency swaps – fair value through income statement	(d)	Level 2	(1.5)	(0.7)
Contingent consideration payable – Sterling Technology, LLC	(f)	Level 3	–	(27.0)

(a) The investment in The BDO Development Capital Fund (note 18) is fair valued by reference to the latest quarterly report available to the limited partners.

(b) Fair value is estimated by discounting the difference between the contractual forward exchange rates and the current forward exchange rates (from observable forward exchange rates at the end of the reporting period). The effect of discounting was insignificant in 2023 and 2022.

(c) Fair value is estimated by discounting the difference between the contractual interest rate swap rates and the current interest rate swap rates (from observable interest rate swap rates at the end of the reporting period). The effect of discounting was insignificant in 2023 and 2022.

(d) Fair value is determined by reference to the current foreign exchange rates at the end of the reporting period.

(e) The contingent consideration arrangement relating to the disposal of Glanbia Cheese requires Leprino Foods Company to pay the Group amounts over the next two years if pre-defined earnings thresholds are met. The total of undiscounted future payments receivable by the Group over the two years ranges from nil to \$27.6 million (€25.0 million translated at year end exchange rate). The fair value of the contingent consideration was estimated by calculating the present value of the future expected payments and was nil at year end. The main significant unobservable input in the calculation is the forecast EBITDA of the disposed businesses over the relevant period. A 10% increase/decrease in the forecast EBITDA would not have a material effect on the fair value of the contingent consideration.

(f) The contingent consideration relating to the Sterling acquisition was settled during 2023. Under the acquisition agreement, the Group was required to pay the former owners of Sterling an earnout in 2023 if a pre-defined earnings threshold was exceeded within a defined period post acquisition. The fair value of the contingent consideration was estimated by calculating the present value of the future expected payments which ranged from nil to \$27.5 million (undiscounted). The main significant unobservable input in the calculation was the forecast EBITDA of Sterling over the relevant period. As it was deemed highly probable that the higher end of the EBITDA range would be met, the Group had assumed that the upper limit of the earnout would be payable. Accordingly, a 10% decrease/increase in forecast EBITDA would have resulted in a \$8.7 million decrease/no change in fair value of the contingent consideration respectively.

There were no transfers in either direction between Level 1 and Level 2 in 2023 and 2022. The movement in carrying amounts associated with Level 3 financial instruments are as follows:

	Call option over NCI \$m	Put option liability \$m	Contingent consideration \$m (note 28)
At 1 January 2023	-	-	(27.0)
Remeasurements	-	-	0.2
Settlements (note 34)	-	-	26.8
At 30 December 2023	-	-	-
At 2 January 2022	0.6	(28.0)	(8.3)
Additions through business combination	-	-	(25.4)
Remeasurements	(0.5)	26.1	6.1
Exchange translation adjustments	(0.1)	1.9	0.6
At 31 December 2022	-	-	(27.0)

30. Capital and financial risk management

(a) Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern while maximising the returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the overall cost of capital. Total capital is calculated based on equity as shown in the balance sheet and net debt as follows:

	Notes	2023 \$m	2022 \$m
Equity		2,132.6	1,992.7
Net debt	25	248.7	490.0
Total capital		2,381.3	2,482.7

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to increase or reduce debt or buy back shares. Any material adjustments to the capital structure are approved by the Board of Directors. From time to time, the Group purchases its own shares on the market. These shares are primarily intended to be used for issuing shares under the Group's long-term and short-term incentive plans. Buy decisions are made on a specific transaction basis by the Employee Benefit Trusts. From 2020 to 2023, the Group also launched and completed several share buyback programmes. Any shares repurchased in the buyback programmes were cancelled.

The Group's key financing arrangements are: net debt: adjusted EBITDA and adjusted EBIT: adjusted net finance cost ratios, as defined within covenants.

At 30 December 2023, the Group's net debt: adjusted EBITDA ratio was 0.5 times (2022: 1.13 times), which is deemed by management to be prudent and within the Group's financing covenants. Net debt: adjusted EBITDA is calculated as net debt at the end of the period divided by adjusted EBITDA. Net debt is calculated as current and non-current borrowings less cash and cash equivalents. Adjusted EBITDA is calculated in accordance with lenders' facility agreements definitions which adjust EBITDA for items such as exceptional items, dividends received from related parties, acquisitions or disposals and to reverse the net impact on EBITDA as a result of adopting IFRS 16 'Leases'. Adjusted EBITDA is a rolling 12 month measure (a period of 12 consecutive months determined on a rolling basis with a new 12 month period beginning on the first day of each month).

At 30 December 2023 the Group's adjusted EBIT: adjusted net finance cost was 38.1 times (2022: 17.0 times) which is within the Group's financing covenants. Adjusted EBIT: adjusted net finance cost is calculated as earnings before interest and tax adjusted for the IFRS 16 'Leases' impact on operating profit plus dividends received from related parties divided by adjusted net finance cost. Adjusted net finance cost comprises finance costs plus borrowing costs capitalised into assets less adjustments including finance income/costs on remeasurements of call options and contingent consideration and interest expense on lease liabilities. Adjusted EBIT and adjusted net finance cost are rolling 12 month measures (a period of 12 consecutive months determined on a rolling basis with a new 12 month period beginning on the first day of each month).

The Group's capital position and information on the capital monitoring ratios are included in the monthly report issued to the Board of Directors. The Group has no externally imposed capital requirements. No changes were made in the objectives, policies or processes for capital management during 2023 and 2022.

Notes to the financial statements continued

30. Capital and financial risk management continued

(b) Financial risk management

The conduct of its ordinary business operations necessitates the Group holding financial instruments. The Group has exposure to the following risks arising from financial instruments: market risk comprising of currency risk, interest rate risk, price risk, liquidity risk and cash flow risk, and credit risk.

The Group does not enter into any financial instruments that give rise to a speculative position. The Group finances its operations by a mixture of retained profits, medium-term committed borrowings and undrawn uncommitted borrowings. The Group borrows in the major global debt markets in a range of currencies at both fixed and floating rates of interest, using derivatives where appropriate to generate the desired effective currency profile and interest rate basis. Risk management, other than credit risk management, is carried out by a central treasury department ("Group Treasury") under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's business units. The Board of Directors provides written principles for overall risk management, as well as, written policies covering specific areas such as foreign exchange risk, interest rate risk, price risk, liquidity and cash flow risk, and credit risk, use of derivative and non-derivative financial instruments, and investment of excess liquidity.

There has been no significant change during the financial year or since the end of the year to the types of financial risks faced by the Group or the Group's approach to the management of those risks.

Currency risk

While the Group reports its results in US Dollar, it generates a proportion of its earnings in currencies other than US Dollar, in particular euro. As a result, currency movements, particularly movements in the US dollar/euro exchange rate, can affect the Group's US Dollar balance sheet and income statement. Group Treasury monitors and manages these currency exposures on a continuous basis, using approved hedging strategies and appropriate currency derivative instruments.

Sensitivity analysis

The following table demonstrates the sensitivity of profit before tax and total equity to movements in the US dollar/euro exchange rate with all other variables held constant.

+/-5% change in US dollar/euro exchange rate	2023 \$m	2022 \$m
Impact on profit before tax*	-/+4.9	-/+3.2
Impact on total equity**	-/+12.5	-/+14.2

* The impact on profit before tax is based on changing the US dollar/euro exchange rate used in calculating profit before tax for the period.

** The impact on total equity is calculated by changing the US dollar/euro exchange rate used in measuring the closing balance sheet.

The Group is exposed to transactional foreign currency risk that arises from sales or purchases by an operating unit in currencies other than the operating unit's functional currency. Group companies are required to manage their foreign exchange risk against their functional currency and spot and forward exchange contracts are primarily used to hedge foreign exchange risk exposure on foreign currency denominated sales and purchases.

The notional principal amounts of the outstanding foreign exchange contracts as at 30 December 2023 were \$17.6 million (2022: \$13.9 million), which substantially covers the operating units currency exposure. Refer to note 29(a) for further details of the foreign exchange contracts.

Interest rate risk

The Group's objective is to minimise the impact of interest rate volatility on interest costs. This is achieved by determining a long-term strategy against a number of policy guidelines, which focus on (i) the amount of floating rate indebtedness anticipated over such a period and (ii) the consequent sensitivity of interest costs to interest rate movements on this indebtedness and the resultant impact on reported profitability. The Group borrows at both fixed and floating rates of interest and can use interest rate swaps to manage the Group's resulting exposure to interest rate fluctuations.

The Group's main interest rate risk arises from long-term borrowings with floating rates, due to the borrowings being periodically contractually repriced within 12 months from the reporting date. These borrowings expose the Group to cash flow interest rate risk.

The Group policy is to maintain no more than one third of its projected debt exposure on a floating rate basis over any succeeding 12 month period with further minimum guidelines over the succeeding 24 and 36 month periods. The Group, on a continuous basis, monitors the level of fixed rate cover dependent on prevailing fixed market rates, projected debt and market informed interest rate outlook. Occasionally, the Group manages its cash flow interest rate risk by using floating to fixed interest rate swaps. Such interest rate swaps have the effect of converting borrowings from floating rates to fixed rates. Under these interest rate swaps, the Group agrees with other parties to exchange at specified intervals, the difference between fixed interest rate amounts and floating interest rate amounts calculated by reference to the agreed notional amounts.

The exposure of the Group's borrowings subject to interest rate changes taking into account contractual repricing dates at the end of the reporting period is \$9.5 million (2022: \$138.5 million) (note 25). There were no interest rate swaps outstanding at 30 December 2023. The Group does not hedge 100% of its floating rate loans, therefore the amount hedged in the prior year was a proportion of the outstanding loans up to the notional amount of the swaps. See note 29(a) for the floating to fixed interest rate swaps entered into by the Group to hedge against this exposure.

The Group enters into interest rate swaps that have similar critical terms as the hedged item. As all critical terms matched during the year, there is an economic relationship between the interest rate swaps (hedging instruments) and floating rate borrowings (hedged items).

Sensitivity analysis

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

The table below demonstrates the sensitivity of profit before tax and total equity if market interest rates had been 1% higher or lower with all other variables held constant:

+/-1% change in market interest rates*	2023 \$m	2022 \$m
Impact on profit before tax	-/+0.1	-/+0.1
Impact on total equity	-/+0.1	-/+0.1

* Each incremental +/-1% change in market interest rates at 2023 year end would impact profit before tax and total equity by +/- \$0.1m.

Price risk

Equity price risk

The Group's objective is to minimise the price risk the Group is exposed to because of equity instruments held by the Group (note 18). These equity instruments are classified in the Group balance sheet as FVOCI. To manage its price risk arising from these equity securities, the Group does not maintain a significant balance with any one equity. Diversification of the equity instruments held by the Group must be done in accordance with the limits set by the Group. The impact of a 5% increase or decrease in equity indices across the eurozone countries would not have any material impact on Group profit before tax or total equity.

Commodity price risk

Commodity price risk in the Group arises primarily from price fluctuations of commodities. The Group's objective is to minimise commodity price risk through entering into commodity options and future contracts for instance and the use of appropriate hedging strategies. The Group enters into forward purchase and forward sale agreements in the normal course of business. Certain of these contracts are deemed to be 'own use' as they were entered into in accordance with the Group's expected purchase, sale or usage requirements. The impact of a 5% increase or decrease in commodity prices would not have any material impact on Group profit before tax or total equity.

Liquidity and cash flow risk

The Group's objective is to ensure that the Group does not encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

In order to preserve the continuity of funding, the Group's policy is that, at a minimum, committed facilities should be available at all times to meet the full extent of its anticipated finance requirements, arising in the ordinary course of business, during the succeeding 12 month period. Refer to note 25 for details of the Group's committed facilities.

When appropriate, surplus funds in the Group are transferred to Group Treasury through different methods including the repayment of borrowings and dividends. These are then lent to Group companies, contributed as equity to fund Group operations, used to repay external debt or invested externally. The Group does not use off-balance sheet special purpose entities as a source of liquidity or for other financing purposes.

The Group uses cash flow forecasts to constantly monitor the funding requirements of the Group. Compliance with the Group's financial covenants is monitored continually based on statutory and management accounts and financial projections. All covenants have been complied with in 2023 and 2022.

There is no significant concentration of liquidity risk.

Further analysis of the Group's debt covenants is included in the Chief Financial Officer's Review. For further details regarding the Group's borrowing facilities, see note 25.

The table on the following page analyses the Group's non-derivative and derivative financial liabilities, for which the contractual maturities are essential for an understanding of the timing of the cash flows, into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Notes to the financial statements continued

30. Capital and financial risk management continued

	Notes	Less than 1 year \$m	Between 1 and 2 years \$m	Between 2 and 5 years \$m	More than 5 years \$m	Total \$m
At 30 December 2023						
Non-derivative financial liabilities						
Trade payables	28	280.2	–	–	–	280.2
Amounts due to joint ventures	28	115.7	–	–	–	115.7
Amounts due to other related parties	28	8.3	–	–	–	8.3
Lease liabilities		22.3	17.2	39.3	41.2	120.0
Interest-bearing borrowings	25	108.9	–	278.5	275.0	662.4
Projected interest payments on interest-bearing borrowings*		18.8	18.0	44.6	21.5	102.9
		554.2	35.2	362.4	337.7	1,289.5
Derivative financial liabilities		2.0	–	–	–	2.0
At 31 December 2022						
Non-derivative financial liabilities						
Trade payables	28	385.0	–	–	–	385.0
Amounts due to joint ventures	28	154.2	–	–	–	154.2
Amounts due to other related parties	28	10.1	–	–	–	10.1
Contingent consideration		27.5	–	–	–	27.5
Lease liabilities		21.1	19.9	42.0	51.9	134.9
Interest-bearing borrowings	25	275.4	–	307.5	375.0	957.9
Projected interest payments on interest-bearing borrowings*		16.5	22.9	68.1	30.4	137.9
		889.8	42.8	417.6	457.3	1,807.5
Derivative financial liabilities		1.0	–	–	–	1.0

* The Group uses the interest rates in effect at the year end to calculate the interest payments on the floating rate borrowings for the periods indicated.

Credit risk

The Group's objective is to minimise credit risk which is managed on a Group basis. Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial transaction fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, credit exposures to customers, including outstanding receivables and committed transactions, and loans to joint ventures. Other financial assets (note 18) are not material and accordingly, loss allowance of ECL is not material.

Financial assets subject to credit risk are written off when there is no reasonable expectation of recovery such as debtor failing to engage in a repayment plan with a company. Subsequent recoveries of amounts written off are recognised in the Group income statement. The Group does not expect any significant counterparty to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each asset.

Cash and cash equivalents

In the international movement and placement of funds and execution of financial transactions, the risk of counterparty default is managed by the Group's policies requiring exposure to independently rated parties with long-term credit ratings of at least A3 (Moody's) or A- (Standard & Poor's). In the movement and placement of funds and execution of financial transactions in Ireland, the Group's policies accept exposure to independently rated parties with long-term credit ratings of at least Baa3 (Moody's) or BBB- (Standard & Poor's). The Group's cash and cash equivalents (note 21) at 30 December 2023 and 31 December 2022 were held within financial institutions which complied with Group policy. Accordingly, the Group considers its cash and cash equivalents to be of low credit risk and does not expect any expected credit loss in relation to them.

Trade receivables

The Group's credit risk management policy requires that, where possible, all debt is insured with an external credit insurance underwriter. The Group's authorisation review includes external credit agency reports, the trading and financial history and position of the customer, the business case, the country in which the customer operates and any other available information. The utilisation of credit limits is actively managed and reviewed formally on an annual basis. Where the extension of credit is not appropriate, payment in advance is required. No goods are dispatched on credit until the credit controller has authorised the application confirming all necessary procedures have been complied with. Outstanding customer balances are regularly monitored and a review for indicators of impairment (evidence of financial difficulty of the customer, payment default, breach of contract etc.) is carried out at each reporting date.

Goods are sold primarily subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. Where required, the Group holds appropriate security or liens in respect of trade and other receivables. The Group does not hold any significant security or liens at the end of the year.

See note 19 for the carrying amount of the Group's trade and other receivables.

At the end of the reporting period, the Group derecognised \$35.0 million of certain trade receivables related to one customer through the use of a limited receivables sale programme (2022: \$40.0 million). This programme was entered into to partially mitigate but not fully offset an increase in credit terms relating to these trade receivables. Under this programme, the Group has the option to sell certain trade receivable invoices to a third party financial institution. This third party may accept this offer for sale by way of a non-recourse payment to the Group (for face value of the receivables net of transaction fees), upon which the Group no longer retains any risks and rewards in the receivables sold, resulting in the derecognition of these receivables from the Group balance sheet. The proceeds from these sales of receivables are included in cash from operating activities in the Group statement of cash flows. The fair value of the receivables equals to its amortised cost as they are transferred at the face value of the trade receivable invoices.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, historical loss rates of operating units are calculated based on their recent historical credit loss experience and applied to the operating units trade receivables at the reporting date. The loss allowance is estimated based on historical loss rates and adjusted where appropriate to reflect current information and forward-looking information on macroeconomic factors which affect the ability of the debtors to settle the receivables. The loss allowance recognised during the year reflects current and forward-looking information including the trading environment in which the Group sells its goods.

The movement in the expected credit loss allowance for trade receivables is as follows:

	Notes	2023 \$m	2022 \$m
At the beginning of the year		13.8	13.6
Exchange differences		–	(0.2)
Increase in loss allowance recognised during the year		2.6	3.0
Receivables written off during the year as uncollectible		(1.2)	(0.6)
Unused amounts reversed		(5.2)	(2.0)
At the end of the year	19	10.0	13.8

The net decrease in loss allowance has been included within the income statement.

Trade receivables amounted to \$450.7 million at 30 December 2023 (2022: \$367.3 million) (note 19). Receivable balances that are neither past due nor impaired amounted to \$424.9 million (2022: \$339.2 million). Past due information is reported to key management personnel for credit risk management purposes. At 30 December 2023, trade receivables of \$25.8 million (2022: \$28.1 million) were past due and analysed as follows:

	2023 \$m	2022 \$m
Past due		
Less than 30 days	15.4	14.8
1 to 3 months	3.9	6.9
4 to 6 months	1.3	3.6
Over 6 months	5.2	2.8
	25.8	28.1
Less: expected credit loss allowance	(10.0)	(13.8)
Total	15.8	14.3

Loans to joint ventures

There were no outstanding loans receivable from joint ventures at 30 December 2023 following the disposal of Glanbia Cheese (note 33). Set out herein is the comparative information. The Group advanced interest bearing loans to its joint ventures for the purposes of funding capital expenditure. See note 35 for details of the loans. The loans receivable were considered to have low credit risk as there was a low risk of default and the joint ventures were expected to meet their contractual cash flow obligations in the near term. The Group considered information such as cash flow forecasts of the joint ventures to determine whether they had the ability to repay the intercompany loans. Management did not expect significant adverse changes in economic and business conditions which would reduce the ability of the joint ventures to repay the loans. Consequently, the Group determined that the loans were of low credit risk.

Where a loan was considered not to have low credit risk at the reporting date and to assess whether there was a significant increase in credit risk of the loan since initial recognition, the Group considered information such as actual or expected significant adverse changes in economic or business conditions that were expected to cause a significant change in a joint venture's ability to meet its obligations, and significant increases in credit risk on other financial instruments of the joint venture. A loan was considered to be in default if a joint venture did not make contractual repayments within 90 days after they fell due unless evidenced otherwise. Evidence that a loan was credit-impaired would include information such as significant financial difficulty of the joint venture, or the probability that the joint venture would enter bankruptcy.

Notes to the financial statements continued

30. Capital and financial risk management continued

In calculating the expected credit loss rates, the Group considered historical loss rate on its loans advanced to the joint ventures, internal credit rating of the joint ventures based on the experience of Group Treasury and recent pricing provided by external credit providers and adjusted for forward-looking macroeconomic data. There were no historical losses for loans advanced to the joint ventures at 31 December 2022 and internal credit rating of the joint ventures was considered to be about investment grade. Expected credit loss allowance was accordingly not material.

(c) Carrying amounts of financial instruments

	Notes	2023 \$m	2022 \$m
Financial assets measured at amortised cost			
Trade receivables and receivables from related parties		448.1	359.6
Loans to joint ventures	35	–	65.6
		448.1	425.2
Financial liabilities measured at amortised cost			
Borrowings	25	(662.4)	(957.9)
Trade payables and amounts due to related parties		(404.2)	(549.3)
Lease liabilities	15	(109.4)	(122.5)
		(1,176.0)	(1,629.7)
Financial liabilities measured at FVTPL – contingent consideration	28	–	(27.0)
Equity instruments designated at FVOCI	18	2.6	2.3
Net derivative (liability)/asset		(2.0)	2.1

(d) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the Group balance sheet where the Group has a legally enforceable right to offset recognised amounts which is not conditional on the occurrence of a future event, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting arrangements. There is no set off to the amounts of derivative financial assets and derivative financial liabilities presented in the Group balance sheet.

31. Commitments and contingent liabilities

Commitments

Capital expenditure contracted for at the reporting date but not recognised in the Group financial statements is as follows:

	2023 \$m	2022 \$m
Property, plant and equipment	7.2	9.0
Intangible assets	1.0	0.8

At 31 December 2022, the Group was committed to invest \$10.7 million cash contributions in Glanbia Cheese EU Limited and to provide an undrawn loan facility of \$10.1 million to the former joint venture. Following the disposal of Glanbia Cheese (note 33), the Group is no longer subject to such commitments.

Contingent liabilities

Guarantees provided by financial institutions amounting to \$7.3 million (2022: \$8.3 million) are outstanding at 30 December 2023. The Group does not expect any material loss to arise from these guarantees. The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liability will arise from these contingent liabilities other than those provided for.

Any Irish registered wholly-owned subsidiary of the Company may avail of the exemption from filing its statutory financial statements for the year ended 30 December 2023 as permitted by section 357 of the Companies Act 2014 and if an Irish registered wholly-owned subsidiary of the Company elects to avail of this exemption, there will be in force an irrevocable guarantee from the Company in respect of all commitments entered into by such wholly-owned subsidiary, including amounts shown as liabilities (within the meaning of section 357 (1) (b) of the Companies Act 2014) in such wholly-owned subsidiary's statutory financial statements for the year ended 30 December 2023.

Within the scope of benefitting from the exemption related to the filing of the statutory financial statements for the financial year ended 31 December 2023 of Glanbia Foods B.V., the Company has guaranteed the liabilities ensuing from legal acts performed by this subsidiary, including all existing and future debts arising from legal acts performed by the subsidiary from 1 January 2023, but also from legal acts performed previously, in accordance with and to the extent as set out in section 2:403.1(b and f) of the Dutch Civil Code. Therefore Glanbia Foods B.V. is exempt from the obligation to publish its statutory financial statements and its obligations to file statutory financial statements has been fulfilled by means of the publication of the declaration of consent and the declaration of liability.

Within the scope of benefitting from the exemption related to the filing of the statutory financial statements for the financial year ended 31 December 2023 of the Luxembourg subsidiary, Glanbia Luxembourg SA, the Company has guaranteed the liabilities of this subsidiary in respect of any losses or liabilities (as provided by Article 70 (c) of the Luxembourg Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings) for the financial year ended 31 December 2023. This subsidiary avails of the exemption from filing of their statutory financial statements, as permitted by Article 70 of the Luxembourg Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings.

32. Cash flow information**(a) Cash generated from operating activities**

	Notes	2023 \$m	2022 \$m
Profit for the year		344.5	270.6
Exceptional items	6	(46.4)	(22.6)
Income taxes		46.5	33.1
Profit before taxation		344.6	281.1
Share of results of joint ventures accounted for using the equity method		(12.5)	(16.3)
Finance costs		22.1	23.7
Finance income		(9.8)	(1.9)
Amortisation of intangible assets	16	79.6	79.1
Depreciation of property, plant and equipment	14	49.7	51.3
Depreciation of right-of-use assets	15	19.7	19.8
Cost of share-based payments	9/23	24.5	19.8
Difference between pension charge and cash contributions		(2.7)	(0.5)
Net write down of inventories		18.4	14.3
Non-cash movement in/on:			
– provisions		7.4	1.0
– allowance for impairment of receivables		(3.8)	0.4
– cross currency swaps		0.7	2.7
– disposal of leases		–	(0.4)
Loss on disposal of property, plant and equipment	5	1.2	0.4
Operating cash flows before movement in working capital		539.1	474.5
Decrease/(increase) in inventories	32(b)	191.2	(105.5)
(Increase)/decrease in short-term receivables	32(b)	(91.1)	8.6
(Decrease)/increase in short-term liabilities	32(b)	(144.4)	39.7
Decrease in provisions	32(b)	(3.4)	(3.7)
Cash generated from operating activities before exceptional items		491.4	413.6

Notes to the financial statements continued

32. Cash flow information continued

(b) The movement in working capital is as follows:

	Inventories \$m (note 20)	Trade and other receivables \$m (note 19)	Trade and other payables \$m (note 28)	Provisions \$m (note 27)	Total \$m
2023					
At 1 January 2023	750.5	404.8	(826.5)	(16.0)	312.8
Exchange differences	3.8	0.2	(4.6)	(0.5)	(1.1)
Arising on acquisition (note 34)	5.6	2.4	(4.1)	–	3.9
Loans/amounts payable to joint ventures, interest accruals, capital creditors and other non-operating items	(18.5)	3.3	31.7	(14.3)	2.2
Movement in working capital	(191.2)	91.1	144.4	3.4	47.7
At 30 December 2023	550.2	501.8	(659.1)	(27.4)	365.5
2022					
At 2 January 2022	672.3	407.0	(758.1)	(18.7)	302.5
Exchange differences	(9.6)	4.1	(8.0)	0.7	(12.8)
Arising on acquisition	3.6	6.1	(2.9)	–	6.8
Loans/amounts payable to joint ventures, interest accruals, capital creditors and other non-operating items	(21.3)	(3.8)	(17.8)	(1.7)	(44.6)
Movement in working capital	105.5	(8.6)	(39.7)	3.7	60.9
At 31 December 2022	750.5	404.8	(826.5)	(16.0)	312.8

(c) Changes in liabilities arising from financing activities

	Notes	Borrowings \$m	Private Placement Debt \$m	Lease liabilities \$m	Total \$m
At 1 January 2023		307.5	375.0	122.5	805.0
Drawdown of borrowings	25	140.8	–	–	140.8
Repayment of borrowings	25	(271.6)	–	–	(271.6)
Leases		–	–	5.3	5.3
Payment of lease liabilities		–	–	(19.9)	(19.9)
Acquisitions	34	–	–	1.1	1.1
Exchange differences		1.8	–	0.4	2.2
At 30 December 2023		178.5	375.0	109.4	662.9
At 2 January 2022		414.7	375.0	135.4	925.1
Drawdown of borrowings	25	707.5	–	–	707.5
Repayment of borrowings	25	(822.5)	–	–	(822.5)
Leases		–	–	4.8	4.8
Payment of lease liabilities		–	–	(17.4)	(17.4)
Acquisitions		–	–	0.6	0.6
Exchange differences		7.8	–	(0.9)	6.9
At 31 December 2022		307.5	375.0	122.5	805.0

33. Assets and liabilities held for sale, and discontinued operations

Assets and liabilities held for sale

The Group signed a memorandum of understanding for the sale of its shareholding in the Glanbia Cheese EU and Glanbia Cheese UK joint ventures ("Glanbia Cheese") to Leprino Foods Company on 14 February 2023. The Group treated the joint venture arrangements in Glanbia Cheese as an asset held for sale and ceased to apply the equity method of accounting to its interest in Glanbia Cheese from this date (note 17). The transaction allowed the Group to focus on its core better nutrition strategy and to allocate further capital to its global growth businesses.

The sale was completed on 28 April 2023 for an initial cash consideration of \$125.2 million (€114.0 million) and repayment of \$71.3 million (€64.9 million) of shareholder loans. The gain of \$60.3 million on disposal of Glanbia Cheese (included in net exceptional gain on disposal/exit of operations (note 6)) is based on the \$125.2 million received less working capital adjustments of \$1.8 million, carrying amount of the asset held for sale at 28 April 2023 of \$52.2 million, costs of \$2.8 million, and associated cumulative debit amounts recognised in other comprehensive income of \$8.1 million that were reclassified to the Group income statement.

The assets and liabilities held for sale at 31 December 2022 related to the non-core assets of a small US based bottling facility (Aseptic Solutions). Following the completion of a strategic portfolio review, these assets and related liabilities which were part of the Glanbia Nutritionals segment were determined to be non-core and a decision was made to divest of them, resulting in the designation as held for sale at 2022 year end. The divestment was completed on 6 March 2023. The gain on disposal of \$0.4 million (included in net exceptional gain on disposal/exit of operations (note 6)) is based on \$11.2 million consideration, less the carrying amount of the net assets held for sale of \$9.3 million on the date of the transaction and costs associated with the transaction of \$1.5 million.

Assets and liabilities held for sale at 31 December 2022 relate to:

	Notes	2022 \$m
Property, plant and equipment	14	10.1
Right-of-use assets	15	2.7
Inventories		2.4
Assets held for sale		15.2
Lease liabilities		(6.7)
Liabilities held for sale		(6.7)

The above divestments are not regarded as discontinued operations as they were not considered to be either separate major lines of business or geographical areas of operations.

Discontinued operations

The profit from discontinued operations in the prior year relates to the disposal of Tirlán Limited on 1 April 2022. The gain of \$60.3 million (note 6) is based on the \$339.3 million received, less the carrying amount of the asset held for sale of \$265.0 million and costs associated with the transaction of \$14.0 million. As part of the terms of the disposal, the Company paid Tirlán Limited a contribution of \$8.8 million in 2022 related to pension obligations, separation and rebranding costs and an additional \$1.7 million in the current year for the re-imbursment of rebranding costs. The charge in the current year of \$3.2 million (note 6) relates to the crystallisation of certain contingent costs associated with the divestment transaction following the conclusion of negotiations on separation of the common infrastructure of both organisations.

Notes to the financial statements continued

34. Business combinations

On 2 October 2023 Glanbia acquired the B2B bioactive ingredients business of PanTheryx, Inc. ("PanTheryx"), a US based health and nutrition business*. The acquisition builds on Glanbia Nutritionals' strategic capabilities and will complement the existing ingredient technology portfolio of Nutritional Solutions providing a wider breadth of technical capabilities to support its customers. The provisional amount of unallocated goodwill relates to the acquired workforce, the expectation that the business will give rise to synergies across the Glanbia Nutritionals segment, will generate future sales beyond the existing customer base, as well as the opportunity to expand the business into new markets, where there are no existing customers, and further builds on our offering in bioactive solutions in Nutritional Solutions. Goodwill of \$11.4 million is expected to be deductible for tax purposes.

Details of the net assets acquired and goodwill arising from the acquisition are as follows:

	Notes	Total \$m
Cash consideration		45.1
Less: fair value of net assets acquired		(33.7)
Goodwill	16	11.4

* Glanbia acquired a group of assets and liabilities which constituted a business. Accordingly, the transaction is accounted for using acquisition accounting.

The fair value of assets and liabilities arising from the acquisition are as follows:

Property, plant and equipment	14	11.4
Right-of-use assets	15	1.2
Intangible assets – customer relationships	16	4.5
Intangible assets – recipes and know-how	16	10.0
Intangible assets – trade names	16	3.3
Inventories	32(b)	5.6
Trade and other receivables	32(b)	2.4
Cash and cash equivalents	25	0.5
Trade and other payables	32(b)	(4.1)
Lease liabilities	32(c)	(1.1)
Fair value of net assets acquired		33.7

Due to the proximity of the date of the acquisition to the reporting date, completion accounts have not been formally agreed between the purchaser and seller at the date of approving the financial statements. Accordingly, the initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis. In addition, management will need to finalise the valuation exercise undertaken by the Group's external valuation specialist relating to the acquisition. It is therefore possible the final amounts for the assets and liabilities may differ from the provisional values. Any amendments to these fair values within the 12 month timeframe from the date of acquisition will be disclosed in the 2024 interim financial statements.

The fair value of PanTheryx's trade and other receivables at the acquisition date amounted to \$2.4 million. The gross contractual amount for receivables due is \$2.2 million, of which \$0.2 million is expected to be uncollectible. Acquisition-related costs of \$1.0 million incurred primarily on professional fees are included in administrative expenses.

PanTheryx contributed \$4.0 million of revenues and \$(0.2) million of profit before taxation and exceptional items for the period from the date of acquisition to the reporting date. If the acquisition of PanTheryx had occurred on 1 January 2023, pro-forma Group revenue and Group profit before taxation and exceptional items for the year ended 30 December 2023 would have been \$5,442.5 million and \$346.8 million respectively.

In 2022, the Group acquired Sterling Technology, LLC ("Sterling"). Refer to 2022 Annual Report for details of the Sterling acquisition. During the year, the Group paid the former owners of Sterling an earnout of \$26.8 million (note 29(b)).

35. Related party transactions

Related parties of the Group include subsidiary undertakings, joint ventures, Tirlán Co-operative Society Limited (formerly Glanbia Co-operative Society Limited) (the "Society") and its subsidiaries ("Tirlán Co-operative Group"), Leprino Foods Company and key management personnel. A listing of the principal subsidiaries and joint ventures is provided in note 37.

Tirlán Co-operative Group holds 28.5% (2022: 27.7%) of the issued share capital of the Company. Tirlán Limited was a joint venture of the Group up to 1 April 2022. From 2 April 2022, Tirlán Limited became a wholly owned subsidiary of the Society and also an other related party to the Group. Accordingly transactions with Tirlán Limited before 2 April 2022 and from 2 April 2022 were included within "Transactions with joint ventures" and "Transactions with Tirlán Co-operative Group" respectively.

Refer to note 33 for the disposal of Glanbia Cheese, which were joint ventures of the Group up to 28 April 2023. From 29 April 2023, they became other related parties to the Group. Accordingly transactions with them before and after the disposal are included within "Transactions with joint ventures" and "Transactions with Leprino Foods" respectively.

Details of related party transactions are as follows:

	2023 \$m	2022 \$m
Transactions with joint ventures¹		
Dividends received ²	32.0	15.2
Sales of goods	–	0.2
Sales of services	12.8	22.3
Purchases of services	0.1	–
Purchases of goods	1,806.9	2,141.6
Loans advanced to Glanbia Cheese ³	3.5	49.5
Repayment of loans advanced by Glanbia Cheese (2022: Tirlán Limited) ³	71.3	30.3
Transactions with Tirlán Co-operative Group⁴		
Dividends received	–	0.1
Dividends paid	27.4	28.1
Sales of goods	0.5	0.5
Sales of services	32.4	30.0
Purchases of services	0.8	0.3
Purchases of goods	61.3	82.9
Transactions with Leprino Foods¹		
Sales of services	2.0	–

- The Group trades in the normal course of business with its joint ventures and Leprino Foods and provides management and administrative services to them.
- \$4.5 million (2022: \$2.7 million) relates to Glanbia Cheese.
- \$0.7 million of interest was capitalised during the year (2022: \$0.9 million). There were no loans receivable from Glanbia Cheese as at 30 December 2023 (2022: \$65.6 million). The balance decreased to nil due to a loan repayment of \$71.3 million which was offset by loan advanced of \$3.5 million and exchange differences gain of \$2.2 million during the current year.
- The Group provides management and administrative services to the Society and is headquartered in a premises owned by the Society.

Receivable from and payables to joint ventures and other related parties as at the balance sheet date are included as separate line items in notes 19 and 28. The outstanding balances included in receivables and payables at the balance sheet date in respect of transactions with related parties are unsecured, interest free and settlement arises in cash. No guarantees have been given or received in relation to related party receivables and payables. There were no loans to joint ventures outstanding at 30 December 2023. In the prior year, loans of \$65.6 million (note 30 (c)) were advanced at arm's length with interest accruing and, in general, paid to the Group at predetermined intervals.

Key management personnel

The Board of Directors and Glanbia Operating Executive are deemed to be key management personnel for the purposes of IAS 24 as they are responsible for planning, directing and controlling the activities of the Group. Key management personnel remuneration amounted to:

	2023 \$m	2022 \$m
Salaries and other short-term employee benefits	9.2	9.5
Post-employment benefits	0.9	1.2
Share-based payment expense	10.3	9.1
Non-Executive Directors fees	1.4	1.2
	21.8	21.0

Dividends totalling \$0.4 million (2022: \$0.3 million) were received by key management personnel during the year, based on their personal shareholdings in Glanbia plc. The Group through Employee Benefit Trusts reacquired Company shares from key management personnel; the total number reacquired was 198,201 ordinary shares at an average price of €13.97 per share (2022: 59,484 ordinary shares at an average price of €11.04 per share).

Notes to the financial statements continued

35. Related party transactions continued

Retirement benefits of \$0.3 million (2022: \$0.3 million) were accrued in the year to two members of key management (2022: two) under a post retirement defined benefit plan. Total retirement benefits accrued to key management under the post retirement defined benefit plan are \$5.9 million (2022: \$5.4 million).

36. Events after the reporting period

See note 13 for the final dividend, recommended by the Directors. Subject to shareholder approval, this dividend will be paid on 3 May 2024 to shareholders on the register of members on 22 March 2024, the record date.

37. Principal subsidiaries and joint ventures

The information outlined in section (a) below relates only to the principal undertakings in the Group at the reporting date. The Group has availed of the exemption under section 316 of the Companies Act 2014. The information required under section 314 of the Companies Act 2014 (including a full listing of subsidiaries and joint venture undertakings) will be annexed to the Company's Annual Return to be filed in the Companies Registration Office in Ireland. All beneficial interests are in ordinary shares, membership interests or membership units. All Group entities are wholly owned subsidiaries, unless otherwise stated.

(a) Subsidiaries

Incorporated and operating in	Principal activity	Registered office	
Ireland	Alanfield Society Limited	Holding society	1
	Glanbia AP Designated Activity Company (formerly known as Avonmore Proteins Designated Activity Company)	Financing	1
	Glanbia Cheesip Limited	Research and development	1
	Glanbia Estates Limited	Property and land dealing	1
	Glanbia Finance International Designated Activity Company	Financing	1
	Glanbia Financial Services Unlimited Company	Financing	1
	Glanbia GNPN Holding Limited	Holding company	1
	Glanbia Holdfin Limited	Holding company	1
	Glanbia Investchip Limited	Holding and managing receivables	1
	Glanbia Investment Holding Limited	Holding company	1
	Glanbia Management Services Limited	Management and general business services	1
	Glanbia Nutritionals Limited	Nutritional ingredients	1
	Glanbia Performance Nutrition Limited	Performance nutrition	1
	Glanbia Property Holding Designated Activity Company	Holding company	1
	Glanbia Property Rentals Designated Activity Company	Property lessor	1
	Glanbia Support Services Limited	Holding company	1
	Glanbia SMP Limited (formerly known as Avonmore Skim Milk Products Limited)	Holding company	1
	Glassonby Unlimited Company	Financing	1
	Waterford Foods Designated Activity Company	Holding company	1
	United States of America	APS BioGroup, Inc. ³	Bioactive solutions
Foodarom USA, Inc.		Flavour solutions	2
Glanbia Business Services, Inc.		Business services	2
Glanbia (Delaware), Inc.		Holding company	2
Glanbia Foods, Inc.		Cheese and nutritional ingredients	3
Glanbia, Inc.		Holding company	2
Glanbia Nutritionals (NA), Inc.		Nutritional ingredients	2
Glanbia Nutritionals, Inc.		Nutritional ingredients	2
Glanbia Nutritionals Services, LLC		Management services (nutritional ingredients)	2
Glanbia Performance Nutrition (Manufacturing), Inc.		Performance nutrition	2
Glanbia Performance Nutrition (NA), Inc.		Performance nutrition	4
GPN Commercial, LLC		Performance nutrition	2

Incorporated and operating in	Principal activity	Registered office	
	GPN SlimFast Commercial, LLC	Weight management solutions	2
	Grass Advantage, LLC	Performance nutrition	2
	KSF Acquisition Corporation	Weight management solutions	2
	La Belle Associates, Inc. ³	Bioactive solutions	2
	PacMoore Process Technologies, LLC	Nutritional ingredients	2
	Sterling Technology, LLC	Bioactive solutions	2
Britain and Northern Ireland	Glanbia Milk Limited	Management services	5
	Glanbia Performance Nutrition (UK) Limited	Performance nutrition	5
	Glanbia Performance Nutrition (UK Sales Division) Limited	Performance nutrition	5
	Glanbia (UK) Limited	Holding company	5
Australia	Glanbia Performance Nutrition Pty Ltd	Performance nutrition	6
Brazil	Glanbia Marketing de Produtos de Nutrição e Performance do Brasil Ltda ¹	Performance nutrition	7
	Glanbia Nutricional Solucoes Brasil Ltda ¹	Nutritional ingredients	8
Canada	Foodarom Group Inc. ¹	Flavours solutions	9
	Glanbia Nutritionals (Canada) Inc. ¹	Nutritional ingredients	9
	Glanbia Performance Nutrition Canada Inc. ¹	Performance nutrition	9
China	Glanbia Nutritionals (Suzhou) Co., Ltd. ¹	Nutritional ingredients	10
	Glanbia Performance Nutrition Trading (Shanghai) Co., Ltd. ¹	Performance nutrition	11
	Glanbia (Shanghai) International Trading Co., Ltd. ¹	Nutritional ingredients	12
Denmark	Nutramino Int. ApS ¹	Performance nutrition	13
France	Glanbia Performance Nutrition France SAS ¹	Performance nutrition	14
Germany	Body & Fit Nutrition GmbH ¹	Performance nutrition	15
	Foodarom Germany GmbH ^{1,5}	Flavours solutions	16
	Glanbia Nutritionals Deutschland GmbH ¹	Nutritional ingredients	16
	Glanbia Performance Nutrition GmbH ¹	Performance nutrition	17
	LevUp GmbH ^{1,4}	Performance nutrition	18
India	Glanbia India Private Limited ²	Nutritional ingredients	19
	Glanbia Performance Nutrition (India) Private Limited ²	Performance nutrition	20
Italy	Glanbia Nutritionals Italia Srl	Performance nutrition	21
Japan	Glanbia Japan K.K. ¹	Nutritional ingredients	22
Korea (Republic of)	Glanbia Performance Nutrition Korea, LLC ¹	Performance nutrition	23
Malta	Glanbia Maltfin Limited ^{1,6}	Financing	24
Mexico	Glanbia, S.A. de C.V. ¹	Nutritional ingredients	25
	Glanbia Performance Nutrition S.A. de C.V. ¹	Performance nutrition	26
Netherlands	Body & Fit Sportsnutrition B.V. ¹	Performance nutrition	27
	Glanbia Foods B.V. ¹	Holding company	28
New Zealand	Glanbia Performance Nutrition (New Zealand) Limited ¹	Performance nutrition	29
Philippines	Glanbia Performance Nutrition Philippines, Inc. ¹	Performance nutrition	30
Portugal	Glanbia Nutritionals (Portugal), Sociedade Unipessoal Lda. ¹	Performance nutrition	31
Russian Federation	LLC Glanbia ¹	Nutritional ingredients	32
Singapore	Glanbia Nutritionals Singapore Pte Limited	Nutritional ingredients	33
	Glanbia Performance Nutrition Singapore Pte. Ltd	Performance nutrition	34
South Africa	Glanbia (Pty) Limited ¹	Nutritional ingredients	35
Sweden	Nutramino AB ¹	Performance nutrition	36
United Arab Emirates	Glanbia Performance Nutrition DMCC ¹	Performance nutrition	37

Notes to the financial statements continued

37. Principal subsidiaries and joint ventures continued

Incorporated and operating in	Principal activity	Registered office	
Uruguay	Glanbia (Uruguay Exports) SA ¹	Nutritional ingredients	38

- The statutory year end of these subsidiaries is fixed at 31 December each year to comply with statutory requirements.
- The statutory year end of these subsidiaries is 31 March, which coincides with the tax year in India.
- Incorporated in 2023.
- During 2023, the Group took control of the remaining 40% shareholdings in this subsidiary.
- Foodarom Germany GmbH had a branch at Via Santa Valeria 52, Seregno (MB), 20831, Italy, which was closed during 2023.
- Glanbia Maltfin Limited has a branch at 3500 Lacey Road, Downers Grove, IL 60515, United States.

The Group has no significant restrictions in relation to its ability to access or use the assets and settle the liabilities of its subsidiaries.

(b) Joint ventures

Incorporated and operating in	Principal activity ¹	Registered office	
United States of America	MWC-Southwest Holdings LLC	Holding company of two cheese and nutritional ingredients companies	2

The Group has a 50% beneficial interest in MWC-Southwest Holdings LLC. Refer to note 17 for further details of this joint venture. The Group's interest in Glanbia Cheese Limited and Glanbia Cheese EU Limited was disposed of during 2023 (2022: Tirlán Limited) (note 33). The Group's interests in joint ventures are subject to certain restrictions, however these are not material.

Registered office

- Glanbia House, Kilkenny, Ireland, R95 E866
- 1521 Concord Pike, Suite 201, New Castle, Delaware, Wilmington 19803, United States
- 950 W Bannock Street 1100, Boise, ID83702, Ada County, United States
- 801 US Highway, 1 North Palm Beach, FL 33408, United States
- 2 North Park Road, Harrogate, HG1 5PA, United Kingdom
- Level 10, 68 Pitt Street, Sydney NSW 2000, Australia
- Rua Funchal, no. 411, 4th floor, suite 43 - room 36, Vila Olímpia, São Paulo, SP-04551-060, Brazil
- Rua Funchal, no. 411, 4th floor, suite 43 - mailbox 01, Vila Olímpia, São Paulo, SP-04551-060, Brazil
- 1700-242 Hargrave Street, Winnipeg MB, R3C 0V1, Canada
- No. 128 Fangzong Street SIP, Suzhou, Jiangsu Province, PRC 215025, China
- Unit 01, 03-D, Nominal Floor 6 (Actual Floor 6), Office Building C, No. 610, Xujiahui Road, Huangpu District, Shanghai, China
- Room 228, 2/F, Building 1, No. 239, Gang'ao Road, Shanghai New Free Trade Zone, China
- Nybrogade 12, København K, 1203, Denmark
- 8, Avenue Hoche, 75008, Paris, France
- Hohenstaufenring 62, 50674, Köln, Germany
- Gewerbestrasse 3, 78359 Orsingen – Nenzingen, Germany
- Mainzer Landstraße 41, 60329, Frankfurt am Main, Germany
- Hans Böckler Straße 10a, 37079, Göttingen, Germany
- Ground Floor, No. 12/47, 7th Cross, Swimming Pool Extension, Malleshwaram, Bangalore KA, 560003, India
- Allied House, Nelson Mandela Marg Pocket 10, Sector B, Vasant Kunj, New Delhi, DL110070, India
- Via Santa Valeria 52, Seregno (MB), 20831, Italy
- Level 18 Yebisu Garden Place, Tower 4-20-3, Ebisu Shibuya-ku, Tokyo, Japan
- Room 305, 3rd floor, 501 Teheran-ro, Gangnam-gu, Seoul, Republic of Korea
- Vision Exchange Building, Level 2, Triq it-Territorjals, Zone 1, Central Business District, Birkirkara, CBD 1070, Malta
- Av. Prolongación Paseo de la Reforma No. 115-1006, Col. Paseo de las Lomas, C.P. 01330, Mexico
- BLVD. Puerta de Hierro, 5153 Piso 2 INT 259 Col. Plaza Andares, Mexico
- Mars 10, 8448CP, Heerenveen, Netherlands
- Herikerbergweg 88, 1101 CM Amsterdam, Netherlands
- C/-Martelli Mckegg, Level 20, HSBC Tower, 188 Quay Street, Auckland, 1010, New Zealand
- 146 Yakal Street, San Antonio Village, Makati City 1203, Philippines
- Calçada Nova de São Francisco, n.º 10, 1.º andar, 1200-300, Lisboa, Portugal
- 6 Vernadskogo prospect, Office 614, 119311, Moscow, Russian Federation
- Helios, #03-03/04, 11 Biopolis Way, Singapore, 138667, Singapore
- 300 Beach Road, #35-06/07, The Concourse, 199555, Singapore
- Stand 893, 7 Forbes Street, Midstream Estate – Windsor Gate, Brakfontein Road, Guateng, South Africa, 2192, South Africa
- Ostermalinstorg 1, 4 tr, 114 42, Stockholm, Sweden
- Unit No: One JLT, Plot No: DMCC-EZ1-1AB, Jumeirah Lakes Towers, Dubai, United Arab Emirates
- Copacabana Street, Block 26 – S 12, Médanos de Solymar City, Canelones, Uruguay

Company balance sheet

as at 30 December 2023

	Notes	30 December 2023 €m	31 December 2022 €m
ASSETS			
Non-current assets			
Investments in subsidiaries	2	581.6	581.6
Other financial assets	3	1.8	1.6
Deferred tax assets		0.1	0.2
		583.5	583.4
Current assets			
Trade and other receivables	4	5.0	10.8
Cash at bank and in hand		13.1	10.9
		18.1	21.7
Total assets		601.6	605.1
EQUITY			
Issued capital and reserves attributable to equity holders of the Company			
Share capital and share premium	5	459.0	459.4
Other reserves		4.3	12.1
Retained earnings		64.7	74.8
Total equity		528.0	546.3
LIABILITIES			
Current liabilities			
Bank overdraft		25.2	2.6
Provisions		0.6	0.6
Trade and other payables	6	47.8	55.6
Total liabilities		73.6	58.8
Total equity and liabilities		601.6	605.1

As permitted by section 304 of the Companies Act 2014, the Company is availing of the exemption from presenting its separate profit and loss account in these financial statements and from filing it with the Registrar of Companies. The profit for the year dealt with in the financial statements of the Company amounts to €185.1 million (2022: €236.0 million).

On behalf of the Board

Donard Gaynor
Directors

Hugh McGuire

Mark Garvey

27 February 2024

Company statement of changes in equity for the financial year ended 30 December 2023

	Share capital and share premium €m (note 5)	Other reserves				Retained earnings €m	Total Equity €m
		Capital reserve €m	Own shares €m	Share-based payment reserve €m	FVOCI reserve €m		
Balance at 1 January 2023	459.4	5.7	(20.7)	27.1	–	74.8	546.3
Profit for the year	–	–	–	–	–	185.1	185.1
Other comprehensive income							
– Revaluation – gross	–	–	–	–	0.3	–	0.3
– Deferred tax	–	–	–	–	(0.1)	–	(0.1)
Total comprehensive income for the year	–	–	–	–	0.2	185.1	185.3
Dividends	–	–	–	–	–	(89.8)	(89.8)
Purchase of own shares	–	–	(136.5)	–	–	–	(136.5)
Cancellation of own shares	(0.4)	0.4	100.1	–	–	(100.1)	–
Cost of share-based payments	–	–	–	22.7	–	–	22.7
Transfer on exercise, vesting or expiry of share-based payments	–	–	22.0	(16.7)	–	(5.3)	–
Total contributions by and distributions to owners	(0.4)	0.4	(14.4)	6.0	–	(195.2)	(203.6)
Balance at 30 December 2023	459.0	6.1	(35.1)	33.1	0.2	64.7	528.0
At 2 January 2022	460.3	4.8	(6.4)	19.3	(0.4)	94.8	572.4
Profit for the year	–	–	–	–	–	236.0	236.0
Other comprehensive income							
– Revaluation – gross	–	–	–	–	0.6	–	0.6
– Deferred tax	–	–	–	–	(0.2)	–	(0.2)
Total comprehensive income for the year	–	–	–	–	0.4	236.0	236.4
Dividends	–	–	–	–	–	(84.4)	(84.4)
Purchase of own shares	–	–	(196.9)	–	–	–	(196.9)
Cancellation of own shares	(0.9)	0.9	173.5	–	–	(173.5)	–
Cost of share-based payments	–	–	–	18.8	–	–	18.8
Transfer on exercise, vesting or expiry of share-based payments	–	–	9.1	(11.0)	–	1.9	–
Total contributions by and distributions to owners	(0.9)	0.9	(14.3)	7.8	–	(256.0)	(262.5)
At 31 December 2022	459.4	5.7	(20.7)	27.1	–	74.8	546.3

Refer to note 23 of the Group financial statements for a description of the individual components in other reserves.

Notes to the Company financial statements

for the financial year ended 30 December 2023

1. Accounting policies

Basis of preparation

Glanbia plc (the "Company") is a public limited company incorporated and domiciled in Ireland, the number under which it is registered is 129933. The address of its registered office is Glanbia House, Kilkenny, Ireland, R95 E866.

These financial statements are prepared for the 52-week period ended 30 December 2023. Comparatives are for the 52-week period ended 31 December 2022. The balance sheets for 2023 and 2022 have been drawn up as at 30 December 2023 and 31 December 2022 respectively. The financial statements were approved and authorised for issue by the Board of Directors on 27 February 2024.

The financial statements have been prepared under the historical cost convention, as modified by use of fair values for certain other financial assets, and comply with the Companies Act 2014 and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a Cash Flow Statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRS; and
- disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of the Company and its subsidiaries include the equivalent disclosures, the Company has also availed of the following disclosure exemptions under FRS 101:

- IFRS 2 Share Based Payments in respect of group settled share based payments; and
- certain disclosures required by IAS 12 Income Taxes, IFRS 13 Fair Value Measurement and IFRS 7 Financial Instrument Disclosures.

The financial statements have been prepared in euro and presented in millions. The material accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The Company is in a net current liabilities position at 30 December 2023. The Company and its subsidiaries (the "Group") is profit-making and cash generative, having made a profit after tax of \$344.5 million and net cash inflow from operating activities was \$427.8 million in 2023. The Company made a profit of €185.1 million in 2023 (2022: €236.0 million). The Group expects to continue to be profitable and cash generative for at least 12 months from the date of approval of these financial statements based on approved budgets and strategic plans. The Company has control over its subsidiaries, it can therefore direct its subsidiary entities to distribute or make available funds to the parent company to ensure that the Company can repay its creditors as they fall due. The Directors have a reasonable expectation that these funds will be available within the Group based on current budgets and strategic plans. Accordingly, the financial statements of the Company for the financial year ended 30 December 2023 have been prepared on a going concern basis.

Investments in subsidiaries

Investments in subsidiaries are held at cost less, if any, accumulated impairment. The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. When the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount. In the opinion of the Directors the shares in the subsidiaries are worth at least the amounts at which they are stated on the balance sheet.

Other financial assets

The Company classifies and initially measures its investments in equity instruments at fair value and are subsequently adjusted to fair value at each reporting date. If the market for a financial asset is not active or unquoted, the Company establishes fair value using valuation techniques. The investment in The BDO Development Capital Fund is fair valued by reference to the latest quarterly report available to the limited partners. Changes in their fair value are recognised in the profit and loss account unless management has elected to present changes in fair value through other comprehensive income ("FVOCI") on an investment by investment basis. When an election is made for an investment, there is no subsequent reclassification of fair value gains and losses related to the investment to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss when the Company's right to receive payments is established.

Financial assets are derecognised when the rights to receive cash flows from financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Trade and other receivables and payables

Receivables and payables are recognised initially at fair value except trade receivables that do not contain significant financing components which are recognised at transaction price. They are subsequently measured at amortised cost using the effective interest method less any allowance for expected credit loss ("ECL") for receivables.

Notes to the Company financial statements continued

1. Accounting policies continued

Impairment

The Company applies the simplified approach under IFRS 9 to measure ECL which uses a lifetime expected loss allowance for all trade receivables. A loss allowance for receivables is estimated based on expected credit losses. To measure ECL, historical loss rates are calculated based on historical credit loss experience. The loss allowance based on historical loss rates is adjusted to reflect current information and forward-looking information on macroeconomic factors if there is evidence to suggest these factors will affect the ability of the counterparty to settle the receivables. Trade and other receivables are written off when there is no reasonable expectation of recovery such as a debtor failing to engage in a repayment plan with the Company.

The Company's intercompany receivables at 30 December 2023 amounted to €4.6 million (2022: €10.4 million). There is no material ECL in respect of intercompany receivables as at 30 December 2023 or 31 December 2022.

Cash at bank and in hand

Cash includes cash, in any currency, in hand or deposited with financial institutions repayable without penalty on notice of not more than 24 hours.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Repurchase of the Company's own equity instruments is recognised and deducted from equity with a transfer between the own shares reserve and retained earnings when they are cancelled. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Own shares

Where the Employee Share Trust and/or the Employee Share Scheme Trust (on behalf of the Company) purchases the Company's equity share capital, under the 2018 Long-term incentive plan, the 2019 Restricted share plan, and the Annual incentive deferred into shares scheme, the consideration paid is deducted from distributable reserves and classified as own shares until they are re-issued. Where such shares are re-issued, they are re-issued on a first-in, first-out basis and the proceeds from the re-issue of own shares are transferred from own shares to retained earnings.

Dividends

Dividends on ordinary shares to the Company's shareholders are recognised as a liability of the Company when approved by the Company's shareholders. Interim dividends are recognised when paid. Proposed dividends that are approved after the balance sheet date are not recognised as a liability but are disclosed in note 13 of the Group financial statements.

Borrowings

Borrowings are recognised initially at fair value and are subsequently stated at amortised cost.

Foreign currency translation

The functional and presentation currency of the Company is euro. Transactions in foreign currencies are translated at the rates of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into euro at the rates of exchange ruling at the balance sheet date, with a corresponding charge or credit to the profit and loss account.

Dividend income

Dividend income is recognised in the profit and loss account on the date the entity's right to receive payment is established.

Share-based payments

The Company operates equity settled share-based payment arrangements. The arrangements include a long-term incentive plan and a restricted share plan whereby share awards in the Company are granted to Executive Directors and senior management. The Company also operates an annual incentive scheme whereby a portion of the annual incentive will be settled by way of shares. The Company recharges the costs of these plans to its subsidiaries and the balances are settled in cash.

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity, respectively.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Current tax is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date in countries where the Company operates and generates taxable income, taking into account adjustments relating to prior years.

Deferred tax is determined using tax rates and laws enacted or substantively enacted by the reporting date. Deferred tax is provided on a non-discounted basis, using the balance sheet liability method, providing for temporary differences on the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to an equal taxable and deductible temporary differences. Deferred tax liabilities are not recognised to the extent they arise from the initial recognition of goodwill not having full tax basis. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Critical accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There were no critical accounting estimates or significant judgements used in the preparation of these financial statements for 2023.

2. Investments in subsidiaries

	2023 €m	2022 €m
At the beginning of the year	581.6	581.9
Disposals	–	(0.3)
At the end of the year	581.6	581.6

Details of the Company's principal subsidiaries are set out in note 37 of the Group financial statements.

3. Other financial assets

	2023 €m	2022 €m
At the beginning of the year	1.6	1.3
Additions	–	0.1
Disposals/redemption	(0.1)	(0.4)
Fair value adjustment	0.3	0.6
At the end of the year	1.8	1.6

Other financial assets at 30 December 2023 comprised equity instruments designated at FVOCI - €1.5 million (2022: €1.3 million) and €0.3 million (2022: €0.3 million) in The BDO Development Capital Fund and Farmer Business Development plc respectively.

4. Trade and other receivables

	2023 €m	2022 €m
Amounts owed by subsidiaries	4.6	10.4
Amounts owed by Tirlán Co-operative Society Limited*	–	0.1
Prepayments	0.4	0.3
	5.0	10.8

* formerly known as Glanbia Co-operative Society Limited (the "Society").

5. Share capital and share premium

At 30 December 2023, share capital and share premium were €15.9 million (2022: €16.3 million) and €443.1 million (2022: €443.1 million) respectively.

The movement in the share capital was due to cancellation of ordinary shares on the share buyback programme. The difference between the Company and Group share premium is due to the merger of Waterford Foods plc now named Waterford Foods DAC and Avonmore Foods plc now named Glanbia plc since 1997 and €0.2 million of issuance of shares in 2021.

Notes to the Company financial statements continued

6. Trade and other payables

	2023 €m	2022 €m
Amounts owed to subsidiaries	33.3	41.3
Accruals	14.5	14.3
	47.8	55.6

7. Contingent liabilities

Any Irish registered wholly-owned subsidiary of the Company may avail of the exemption from filing its statutory financial statements for the year ended 30 December 2023 as permitted by section 357 of the Companies Act 2014 and if an Irish registered wholly-owned subsidiary of the Company elects to avail of this exemption, there will be in force an irrevocable guarantee from the Company in respect of all commitments entered into by such wholly-owned subsidiary, including amounts shown as liabilities (within the meaning of section 357 (1) (b) of the Companies Act 2014) in such wholly-owned subsidiary's statutory financial statements for the year ended 30 December 2023.

Within the scope of benefitting from the exemption related to the filing of the statutory financial statements for the financial year ended 31 December 2023 of Glanbia Foods B.V., the Company has guaranteed the liabilities ensuing from legal acts performed by this subsidiary, including all existing and future debts arising from legal acts performed by the subsidiary from 1 January 2023, but also from legal acts performed previously, in accordance with and to the extent as set out in section 2:403.1(b and f) of the Dutch Civil Code. Therefore Glanbia Foods B.V. is exempt from the obligation to publish its statutory financial statements and its obligations to file statutory financial statements has been fulfilled by means of the publication of the declaration of consent and the declaration of liability.

Within the scope of benefitting from the exemption related to the filing of the statutory financial statements for the financial year ended 31 December 2023 of the Luxembourg subsidiary, Glanbia Luxembourg SA, the Company has guaranteed the liabilities of this subsidiary in respect of any losses or liabilities (as provided by Article 70 (c) of the Luxembourg Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings) for the financial year ended on 31 December 2023. This subsidiary avails of the exemption from filing of their statutory financial statements, as permitted by Article 70 of the Luxembourg Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings.

The Group's financial liabilities are guaranteed by the company. Expected credit loss allowance in relation to these guarantees is not material.

8. Related party transactions

During 2023, dividends of €25.3 million (2022: €26.7 million) were paid to the Society and its wholly owned subsidiaries based on their shareholding in the Company. Non-Executive Directors fees of nil (2022: €0.2 million) were recharged from the Company to the Society during 2023.

9. Statutory information

The following table discloses the fees paid or payable to Deloitte Ireland LLP, the statutory auditor:

	2023 €m	2022 €m
Statutory audit*	–	–
Other assurance services – audit of the Group financial statements	1.2	1.1
Tax advisory services	–	–
Other non-audit services	–	–
	1.2	1.1

* The audit fee for the Company is €45,000 (2022: €40,000).

Directors' remuneration is disclosed in the Remuneration Committee Report on pages 126 to 149 and in note 35 of the Group financial statements.

10. Events after the reporting period

Refer to note 36 of the Group financial statements.

Other Information

Glossary of non-IFRS performance measures

The Group reports certain performance measures including key performance indicators that are not defined under IFRS but which represent additional measures used by the Board of Directors and the Glanbia Operating Executive in assessing performance and for reporting both internally and to shareholders and other external users. The Group believes that the presentation of these non-IFRS performance measures provides useful supplemental information which, when viewed in conjunction with our IFRS financial information, provides readers with a more meaningful understanding of the underlying financial and operating performance of the Group.

These non-IFRS performance measures may not be uniformly defined by all companies and accordingly they may not be directly comparable with similarly titled measures and disclosures by other companies. None of these non-IFRS performance measures should be considered as an alternative to financial measures drawn up in accordance with IFRS.

The principal non-IFRS performance measures used by the Group are defined below with a reconciliation of these measures to IFRS measures where applicable. Please note where referenced "GIS" refers to Group income statement, "GBS" refers to Group balance sheet, and "GSCF" refers to Group statement of cash flows. EBITA and EBITDA references throughout the annual report are on a pre-exceptional basis unless otherwise indicated.

The sequencing of the non-IFRS performance measures has been changed in the current year such that related measures are grouped together. 2022 financial information has been restated throughout for presentation in US Dollar. See note 2 of the Group financial statements for further details.

G 1. Revenue

Revenue comprises sales of goods and services to external customers net of value added tax, rebates and discounts.

	Reference	2023 Reported \$m	2022 Reported \$m	2022 Constant currency \$m	Constant currency revenue growth (G 2) %	Like-for-like revenue growth (G 3) %
Nutritional Solutions	Note 4	1,008.5	1,186.8	1,185.5	(14.9%)	(12.3%)
US Cheese	Note 4	2,621.3	3,044.4	3,044.4	(13.9%)	(13.9%)
Glanbia Nutritionals	Note 4	3,629.8	4,231.2	4,229.9	(14.2%)	(13.4%)
GPN Americas	Note 4	1,166.7	1,156.6	1,156.0	0.9%	0.9%
GPN International (including Direct-to-Consumer)	Note 4	628.9	555.9	557.4	12.8%	12.8%
Glanbia Performance Nutrition	Note 4	1,795.6	1,712.5	1,713.4	4.8%	4.8%
Revenue	Note 5	5,425.4	5,943.7	5,943.3	(8.7%)	(8.2%)

G 2. Volume and pricing increase/(decrease)

Volume increase/(decrease) represents the impact of sales volumes within the revenue movement year-on-year, excluding volume from acquisitions and disposals and the impact of a 53rd week (when applicable), on a constant currency basis.

Pricing increase/(decrease) represents the impact of sales pricing (including trade spend) within revenue movement year-on-year, excluding acquisitions and disposals, on a constant currency basis.

Reconciliation of volume and pricing increase/(decrease) to constant currency revenue growth:

	Volume increase/ (decrease)	Price increase/ (decrease)	Acquisitions/ (disposals)	Constant currency revenue growth (G 1)
Nutritional Solutions	(3.3%)	(9.0%)	(2.6%)	(14.9%)
US Cheese	0.7%	(14.6%)	–	(13.9%)
Glanbia Nutritionals	(0.4%)	(13.0%)	(0.8%)	(14.2%)
Glanbia Performance Nutrition	(0.6%)	5.4%	–	4.8%
2023 decrease % – revenue	(0.5%)	(7.7%)	(0.5%)	(8.7%)

G 3. Like-for-like revenue increase/(decrease)

GN and GPN like-for-like total revenue represents the sales increase/(decrease) year-on-year, excluding the incremental revenue contributions from current year and prior year acquisitions and disposals and the impact of a 53rd week (when applicable), on a constant currency basis.

GPN like-for-like branded revenue represents the sales increase/(decrease) year-on-year on branded sales, excluding the incremental revenue contributions from current year and prior year acquisitions and disposals and the impact of a 53rd week (when applicable), on a constant currency basis. Like-for-like branded revenue increase/(decrease) is one of the GPN segment's Key Performance Indicators. Like-for-like branded revenue increase/(decrease) is one of the performance conditions in Glanbia's Annual Incentive Plan for GPN Senior Management.

G 4. EBITDA (pre-exceptional)

EBITDA (pre-exceptional) is defined as earnings before interest, tax, depreciation (net of grant amortisation) and amortisation.

	Reference	2023 \$m	2022 \$m
EBITA (pre-exceptional)	G 5	424.0	365.7
Depreciation*	Note 5	69.4	71.1
EBITDA (pre-exceptional)	G 9.2, G 13	493.4	436.8

* Includes depreciation of property, plant and equipment of \$49.7 million (2022: \$51.3 million) and depreciation of right-of-use assets of \$19.7 million (2022: \$19.8 million).

G 5. EBITA (pre-exceptional)

EBITA (pre-exceptional) is defined as earnings before interest, tax and amortisation. Business Segment EBITA growth on a constant currency basis is one of the performance conditions in Glanbia's Annual Incentive Plan for Senior Management. Refer to note 5 of the Group financial statements for the reconciliation of EBITA (pre-exceptional) to IFRS measures.

	Reference	2023 Reported \$m	2022 Reported \$m	2022 Constant currency \$m	Constant currency growth %
Nutritional Solutions		126.2	135.0	134.5	(6.2%)
US Cheese		42.4	38.8	38.7	9.6%
Glanbia Nutritionals	Note 4	168.6	173.8	173.2	(2.7%)
Glanbia Performance Nutrition	Note 4	255.4	191.9	191.0	33.7%
EBITA (pre-exceptional)	Note 5	424.0	365.7	364.2	16.4%

G 6. EBITA margin % (pre-exceptional)

EBITA margin % (pre-exceptional) is defined as EBITA (pre-exceptional) as a percentage of revenue. Refer to G 1 and G 5 for revenue and EBITA (pre-exceptional) respectively.

Glossary of non-IFRS performance measures continued

G 7. Constant Currency Basic and Adjusted Earnings Per Share (“EPS”)

G 7.1 Constant Currency Basic EPS

Basic EPS is an IFRS measure and defined in note 12 of the Group financial statements. Basic EPS has also been calculated on a continuing basis in line with the presentation of continuing and discontinued operations in the GIS. (Loss)/profit after tax in this performance measure refers to the amount attributable to equity holders of the Company.

	Reference	2023 Reported \$m	2022 Reported \$m	2022 Constant currency \$m
Profit after tax	GIS	344.4	271.4	271.4
Loss/(profit) after tax – discontinued operations	GIS	3.2	(60.3)	(61.9)
Profit after tax – continuing operations	G 7.2	347.6	211.1	209.5
Weighted average number of ordinary shares in issue (thousands)	Note 12	266,548	275,761	275,761
Basic EPS (cent) – continuing operations	Note 12	130.41	76.55	75.95
Basic EPS (cent)	Note 12	129.21	98.40	98.39
Constant currency change – continuing operations		71.7%		
Constant currency change		31.3%		

G 7.2 Constant Currency Adjusted EPS

Adjusted EPS is defined as the profit after tax attributable to the equity holders of the Company, before exceptional items and intangible asset amortisation and impairment (excluding software amortisation), net of related tax, divided by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as own shares (see note 23). The Group believes that adjusted EPS provides useful information of underlying performance as it excludes exceptional items (net of related tax) that are not related to ongoing operational performance and intangible asset amortisation, which allows for comparability of companies that grow by acquisition to those that grow organically. Adjusted EPS has also been calculated on a continuing basis in line with the presentation of continuing and discontinued operations in the GIS.

Adjusted EPS growth on a constant currency basis is one of the performance conditions in Glanbia’s Annual Incentive Plan and in Glanbia’s Long-term Incentive Plan.

	Reference	2023 Reported \$m	2022 Reported \$m	2022 Constant currency \$m
Profit after tax from continuing operations	G 7.1	347.6	211.1	209.5
Exceptional (gain)/charge – continuing operations	GIS	(49.6)	37.7	37.6
Profit after tax from continuing operations (pre-exceptional)		298.0	248.8	247.1
Amortisation and impairment of intangible assets (excluding software amortisation) net of related tax of \$7.8 million (2022: \$8.4 million, 2022 constant currency: \$8.5 million) – continuing operations		52.1	53.4	53.4
Adjusted net income – continuing operations		350.1	302.2	300.5
(Loss)/profit after tax from discontinued operations	GIS	(3.2)	60.3	61.9
Exceptional charge/(credit) – discontinued operations	GIS	3.2	(60.3)	(61.9)
Profit from discontinued operations (pre-exceptional)	GIS	–	–	–
Adjusted net income		350.1	302.2	300.5
Weighted average number of ordinary shares in issue (thousands)	Note 12	266,548	275,761	275,761
Adjusted EPS (cent) – continuing operations		131.37	109.57	108.98
Adjusted EPS (cent)	G 16	131.37	109.57	108.98
Constant currency growth – continuing operations		20.5%		
Constant currency growth		20.5%		

G 8. Compound annual growth rate (“CAGR”)

The compound annual growth rate is the annual growth rate over a period of years. It is calculated on the basis that each year’s growth is compounded.

G 9. Financing Key Performance Indicators

G 9.1 Net debt

Net debt is calculated as current and non-current borrowings less cash and cash equivalents. Refer to note 25 of the Group financial statements for net debt at the end of the reporting period.

G 9.2 Net debt: adjusted EBITDA

Net debt: adjusted EBITDA is calculated as net debt at the end of the period divided by adjusted EBITDA. Adjusted EBITDA is calculated in accordance with lenders' facility agreements definitions which adjust EBITDA for items such as exceptional items, dividends received from related parties, acquisitions or disposals and to reverse the net impact on EBITDA as a result of adopting IFRS 16 "Leases". Adjusted EBITDA is a rolling 12 month measure (a period of 12 consecutive months determined on a rolling basis with a new 12 month period beginning on the first day of each month).

	Reference	2023 \$m	2022 \$m
Net debt	Note 25	248.7	490.0
EBITDA	G 4	493.4	436.8
Adjustments in line with lenders' facility agreements		6.8	(2.7)
Adjusted EBITDA		500.2	434.1
Net debt: adjusted EBITDA	Note 30(a)	0.50 times	1.13 times

G 9.3 Adjusted EBIT: adjusted net finance cost

Adjusted EBIT: adjusted net finance cost is calculated as earnings before interest and tax adjusted for the IFRS 16 "Leases" impact on operating profit plus dividends received from related parties divided by adjusted net finance cost. Adjusted net finance cost comprises finance costs plus borrowing costs capitalised into assets less adjustments including finance income/costs on remeasurements of call options and contingent consideration and interest expense on lease liabilities. Adjusted EBIT and adjusted net finance cost are rolling 12 month measures (a period of 12 consecutive months determined on a rolling basis with a new 12 month period beginning on the first day of each month).

	Reference	2023 \$m	2022 \$m
Operating profit	GIS	392.2	235.6
Exceptional (credit)/charge	GIS	(47.8)	51.0
Operating profit (pre-exceptional)	GIS	344.4	286.6
Dividends received from related parties	GSCF	32.0	15.3
IFRS 16 adjustment – interest expense on lease liabilities	Note 10	(2.7)	(2.7)
Adjusted EBIT		373.7	299.2
Net finance costs	Note 10	12.3	14.7
Adjustments		(2.5)	2.9
Adjusted net finance cost		9.8	17.6
Adjusted EBIT: adjusted net finance cost	Note 30(a)	38.1 times	17.0 times

G 10. Average interest rate

The average interest rate is defined as the annualised net finance costs (excluding capitalised borrowing costs, finance income/costs on remeasurements of call option and contingent consideration and interest expense on lease liabilities) divided by the average net debt during the reporting period.

Glossary of non-IFRS performance measures continued

G 11. Return on capital employed (“ROCE”)

ROCE is defined as the Group’s earnings before interest, and amortisation (net of related tax) plus the Group’s share of the results of joint ventures after interest and tax divided by capital employed. Capital employed comprises the sum of the Group’s total assets plus cumulative intangible asset amortisation and impairment less current liabilities and deferred tax liabilities excluding all borrowings and lease liabilities, retirement benefit assets, cash and acquisition related contingent consideration and contract options. It is calculated by taking the average of the relevant opening and closing balance sheet amounts. ROCE has also been calculated on a continuing basis in line with the presentation of continuing and discontinued operations in the GIS.

ROCE is one of the performance conditions in Glanbia’s Long-term Incentive Plan. See Remuneration Committee Report on pages 126 to 149 for more information.

	Reference	2023 \$m	2022 \$m
Operating profit (pre-exceptional)	G 9.3	344.4	286.6
Tax on operating profit		(48.2)	(35.8)
Amortisation and impairment of intangible assets net of related tax of \$12.7m (2022: \$12.2m) (pre-exceptional)		66.9	66.9
Share of results of joint ventures accounted for using the equity met (pre-exceptional)	GIS	12.5	16.3
Return – continuing operations		375.6	334.0
(Loss)/profit after tax from discontinued operations	GIS	(3.2)	60.3
Exceptional charge/(credit) – discontinued operations	GIS	3.2	(60.3)
Profit after tax from discontinued operations (pre-exceptional)	GIS	–	–
Return		375.6	334.0
Capital employed before adjustments	(a)	3,068.2	3,188.8
Adjustment for acquisitions	(b)	(23.4)	52.7
Adjustment for joint venture held for sale	(b)	(65.4)	(265.0)
Adjustment for disposal of assets held for sale	(b)	(9.8)	–
Capital employed after adjustments		2,969.6	2,976.5
Average capital employed – continuing operations		3,079.2	3,133.3
Average capital employed		3,079.2	3,133.3
Return on capital employed – continuing operations		12.2%	10.7%
Return on capital employed		12.2%	10.7%

(a) Capital employed before adjustments

	Reference	2023 \$m	2022 \$m
Total assets	GBS	3,799.1	4,117.2
Current liabilities	GBS	(880.5)	(1,188.0)
Deferred tax liabilities	GBS	(137.9)	(138.3)
Less: cash and cash equivalents	GBS	(413.7)	(467.9)
Less: current financial liabilities (borrowings)	GBS	108.9	275.4
Less: acquisition related liabilities	Note 28	–	27.0
Less: short term lease liabilities	GBS	20.1	19.0
Less: retirement benefit assets	GBS	(8.2)	(3.2)
Plus: accumulated amortisation and impairment	Note 16	580.4	547.6
Capital employed before adjustments		3,068.2	3,188.8

(b) Adjustment for acquisitions, joint ventures and assets held for sale

In years where the Group makes significant acquisitions or disposals, the ROCE calculation is adjusted appropriately, to ensure the acquisition or disposal are equally time apportioned in the numerator and the denominator. For information on acquisitions and assets held for sale, refer to notes 34 and 33 respectively.

G 12. Cash flow Key Performance Indicators

G 12.1 Operating cash flow

Operating cash flow is defined as EBITDA (pre-exceptional) net of business sustaining capital expenditure and working capital movements, excluding exceptional cash flows.

Reconciliation of operating cash flow to cash generated from operating activities before exceptional items:

	Reference	2023 \$m	2022 \$m
Cash generated from operating activities before exceptional items	GSCF	491.4	413.6
Less: business sustaining capital expenditure	G 20(b)	(22.5)	(20.4)
Non-cash items not adjusted in computing operating cash flow:			
– Cost of share-based payments	Note 32(a)	(24.5)	(19.8)
– Difference between pension charge and cash contributions	Note 32(a)	2.7	0.5
– Other items		(1.2)	0.4
Operating cash flow	G 13	445.9	374.3

G 12.2 Free cash flow

Free cash flow is calculated as the net cash flow in the year before the following items: strategic capital expenditure, dividends paid to Company shareholders, loans/investments in related parties, exceptional costs paid, payment for acquisition of subsidiaries, proceeds received on disposals, purchase of own shares under share buyback. Refer to G 12.1 and G 13 for the reconciliation of free cash flow to GSCF.

G 13. Summary cash flow

The summary cash flow is prepared on a different basis to the Group statement of cash flows and as such the reconciling items between EBITDA and net debt movement may differ from amounts presented in the Group statement of cash flows. The summary cash flow details movements in net debt while the Group statement of cash flow details movements in cash and cash equivalents. The reconciliations of various reconciling items in the summary cash flow to IFRS information are presented separately in G 20 for a clear presentation of information.

	Reference	2023 \$m	2022 \$m
EBITDA (pre-exceptional)	G 4	493.4	436.8
Movement in working capital (pre-exceptional)	G 20(a)	(25.0)	(42.1)
Business sustaining capital expenditure	G 20(b)	(22.5)	(20.4)
Operating cash flow	G 12.1	445.9	374.3
Net interest and tax paid	G 20(c)	(51.8)	(85.7)
Dividends received from related parties	GSCF	32.0	15.3
Payments of lease liabilities	GSCF	(19.9)	(17.4)
Other outflows	G 20(d)	(16.4)	(3.5)
Free cash flow		389.8	283.0
Strategic capital expenditure	G 20(b)	(51.7)	(52.1)
Dividends paid to Company shareholders	GSCF	(97.2)	(88.9)
Loans/investment in related parties	G 20(e)	67.8	(19.2)
Purchase of own shares under share buyback	G 20(f)	(108.7)	(182.8)
Exceptional cash paid	G 20(g)	(13.5)	(22.4)
Proceeds from sale of property, plant and equipment	GSCF	–	3.6
Acquisitions/disposals	G 20(h)	59.8	279.0
Net cash flow		246.3	200.2
Exchange translation	Note 25	(5.5)	(8.6)
Cash acquired on acquisition	Note 25	0.5	1.0
Net debt movement		241.3	192.6
Opening net debt	Note 25	(490.0)	(682.6)
Closing net debt	Note 25	(248.7)	(490.0)

G 14. Operating cash conversion

Operating cash conversion is defined as Operating Cash Flow divided by EBITDA (pre-exceptional). Cash conversion is a measure of the Group's ability to convert adjusted trading profits into cash and is an important metric in the Group's working capital management programme. The measure is a key element of Executive Director and senior management remuneration.

Glossary of non-IFRS performance measures continued

G 15. Effective tax rate

The effective tax rate is defined as the pre-exceptional income tax charge divided by the profit before tax less share of results of joint ventures.

	Reference	2023 \$m	2022 \$m
Profit before tax – continuing operations	GIS	392.4	237.4
Exceptional (credit)/charge	GIS	(47.8)	43.7
Profit before tax (pre-exceptional) – continuing operations	GIS	344.6	281.1
Less share of results of joint ventures (pre-exceptional)	GIS	(12.5)	(16.3)
		332.1	264.8
Income tax	GIS	44.7	27.1
Exceptional tax credit	GIS	1.8	6.0
Income tax (pre-exceptional)	GIS	46.5	33.1
Effective tax rate		14.0%	12.5%

G 16. Dividend payout ratio

Dividend payout ratio is defined as the US Dollar equivalent annual dividend per ordinary share divided by the Adjusted EPS. US Dollar equivalent dividend is based on the actual dividend recommendation/payment in Euro, retranslated to US Dollar at the average exchange rate in the year. The dividend payout ratio provides an indication of the value returned to shareholders relative to the Group's total earnings.

	Reference	2023	2022
Adjusted EPS	G 7.2	\$ 131.37c	\$ 109.57c
Dividend recommended/paid per ordinary share in Euro		€ 35.43c	€ 32.21c
Equivalent US Dollar dividend translated at average rate for the year		\$ 38.32c	\$ 33.93c
Dividend payout ratio		29.2%	31.0%

G 17. Total shareholder return (“TSR”)

TSR represents the change in the capital value of a listed quoted company over a period, plus dividends reinvested, expressed as a plus or minus percentage of the opening value. TSR is one of the performance conditions in Glanbia's Long-term Incentive Plan. See Remuneration Committee Report on pages 126 to 149 for more information.

G 18. Exceptional items

The definition of exceptional items and the analysis of exceptional items is disclosed in note 2 and note 6 of the Group financial statements respectively.

G 19. Constant currency

While the Group reports its results in US Dollar, it generates a proportion of its earnings in currencies other than US Dollar, in particular Euro. Constant currency reporting is used by the Group to eliminate the translational effect of foreign exchange on the Group's results. To arrive at the constant currency year-on-year change, the results for the prior year are retranslated using the average exchange rates for the current year and compared to the current year reported numbers. The principal average exchange rates used to translate results for 2023 and 2022 are outlined in note 2 of the Group financial statements.

G 20. Cash flow items

This section presents reconciliations of various reconciling items in the summary cash flow (G 13) to IFRS information.

(a) Movement in working capital

	Reference	2023 \$m	2022 \$m
Movement in working capital	Note 32(b)	(47.7)	(60.9)
Net write down of inventories (pre-exceptional)	Note 32(a)	18.4	14.3
Non-cash movement in allowance for impairment of receivables	Note 32(a)	(3.8)	0.4
Non-cash movement in provisions	Note 32(a)	7.4	1.0
Non-cash movement on cross currency swaps	Note 32(a)	0.7	2.7
Other reconciling items		-	0.4
Movement in working capital (pre-exceptional)	G 13	(25.0)	(42.1)

(b) Capital expenditure

Business sustaining capital expenditure: the Group defines business sustaining capital expenditure as the expenditure required to maintain/replace existing assets with a high proportion of expired useful life. This expenditure does not attract new customers or create the capacity for a bigger business. It enables the Group to keep operating at current throughput rates but also keep pace with regulatory and environmental changes as well as complying with new requirements from existing customers.

Strategic capital expenditure: the Group defines strategic capital expenditure as the expenditure required to facilitate growth and generate additional returns for the Group. This is generally expansionary expenditure beyond what is necessary to maintain the Group's current competitive position.

	Reference	2023 \$m	2022 \$m
Business sustaining capital expenditure	G 13	(22.5)	(20.4)
Strategic capital expenditure	G 13	(51.7)	(52.1)
Total capital expenditure		(74.2)	(72.5)

Reconciliation of capital expenditure to GSCF:

	Reference	2023 \$m	2022 \$m
Purchase of property, plant and equipment	GSCF	(42.0)	(33.4)
Purchase of intangible assets	GSCF	(32.2)	(39.1)
Total capital expenditure per the GSCF		(74.2)	(72.5)

(c) Net interest and tax paid

	Reference	2023 \$m	2022 \$m
Interest received	GSCF	10.7	1.6
Interest paid (including interest expense on lease liabilities)	GSCF	(22.0)	(24.4)
Tax paid	GSCF	(40.5)	(62.9)
Net interest and tax paid	G 13	(51.8)	(85.7)

(d) Other inflows/(outflows)

	Reference	2023 \$m	2022 \$m
Cost of share-based payments	Note 32(a)	24.5	19.8
Difference between pension charge and cash contributions	Note 32(a)	(2.7)	(0.5)
Loss on disposal of property, plant and equipment	Note 32(a)	1.2	0.4
Purchase of own shares by Employee Share (Scheme) Trust	Note 23(d)	(39.4)	(24.6)
Proceeds from disposals/redemption of FVOCI financial assets	GSCF	-	0.4
Proceeds on sale of shares held by subsidiary	GSCF	-	1.8
Non-cash movement on disposal of leases	Note 32(a)	-	(0.4)
Other reconciling items		-	(0.4)
Total other outflows	G 13	(16.4)	(3.5)

Glossary of non-IFRS performance measures continued

G 20. Cash flow items continued

(e) Loans/investments in related parties

	Reference	2023 \$m	2022 \$m
Loans advanced to Glanbia Cheese*	GSCF	(3.5)	(49.5)
Proceeds on repayment of loans advanced to Glanbia Cheese	GSCF	71.3	–
Proceeds on repayments of loans advanced to Tirlán Ltd	GSCF	–	30.3
Total loans/investments in related parties	G 13	67.8	(19.2)

* Comprised Glanbia Cheese Limited and Glanbia Cheese EU Limited (collectively referred to as “Glanbia Cheese”) which are now named Leprino Foods Limited and Leprino Foods EU Limited respectively (collectively referred to as “Leprino Foods”).

(f) Purchase of own shares

	Reference	2023 \$m	2022 \$m
Purchase of own shares under share buyback	G 13	(108.7)	(182.8)
Purchase of own shares by Employee Share (Scheme) Trust	G 20(d)	(39.4)	(24.6)
Total purchase of own shares	GSCF	(148.1)	(207.4)

(g) Exceptional cash paid

	Reference	2023 \$m	2022 \$m
Cash outflow related to exceptional items – operating activities	GSCF	(11.8)	(13.6)
Cash outflow related to exceptional items – investing activities	GSCF	(1.7)	(8.8)
Total exceptional cash paid	G 13	(13.5)	(22.4)

(h) Acquisitions/disposals

	Reference	2023 \$m	2022 \$m
Proceeds from disposal of Glanbia Cheese (exceptional)	GSCF	123.4	–
Proceeds from disposal of assets and liabilities held for sale (exceptional)	GSCF	8.6	–
Proceeds from disposal of Tirlán Ltd	GSCF	–	339.3
Payment for acquisition of subsidiaries	GSCF	(71.9)	(60.3)
Payment for acquisition of NCI	GSCF	(0.3)	–
Total acquisitions/disposals	G 13	59.8	279.0

Shareholder information

Stock exchange listings

The Company's shares are listed on the main market of the Euronext Dublin Stock Exchange as well as having a premium listing on the main market of the London Stock Exchange.

Managing your shareholding

Computershare Investor Services (Ireland) Limited ("Computershare") maintains the Company's register of members. Should a shareholder have any queries in respect of their shareholding, they should contact Computershare directly using the contact details provided below:

Contact details:

Computershare Investor Services (Ireland) Limited, 3100 Lake Drive, Citywest Business Campus, Dublin 24, Ireland. Telephone number 01 247 5349 (within Ireland), +353 1 247 5349 (outside Ireland), or by logging on to: www.investorcentre.com/ie/contactus.

	2023	2022
Share price data	€	€
Share price as at financial year end	14.91	11.92
Market capitalisation as at financial year end	3,952.2m	3,245.7m
Share price movements during the year:		
– high	16.04	13.00
– low	11.12	9.98

The current share price of Glanbia plc ordinary shares can be accessed at: <https://www.glanbia.com/investors/share-price-information/detailed-share-price>.

Shareholder analysis

Geographic Location*	Number of shares held	% of total
Institutional		
Ireland	158,396,192	59.8
North America	42,822,279	16.2
EU excluding Ireland	37,981,777	14.3
UK	23,037,610	8.7
Rest of World / Other**	2,833,675	1.0

* This represents a best estimate of the number of shares held by geographic locations at 30 December 2023.

** Rest of World / Other includes shareholders outside of the European Union, North America and the UK as well as shareholders below the geographical threshold.

■	Ireland - 59.8%
■	North America - 16.2%
■	EU excluding Ireland - 14.3%
■	UK - 8.7%
■	Rest of World / Other - 1%



Share capital

The authorised share capital of the Company at 30 December 2023 was 350,000,000 ordinary shares at €0.06 each. The issued share capital at 30 December 2023 was 265,071,533 ordinary shares of €0.06 each.

Shareholder information continued

Substantial Shareholdings

The table below details the major shareholdings (3% or more) in the Company's ordinary share capital that has been disclosed to the Company at 30 December 2023 and 20 February 2024 (the latest practicable date prior to the signing of the Financial Statements) in accordance with the requirements of Regulation 14 of the Transparency (Directive 2004/109/EC) Regulations 2007 and Rule 13 of the Central Bank (Investment Market Conduct) Rules 2019.

Shareholder	No. of ordinary shares as at 30 December 2023	% of issued share capital as at 30 December 2023
Tirlán Co-operative Society Limited	75,537,305	28.50
Franklin Mutual Advisors, LLC	10,776,688	4.07

Shareholder	No. of ordinary shares as at 20 February 2024	% of issued share capital as at 20 February 2024
Tirlán Co-operative Society Limited	75,537,305	28.50
Franklin Mutual Advisors, LLC	10,776,688	4.07

Employee share schemes

The Company operates a number of employee share schemes. At 30 December 2023, 2,368,126 ordinary shares were held in employee benefit trusts for the purpose of the Group's employee share schemes. While any shares in the Company are held by the Trustees, the Trustees shall refrain from exercising any voting rights which may attach to the shares save that if the beneficial interest in any share has been vested in any beneficiary the Trustees shall seek and comply with any direction from such beneficiary as to the exercise of voting rights attaching to such shares.

Dividend payments direct to your bank account

An interim dividend of 14.22 cent per share was paid in respect of ordinary shares on 6 October 2023.

Subject to shareholders' approval, a final dividend of 21.21 €cent per share will be paid in respect of ordinary shares on 03 May 2024 to shareholders on the register of members on 22 March 2024. All dividend payments will be made by direct credit transfer into a nominated bank or financial institution. If a shareholder has not provided their account details prior to the payment of the dividend, a shareholder will be sent the normal tax voucher advising a shareholder of the amount of their dividend and that the amount is being held because their direct credit transfer instructions had not been received in time. A shareholder's dividends will not accrue interest while they are held. Payment will be transferred to a shareholder's account as soon as possible on receipt of their direct credit transfer instructions. Historically, dividends were paid in sterling to shareholders whose address, according to the Company's share register, is in the UK (unless they have elected otherwise). On 15 March 2021 this structure changed and a default currency of euro is applied to all new shareholders who come on to the Company's share register, regardless of their registered address. Where an existing shareholder holds shares in certificated (i.e. paper) form and has previously received sterling because their registered address is in the UK or because they have previously elected to receive sterling, they will continue to receive sterling unless they elect otherwise. All other shareholders will from 15 March 2021 automatically be paid in euro unless a sterling currency election is made (including those shareholders who hold their shares in uncertificated (i.e. dematerialised) form).

Shareholders holding their shares via the central securities depository operated by Euroclear Bank or CREST will receive dividends electronically via such systems. To avail of these facilities, shareholders should follow the applicable rules and guidelines issued by the operators of these systems from time to time.

Irish Dividend Withholding Tax ("DWT") must be deducted from dividends paid by an Irish resident company, unless a shareholder is entitled to an exemption and has submitted a properly completed exemption form to the Company's Registrar. DWT is deducted at the standard rate of Income Tax (25%). Non-resident shareholders located in countries with a double tax treaty with Ireland and certain Irish companies, trusts, pension schemes, investment undertakings and charities may be entitled to claim exemption from DWT. Copies of the exemption form may be obtained from the Company's Registrar. Shareholders should note that DWT will be deducted from dividends in cases where a properly completed form has not been received by the market deadline for the dividend. Individuals who are resident in Ireland for tax purposes are not entitled to an exemption. If shares are held via Euroclear Bank or CREST, the owners of the shares will need to contact the intermediary through whom the shares are held in order to ascertain arrangements for tax relief to be applied at source.

Electronic copies of current and past annual and half-yearly reports can be downloaded from the Glanbia website. Current and historic share prices, news, updates and presentations may also be obtained. Shareholders may also register to receive future shareholder communications electronically.

Shareholders may visit: <https://www.glanbia.com/investors/shareholder-information> for up-to-date investor information.

Electronic communications

The Transparency (Directive 2004/109/EC) Regulations 2007 recognises the growing importance of electronic communications. The Group, therefore, provides documentation and communications to all shareholders via our website unless a shareholder has specifically elected to receive a hard copy.

Using electronic communications enables fast receipt of documents, helps the environment by significantly reducing the amount of paper used to communicate with shareholders and reduces associated printing, mailing and distribution costs.

Shareholders who hold their shares in certificated form can also vote online for the next Annual General Meeting ("AGM") via: www.eproxyappointment.com. Holders of CREST Depository Interests ("CDIs") and/or participants of Euroclear Bank SA/NV ("Euroclear Bank") system should refer to the voting arrangements with Euroclear Bank on page 264.

Financial calendar

Announcement of 2023 Full Year Results	28 February 2024
Ex-dividend date	21 March 2024
Record date for dividend	22 March 2024
Expected latest time for return of voting instructions by CDI holders	25 April 2024
Record date for AGM	27 April 2024
Latest time for return of voting instructions by Euroclear Bank participants	29 April 2024
Latest time for return of voting instructions by holders of certificated shares	29 April 2024
AGM	01 May 2024
Dividend payment date	03 May 2024

AGM

The AGM will be held on 01 May 2024. The notice of meeting, together with details of the business to be conducted at the meeting will be available 20 business days before the meeting on: www.glanbia.com/agm

The voting results for the 2024 AGM, including proxy votes and votes withheld will be available on our website shortly after the meeting at the following address: www.glanbia.com/agm

Conditions for participating in a meeting

Every shareholder, irrespective of how many Glanbia plc shares they hold, has the right to attend, speak, ask questions and vote at the AGM. Completion of a proxy form will not affect a shareholder's right to attend, speak, ask questions and vote at the meeting in person.

The quorum for a general meeting of the Company is constituted by two persons entitled to vote upon the business of the meeting, each being a shareholder or a proxy or corporate representative for a shareholder.

The right to participate in the AGM is subject to the registration of the shares prior to the date of the meeting (the record date). For the 2024 AGM the record date is to be determined in accordance with sections 1087G and 1105 of the Companies Act 2014.

Appointment of proxy

Where a shareholder is unable to attend the AGM in person, a proxy (or proxies) may be appointed to attend, speak, ask questions and vote on their behalf. For this purpose a form of proxy is posted to all shareholders. Copies of these documents may be requested by telephoning the Company's Registrar on 01 247 5349 (within Ireland), 00353 1 247 5349 (outside Ireland), or by logging on to www.investorcentre.com/ie/contactus or by writing to the Group Secretary and Head of Investor Relations at Glanbia plc, Glanbia House, Kilkenny, Ireland.

Alternatively, a shareholder may appoint a proxy electronically, by visiting: www.eproxyappointment.com and submitting their proxy details. They will be asked to enter the Control Number, the Shareholder Reference Number ("SRN") and PIN and agree to certain terms and conditions. The Control Number, the SRN and the PIN can be found on the top of the form of proxy.

How to exercise shareholders' rights

Shareholders have several ways to exercise their right to vote at the AGM:

- by attending the AGM in person;
- by submitting a validly completed proxy form appointing the chair of the meeting or another person as a proxy to vote on their behalf;
- by visiting www.eproxyappointment.com and submitting their proxy details;
- via the Broadridge global proxy voting service if you hold CDIs via CREST;
- EB Participants may send electronic voting instructions to Euroclear Bank via SWIFT or to EasyWay Corporate Actions; or
- EB Participants may send a proxy voting instruction to Euroclear Bank to appoint a third party (i.e. other than Euroclear Nominees Limited or the chairman of the meeting) to attend and vote at the AGM.

In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other registered holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members.

The passing of resolutions at a meeting of the Company, other than special resolutions, requires a simple majority. To be passed, a special resolution requires at least 75% of the votes cast to be in favour of the resolution.

Shareholder information continued

Voting Arrangements with Euroclear Bank

If you hold your interests in the Company's ordinary shares through a participant account in the Euroclear Bank System you can either send:

- electronic voting instructions to Euroclear Bank via SWIFT or to EasyWay Corporate Actions; or
- a proxy voting instruction to Euroclear Bank to appoint a third party (other than Euroclear Nominees or the chair of the AGM), subject to any Covid-19 restrictions, to attend and vote at the AGM;

If you hold your interests in the Company's ordinary shares as CDIs through CREST you can either send:

- electronic voting instructions to Euroclear Bank via Broadridge Financial Solutions Limited ("Broadridge"); or
- appoint a proxy via the Broadridge Global Proxy Voting service.

Persons who hold their interests in the Company's ordinary shares as Belgian law rights through the Euroclear Bank System or as CDIs should consult with their stockbroker or other intermediary at the earliest opportunity for further information on the processes and timelines for submitting proxies and voting instructions for the AGM through the respective systems. For voting services offered by custodians holding Irish corporate securities directly with Euroclear Bank, please contact your custodian.

Tabling agenda items

A shareholder, or a group of shareholders acting together, who hold at least 3% of the issued share capital of the Company, has the right to put an item on the agenda of the AGM. In order to exercise this right, written details of the item to be included on the 2024 AGM agenda together with a written explanation why the item is to be included on the agenda and evidence of the shareholding must be received by the Group Secretary at Glanbia plc, Glanbia House, Kilkenny, Ireland or by email to groupsecretary@glanbia.ie no later than 20 March 2024 (i.e. 42 days before the AGM).

An item cannot be included on the AGM agenda unless it is accompanied by the written explanation and received at either of these addresses by this deadline.

Tabling draft resolutions

A shareholder, or a group of shareholders acting together, who hold at least 3% of the issued share capital of the Company, has the right to table a draft resolution for inclusion on the agenda of the 2024 AGM subject to any contrary provision in company law.

In order to exercise this right, the text of the draft resolution and evidence of shareholding must be received no later than 20 March 2024 (i.e. 42 days before the AGM) by post to the Group Secretary and Head of Investor Relations at Glanbia plc, Glanbia House, Kilkenny, Ireland or by email to groupsecretary@glanbia.ie. A resolution cannot be included on the 2024 AGM agenda unless it is received at either of these addresses by this deadline. Furthermore, shareholders are reminded that there are provisions in company law which impose other conditions on the right of shareholders to propose resolutions at the general meeting of a company.

How to ask a question before or at the meeting

The AGM is an opportunity for shareholders to put a question to the Group Chairman during the question and answer session. Before the 2024 AGM, a shareholder may also submit a question in writing by sending a letter and evidence of shareholding at least four business days before the 2024 AGM (i.e. 25 April 2024) to the Group Secretary and Head of Investor Relations, Glanbia plc, Glanbia House, Kilkenny, Ireland or by email to groupsecretary@glanbia.ie.

Dividend rights

The Company may, by ordinary resolution, declare dividends in accordance with the respective rights of shareholders, but no dividend shall exceed the amount recommended by the Directors. The Directors may also declare and pay interim dividends if it appears to them that the interim dividends are justified by the profits of the Company available for distribution.

Distribution on winding up

If the Company shall be wound up and the assets available for distribution among shareholders shall be insufficient to repay the whole of the paid up or credited as paid up share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by shareholders in proportion to the capital paid up or credited as paid up at the commencement of the winding up on the shares held by them respectively. Further if, in a winding up, the assets available for distribution among shareholders shall be more than sufficient to repay the whole of the share capital paid up or credited as paid up at the commencement of the winding up, the excess shall be distributed among shareholders in proportion to the capital at the commencement of the winding up paid up or credited as paid up on the said shares held by them respectively.

Dematerialisation

Under the EU Central Securities Depositories Regulation (EU) 909/2014 ("CSDR"), there is a requirement for all securities in Irish issuers which are admitted to trading or traded on trading venues in the European Economic Area to be represented in book-entry form by 1 January 2025. Book-entry form means an electronic record of ownership such as an entry in an electronic register, without the need for any further document, such as a share certificate, to be issued to a shareholder to evidence share ownership. In accordance with CSDR, from 1 January 2023, all new issues of shares in the Company must be held in book entry form, with all remaining shares to be held in book-entry by 1 January 2025. Therefore, share certificates for shareholders who currently hold their shares in certificated form will remain valid until 1 January 2025.

Contacts

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