



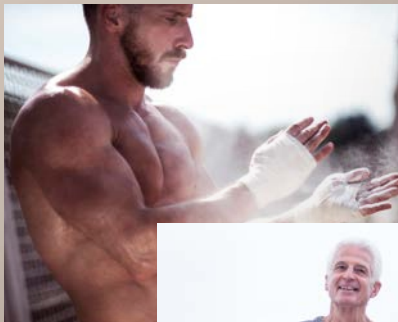
Shaping a Sustainable Future



**SUSTAINABILITY
REPORT 2017**

JUNE 2018

GLANBIA AT A GLANCE



Products
sold in over
130
countries

**World's
#1**

Global performance
nutrition brand portfolio

6,600*
Employees globally



€2.4bn
Revenue



4
Global R&D
Innovation
centres

27
production facilities
including Joint
Ventures



6.7bn*
Litres of milk processed

#1
Global whey
protein, nutritional
solutions



Global
Footprint:
Presence in
32
countries

Our global footprint



* Includes JVs.



Glanbia is a values-led organisation. Our Purpose, Vision, and Values provide focus and direction and guide us every day in our business interactions. These values also guide our approach to our people, customers, our communities, and the environment – and are key to our business model.

Siobhán Talbot
Group Managing Director

Our Purpose

Delivering better nutrition for every step of life's journey

Our Vision

To be one of the world's top performing nutrition companies, trusted to enrich lives every day

Our Values



**THE CUSTOMERS'
CHAMPION**



**PERFORMANCE
MATTERS**



**FIND A
BETTER WAY**



**WINNING
TOGETHER**



**SHOWING
RESPECT**

Our Sustainability Vision

Glanbia defines sustainability as responsible business generating economic, environmental and social value. Our ambition is to embed sustainability in our strategy, creating shared value for all stakeholders.

Our Sustainability Strategy

To advance Glanbia's purpose and vision through an integrated, phased sustainability programme, setting clear measurable goals which will strengthen our business for the future.

Our Sustainability Programmes



OUR PEOPLE

VISION
PROGRAMME
2020 TARGETS

[Read more on page 12](#)



OUR WORLD

VISION
PROGRAMME
2020 TARGETS

[Read more on page 16](#)



OUR SUPPLY CHAIN

VISION
PROGRAMME
2020 TARGETS

[Read more on page 20](#)



OUR SOCIETY

VISION
PROGRAMME
2020 TARGETS

[Read more on page 24](#)

OUR BUSINESS MODEL

We have built a resilient business model that enables the business to prosper and grow. We strive to create sustainable value for all our stakeholders: our shareholders; our employees; our consumers; our customers and the communities where we operate.

Inputs

Nurturing talent ^H

People lie at the heart of the business. With over 6,600 employees, we nurture the Glanbia culture through training and engagement programmes that reinforce our values. Through an integrated approach to talent management and career development, we aim to attract, retain and develop high-quality employees.

Innovation ^I

With four innovation centres world-wide, we focus on customer-led, science-backed innovation that produces better solutions, better products and better outcomes for our customers and consumers.

Operational excellence ^M

We have a proven ability, demonstrated over decades, of running large-scale manufacturing facilities. Glanbia applies the Glanbia Performance System (GPS) philosophy which drives sustainability performance throughout our global operations (resource efficiency, environmental compliance, health and safety and continual improvement).

Relationships ^S

We foster long-term relationships with our customers, and key stakeholders.

Natural ingredients ^N

We source pure, clean, traceable ingredients. We are dedicated to achieving high-quality products to meet customer food safety quality standards. We are focused on regulatory compliance and good environmental stewardship.

Disciplined capital management ^F

We display a strong track record of efficient capital allocation and portfolio management. We deploy a variety of structures including joint ventures which have been, and remain, critical to sustainable long-term growth.

IIRC Capitals

This key provides a mapping to the 'capitals' of the International Integrated Reporting Councils (IIRC) framework.

- ^F Financial
- ^H Human
- ^M Manufactured
- ^I Intellectual
- ^S Social
- ^N Natural

You can find out more at:
www.theiirc.org



Develop

We apply our deep sector knowledge, collaborative approach and innovative thinking to turn raw ingredients into branded consumer products and high quality functional ingredients and products for our customers and consumers worldwide. Our innovative mindset and strong relationships foster a culture of co-creation for mutual benefit.



**THE CUSTOMERS'
CHAMPION**



**PERFORMANCE
MATTERS**



Deliver

We source clean ingredients, such as milk and grains, from the primary producers. In addition we source inputs from other food manufacturers across the globe. This requires an in-depth understanding of our raw ingredients markets and the development of long-term, mutually beneficial relationships with producers to secure supply.

How we do it

Solid supply chains

Innovation



Grow

We are the global leader in the performance nutrition industry with a portfolio of eight leading consumer brands. As a nutritional solutions provider in the B2B arena, we commercialise specialty nutritional and functional ingredients and precision premixes to meet our customer needs.

Underpinned by our values



**FIND A BETTER
WAY**



**WINNING
TOGETHER**



**SHOWING
RESPECT**

Outputs

Committed people

We attract and retain talented employees who are our best ambassadors.

Relationships

We work as a proactive and long-term business partner with our customers: delivering nutritional solutions based on market foresight and contributing to better business.

Loyal customers and consumers

We deliver high quality brands and nutritional ingredients for our customers and consumers that enable them to achieve their performance goals.

Society

Glanbia contributes to the social economic fabric of society through a growing presence in 32 countries, 6,600 employees and over 5000 farmers. Our nutritional products provide nutrition for every stage of life's journey - from infant nutrition through to ageing populations. Our family farmers are custodians of their land and care for the health and well-being of their livestock. We actively support health and wellness in the community - partnering with many charitable organisations by encouraging and facilitating employee volunteering and community engagement.

Environmental

Our natural resources are the foundation of our business. In 2016 we introduced group wide environmental reporting and are working to meet our targets to reduce water, energy and waste. In 2017 we developed our sustainability strategy in consultation with our stakeholders - including the Carbon Trust. We also commenced reporting to the Carbon Disclosure Project (CDP).

Innovation

Through the application of science and food technology we are innovating to create high quality, functional nutritional ingredients – good for you and good for the planet.

OUR SUSTAINABILITY STRATEGY

Sustainability highlights

On track to meet 2020 targets - Key Performance Indicators (KPIs) trending positive

Reinforcing structures and governance with Group Corporate Responsibility Council (CRC)

Completed Carbon Trust strategic review

Commenced Group reporting to Carbon Disclosure Project (CDP)

Peer recognition - 2017 US Outstanding Dairy Processing and Manufacturing Sustainability Award

Ongoing focus on health and wellness in the community

Our strategy is to advance our Purpose, Vision and Values through a phased programme that delivers economic, environmental and social value. In living our commitment to sustainability, we drive continuous improvement as 'One Glanbia' under the areas of:

- **Our People**
- **Our World**
- **Our Supply Chain**
- **Our Society**

This strategy supports and develops key inputs to the Glanbia business model.

In 2017 Glanbia sought to embed the common Group wide approach to sustainability which we reported for the first time in 2016. Our programme focuses on the Group's most material sustainability issues. The 2020 goals we have set are pragmatic and critical steps to support our ambition to be one of the world's top performing nutrition companies, trusted to enrich lives every day.



Markos Joannides, Treasury Manager and Kathleen Jelew, HR Associate in Glanbia House, Kilkenny, Ireland.

Governance

The Board of Glanbia remains focused on strong corporate governance, including fostering a culture where our people behave in accordance with our values and the highest standards of integrity and ethics. Sustainability is governed by the Group Operating Executive. In 2017, with the ambition of strengthening our internal governance, we convened the Glanbia Corporate

Responsibility Council (CRC) to further align and embed sustainability across all Group operations. Leadership teams on Environmental, Health and Safety (H&S) and Food Safety and Quality, set our ambition, develop the programmes, and thereby create a forum to share best practice and experience. These global networks are co-ordinated by the Group Director of Sustainability and the Group Director of Quality and Food Safety.

Board

Group Operating Executive

CRC Sponsors

(Group HR and Corporate Affairs Director and Group Secretary)

Corporate Responsibility Council

Group Operations Directors

Group Director of Sustainability

Group Director of Quality & Safety

Key Leadership Teams

Embedding best practice across the Group



Environmental



**Quality & Food
Safety**



Health & Safety



OUR SUSTAINABILITY STRATEGY

Stakeholder engagement

Stakeholder engagement is critical to our approach to sustainability both within and outside Glanbia. Feedback is captured on an on-going basis which helps to inform the review process, both in terms of performance and materiality.

Our employee engagement is explained on page 14. We engage with our principal external stakeholders through a number of forums including customer and investor meetings, as well as through industry networks and aggregators.

EU Non-Financial Reporting Directive

The EU Non-Financial Reporting Directive (2014/95) requires large companies to report a wide range of non-financial information in their annual reports. Under the directive, companies are required to set out their policy position and performance in relation to environmental, social and employee matters, respect for human rights, and anti-corruption and anti-bribery matters. In 2017 Glanbia undertook a comprehensive review and refreshed our current approach to non-financial reporting and performance measurement against the provisions set out in the directive. Many of our policies can be viewed on www.glanbia.com

ESG investors

Glanbia is focused on ensuring that a broad geographic and thematic base of institutional investors are reached via our investor relations programme.

We continued an active investor relations programme in 2017 - presenting at 18 investor conferences globally and held over 300 meetings with institutional investors. This includes engaging with institutional investors with a focus on environmental, sustainability and governance (ESG) themes. In 2017, Glanbia attended a dedicated investor conference in Europe for investors specifically focused on sustainability. Throughout the year Glanbia Senior Management have held calls and meetings with a number of ESG focused analysts at institutional investment firms and research analysts.

Group considerations in respect of the new EU Non-Financial Reporting Directive

'Matters'

Policy

2018 Focus areas

Environmental



1. Progress against KPIs of water, waste, energy
2. Develop carbon footprinting with Carbon Trust
3. Embed Corporate Responsibility Council (CRC) and quarterly reporting
4. Evolve Carbon Disclosure Project disclosure

Social and Employee



1. Recognition awards
2. Employee engagement survey
3. Employee engagement executive road-show
4. Training and development
5. Roll-out of values champions

H&S and Food Safety/QLT



1. Embed CRC and quarterly reporting
2. Establish HSLT, programme, process, and priorities, and Group-wide reporting of KPIs
3. Address two high risk areas in development and launch of new global Glanbia standards

Anti-Bribery & Corruption



1. Effective communication of our recently updated Anti-Bribery & Corruption Policy
2. Conduct fraud risk assessments across Business Units to highlight potential risk focus areas

Diversity Report



1. Review evolving legalisation and potential Group impact

Reporting

The Global Reporting Initiative (GRI) G4 guidelines continue to determine our focus on key material aspects, boundaries and measures.

We have mapped our plans against the United Nations Sustainable Development Goals (SDGs). We believe that business action will determine the success of the ambitious 2030 Sustainable Development Agenda, and the achievement of the SDGs. To this end we are supportive of multi-stakeholder industry projects, including the Dairy Sustainability Framework (DSF) and the Global Dairy Platform's (GDP) programmes to advance the SDGs.

The United Nations Sustainable Development Goals (SDGs)



As a global nutrition company, ensuring good health and well-being (Goal 3) is at the core of our business and is aligned with our Purpose, Vision and Values.



Through our business operations and ongoing activities, we make essential contributions to Goal 8 (good jobs and economic growth) as well as to Goal 11 (sustainable cities and communities) particularly in rural areas of both the US and Ireland.



We advocate for responsible consumption and production (Goal 12) through our 'Glanbia Way' and through our pioneering brands and dedicated research and innovation centres we are living Goal 9 (industry innovation and infrastructure).



Through our on-farm programmes we are working to enhance both the land and water quality embedded in Goal 15 (life on land) which as we interpret it can also include the health and welfare of dairy cows and biodiversity and Goal 6 respectively (clean water and sanitation).



In our production facilities we are investing in technologies and adopting targeted programmes that will allow us to take climate action (Goal 13).

OUR SUSTAINABILITY STRATEGY



OUR PEOPLE

OUR VISION

To develop talent, culture and values while always protecting the safety of our people, the wider community and upholding international human rights.

OUR PROGRAMMES

'Leading the Glanbia Way' programme.
'Speak Up' hotline.

Newly formed Health & Safety leadership –
Group wide standards.

Policies and auditing
programmes governing

- Code of Conduct
- Anti-Bribery and Corruption Policy
- Global Procurement Policy

- Purchasing Ethics Policy
- Human Rights Policy
- Diversity and Inclusion Policy
- Environmental and Health & Safety Policy

2020 TARGETS

All employees to participate in training to embed the Glanbia values. Values embedded in Group's performance management processes.

To adopt OHSAS 18001/ ISO45001 or equivalent H&S standard.

To eliminate accidents recorded as Lost Time Cases (LTC) and achieve a 30% reduction in Total Recordable Incident Rates (TRIR) by 2022.

Embedding of policies and reporting against non financial KPIs.



OUR SUPPLY CHAIN

OUR VISION

To sustainably source all raw materials – in line with the principles of ethical business set in the Glanbia Code of Conduct.

OUR PROGRAMMES

Food Safety & Quality Programme – directed by Quality Leadership team.

Glanbia Quality System (GQS).

External auditing and benchmarking.

Glanbia Procurement policy – based on responsible sourcing criteria.

Farmers Assuring Responsible Management (FARM) – animal welfare and farm safety - programme in Idaho.

Origin Green national sustainability programme in Ireland.

2020 TARGETS

Mitigate potential risks in our supply chain.

Complete the removal of recombinant bovine somatotrophin (rBST) from our US supply chain.

Ensure all suppliers adhere to the global Procurement Policy and Code of Conduct.

Drive continuous improvement through the US FARM animal welfare programme and the Environment Stewardship module geared at addressing on-farm sustainability.

Ensure that 100% of Irish suppliers are certified to Origin Green.



OUR WORLD

OUR VISION

To protect the environment through strong, responsible stewardship.

OUR PROGRAMMES

Energy efficiency and switching to low carbon fuels.

Water conservation and water quality management.

Waste reduction.

Adoption of common international standards across the Group – facilitated by Glanbia Performance System (GPS).

2020 TARGETS

Benchmark current operational performance vs industry leading standards and develop action plan to lower carbon impact, in association with the Carbon Trust.

Increased roll-out of VC and other communications tools to reduce requirements for employee air travel - a 'technology first' mindset.

8% reduction of water use.

Zero waste to landfill where feasible.

GPN ambition of zero waste to landfill by year end 2018.

Adoption of ISO14001 as common standard across all facilities.



OUR SOCIETY

OUR VISION

To have a positive social and economic impact on our communities.
To promote health and well-being at all stages of life's journey.

OUR PROGRAMMES

Ongoing recruitment and capital investments.

The Glanbia Health and Wellbeing programme.

Glanbia corporate responsibility programmes – in partnership with community organisations.

Training and education for global customers, consumers and employees through the GPN Sports Nutrition School.

Fit Malaysia and Fit India.

2020 TARGETS

Creation of sustainable employment.

The provision of standardised health and wellness programmes for all employees.

To leverage our extensive market insights and nutrition expertise into a defined, broader nutrition in society programme.



OUR PEOPLE

Highlights

Focused on embedding our Purpose, Vision and Values including the integration of our Values into performance management processes; more than 1,000 executives, managers and team leaders participated in our 'Leading the Glanbia Way' development programme in 2017

Accelerated the roll-out of our Organisation and Talent Strategy

Focused on accelerating wider talent agenda and people development while leveraging our Organisation and People Review

Commenced an integrated, target led Group Health & Safety programme

Performing with purpose – our global HR agenda

During the year we accelerated the roll-out of our Organisation and Talent Strategy (OTS) under four key pillars: Talent, Leadership, Organisational Effectiveness and Culture & Engagement. Our OTS is delivered through our new HR operating model. The goal of the HR operating model is to build on existing strengths to develop a world class HR function, providing strategic business partnering, appropriate expertise, efficient and cost-effective service delivery and a seamless employee experience.

We continued to focus on embedding our Purpose, Vision and Values across the Group. In order to support and reinforce the connection between values and behaviours for employees, 2017 saw the integration of values-based behaviours into Performance Development Plans (PDP) for employees.

The overall PDP process and enabling systems and tool-kits were reviewed and simplified to become more fit for purpose and aligned with employees' and managers' needs. These changes, which have been very well received, represent a positive move from a process driven activity towards a more active and ongoing dialogue with performance coaching and talent development at its core. The process of renewing our HR systems commenced in earnest with the launch of 'My Career', a new talent acquisition platform and an exciting new stage in the roll-out of our OTS. Work in 2018 will continue to build on these areas whilst also implementing further actions from our 2016 'Your Voice' Employee Pulse Survey.



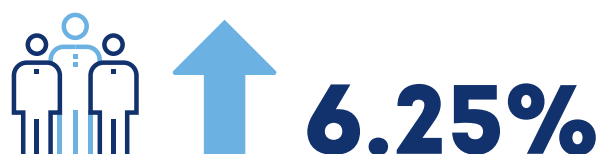
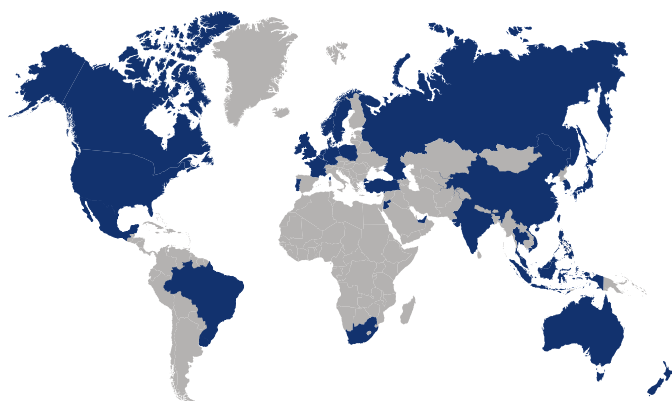
Michael Patten, Group Director of HR and Corporate Affairs.

Our people bring our Values to life and enable us to fulfil our purpose of delivering better nutrition for every step of life's journey. Their talent, commitment and pride in Glanbia are fundamental to our long-term success.

Michael Patten
Group Director of HR and Corporate Affairs

2017 TOTAL GROUP EMPLOYEES

6,600 based in
32 countries



Global employee base in 2017

Total Group employees, including Joint Ventures & Associates, increased by 388 people to 6,600 people based in 32 countries. Glanbia Performance Nutrition (GPN) employee numbers rose by 249 to 2,027 in 2017, including the addition of 202 new employees from Amazing Grass and Body & Fit, who joined the Group in early 2017. Glanbia Nutritionals (GN) increased its workforce by 73 people to 1,948 employees. Following the establishment of Glanbia Ireland, 1,931 employees transferred from Dairy Ireland and Glanbia Ingredients Ireland, to the newly established Joint Venture, Glanbia Ireland. Our Joint Ventures & Associates had a total of 2,625 employees in 2017.

Fostering purpose-led leadership

We are focused on building strong leaders at all levels in the business through common purpose, identification and the development of key talent and inspiring excellence and innovation. In 2017, a number of key initiatives focused on developing a culture of purpose-led leadership across the Group.

Leading the Glanbia Way – manager programme

Our Leadership Development Programme (LDP) 'Leading the Glanbia Way' continued its roll-out across the Group in 2017. Built upon our Purpose, Vision and Values, the programme

focuses on leadership, impact, performance management, personal effectiveness, change management and supporting customer excellence. It aims to equip our people managers with a best practice set of leadership skills and insights and to offer a tangible commitment to the personal development of Glanbia's people while contributing to our leadership capability across the organisation. Over the course of 2017, more than 1,000 executives, managers and team leaders globally participated in the programme which runs over five distinct modules. A number of senior leaders across the business also completed the Executive component of the programme.

Advanced Leadership and Senior Leadership Development Programmes

As an additional element of our wider talent agenda, two new leadership development programmes were devised in 2017, to be rolled out in 2018. The Advanced Leadership Development Programme and the Senior Leadership Development Programme focus on the further development of our leadership teams across the Group.

Business Unit learning and development initiatives

In addition to the Group development programmes, there are significant learning and development initiatives undertaken within each of our Business Units.



OUR PEOPLE

Pure Ambition Graduate Programme

Glanbia's Pure Ambition Graduate Programme plays a key role in selecting and developing talent and leaders at all levels for Glanbia globally. Graduates have the opportunity to develop their careers across a wide range of disciplines and in 2017 we welcomed 58 new graduates onto our programme. The Pure Ambition Graduate Programme has been recognised at the 2016 and 2017 'GradIreland Awards', winning the Gold Award for Best Training and Development Programme in the Business/Management category.

Glanbia Nutritionals Carlsbad

When employee survey results identified recognition as a development area for the Carlsbad site, a cross-functional committee was formed to deliver a solution. The result was a peer-to-peer recognition programme called 'Glanbia Gratitude'. The committee created recognition cards that employees can present to each other for the special achievements they make in support of our company values.

Completed cards are displayed on-site on a dedicated 'Recognition Wall'. Site leadership also committed to spending more time engaging with and recognising employees. The programme inspired other sites within Glanbia Nutritionals to also accelerate recognition as a powerful tool to inspire our people and create an atmosphere of positivity and engagement. In addition, Carlsbad also recorded a significant improvement in its site safety record during this time.

Employee engagement

The 2017 'Our Glanbia' road-show saw our Group Managing Director Siobhán Talbot and members of the Executive visit 18 sites across the US, Ireland and Asia, conducting 24 town-hall meetings and interacting directly with more than 2,200 employees across the Group.

Our
glanbia
ROADSHOW 2017

18 SITES
US, Ireland and Asia



 **24**
TOWN HALL
VISITS

INTERACTING WITH
 **2,200**
EMPLOYEES



Health & Safety

In pursuing our ambition of 'Zero Harm', we have set a five-year mission to eliminate accidents recorded as Lost Time Cases (LTC) globally and to reduce all Total Recordable Incident Rates (TRIR) to 1.5 incidences/200,000 hours worked, representing a 30% reduction on the 2017 reported TRIR across Glanbia.

Through the Corporate Responsibility Council (CRC) structure, action plans are in place across the Group to tackle the most frequent and significant risks to employee health and safety to achieve these targets. This includes a Glanbia Health &

Safety (H&S) dashboard to measure progress and track our performance against industry relevant standards - which will be aligned with environmental reporting. We are also revising the Glanbia Risk Management System (GRMS) and implementing wider internal auditing to ensure H&S risks are identified, prioritised, and effectively mitigated.

Our 2017 data shows that 50% (25 sites) of our reporting sites have one or more years of no LTC. 14 sites have two or more continuous years of no LTC, establishing the baseline for continuous improvement.

Programme	Our vision	Base year is 2017	Our targets	2017 progress
H&S	Our aim is to safeguard the health and safety of our employees, our customers, and our community.	Two sites accredited 25 sites have one or more years of no LTC TRIR 2.2/200,000 hrs.	Adopt OHSAS 18001/ISO 450001 or equivalent in a Glanbia EHS Management System. Eliminate LTA, achieve a 30% reduction in TRIR by 2022.	Baselines established.



OUR WORLD

Highlights

Exceeded 2020 target with further 20% reduction in water consumption in 2017

Revising water targets in 2018

Completed Carbon Trust review

Commenced Carbon Disclosure Reporting (CDP)

93% of all waste diverted from landfill in GPN

Peer recognition - 2017 US Outstanding Dairy Processing and Manufacturing Sustainability Award

Group environmental reporting

In 2016 we commenced full reporting to standard metrics* across all Group manufacturing operations - with 2015 as the base year.

The collection, analysis and oversight of Group wide data across all our operations enables us to meet international reporting standards and demonstrate continuous improvement. Our phased sustainability strategy follows the measure, target and action approach. In 2017 we continued to measure our environmental impacts as a group across water, energy, waste as well as progress on International Standard (ISO) certification.

In the 2016 Report, we presented our ambition on energy, water use, waste reduction and the adoption of ISO 14001 as a common standard.

In 2017, we demonstrated solid progress across these targets and, through the Corporate Responsibility Council (CRC), have established a similar target led focus for Health and Safety.

Water

Our five-year target is to reduce water usage by 8%. In 2017, we recorded a 20% reduction over the baseline of 2015. In the spirit of continuous improvement, our 2020 target which was exceeded ahead of schedule, will be revised.

Zero waste

The Glanbia target of zero waste to landfill has been piloted in GPN with significant progress against that ambition during 2017.

International standards

Our sustainability programmes are being aligned to relevant international standards (ISO 14001 and OHSAS 18001/ISO 45001). In 2017, eight Glanbia sites were confirmed certified to ISO 14001 and two sites are certified to OHSAS 18001/ISO 45001.



Brian Phelan, CEO Glanbia Nutritionals, presenting a long service Award to Donald Wayment from the Richfield plant in Idaho.

As a business at the forefront of consumer-led nutrition trends, our success is dependent on collaboration with our customers and partnerships with our farmer suppliers. Through these collaborations we are contributing to solutions to improve health, livelihoods and sustainable food production.

Brian Phelan
CEO Glanbia Nutritionals



Programmes	Our environmental vision	Intensity (2015 base year)	Our five year targets 2015-2020	2017 progress
 ENERGY	To ensure responsible stewardship of the environment and reduce emissions at all our facilities and corporate offices.	0.61 kWh/kg	Continuous improvement	0.56 kWh/kg (-7.6%)
 WATER	To improve water efficiency in our facilities and focus on the re-use of our 'polished' or 'cow' water.	4.88 lts/kg	Reduction of water use -8%	3.93 lts/kg (-19.84%)
 WASTE	Our ultimate aim is to reduce all waste being generated across the Group. In the medium-term our ambition is to divert waste away from landfill.	Waste to landfill 0.01kg/kg	Zero waste to landfill where feasible	GPN 93% of waste diverted from landfill

Standard European measures and metrics adopted in 2015*

All units are tracked against annual Total Milk / Solids Mass Balance and standard European measures. Our focus was 'within the four walls' of Glanbia Group operations and not on farm.

 **Energy**

Measured by KWHRS of power and fuel used at all of our production facilities

 **Water**

Measured by volume of litres in and waste-water out

 **Waste**

Measured by tonnes to landfill, incinerated, recycled and composted

OUR WORLD



GPN zero landfill: Team members in Walterboro, SC engaged in the drive towards 'Zero Landfill' across GPN.

Case Study

GPN – The journey to zero landfill

Glanbia Performance Nutrition (GPN) made a commitment to achieve Zero Landfill at all GPN manufacturing and warehouses by 2018. We have worked to identify robust recycling routes for key materials such as Intermediate Bulk Containers, metal, cardboard and plastic. Educating our workforce is a key element of the programme. All sites have completed comprehensive waste surveys and established reduction plans to ensure the 2018 goal is met. The GPN Middlesbrough UK manufacturing site has set the bar for all GPN sites by achieving Zero Landfill status in 2015.



Peer review and reporting

In 2017 we engaged the Carbon Trust to review our approach to sustainability in order to inform and guide our 2025 strategy.

“As the world takes action on climate change and we are seeing significant progress from many industrial sectors, the impact of dairy is coming under increasing scrutiny. In this context, Glanbia recognises the importance of becoming ever more efficient and taking every available opportunity to reduce emissions.”

Tom Cumberlege,
Associate Director, Carbon Trust

Key findings



The Carbon Trust reported the following recommendations:

- Develop reporting in line with international standards;
- Implement a robust footprint measurement of environmental impacts;
- The long-term objective should include science-based target setting;
- Focus on development of programmes to work with suppliers; and
- Engage on multi-stakeholder programmes to tackle important pre-competitive issues.

The Carbon Trust's findings were presented to the Group Operating Executive in August 2017.

International climate change reporting

Based on the key recommendation of the Carbon Trust, in 2017 we submitted our first Group-wide response to the Carbon Disclosure Project (CDP) climate change questionnaire. Our engagement with CDP allows us benchmark our performance and to measure and manage our environmental impacts. In 2017 we were assessed on our supply chain submission. As a first Group-wide submission, our CDP score is ranked above the CDP respondent industry average. It is our intention to evolve our reporting in 2018 as part of our drive for continuous improvement and best practice.



CDP 2017 climate change and water scores

	Supply chain	Water	Supplier engagement rating
Glanbia plc score	C-	C	B
CDP Food and Beverage Industry average	D	D	C

OUR SUPPLY CHAIN



Highlights

Glanbia and Idaho producers drive continuous improvement in animal welfare through the Farmers Assuring Responsible Management (FARM) programme – ISO certified

Roll out of the FARM Environment Stewardship module geared at addressing on-farm sustainability in the US

Ongoing support for the Idaho Dairymen's Association farm worker safety training module

Glanbia Nutritionals introduced 'Navigating Natural™' – an educational aid to explain natural claims and regulations

Announced plans to remove recombinant bovine somatotropin (rBST) from milk in the US

94% of our Irish milk suppliers now certified to national sustainability programme 'Origin Green'

Glanbia Ireland launched Truly Grass Fed™ (Non-GMO Project Verified)

Responsible sourcing

Glanbia has a supply chain which spans procurement of materials, packaging, and transportation and services globally. We have a group-wide procurement policy in place a procurement policy to source according to responsible sourcing criteria and follows the principles of ethical business set in the Glanbia Code of Conduct. Glanbia requires all its suppliers to adhere to the Glanbia Way and to be compliant with laws, regulations and social customs for the countries they operate in and with all human rights, labour and H&S regulations.

Supply chain traceability

Glanbia sources pure and clean core ingredients, such as milk and grains, from our 5000+ farmer partners in North America and Ireland. We also source inputs from other trusted food manufacturers across the globe. This requires an in-depth understanding of our raw ingredients markets and the development of long-term, mutually beneficial relationships with farmers and other suppliers.

On farm sustainability

Our Group supplier qualifications protocols are used to advance this goal. Given the materiality of milk to our business, a significant focus has been made in building partnerships that drive sustainable progress on farms. Our farmer relations teams work closely with producers - assessing and advising on milk quality, environmental impacts and economic sustainability under internationally recognised sustainability programmes e.g. the US National Milk Producers Federation FARM programme, the Glanbia Ireland's Open Source® Sustainable Dairy programme and Bord Bia's 'Origin Green'.

We take our ambitions very seriously as a founding member of Origin Green – the world's only national sustainability programme to unite the government, private sector and food producers, led by Bord Bia, the Irish Food Board. Through our sustainability programmes we have committed to delivering a truly sustainable milk supply via our 4,800 farms by 2020.

Jim Bergin
CEO of Glanbia Ireland



Jim Bergin, CEO of Glanbia Ireland

Safe and secure production

Through worldwide facilities that meet the most stringent standards and our supplier partnerships around the globe, we ensure flexibility, responsiveness and solid supply chains.

Our supply chain protocols are reinforced by best-in-class food safety and quality control as enforced by the Glanbia Quality Leadership Team (QLT).

Industry collaboration

Glanbia is an active collaborator with national and international bodies focused on sustainable improvement including the Innovation Centre for US Dairy, Bord Bia, the Sustainable Agriculture Initiative, Global Dairy Platform, Dairy Sustainability Framework, the US Dairy Sustainability Alliance, Teagasc, the Irish national agricultural advisory body, the Irish Business and Employers Confederation (IBEC) and the programmes associated with those organisations.

Case study

US FARM programme



Our trained and certified evaluators support our patrons in the implementation of the animal welfare FARM programme in Idaho. FARM is the first livestock animal care programme in the world to receive ISO certification. All our 106 patrons (farmer suppliers) are participating in the programme - with 35 patron dairies taking part in a version 3 animal care evaluation (with a total of 27 actionable items) and 71 dairies operating version 2 FARM animal care.



Case study

Navigating Natural

As partners in the supply chain of cheese production Glanbia Nutritionals decided to support its customers and ultimately the consumer with digital and other transparent tools to help them navigate through complex regulations and 'natural' claims. This includes a field guide to explain the Glanbia offerings available at each Glanbia site.

Case Study

Amazing Grass

In 2017 Glanbia acquired Amazing Grass. Amazing Grass provides a powerful yet simple sustainability story. The company was founded in 2002 by Brandon Bert and Todd Habermehl who shared a passion for the outdoors and an active, healthy lifestyle. Brandon's Grandfather had grown wheat grass since the 1940s on the family farm in Kansas. To fuel Brandon's home brewed green drinks, his grandfather started sending zip locked bags of wheat grass. The drinks became so popular with co-workers, friends and family that Brandon and Todd ditched their Silicon Valley jobs and founded Amazing Grass. Today Amazing Grass is still sourcing from the family farm and dedicated to growing the highest quality organic, non GMO produce.

The ambition is helping people lead healthier, more active lives through organic, plant-based nutrition

The young leaves are harvested prior to the plant jointing to ensure maximum nutrition. They are direct cut harvested and immediately placed in a low temperature dehydrator. Dehydrated leaves are pelleted for storage with decreased surface area of the pellets reducing nutrient loss. The pellets are placed in pharmaceutical grade "super sacks" and packed with nitrogen to prevent oxidation. The bags are stored frozen below 0C and only milled and then bottled as

Amazing Grass founders Brandon Bert and Todd Habermehl



needed. The entire laborious process is followed to ensure maximum nutrition. Amazing Grass is now sold in GNC, CVS, Whole Foods Market and Target but still sourced from the family farm in Kansas along with barley grass, alfalfa and kale.

Amazing Grass is dedicated to growing the highest quality organic, non-GMO products in the USA as well as increasing exports – which are now sold in GNC, CVS, Whole Foods Market and Target.

- Non-GMO
- Kosher
- Organic

CERTIFICATION STANDARDS



GFSI

The Global Food Safety Initiative (GFSI) is a food industry benchmarking organisation which provides continuous improvement in food safety management systems to ensure confidence in the delivery of safe food to consumers worldwide. The GFSI has become a baseline expectation for many stakeholders, and has driven a common language and approach across the industry. Glanbia has embraced GFSI-recognised standards as the preferred model for our Food Safety Management system, and modelled our internal programmes (The Glanbia Quality System, GQS) inspired from those standards.



Glanbia Ireland's Open Source® Sustainable Dairy

Glanbia Ireland work closely with their farmers, offering support across many areas of sustainable dairy farming. Combined with Ireland's natural environment, this meticulous approach to sustainability sets us apart from other dairy companies internationally.



The National Milk Producers Federation Farmers Assuring Responsible Management

Glanbia's certified evaluators work with our Idaho producers to drive continuous improvement of the FARM programme, supporting Idaho Dairymen's Association in building farm worker safety training.

In 2017 we supported the roll out of the FARM Environment Stewardship module geared at addressing on farm sustainability.



Glanbia Ireland's Truly Grass Fed™

In 2017 Glanbia Ireland launched Truly Grass Fed™, a range of dairy ingredients from cows fed 95% grass, on pasture for up to 300 days a year and raised without the use of growth hormones or preventative antibiotics.

The programme is underpinned by independent scientific research and 3rd party verification (including Non-GMO Project Verified and the SDAS (Sustainable Dairy Assurance Scheme)).



NSF - GMP

Glanbia has adopted the National Sanitation Foundation's (NSF) Good Manufacturing Practice (GMP) audit programme for dietary supplements as its standard of choice for sites manufacturing Dietary Supplements. The NSF GMP standard reflects the relevant FDA code of federal regulation requirements for this sensitive class of product. This allows us to verify that we are upholding the highest standards in QC, raw materials, process control, and specifications for optimum and consistent performance of our dietary products.



Bord Bia (the Irish Food Board) third party audited programme for sustainable food production in Ireland - Origin Green

The success of on-farm partnerships between Glanbia and its suppliers is evident in 94% farm certification to Origin Green by year end 2017 (85% in 2016).



Glanbia Nutritionals' Navigating Natural™

In 2017 we introduced "Navigating Natural" to:

- clarify and simplify frequently used terminology
- explain antibiotic use on farm and Glanbia testing procedures to ensure our milk is antibiotic free.



Glanbia Ireland's Irish oats production

Gluten Free Oat Secure™, Glanbia Ireland's closed loop supply chain guaranteeing the Oat Pure™ range of oatmeal products.

Produced in Ireland and marketed in the US and Europe by Glanbia Nutritionals.

The Oat Secure™ quality assurance process has received NSF international accreditation.



People matter

Glanbia is committed to upholding international human rights and to acting with integrity in all its dealings, relationships, and supply chains. We have a zero-tolerance approach to slavery and human trafficking.

We ask every employee and supplier to comply with our key policies including:

- **Code of Conduct**
- **Anti-Bribery and Corruption**
- **Global Procurement**
- **Purchasing Ethics**
- **Human Rights**
- **Diversity and Inclusion**

As part of our compliance with these policies we take the following steps:

- Assess and monitor potential risks in our supply chain;
- Mitigate against the risk of slavery and human trafficking by following the Group Vendor Risk Assessment guidelines included in the Group Purchasing Policy;
- Annual independent audit of each operating site through our Glanbia Risk Management Process; and
- Facilitate, without fear of recrimination, our people to report any concerns in relation to slavery and human trafficking within the Group operations or supply chain.
- Operate a confidential “Speak Up” service where employees can voice their genuine concerns about matters which they believe violate our policies.

Glanbia will continue to develop its commitment to combat slavery and human trafficking and will provide staff training where appropriate.

OUR SOCIETY



Highlights

Inspired by our Purpose, we continued to roll-out health and wellness programmes for employees across the Group

Health and wellness is the theme for all community partnerships

More than one million Euro total contribution to community and charitable causes

Throughout the year, Glanbia continued to focus on rolling out standardised health and wellness programmes for all employees.

These included:

- On-site health and wellness facilities available to employees;
- Health and wellness education delivered through GPN Scientific Affairs and Education team and GPN's Sports Nutrition School's global education programme;
- Glanbia Nutritionals held its Annual Wellness Week in Twin Falls, Idaho as part of wider programmes of activity to mark National Nutrition Month in the US and National Workplace Wellbeing Day (NWWDD) in Ireland; and
- Employee Assistance Programme (Ireland and US) – a confidential counselling service available to employees providing professional support and information on a wide range of topics.



GPN Sports Nutrition School

In 2017 over 15,000 customers, consumers and employees attended GPN's Sports Nutrition School across more than 150 global education sessions. The school is an industry leading programme designed to educate participants on the benefits of combining exercise, good nutrition and supplementation. 2017 was an evolutionary year for GPN global education with the introduction of an advanced level 200 Sports Nutrition School commencing in North America and the launch of regional education franchising with new GPN educators in countries reaching across South and Central America, Europe, Asia and Australia, all actively extending the reach of GPN education into new markets.



Warming up for the Great Pink Run in aid of Breast Cancer Ireland in Kilkenny.

Breast Cancer support initiatives

Glanbia continued its association with Breast Cancer Ireland (BCI) in 2017, sponsoring the annual Great Pink Run which was extended to a second event in Kilkenny. Around 300 Glanbia employees participated in the events. In October 2017, more than 100 Glanbia employees took on the Two Peaks Challenge for BCI, climbing Mount Brandon and Carrauntoohil, raising an additional €55,000. Glanbia Agribusiness also supported BCI with its #PinkBales campaign which included the sale of a special limited edition pink silage wrap.

This year BCI, as well as local charities involved in mental health, were the main beneficiaries of the annual Glanbia 300 Cycle. The 32 cyclists completed a 300km round trip cycle to Galway, raising €32,400 for the chosen charities. Breast cancer awareness initiatives also took place in Glanbia Performance Nutrition Chicago to raise funds for a local charity, the Lynn Sage Cancer Research Foundation.

US community support

Glanbia Nutritionals Annual Charity Golf Challenge raised \$175,000 for a number of local charity causes in the Twin Falls, Idaho community. GPN 'Fill the Backpacks' initiative Glanbia Performance Nutrition partnered with the Humanitarian Service Project, 'Fill the Backpacks' to lend a helping hand to children in need in Illinois. Glanbia donations made it possible to provide over 3,000 children with school supplies for the 2017-2018 school year.



Colleagues in Twin Falls take part in the Annual 'Glanbia Ryder Cup' golf tournament, a special tradition pitting teams from Europe and the US against one another.

Community based sponsorships

Glanbia continues to maintain its long-standing association with a number of sporting and cultural initiatives in the regions in which we operate. In Ireland, Glanbia's support for the Kilkenny, Waterford and Wexford GAA teams continues to resonate strongly with local communities. Our support for local cultural initiatives continues through our commitment to the world-famous Kilkenny Arts Festival as well as food festivals Savour Kilkenny and the Waterford Food Festival.

Education - Fit India and Fit Malaysia

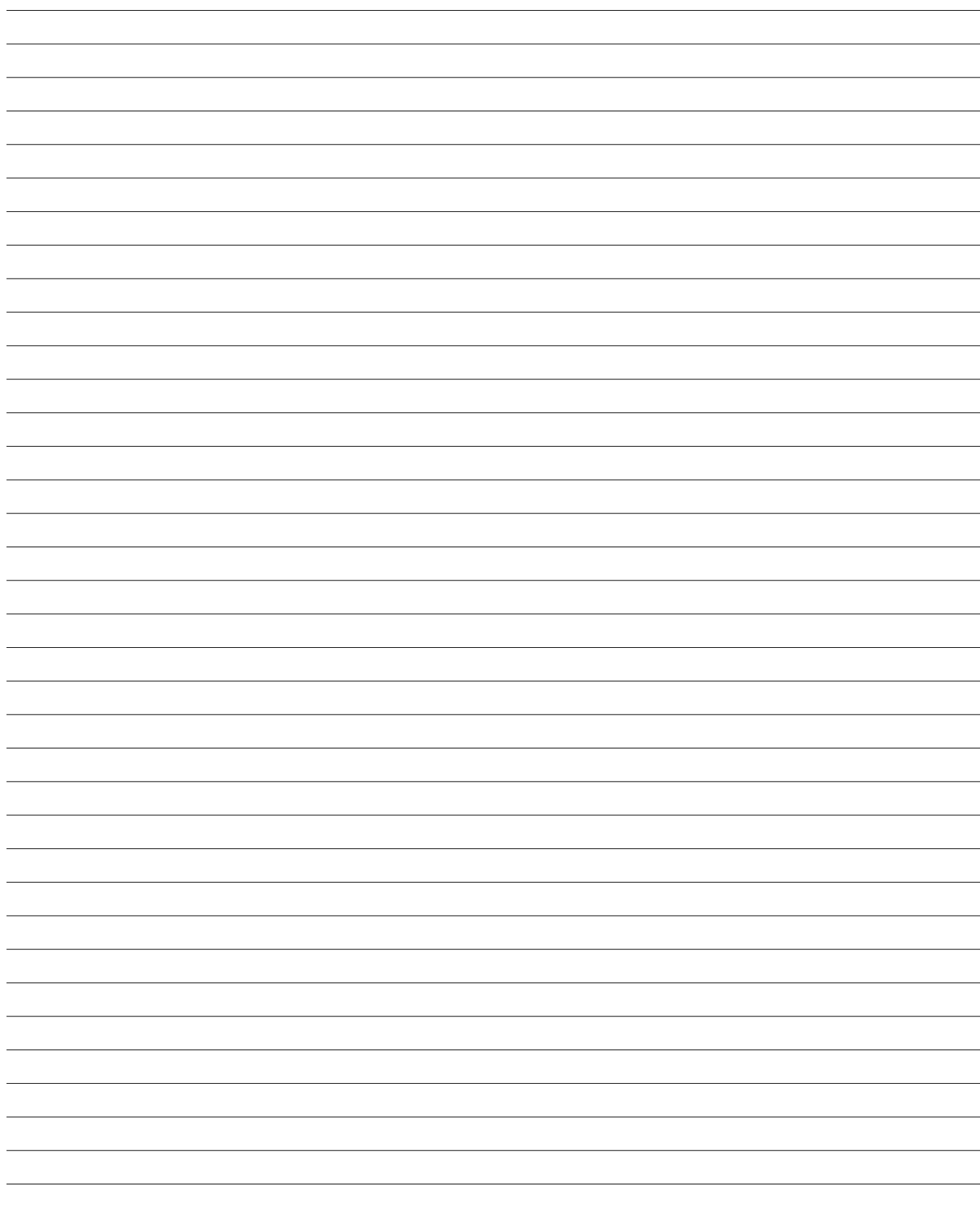
As Governments increasingly regulate foods and beverages that are regarded as unhealthy. This creates a favourable environment for nutrition that is focused on health and wellbeing. GPN has partnered with the Indian and Malaysian Governments offering Fit India and Fit Malaysia initiatives which are designed to help consumers in both countries understand the benefits of a healthy and active lifestyle. Through the Optimum Nutrition brand, GPN provides detailed classroom education programmes to retailers and consumers which are then supported by in market sampling, education and work out programmes that come alive through a mobile vehicle tour.



Nutrition focused on health and wellbeing is core to the GPN business model. Through our investment in education and training programmers, we have a community of passionate consumers who view our brands as their trusted partners, backed by our leadership in education.

Hugh McGuire
CEO Glanbia Performance Nutrition

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SUSTAINABILITY REPORT 2017

June 2018

GROUP SUSTAINABILITY

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