



# SUSTAINABILITY REPORT 2018

JULY 2019



*Showing Respect*

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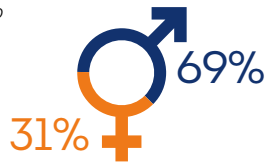


**6,900**

Employees

Gender diversity\*

\*Group



**4**

Global innovation  
centres

**34** Countries

**100%**

Implementation of  
global Food Safety  
Standards

2018 REVENUE

**€3.7Bn**



**15,780**

Consumers engaged in  
GPN nutritional education  
programmes

**7.2Bn**

Litres of milk  
processed

**#1**

Performance nutrition  
brand portfolio

**#1**

Whey protein, nutritional  
solutions provider

 **-24%**

Water use

(2015 base year)

 **-7%**

Energy use

(2015 base year)





# Showing Respect

**“At Glanbia, we are conscious of our responsibilities in the workplace, in the global marketplace and in local communities. Financially, socially and environmentally we endeavour to act responsibly and sustainably in keeping with our ‘Showing Respect’ value.”**

**Martin Keane,**  
Glanbia Chairman

## Clearly defined values

Great culture is something that develops organically on the back of strong, clearly defined company values.

Respect is the core value underpinning our sustainability strategy. Central to showing respect is an understanding that our future growth is founded on developing and rewarding our employees, delivering on the highest standards in food safety and quality, reducing our environmental impact, optimising our safety performance and having a positive social and economic impact on our communities.

Value led success is based on our ability to innovate across all aspects of the value-chain, our strong partnerships with customers and suppliers, and our engaged and talented employees. Together we are committed to making sustainability a key lever in making Glanbia one of the world's top performing nutrition companies. We aim to continually improve our delivery of safe and nutritious ingredients and brands, in environmentally, economically and socially sustainable ways, so we can continue to deliver better nutrition for every step of life's journey.

**Our Purpose**  
To deliver 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



THE CUSTOMERS' CHAMPION



PERFORMANCE MATTERS



SHOWING RESPECT



FIND A BETTER WAY



WINNING TOGETHER

## Our Values

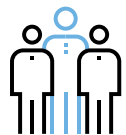
## Our Sustainability Vision

We are a responsible business generating economic, environmental and social value. Our ambition is to embed sustainability in our strategy, creating long-term shared value for all stakeholders.

## Sustainability Strategy

To advance our purpose and vision through an integrated and phased sustainability programme, which will strengthen our business for the future.

## Bringing our values to life



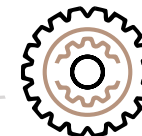
**Our People**

[Read more on page 12](#)



**Our Society**

[Read more on page 24](#)



**Our Supply Chain**

[Read more on page 20](#)



**Our World**

[Read more on page 17](#)



Showing Respect

# Siobhán Talbot, Glanbia Group Managing Director

**in conversation with John Dardis, Director of Public Policy and Sustainability on why sustainability matters to Glanbia.**



## What does sustainability mean to you and to Glanbia?

Sustainability is about responsible business. For Glanbia it's about ensuring that we are delivering on our purpose of better nutrition for every step of life's journey. It's about demonstrating that we mean what we say. Glanbia has a long and proud tradition focused on meeting consumer trends with a high quality supply chain. Our co-operative heritage has a legacy of social responsibility which is still core to our culture and informs our purpose and values today.

Our sustainability framework provides us with a clear direction as to how we create value for all – by “Showing Respect” to Our World, Our People, Our Supply Chain and Our Society. Sustainability brings our purpose and our values to life.

Ultimately to be a top performing nutrition company trusted to enrich lives every day, we have to demonstrate the progress we are making not just on financial performance but on a much broader lens in civil society. When you consider the breath of Glanbia's engagement in the value chain from our farmer suppliers all the way through to the consumer, we can and do drive significant improvement on that value chain.

## What are the drivers of the Glanbia programme?

The genesis of our Group wide programme was primarily customer and investor led. But it's clearly broader than that now. Sustainability has become a global agenda item. The World Economic Forum 2019 Risk Report shows the top three risks in terms of Likelihood as environmental and climate change induced. With climate change advancing faster, much of the focus is about being part of global solutions, and future proofing for the global challenges that we see playing out as a result of climate change. It's up to everyone to examine what role they can play in being part of the solution and I know that the work we have done to date places us in a credible position to be part of the solution.

Importantly too, our people are deeply committed and passionate about making a difference. Our employee surveys show that people

are proud to work here and feel part of a broader effort to have a positive impact on the community and the world they live in.

## Where does sustainability fit in the Glanbia Strategy?

In setting out our 2022 ambitions, we have called out the global macro trends of most relevance to our business. These include health and wellness, on-the-go convenience, clean labelling and a digitally connected consumer. For each of these macro trends you can see the lens through which consumers are viewing sustainability. Our growth strategy has three strategic pillars aligned to meet the global trends with a sustainability focus intrinsic to their delivery.

Since we adopted a formal Group wide sustainability programme in 2015, we have set out a phased approach which we are progressing through robust governance, Group reporting on quality and EHS, complemented by ongoing innovation and collaboration. While our focus has primarily been within the four walls of our operations, reports like the Intergovernmental Panel on Climate Change (IPCC) show that focusing on what is material is key. Our ambitions to 2025 include setting new group sustainability targets and exploring Science Based Targets. These and other proactive decisions such as the undertaking of our first materiality report, are aligned with the strategic decision making of the business. As dairy is integral to our operations we are working closely with our farmers to deliver on sustainability targets in Ireland and the USA.

## How is Glanbia driving sustainability impact?

You can't manage what you don't measure. Therefore, our approach has been phased and pragmatic on long term target setting. Ensuring that we have insightful and accurate data has been an important focus for us in our own operations and in our supply chain.

With that process well embedded, we are now shifting to examine our next phase to 2025, 2030 and beyond and what that will mean in terms of target setting for energy, water and waste.

Our teams are continuously finding a better way on the triple wins of cost saving, positive social and environmental impacts, and

positively empowering our employees to move the dial. For example, our journey to zero waste in Glanbia Performance Nutrition has emboldened our teams at each of the GPN sites. The delivery of the zero waste to landfill target in such a short space of time generates a powerful momentum to continue to examine and implement sustainable solutions.

We have already achieved our 2020 goals for our manufacturing operations. The challenge now is identifying further opportunities to reduce our carbon footprint and to contributing towards the UN Sustainable Development Goals (SDGs) on climate action. We recognise that the most significant challenge is outside our four walls and back to source, beyond the farm gate. We are leveraging our dairy suppliers' commitment to Origin Green in Ireland and the FARM Environmental Stewardship module in the USA to build a more complete picture of emissions in the supply chain. We are working with the Carbon Trust to help us explore Science Based Targets and identify the best course of adaptation and mitigation. We are also collaborating with national and international organisations to drive industry-wide progress on targets and goal setting. Behind the scenes the industry is working hard to set ambitious goals for the future. I am excited about the opportunity for the dairy sector to be part of the solution.

## How does Glanbia's effort contribute to the global demand for action?

Given that climate change requires cross societal action it is important that Glanbia can demonstrate how we contribute to such a broad demand. We have mapped our plans against the UN SDGs and are starting to present our strategies through this lens. Our initial focus is on those areas where we are able to have a positive impact. From developing innovative nutritional products that help our consumers to live better, to supporting local communities, or acting responsibly by reducing our environmental impacts, we endeavour to live by our core values every day. This approach is a vital contributor to our business model.



## We have built a resilient business model that enables the Group to prosper and grow.

Our vision is to be one of the world's top performing nutrition companies trusted to enrich lives every day.

Our business model focuses on leveraging our strategic assets and distinctive capabilities to create world-leading performance and lifestyle nutrition brands and innovative nutritional and functional ingredients.

We do this while maintaining strong financial discipline and efficient capital deployment which generates consistent and attractive returns for shareholders. We benefit from the diversity of our end-users, broad product range and our wide geographic spread.

### 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](http://www.theiirc.org)

#### Inputs

##### Talent development **H**

People lie at the heart of the business. With 6,900 employees, we aim to attract, retain and develop high-quality employees through an integrated, values-led approach to talent management and career development.

##### Operational excellence **M**

We have a proven ability, demonstrated over decades, of running large-scale manufacturing facilities. We have 27 production facilities, including our joint ventures.

##### Innovation **I**

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

##### Relationship focused **S**

We work as a proactive and long-term business partner with all participants in our supply chain, delivering nutritional solutions based on market foresight and contributing to better business for our partners.

##### Natural resources **N**

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

#### Outputs

##### Committed people

We attract and retain talented employees through management training and development programmes aligned with our purpose, vision and behavioural values.

##### Communities

Our business makes a difference in the communities in which we operate with a significant economic multiplier effect supporting local employment and prosperity. As individuals and a collective organisation we support voluntary endeavour and nominated charities that resonate with our culture and value system.

##### Loyal customers and consumers

We deliver better nutrition through leading brands across multiple convenient formats and high-quality nutritional

ingredients for our customers and consumers that assist them in the achievement of their lifestyle and performance goals.

##### Engaged shareholders

We have a progressive dividend policy and during 2018 the Group adopted a revised dividend policy of an annual dividend payout ratio of between 25% and 35% of adjusted Earnings Per Share. This represents a return of €71.6 million to shareholders from 2018 earnings.

##### Environmental performance

As a global nutrition group we are conscious of the impact of our organisation on the broader community. In 2018 we further evolved our sustainability strategy to make substantive progress against our Environmental KPIs which includes targets for water, energy and waste.



## Develop

**We apply our deep sector knowledge, collaborative approach and innovative thinking to transform raw ingredients into branded consumer products and high-quality functional ingredients and products for our customers and consumers worldwide.**

**B2C:** innovation sits at the heart of our business. We continuously develop new performance and lifestyle nutrition products. Our brands include a range of formats such as powders, drinks, capsules, tablets and bars.

**B2B:** our Nutritional Solutions business is a leading marketer of advanced-technology whey protein, specialist vitamin and mineral blends, plant-based ingredients and functional beverages. Our US Cheese business is the leading manufacturer and marketer of American-style cheddar cheese.

**D2C:** the acquisition of Body & Fit is enabling us to build a platform for our online capability and develop powerful e-commerce and digital tools to support our performance nutrition brands.

## Deliver

**We source clean ingredients from both primary producers and other food manufacturers. 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.**

## Culture and values

Our culture seeks to unify our people, leaders, partners and stakeholders in a common goal: to deliver better nutrition for every step of life's journey.



## Grow

**We are the global leader in the performance nutrition industry with a portfolio of performance and lifestyle nutrition 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.**

**B2C:** each of our own brands has its own consumer appeal. We are the #1 global sports nutrition brand with a growing presence in lifestyle nutrition.

**B2B:** our portfolio of both nutritional ingredients and cheese products gives us strong market reach and customer relevance. We work closely with our customers to develop products that exceed their expectations.

**D2C:** our new digital platform will enhance engagement with our consumers at multiple touch points throughout their purchasing decision journey. We will continue to connect with consumers through creative excellence and new digital layers of services.

### Innovation

Supported by four innovation centres, we create greater value from our pool of raw materials through collaborative long-term partnerships, customer focused innovation and investment in consumer-facing products and brands in high-growth markets.

### Solid supply chains

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



# Respecting Our Stakeholders

With 6,900 employees, almost 50,000 registered shareholders, thousands of customers, suppliers and consumers, stakeholder engagement is paramount to Glanbia. We believe that trust in our business and our reputation is driven by how we engage with these stakeholders. A strong relationship with all of our stakeholders ensures the sustainable success of our business.

We engage with our principal stakeholders through a number of forums including employee engagement, supplier, customer and investor meetings, as well as through industry networks and formal reporting tools including the Carbon Disclosure Project (CDP).



## Employees

Our 6,900 employees based in 34 countries are our primary stakeholders. Our global workforce is culturally diverse and mobile. Glanbia engages with employees through a comprehensive Employee Engagement programme (see Page 14 in Respecting Our People).

## Consumers and Customers

Our consumers and our customers drive our business and are key stakeholders. We work extensively with consumers and customers to strengthen our commercial and strategic relationships. We engage with our business-to-business customers on an ongoing basis through our account management teams and by sharing information through programmes like Ecovadis, SEDEX, and the Carbon Disclosure Project. These relationships provide us with valuable market insights. Through our consumer facing brands we engage directly with our end users - through our digital media channels and consumer focus groups.

Supported by our four Innovation Centres, Glanbia R&D, Insights and Marketing teams collaborate with consumers and customers to develop innovative nutritional solutions that help us lead our categories. Through GPN we run a Sports Nutrition School to educate our employees, customers and consumers on the benefits of combining exercise and good nutrition. In 2018 108 global education sessions were experienced by over 15,780 consumers, customers and employees across EMEA, LAPAC and North America.

## Suppliers

Glanbia's supply chain spans a wide range of global suppliers of our raw materials, packaging, transportation and services globally. Our farmer suppliers are important partners in achieving our sustainability goals, and we work closely with them through on-farm advisory services and programmes and attendance at farmer meetings. Through Group procurement and supply chain programmes we regularly engage with all our suppliers through on-line and direct engagement, as well as through supplier training programmes.

## Investors

Glanbia proactively communicates with institutional and retail investors through a focused investor relations programme. In 2018 this included: presentations at 12 global investor conferences, over 300 meetings with institutional investors and a Capital Markets Day. The Sustainability team responded to nine investor sustainability surveys during the year.

## 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 (Irish national agriculture advisory body), RSPO (Roundtable on Sustainable Palm Oil); GFSI (Global Food Safety Initiative); Dairy Sustainability Ireland and the programmes associated with those organisations.

## Local communities

Glanbia actively fosters a strong relationship with the communities where we operate. We engage with our local communities through the creation of employment, sponsorships, open days, volunteering and local chambers of commerce, news bulletins, social media and other initiatives.

## Governments

Glanbia engages with Governments in our key locations – both directly as well as through coalitions and trade associations. As stated in our Code of Conduct, Glanbia has procedures to govern interactions with public officials which take account of the values and behaviours expected of Glanbia employees.

## Universities

Innovation is central to Glanbia and we openly collaborate with a number of universities and science institutes in the USA, the UK and Ireland.





## Our Partners



### Carbon Trust

*“We have worked with Glanbia to successfully establish a consistent approach to environmental reporting across global operations. This accurate reporting has created a platform to help set ambitious targets over the coming year, allowing focus to move beyond direct operational impacts and into creating a holistic sustainability strategy that takes action across the entire value chain.”*



**Michael Patten** – Group Director of HR and Corporate Affairs

*“Glanbia is a values led organisation. Our business success is directly linked to enhancing the well-being of the people who make and enjoy our products and to supporting the communities and the environment where we grow our ingredients.”*



**Wilf Costello** – Chief Commercial Officer, Cheese, Glanbia Nutritionals

*“Today’s Gen “Z” have a declining interest in specific brands but want to understand what we are doing as a business to improve their lives and that of the world around them. It’s imperative for us to continue sustainable business practices and also provide the consumer with science-based facts. GN is focused on continuing to produce quality products in a sustainable manner for future generations.”*



### Sustainable Agriculture Initiative Platform

*“SAI Platform has the privilege to facilitate a collaborative platform for the global dairy sector. Through our Dairy Working Group members we represent 30% of the world’s milk volume. Glanbia Ireland has contributed to the development of a global solution: the B2B Model, which aims to transform the dairy sector. Representing Ireland next to other processors on a pre-competitive stage, Glanbia has the opportunity to shape our approach in a way that will have an impact and deliver value to Ireland’s dairy sector.”*



### Barb O'Brien – President, Innovation Center for U.S. Dairy

*“Glanbia has played critical roles – both as stakeholder and contributor – in our Innovation Center for U.S. Dairy, helping to shape the future of our sustainability progress and the evolution of the U.S. Dairy Stewardship Commitment.”*



**Emma Cullen** – Sustainability Associate Glanbia

*“When you ask me what matters most in my work, it’s about feeling respected that tops the list. I really like the way Glanbia is actively trying to encourage the values – through performance measurement and even the Recognition Awards.”*



**Colin Westcott-Pitt** – Global Chief Marketing Officer, Glanbia Performance Nutrition

*“The “clean and transparent” trend has moved far beyond labelling as consumers continue to look for products with reduced ingredient lists, less cluttered packaging design and a sustainable approach to the community and the environment. We are proud of having achieved our zero-landfill goal in 2018 – as verified by the Carbon Trust.”*



## Materiality

Our programme is centred on the Group's most material sustainability issues as determined by the leadership team in 2015. Our 2020 goals are pragmatic and are critical steps in a phased approach to sustainability.

### Towards 2025

Conscious that we operate in an ever-changing environment and to ensure our core business and sustainability focus remains relevant, in 2019 Glanbia will undertake a wide reaching materiality assessment. The range of topics to be assessed will focus primarily on those with the potential to have a significant impact on society and the environment over the short, medium or long-term while also potentially affecting the ability of the Group to fulfil our purpose, vision and strategy. The assessment process will update the sustainability priorities deemed as being important to both Glanbia and our stakeholders towards 2025 and beyond. We will continue to work with Carbon Trust on the evolution of our 2025 strategy.

## Our Governance

The delivery of our sustainability programme is overseen by the Group's Corporate Responsibility Council (CRC), convened by the Group Director of HR and Corporate Affairs and the Group Secretary. The CRC oversees our Corporate Responsibility framework.

**This framework encompasses various policies including:**

- **Group Code of Conduct**
- **Environmental, Health & Safety Policy**
- **Human Rights Policy**
- **Diversity and Inclusion Policy**
- **Slavery and Human Trafficking**
- **Anti-Bribery and Corruption Policy**
- **Food Safety Policy**

The current focus of our CRC is to monitor progress against high priority actions on food safety and quality, health and safety and environment, taking corrective action as required in addition to driving value opportunities.

### Board diversity and re-organisation

While we recognise the unique structure of our Board, diversity and succession are important considerations for the Glanbia Board.

Board renewal is a key area of focus and crucial to the Group's success. In 2019 Glanbia announced changes to the composition of its Board, increasing the number of independent, non-executive Directors on the Board.



[Download Glanbia Annual Report](#)



### Two Executive Directors

Group Managing Director and Group Finance Director

### Six Independent Non-Executive Directors

### Eight Non-Executive Directors

nominated by Glanbia Co-operative Society Limited

In addition, Glanbia expanded the role of one of the Independent Non-Executive Directors to include oversight of workforce engagement to further improve Board involvement in this area.

### Reporting standards and guidance

The Global Reporting Initiative G4 guidelines continue to guide our focus on key material aspects, boundaries and measures of our sustainability strategy. We have mapped our plans against and the United Nations Sustainable Development Goals (SDGs) - see page 11.

Glanbia is subject to corporate governance requirements in the EU and Ireland and constantly keeps its corporate governance arrangements under review - including compliance with the requirements of the EU Non-Financial Reporting Directive.

# SUSTAINABLE DEVELOPMENT GOALS



We believe that business action is a key determinant of the success of the ambitious 2030 UN Sustainable Development Agenda, and the achievement of the SDGs. To this end we support multi-stakeholder industry forums, including the Dairy Sustainability Framework and the Global Dairy Platform's programmes to advance the SDGs.

Glanbia has selected the 11 Goals most pertinent to our business.



Glanbia operates health and wellbeing programmes for employees including health checks, the provision of sports facilities at many sites and nutritional and healthy lifestyle education.



As an employer of over 6,900 people Glanbia recognises the importance of diversity and is committed to encouraging gender equality among our workforce.



Our business makes a difference in the communities in which we operate with a significant economic multiplier effect supporting local employment and prosperity.



Glanbia seeks to enable an equitable and inclusive culture.



Glanbia endeavours to improve access to nutrition by developing affordable products designed to meet specific nutritional needs.



Glanbia seeks to ensure health and well-being at all stages of life's journey. As consumer demand for protein and nutritional ingredients grows, Glanbia applies cutting-edge science and food technology to evolve and drive innovation and responsible consumption.



The Group has focused innovation pipelines in GPN and GN and our joint ventures led by consumer insights and market research.



Through our direct employment and indirect impact on suppliers - particularly in rural areas in the USA and Ireland, Glanbia continues to support sustainable communities.



We advocate for responsible production and consumption



The primary goal of the Glanbia QLT is to ensure programmes and culture to effectively deliver products that meet international food safety standards & conventions, in order to safeguard human health.



Glanbia respects and supports internationally recognised human rights, such as the Universal Declaration on Human Rights, the International Labour Organisation's Core Conventions and the OECD Guidelines for International Companies.



We advocate for responsible production and consumption through multi-stakeholder industry collaboration.



Through our on-farm programmes we are working to enhance life on land (including biodiversity).



Through a focused Group wide programme, Glanbia is reducing water use and progressively improving water quality and efficiency in our facilities.



We adopt environmental responsibly programmes across all our production processes.



Glanbia is working with Carbon Trust to develop carbon reduction targets and supporting on-farm efforts in the same direction.





## Respecting Our People

**2018 was a pivotal year in which we continued to invest in the development of our people, aiming to sustain a high-performing, values-driven culture where our employees are empowered to deliver to their full potential.**

Our areas of focus in 2018 were:

- Talent
- Leadership
- Organisational Effectiveness
- Culture & Engagement

During the year, we enhanced the Group's resources in talent development and organisational effectiveness to help Glanbia grow the capability and impact of our leaders and employees. Our new Talent Acquisition platform went live, increasing the quality, speed and efficiency of recruitment. Our focus on building our culture and engagement continued, with the rollout of our global Recognition Programme and embedding values into our performance management systems. We continue to optimise our operating model to meet current and future business needs and support wider services, digital delivery and internationalisation as efficiently as possible.

### Our Vision

To develop the talent, culture and values of Glanbia, within an inclusive framework that protects and develops our people, respects the wider community and upholds international human rights.

#### Our programmes

Living our purpose, vision and values across all areas of the Group.

Developing leadership talent.

Driving organisational effectiveness.

Fostering a strong culture and encouraging employee engagement.

Enhancing the capabilities and systems underpinning HR to facilitate international expansion.

#### Our 2018 progress

 **+885**  
Employees

(2015 base year)



**Embedded values into our performance management processes.**

Established new global talent centre of excellence.

Launched an advanced leadership programme for senior leaders.

Completed first full year of new Group-wide talent acquisition platform.

Continued focus on employee engagement with a wide series of initiatives across all locations.

#### 2019 priorities

Prioritise talent management with a focus on succession planning.

Focus on talent and leadership development through the introduction of new multi-level programmes.

Continue to cultivate our performance management culture.

Further engagement to embed our purpose and values.

Renewed focus on diversity and inclusion.

Evolution of people-centric digital HR support systems.

#### Global employee base

##### Total Group employees



##### Glanbia Performance Nutrition (GPN)



##### Glanbia Nutritionals (GN)



##### Joint Ventures and Associates



\*Includes the addition of 62 new employees from Slim Fast, which was acquired by the Group in November 2018





## “In continuing to embed our purpose, vision and values, we executed a complete restructuring of our Performance Development Programme (PDP).”

**Michael Patten,**  
Group HR and Corporate Affairs Director



Business systems learning is an ongoing focus for Glanbia Business Services (GBS) – pictured here are members of the team in Aurora, Illinois with GBS General Manager Tony Minogue

### United Nations Sustainable Development Goals



Glanbia has mapped its plans against the UN SDGs. Through the sustainable growth of our business and the creation of 300 new jobs in 2018, we contribute to Goal 8 (decent work and economic growth) and 11 (sustainable cities and communities)

### Fostering purpose-led performance – our Global HR Agenda

In continuing to embed our purpose, vision and values, we executed a complete restructuring of our Performance Development Programme (PDP) in 2018, introducing new ratings and a new methodology into how we calibrate performance management across our organisation. The PDP process now captures how our employee contributes to living each of the Glanbia values – further embedding the values across the Group. We also completed the rollout of our talent acquisition platform which will drive significant benefits to the organisation. These include building deeper pools of talent, as well as increased efficiencies and reduced costs in recruitment.

Our objectives in 2019 will focus on talent attraction, retention and development as well as progressing our digital transformation.

### Retaining and developing our people

Our new Talent Centre of Excellence was launched in 2018 aiming to enhance our ability to analyse, anticipate and respond to the talent needs of the organisation, particularly leadership development and succession planning.

The Group also completed a full talent and succession review, our Organisation and People Review (OPR), which assesses succession bench-strength and emerging issues in our talent planning.

In 2018 we also launched our Advanced Leadership Programme for senior leaders in conjunction with the Centre for Creative Leadership and the Irish Management Institute. Senior executives from across the Group participated in the first module which took place in Silicon Valley and focused on themes around disruption, innovation and digitalisation. Future modules will address themes such as international scaling, leadership impact and business building.

We continued to rollout our ‘Leading the Glanbia Way’ programme which has seen more than 1,100 managers from all areas of the Group participate since inception.

In 2018, we also commenced a Reverse Mentoring programme to bring together our digital natives and experienced senior leaders to stimulate new ways of thinking about how Glanbia can further leverage digital capabilities.

### 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. Glanbia Nutritionals undertook several Talent Development initiatives including introducing a new First Line Supervisor Training Programme. Further initiatives included bringing in early talent through graduate and intern hiring and structured rotations, a comprehensive Organisation and People Review (OPR) process across operations, and continuing to offer leadership training (Leading the Glanbia Way) and reinforcement of its key concepts. In Glanbia Performance Nutrition, approximately 100 employees from various functions engaged in sessions centred on developing leadership and communication skills to create high performing teams. This has created a common language within the organisation to communicate leadership style.

### Pure Ambition Graduate Programme

Glanbia’s Pure Ambition Graduate Programme continues to play a key role in selecting and developing the next generation of leaders for Glanbia. It has been recognised for the last three years at the GradIreland Awards, winning the Gold Award for Best Training and Development Programme in the Business/Management Category. Learn more at [www.glanbia.com/graduates](http://www.glanbia.com/graduates).



## Culture and engagement

In 2018 'Our Glanbia' Roadshow extended its global reach and saw our Group Managing Director Siobhán Talbot and members of the Group Operating Executive visit 20 sites across the US, Europe and Asia Pacific, conducting 24 town hall meetings and interacting directly with more than 2,000 employees across the Group. Recognition was a key focus of the roadshow events, with more than 100 awards presented to employees and teams across the Group, recognising their commitment to our values in action.

To ensure that recognition of our people is an ongoing feature of our engagement, our global recognition programme was also rolled out during the year. Named 'Living Our Values', the programme encourages employees to #LetThemKnow and recognise colleagues both formally and informally for living Glanbia's values every day. Building on our commitment to listen to our employees, a global employee engagement survey is planned for 2019, to measure progress against our people and engagement goals.

### Employee Engagement in 2018

#### Annual Review - Performance Development Programmes

Restructuring of PDP process to include an assessment for living the Glanbia values.

#### Glanbia Roadshow

Exec roadshow visited 20 sites across the US, Europe and Asia Pacific, conducting 24 townhall meetings and interacting directly with more than 2,000 employees across the Group.

#### Glanbia Recognition Programme

100+ awards presented to employees and teams across the Group, recognising their commitment to our values in action.

#### Safety Communications Programme

Health and Safety Leadership Team continues to roll out Group-wide policies to safeguard health, safety and wellness to all employees.

#### Code of Conduct & Speak-Up Programme

Rolled out the Code of Conduct and Speak-Up Programme to all employees.

#### Leading the Glanbia Way Programme

More than 1,100 managers have participated in Leading the Glanbia way since inception in 2016

#### Sustainability Leadership Teams

Sustainability teams focusing on Environment, Health and Safety, Quality /Food Safety met on a monthly basis during 2018.

Focus on sustainability as one of the "big ideas" at the 2018 Glanbia Leadership Conference.



### Graduates 'spark' for sustainability

In Glanbia we value the contribution that our graduates bring to the business – with fresh thinking and innovation potential drivers of business success. 'Spark', an immersive design thinking experience workshop for Glanbia graduates was launched in 2018. In 'Spark' the graduates were presented with real live Glanbia business issues - including a sustainability challenge where they worked to find solutions through design thinking.

The sustainability working group was tasked with solving a supply chain issue focused on one of our ancient grain customers. Over the course of an intensive three days, graduates collaborated with SMEs, Glanbia Senior Leaders and Industry Leaders from IBM to create a framework that clarified Glanbia's sustainability programme, reinforced confidence in the supply chain partnership and invented ways to improve sustainability within the business. The winning 'Susgrainability Squad' team delivered their proposition to a judging panel, including MD, Siobhán Talbot - demonstrating the importance our people place on sustainability across all levels of the organisation. The outputs of their project were presented to the customer in a direct meeting later in the year.



## A diverse workforce

As a proud employer of over 6,900 people across 34 countries, Glanbia recognises the importance of diversity.

In keeping with our values, Glanbia is committed to encouraging equality, fairness and diversity among our workforce. We aim to create an inclusive culture that gives every employee the freedom to succeed, regardless of age, status, ethnicity, gender or any other attribute. Our Group diversity and inclusion policy applies to all Glanbia employees and is core to our HR policies and practices. In 2018 we reviewed the evolving regulation and the potential Group impact. In 2019, we will develop and implement a diversity and inclusion strategy for delivery from 2019-2025.

This will focus on key areas including:

- Talent acquisition
- Talent development and promotion
- Measurement through performance management of how each person lives the Glanbia values
- Building learning content around diversity and inclusion into our Leading the Glanbia Way and other leadership programmes
- Engaging with internal and external networks to support an inclusive culture
- Continued encouragement of volunteering and fundraising for relevant charities.

We will continue to develop our approach to increasing social diversity across the organisation as well as striving to ensure equal access to rewarding career and personal development experiences.

The expansion of the role of an Independent Non-Executive Director to include oversight of workforce engagement, including diversity and inclusion, is a further illustration of the Board's commitment in this area.

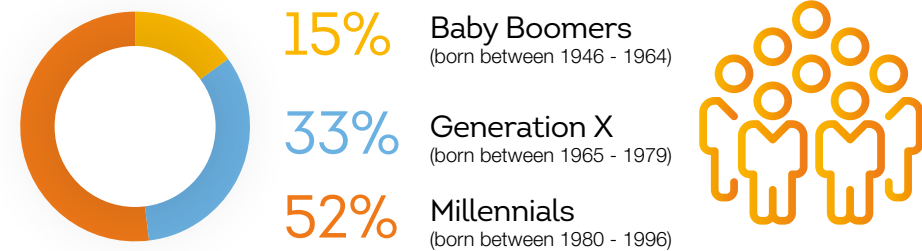
### United Nations Sustainable Development Goals



In support of the UN Sustainable Development Goal (SDG 5) that addresses gender equality, Glanbia is committed to improving gender balance and female leadership development, engagement and retention across all functions and management levels.

## Making progress

### Number of employees by age



## employees across 75 nationalities



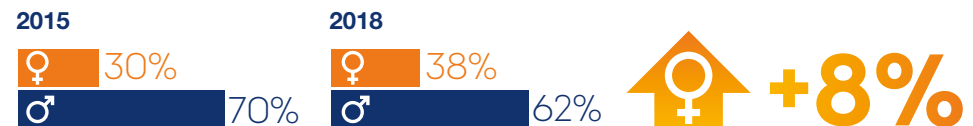
### Gender Split - Group

Versus base year 2015



### Gender Split - PLC

Versus base year 2015



## Health and Safety



Total Recordable  
Incident Rate (TRIR)

**2.15** / **200k**  
hours

**95%**

of our sites were trained in and  
are now using our Global Health  
and Safety Incident Management  
reporting platform

### United Nations Sustainable Development Goals



**3 GOOD HEALTH  
AND WELLBEING**  
Ensuring good health and wellbeing  
is at the core of our business and is  
aligned with our Purpose, Vision and  
Values.

Showing respect, by caring for our people and our world, is a value  
Glanbia lives by.

Health and Safety is critical to our success as a company. We  
are committed to a safe and healthy work environment for our  
employees, our farmers, vendors and contractors, our visitors and  
our communities. We maintain a Zero Harm vision for our Health and  
Safety programmes worldwide.

In pursuit of our 'Zero Harm' ambition, the Health and Safety  
Leadership Team continues to establish group-wide standards and  
policies to safeguard health, safety, and wellness.

Compliance with the policy is overseen by our global Director of  
Quality and Safety, the Corporate Responsibility Council (CRC) and  
ultimately the Glanbia Board.

#### The basis of our 'Zero Harm' strategy is:

- **Culture** – proactive engagement, training and development of  
our people
- **Processes** – ensuring world class processes are embedded

#### 2018 highlights

Our global Total Recordable Incident Rate (TRIR) remained consistent  
in 2018 at 2.15 / 200,000 hours, while increasing the scope of our  
Health and Safety programme.

95% of our sites were trained in and are now using our Global Health  
and Safety Incident Management reporting platform.

This approach has facilitated greater visibility on progress, risks and  
mitigation plans.

To foster a culture of learning and prevention, we have implemented a  
policy to drive Root Cause Analysis (RCA) and promote management  
review for Lost Time Cases (LTC).

The introduction of a new H&S Global Standard, Job Safety Analysis  
Risk Assessment, developed in 2018, will be rolled out across Glanbia  
in 2019 as a critical risk management tool. We are capturing data  
across our business to develop insights on best practice that informs  
the long term Zero Harm strategy.

### Vision

To safeguard the health, safety and wellness of employees, customers and  
our community, in pursuing 'Zero Harm'.

### 2018 Performance

Group H&S metrics and monthly reporting established (2017 base year).

95% of Group locations are now reporting on our common  
H&S global reporting platform.

Introduced global policies (Job Safety Analysis, a global registry for  
H&S incidences and Root Cause Analyses (RCA)).

### 2020 targets

To adopt a systems-based approach for H&S programmes  
(e.g. OHSAS 18001/ISO45001 or equivalent).

To identify, and develop plans to eliminate the top drivers of LTC.

To achieve a 10% reduction in TRIRs.



**GI Ballyragget is one of Europe's  
first processing plants to  
achieve the new ISO 45001: 2018  
Occupational Health and Safety  
Standard demonstrating our  
strong commitment to safety at  
work.**



Showing Respect




# Respecting Our World


## Environmental reporting

We measure our performance by focusing on the aspects of environmental stewardship that are material to the development of a more sustainable world. Now in the third year of a coordinated Group wide focus, we have built a solid foundation that supports our operations. Through Group reporting and governance we continue to focus on high priority issues and make progress against KPIs. Taking account of the Carbon Trust's recommendations of 2017, we have implemented more efficient methods to utilise and report metrics. During 2018 Glanbia deployed InteleX, the EHSQ Management software to all Business Units bringing consistency to our monthly and quarterly reporting of facility-level environmental and safety metrics. This software solution allows for immediate evaluation of metrics by facility, Business Unit, and across our entire business footprint. InteleX brings real time analysis of KPIs and informs our cost benefit decision making. The system also provides site by site comparisons on best practice where the Environmental Leadership Team can leverage these insights across all locations.


## United Nations Sustainable Development Goals



Through a focused Group wide programme, Glanbia is reducing water use and progressively improving water quality and efficiency in our facilities.



We adopt environmentally responsible programmes across all our production processes.



Glanbia is working with Carbon Trust to develop carbon reduction targets and supporting on-farm efforts in the same direction.

### Our Vision

To protect the environment through strong, responsible stewardship.

#### Our programmes

- Improving energy efficiency.
- Improving water conservation.
- Waste reduction.
- Adoption of common environmental protection standards across the Group.
- Continued implementation of the Glanbia Performance System.

#### Our 2018 progress



### ZERO WASTE

to landfill for GPN manufacturing sites

### CDP SCORE

higher than average

Water	Supplier Engagement	Supply Chain
B-	B-	C

- 37% Indirect GHG emissions.
- 63% Direct GHG emissions.
- Energy use intensity reduced by 7%\*.
- Completion of carbon foot printing of our operations certified by Carbon Trust.
- Water use intensity reduced by 24%\*.
- Nine sites ISO accredited.

\*2015 base year

#### 2019 priorities

- Achieve benchmarking of current operational performance vs. industry leading standards.
- Develop an action plan to lower carbon impact, in association with the Carbon Trust.
- Adopt ISO14001 as common standard.
- Materiality analyses evolving towards Science Based Targets (SBT).

### Standard European measures and metrics adopted in 2015\*

All units are tracked against annual Total Milk / Solids Mass Balance and standard European measures. Our scope focus is our manufacturing facilities and not on-farm activities.

**Energy**

kWh of power and fuel used in our manufacturing facilities.

**Water**

Litres of water in and waste water out of our manufacturing facilities.

**Waste**

Total waste disposed of from our manufacturing facilities e.g. tonnes to Landfill, incineration, recycled and composted.

**GHGs**

Tonnes of CO2e from Scope 1 & 2 activities.

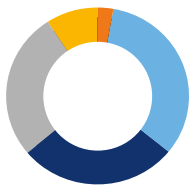


CO<sub>2</sub> Emissions by SCOPE (tonnes)



- Scope 1 (direct) 272,458 (63%)
- Scope 2 (indirect) 160,644 (37%)

CO<sub>2</sub> Emissions by Business Unit



- GPN 3%
- GN 33%
- JV & Associates
- GI 28%
- SWC 27%
- GC 9%

Energy

7% (2015 base year)

We reduced energy consumption by 7% since 2015. This reduction in energy use intensity is due to the sourcing of power from renewable sources in our Irish operations and the offset of energy we return to the energy grid.



Greenhouse Gas emissions

Reducing greenhouse gas (GHG) emissions is a central sustainability goal for Glanbia. In 2018 we engaged The Carbon Trust to oversee our carbon footprint measurement. The project delivered our carbon footprint for Scope 1 and Scope 2 activities. This data will allow us to evaluate our emissions on the basis of product manufactured and compare plants with similar processes in pursuit of best practice. The data enables us to make informed decisions as we develop our 2025 targets, and explore SBTs.

80% of Glanbia’s Scope 1 & 2 emissions are attributable to our dairy processing operations. The level of emissions is consistent with operations of our scale, with natural gas and electricity from Scope 3 responsible for over 92% of emissions. In addition, we are leveraging our dairy suppliers’ commitment to Origin Green in Ireland and the FARM Environmental Stewardship module in the US to build a more complete picture of emissions in the supply chain.

We are also collaborating with national and international organisations to drive industry-wide progress on targets and goal-setting including a leadership role in the Innovation Center for US Dairy Taskforce and Environmental Stewardship Committee.

Glanbia is committed to identifying further opportunities to reduce our carbon footprint and to contributing towards the Sustainable Development Goal 13 on Climate Action. Our GHG emissions are calculated according to global standards using methodology established by the International Panel on Climate Change (IPCC) as well as guidance from the World Resource Institute (WRI) and are overseen by The Carbon Trust.

Water

24% (2015 base year)

We have made considerable progress on water use reduction. In 2018, we reduced our water use intensity by 24% from the 2015 base year. Our progress is the result of focus applied at operational level through our Glanbia Performance System which drives excellence on sustainability metrics. In 2018, with the help of our environmental consultants Harbor, we mapped our manufacturing sites using the Aqueduct Water Risk Atlas (Water Resource Institute).

While none of our sites are located in regions of Extremely High Overall Risk, this analysis provides us with a framework to assess our site specific water use and reuse ambitions.

Waste

GPN achieves zero landfill

In 2016, Glanbia Performance Nutrition (GPN) set an ambitious three-year goal of reaching zero waste to landfill at its manufacturing sites. The waste management programme focused on establishing baseline disposal data, centralising data tracking, identifying source reduction opportunities, and engaging employees through site “Green Teams”. As a result, GPN achieved its zero landfill goal in 2018 with sites reaching their target of eliminating circa 4,500 tonnes of landfill from 2016 to 2018. Our ambition is to further leverage this approach beyond the GPN business.

Our 2018 Carbon Disclosure Project (CDP) score

Carbon Disclosure Project (CDP) provides a globally recognised disclosure system that enables companies to measure and manage their environmental impacts. In 2018, Glanbia submitted a Group-wide response to CDP’s climate change questionnaire. Our score improved across supply chain and water and ranked ahead of the sector average in each category.

	Supply Chain	Water	Supplier Engagement
Glanbia plc 2018	C	B-	B-
Sector average	D	C	C
Glanbia plc 2017	C-	C	B



## Glanbia Ireland tackles food waste with FoodCloud

Tackling food waste is regarded as one of the most significant actions to reduce climate disruption.

FoodCloud is a social enterprise that combats food waste by connecting retailers and food businesses which generate large volumes of surplus food to charities in need.

In 2018 Glanbia Ireland piloted a new partnership with FoodCloud. More than 21,000kg of fresh, quality product from Glanbia Ireland which would otherwise be destined for disposal as surplus, was redistributed to charities across Ireland by FoodCloud. This equated to almost 50,000 donated meals for 116 charity partners.

FoodCloud creates a win-win situation by helping charities to save money and helping businesses reduce their carbon impact.

Glanbia is now looking at extending the partnership with FoodCloud to other business units.



## ISO Accreditation for GPN Middlesbrough



**Alex Baker**

Operations Director EU



In 2018 GPN decided to certify to ISO 14001 - the world's leading environmental management system standard - primarily due to the growth of the business but also to meet the Group's commitment to minimise environmental impacts.

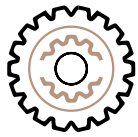
Building on its zero-waste to landfill success, the Middlesbrough, UK facility was the first in the GPN business to achieve this accreditation.

"The cornerstone of the project was our investment in a new effluent plant to clean waste water. Great credit goes to the maintenance team who proposed bespoke modifications to the manufacturer of the plant – all of which were implemented. Having already achieved zero waste to landfill in 2017, the team focused on achieving the maximum energy savings on the site.

They identified and built projects to fit energy efficient lighting, to pre-heat hot water with waste heat generated by our air compressors, they installed localised electricity meters to identify spikes in usage by production line, as well as other energy saving projects. Implementing ISO 14001 has allowed us to identify our environmental impacts, reduce them, become more efficient and save money.

However this is just the beginning – as we strive to further improve our resources management, while reducing our impact on the environment and our local communities".



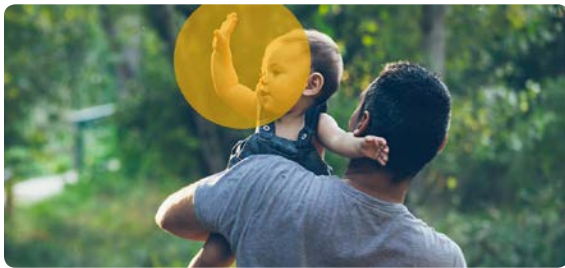


## Respecting Our Supply Chain

### Safe and secure production

Glanbia continued our commitment to excellence in food safety and quality in 2018. The Group Quality Leadership Team (QLT) continues to drive our food safety code of practice through the Glanbia Quality System (GQS). All sites are engaged to train, audit and verify core food safety topics, to deepen their capability and identify development needs. The GQS standards complement a Group requirement for sustaining a globally recognised Quality and Food Safety certification at all our manufacturing sites. In 2018, new standards for sanitation and contract manufacturing qualification were launched. Developing new standards addresses risk management in our expanding supply chain. We continue to conduct an engagement / annual review of our Food Safety programme and initiatives with an external, globally recognised leader. This year's review focused on best practice for infant nutrition food safety, thus reinforcing our commitment to excellence in this category.

Also in 2018, MCI, the independent provider of insights for institutional investors, awarded Glanbia the highest rating for product safety and quality in the upper quartile among peer organisations under review.



### United Nations Sustainable Development Goals



The primary goal of the Glanbia QLT is to ensure programmes and culture to effectively deliver products that meet international food safety standards & conventions, in order to safeguard human health.



Showing Respect

### Our Vision

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

#### Our programmes

**Sustaining globally recognised Food Safety Certifications across all our manufacturing sites.**

**Implementing the Glanbia Quality System (GQS).**

**Fostering a learning and prevention culture.**

**On-farm sustainability and animal welfare programmes.**

**Group procurement policies.**

#### Our 2018 progress

**ALL SITES**  
compliant with globally recognised food safety standards

**80% COMPLIANCE**  
to Group standard for root cause analysis/post case review

75% proficiency for all Glanbia sites across eight GQS standards with key gap areas and corrective actions identified.

Progress on USA farmer enrolment in the Farmers Assuring Responsible Management (FARM) Environmental Stewardship programme.



#### 2019 priorities

Fully embed global reporting tool and system of 3rd party audits/certifications.

Embed GQS core standards in global reporting system.

100% compliance on root cause analysis (RCA)/Corrective Action Preventative Action (CAPA).

Maintain 100% supplier certification to Origin Green.

Drive continuous improvement through the US FARM programme.

### Supplier of choice for special medical consumers

GN is a supplier of choice to world leading brands for foods for special medical purposes (FSMP) which are manufactured both at our Orsingen, Germany and Springfield, Missouri, facilities. These products provide supplemental or sole source nutrition for both children and adults with special nutritional requirements. Servicing some of these most sensitive medical consumers requires rigorous hygiene and materials' control.

Quality of ingredients is equally paramount when it comes to infant nutrition – a market supplied by Glanbia Ireland, from the Belview facility.

A standardised Group approach to best practices Quality and Food Safety is driven by the QLT to identify and mitigate risk through agreed policies and Group wide standards, as well as a common auditing / reporting programme. These GQS standards support the foundational principles in globally recognised food safety standards (e.g. GFSI), thus underpinning the core food safety expectations within the food industry and as expected by customers. This Group wide approach is evident in our sharing of learning and best practices from the Glanbia Ireland, infant formula (IF) servicing facility at Belview which exemplifies the quality of ingredients and process control necessary to meet the specialised ingredients requirements of our IF customers, and these most sensitive consumers.



## United Nations Sustainable Development Goals



The support of SDG 10 internationally recognised Human Rights is consistent with our values and policies and process reflect our contribution to UN SDG 10.



We advocate for responsible production and consumption through multi-stakeholder industry collaboration.



Through our on-farm programmes we are working to enhance life on land (including biodiversity).



## Responsible sourcing

Glanbia's supply chain spans procurement of materials, packaging, transportation and other services globally. Our procurement policy is to source responsibly and follows the principles of ethical business set out in the Glanbia Code of Conduct.

Glanbia requires all our suppliers to be compliant with the laws and environment regulations and social customs of the countries in which they operate and with all human rights, labour and H&S regulations.

In support of the on-going internationalisation of our business, in 2018 Glanbia Nutritionals launched the Global Supplier Expectations Manual and provided formal quality training to suppliers to ensure greater alignment with our supply requirements.

## Human rights

In line with our Code of Conduct and our Slavery and Human Trafficking Statement, 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.**

## Speak Up

When it is difficult or impractical for an employee to raise a concern within the Group, we offer a hotline service that will allow employees to report the issue confidentially. The hotline can be contacted 24 hours a day, 7 days a week in each of the countries in which we operate.

## Training

Glanbia is committed to reviewing the effectiveness of our current policies and procedures and is focused on improving measures to combat slavery and human trafficking and will provide staff training where appropriate.

## On-farm sustainability

The first phase of our sustainability strategy focuses on Scope 1 emissions (produced by fossil fuels) and Scope 2 emissions (produced through the consumption of purchased energy). Given our co-operative heritage and our commitment to our farmer suppliers we work closely with them to address Scope 3 emissions and we continue to work with our suppliers to drive continuous improvement on farm. Our farm relations teams work closely with producers – assessing and advising on milk quality, environmental stewardship and economic sustainability under internationally recognised sustainability programmes.



The US FARM programme supports climate action on Idaho and New Mexico dairy farms by estimating emissions, providing tools and resources for farmers to measure and improve their footprint.

The US FARM Environmental Stewardship module allows for the collection and dissemination of information on greenhouse gas emissions (GHG) and energy use on dairy farms. The assessment also helps dairy producers identify potential efficiency gains and cost savings, and track progress in a secure, confidential platform. Central to these assessments are production volumes, herd sizes, energy use, feed use (both produced and bought in), and manure management.



In Ireland, Glanbia is a founding member of Origin Green, the national sustainability development programme operated by the Irish Food Board, Bord Bia. Origin Green, which operates both at farm and factory level, includes the Sustainable Dairy Assurance Scheme (SDAS), which is the first national dairy audit scheme of its kind anywhere in the world, independently auditing, recording and monitoring sustainability credentials of every dairy farm. 100% of our suppliers participate in the SDAS, and are certified to Origin Green.

The focus of these Schemes is to lower the environmental impact and emissions burden of farms, while also providing greater profit margins for the farmer. Independently accredited by the Carbon Trust to its PAS 2050 Standard, the Irish Food Board, Bord Bia, audits and carbon footprints all Glanbia Ireland farms.

## Truly Grass Fed™ achieves the Animal Welfare Approved certification by A Greener World

Truly Grass Fed™ - a natural dairy ingredients range from Glanbia Ireland - was Certified Animal Welfare Approved by A Greener World (AGW), the leading animal welfare label in North America in 2018. Launched in 2016, TGF is a range of natural dairy ingredients from Glanbia Ireland made with milk from cows that have been 95% grass fed and are free to roam on Irish pastures for most of the year. Truly Grass Fed™ ingredients are also Non-GMO Project Verified and rBST-free.

All Truly Grass Fed™ dairy farmers are audited for compliance to world-renowned welfare standards by A Greener World and audited by the SDAS (Sustainable Dairy Assurance Scheme) on an 18-month basis for our grass-fed claims. When customers use dairy from these farms in their formulations, they earn the right to use the Truly Grass Fed™ seal to emphasize their commitment to top-quality dairy with a conscience.

The Animal Welfare Approved certification is rated as having the highest impact on consumer purchasing of any food label (The Hartman Group) and is the only truly pasture-based welfare label, providing consumer confidence in an environment of loose claims such as "Natural" or "Humane".

Consumer demand for verified sustainable and welfare-certified products has steadily increased -- especially among millennials. A recent study by The Hartman Group reveals that "avoiding inhumane treatment of animals" outranks nearly every other attribute important to purchasing decisions, second only to quality. The Nielsen Company reported that almost three in four Millennials (73%) and Generation Z consumers (72%) are willing to pay more for sustainable products and services, and notes that consumer brands demonstrating a commitment to sustainability outperform those that do not.



A GREENER WORLD

## Animal Welfare - our US dairy farms

Our US farmers are enrolled in FARM's animal welfare programme, the first ISO-compliant livestock care programme in the world. Our farm relations teams are supporting the roll out of FARM's Environmental Stewardship (ES) module with an ambition to achieve full coverage by 2020.

## Eco Vadis Gold Rating Awarded to Glanbia Ireland

In 2018 Glanbia Ireland received the prestigious gold rating from Eco Vadis. The Eco Vadis platform monitors sustainability in global supply chains for buyers and suppliers across the pillars of Environment, Fair Business Practices, Sustainable Procurement and Labour Practices. Achieving consistent improvement year on year, GI increased their Eco Vadis rating from 3% in 2017 to be placed in the top 1% of all suppliers across all categories in 2018. The new score reflects improvements in labour practices and sustainable procurement the Eco Vadis methodology is based on international Sustainable Development standards (Global Reporting Initiative, United Nations Global Compact, ISO 26000).

## Smartway

GPN became a Smartway member in 2017 – allowing the business to evaluate, measure and reduce environmental impacts in our transport operations, coupled with an improvement in operational efficiency. Smartway is an EPA voluntary partnership designed to help companies improve freight transportation efficiency throughout their supply chains. Reducing emissions and energy directly translates to lower fuel costs for the business as well as reflecting our sustainability ethos. Since the adoption of the Smartway programme, we have moved from truck shipments to more inter-modal rail transport and consolidate orders into single shipments where feasible. As a result GPN reduced its CO<sub>2</sub>, NO<sub>x</sub> and particulate matter emissions per mile of product transported over the past two years.

## Idaho Jersey Girls

Glanbia suppliers Bill and Susie Millenkamp run the Idaho Jersey Girls dairy producing over one million pounds of milk daily. Milking 15,000 cows and home to almost 30,000 calves in Jerome, Idaho, their entrepreneurial spirit, driven by a "work hard-work smart" mentality, and a love for farming and cows defines their approach to the business.

The dairy utilises the latest in pre and post milking robotics and state-of-the-art heat recovery technology all of which is cow comfort driven. Two rotary milking parlours milk 212 cows at a time, 22 hours a day. The remaining two hours are devoted to a complete cleaning of the milking centres and sanitizing of the milking equipment to maintain the highest standards of hygiene. As the name suggests, the Millenkamp's focus on Jersey and Jersey crossbreeds to produce a premium, high protein, high fat milk.

Sustainable practices on the farm yield many benefits including the production of 10,000 gallons of hot water daily from the milk cooling/heat recovery system, without added costs of additional electricity or propane to generate the hot water. From calf raising and cow comfort to pest and dust control, Idaho Jersey Girls is truly innovative and trend setting in the way they approach every aspect of dairying and caring for animals while supplying high quality, nutritious milk. Achieving annual average somatic cell counts below 135,000, low instances of mastitis and excellent reproductive statistics, the practices they have developed and implemented have proven to be very effective and sustainable.



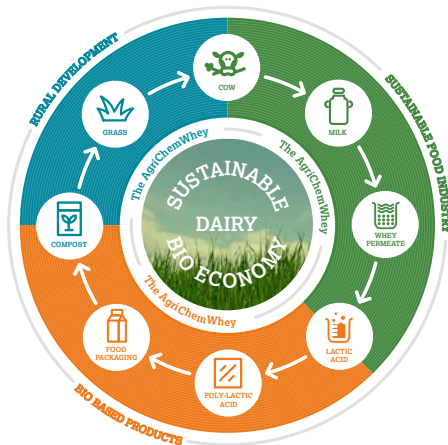
## AgriChemWhey – €30m project to boost circular economy in Ireland and Europe

Since the removal of EU milk quotas in 2015, and the subsequent milk production expansion, the European dairy sector has sought to address how to sustainably dispose of excess, low value dairy processing by-products - specifically the excess whey permeate (WP) and delactosed whey permeate (DLP). Through ground breaking technology developed and patented by Glanbia Ireland, there is now a solution which will close the loop through a zero-waste process.

The 'AgriChemWhey' project will take these low value by-products and convert them into cost competitive, sustainable lactic acid. Lactic acid can then be used in value-added bio-based products for growing global markets, including:

- **Biodegradable plastics**
- **Bio-based fertiliser and**
- **Minerals for human nutrition.**

The new technology developed by Glanbia Ireland has the potential to provide both the dairy industry and wider society with an opportunity for greater resource efficiency - less food waste, more products from the same starting material (milk), and integration of food and non-food material production.



### Open innovation and collaboration

Recognising the potential benefits of this research to the industry at large, Glanbia consulted with potential partners across Europe. The result is an 11-member collaboration project, spanning industry, academia, EU and national Governments. AgriChemWhey - the world's first such research project - was formally launched as a €30m research project in 2018. Members share knowledge and collaborate on project management and the opportunity to accelerate progress and contribute to the long-term viability of the industry. AgriChemWhey received €22 million under the European Union's Horizon 2020 research and innovation programme - and was the first dairy industry project to be awarded funding under this programme. At the launch, EU Commissioner, Phil Hogan said "AgriChemWhey is a highly innovative research project, which if successful, will serve as a flagship for Europe's growing bio-economy, contributing towards a more resource efficient European dairy sector, with enormous potential for replication in other areas across Europe, while also providing a boost to jobs and growth in Europe's rural economy".



### Bio-compostable

The Glanbia led project is unique in that its basis is to create bio compostable solutions based at a new state-of-the-art, bio-refinery at Lisheen, Co Tipperary. It is very important as it means going one step further than bio-degradable. Bio-compostable means that the compostable materials are similar to biodegradable materials, as they are both intended to return to the earth safely. However, compostable materials go one step further by providing the earth with nutrients once the material has completely broken down. While biodegradable materials are designed to break down within landfills, compostable materials can be dissolved in water and added to composts for safe disposal.

### Dairy suppliers proud to be involved

Glanbia dairy farmers, released from milk quota restrictions in 2015, are determined to make the most of their world-leading ability to produce milk on grass. Milk from grass is the key to profit and research is key to helping to deliver this according to Tipperary dairy farmers, Michael and Fiona Ryan who have been running a successful dairy farming enterprise together in Fethard, Co Tipperary for over 22 years.

"We manage a registered 80 cow pedigree British Friesian herd, and while key elements for successful dairy farming are husbandry, grassland management, production costs, food traceability it's much, much more than this. We are also keen to see processing efficiency right along the value chain so, the AgriChemWhey project offers an opportunity to all stakeholders" says Michael.

"We have a keen interest in how our milk is processed. To be associated with a project that has the potential to reduce food waste, and contribute towards a more responsible society and that also creates jobs is something that makes us proud" says Fiona.







## Respecting Our Society

**Our purpose to deliver better nutrition for every step of life's journey is more relevant than ever as the global movement toward healthier and more active lifestyles continues apace.**

### Our Ambition

Glanbia is at the early stages of developing a comprehensive, Group wide approach to social responsibility and our societal investments - aligning our community and social investments with our purpose, vision and values. In 2018 we continued to focus on the two key pillars of Phase 1 – health and well-being and corporate responsibility.

### Health and Well-being

Glanbia supports the physical, nutritional and mental health of our people through health and wellbeing programmes, including health checks, the provision of sports facilities at many sites and nutritional and healthy lifestyle education.

In 2018, 40 sites across Glanbia's global operations took part in a global Workplace Wellbeing day.

### United Nations Sustainable Development Goals



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).



Showing Respect

### Our Vision

To have a positive social and economic impact on our communities through the promotion of health and wellbeing at all stages of life's journey.

#### Our programmes

Glanbia corporate responsibility programmes – partnering with community organisations.

Training and education for employees, customers and consumers through GPN's Sports Nutrition School.

Engaging with government agencies such as the Fit India Campaign.

#### Our 2018 progress



**€1million**

raised for community partnerships



**15,780**

consumers engaged in GPN nutritional education programmes

Continued expansion of health and wellbeing programmes including a global Workplace Wellbeing Day.

#### 2019 priorities

Provide targeted health and wellbeing programmes for all Glanbia employees.

Continue to promote our values through extensive support to community organisations.

Continue our leadership in education and advocacy initiatives.

### Workplace Wellbeing Days

Glanbia participates in the annual Workplace Wellbeing event which promotes better health and wellbeing in the workplace. In 2018 Glanbia extended the "Lunchtime Mile" - a one mile cycle, jog, run, walk or swim for employees, in the vicinity of their workplace to 40 sites across six continents.

Among the events organised were relay races, tug of war, cycle challenges, table tennis tournaments and healthy breakfast buffets.



Glanbia India team getting active during Workplace Wellbeing Day



## Our products

**“87% of US shoppers are impacted by sustainability in their attitudes and behaviours.”**

Source : Hartman 2017 Report

### Selected new product development

- A low calorie Pro10 protein cheese containing 10g of high-quality protein per serving and proteins that require less sugar
- Oat Secure™ range of Gluten Free Oats and Quinoa offering natural customers and brands a fully traceable supply chain with a highly secure Gluten Free standard.
- Enriched Milk powders marketed across four continents in a range of food and drink applications



### United Nations Sustainable Development Goals



As a global nutrition company, ensuring good health and well-being (SDG Goal 3) is at the core of our businesses. In 2018 our teams responsible for new product development continued to innovate healthier options for consumers – at all stages of life's journey, including early life and clinical nutrition.

Through a focus on ensuring that health and wellbeing is part of our culture, through to GPN's comprehensive portfolio of performance and lifestyle brands, and GN's nutritional ingredients and solutions, Glanbia seeks to ensure health and well-being at all stages of life's journey. As the demand for protein and nutritional ingredients grows, Glanbia applies cutting-edge science and food technology to evolve and drive innovation.

### Early life nutrition

From infants, to toddlers, to pre-schoolers and beyond, we offer safe, quality-assured, science-based solutions. Our protein ingredients, including lactose and whey protein concentrates, offer superior nutrition and functional properties—like flavour, solubility and stability—to support the youngest and most vulnerable consumer.

### Clinical nutrition

Our solutions are designed to meet the unique nutritional needs of aging populations and support healthy lifestyles. NS delivers a solution for the most nutritionally sensitive patients, bringing together precision, specialty nutrient blending, high hygiene manufacturing and sachet packaging to create medical nutrition used in the management of clinical dietary conditions.

### Education initiatives

GPN's Sports Nutrition School (SNS) is an industry leading educational programme designed to immerse participants in the science of sports nutrition. In 2018, SNS was redesigned, making it more interactive and of increased relevance for the modern learner. This year 108 global education sessions were experienced by over 15,780 consumers, customers and employees across EMEA, LAPAC and North America.

The expansion of the GPN Sports Nutrition School concept through the Fit India and Fit Malaysia models, whereby systematic education is delivered in association with these governments has enabled more consumers to understand the benefits of a healthy and active lifestyle. In 2018 the Fit India programme was recognised by the Indian Government for its transformational impact in the community. The award was presented to the Glanbia team by Prime Minister of India, Narendra Modi, who commended the programme as one of India's most serviceable and beneficial CSR initiatives.



The Glanbia Fit India team and Dr. Deepak Sawant - Minister of Health & Family Welfare and Hugh McGuire (second from right)

**“Millennials are more willing than Baby Boomers to pay more for products that contain environmentally friendly or sustainable ingredients (90% vs. 61%), organic / natural ingredients (86% vs. 59%), or products that have social responsibility claims (80% vs. 48%).”**

Source : Mintel Survey 2018”



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## Corporate responsibility community support

Our business makes a difference in the communities in which we operate with a significant economic multiplier effect supporting local employment and prosperity. As individuals and a collective organisation we have a long tradition of supporting local communities and nominated charities that resonate with our culture and value system.

In North America, GN continued to work with local communities. For example, in Idaho, the 25<sup>th</sup> Annual GN Charity Golf Tournament raised \$200,000 for local charities, bringing to US \$2.4 million the total amount raised since 2003

In Ireland, we continued our relationship with the GAA through our sponsorship of the Kilkenny and Wexford hurling teams. Glanbia continued to sponsor Breast Cancer Ireland (BCI) in 2018. The Great Pink Run was held in Dublin and Kilkenny, with more than 8,000 people participating which raised €500,000 for BCI. Also around 100 Glanbia employees took on the 'Two Peaks Challenge' as well as the Glanbia 300 Cycle and Pink Bales initiative. Our local community sponsorships included the Kilkenny Arts Festival and food festivals Savour Kilkenny and the Waterford Festival of Food.

**“We in Kilkenny GAA are delighted to have a company like Glanbia as our team sponsors. We have an excellent working relationship with the company over many years – and feel a strong affinity with their focus on nutrition, health and well-being”**

**Brian Cody, Kilkenny GAA Manager.**



### Community snapshots

**GN supports our employees and farmer suppliers through two annual scholarship programmes**

**GN Nutritionals Scholarship Programme is awarded to eight high school students whose parents work with GN and consumers**

**Patrons Awards whereby two high achieving students from dairy supplier families receive a bursary of \$2500 each**



### Hustle up the Hancock

In 2018, a group of GPN employees took part in the 'Hustle up the Hancock' event where participants climb up the 94 flights (1632 stairs) of the John Hancock stairs in Chicago. The event raises money for Respiratory Health Association's lung disease and clean air education, research and policy change efforts. GPN raised US \$23,626 which was the second highest amount out of six corporate teams participating.



GPN Employees take part in the 'Hustle up the Hancock' event in Chicago



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## SUSTAINABILITY REPORT 2018

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