Delivering Better Nutrition

Glanbia plc
Annual Report and
Financial Statements 2022

Contents

For definitions and more information on constant currency and other performance measures see the glossary on pages 246-254.

*ESEF: European Single Electronic Format.

We deliver **consumer brands**

We deliver branded sports nutrition and lifestyle products for consumers through our Glanbia Performance Nutrition business.

Discover more about Glanbia at a glance on page 4

We deliver **nutritional ingredients**

Glanbia Nutritionals is the ingredient partner of choice to global customers in the food, beverage and clinical nutrition industry.

Discover more about Glanbia at a glance on page 4

FIND US ONLINE

Our online report
This copy of the statutory annual report of Glanbia plc for the year ended 31 December 2022 is not presented in the ESEF*-format as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815). The ESEF annual report is available at: **glanbia.com/annualreport2022**

Discover more about our 2025 ambition on page 14

@Glanbiaplc @Glanbia

Glanbia has evolved and grown.

People want to live full, healthy lives. To perform well, recover quickly, and stay strong, at any age. Better living requires better nutrition – and Glanbia delivers just that.

Glanbia has evolved and grown. Today, we are a better nutrition company, the home of consumer brands and ingredients that nourish millions around the world. The choices we do – and don't – make, are guided by our purpose. Everything we do reflects our respect for each other and the earth.

Highlights

Financial Highlights (based on continuing operations)

Profit after tax
€199.6m
2021: €141.0m
+€58.6m

Basic EPS
72.67c
2021: 48.47c
+49.9%[1] / +23.5%[2]

Return on Capital Employed
11.1%
2021: 10.0%
+110bps

Net debt
€459.4m
2021: €602.7m
reduction of €143.3m

Revenue
€5.6bn
2021: €4.2bn
+€1.4bn

EBITA (pre-exceptional)
€347.1m
2021: €270.6m
+28.3%[1] / +13.5%[2]

Adjusted EPS
104.02c
2021: 77.84c
+33.6%[1] / +17.6%[2]

OCF[3] conversion
85.7%
2021: 100.2%
reduction of 1,450bps

Non-Financial Highlights

Health and safety Lost time case rate
35%
improvement versus 2021

Scope 1 & 2 GHG emissions
8.6%
reduction versus 2021

Employee engagement score
71 points
increase of 1 point versus 2021

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

2018-2022 targets were achieved as set at our 2018 capital markets day

+€1.5bn	80%+	10%-13%	5%-10%	25%-35%
OCF generation	Avg. OCF Conversion %	Avg. ROCE	Avg. Adj EPS	Dividend Payout

Resilient through volatility

For our 2023-2025 targets please see page 14.

For definitions and more information on constant currency and other performance measures see the glossary on pages 246-254.

"I am pleased to report that our 2022 results exceeded our expectations demonstrating the impact of a series of actions we implemented since the latter part of 2021 in response to unprecedented inflation."

Siobhán Talbot
Group Managing Director

OUR PURPOSE

Delivering Better Nutrition

Glanbia is a better nutrition company whose purpose is to deliver better nutrition for every step of life's journey. We employ 6,163 people including joint ventures across 31 countries and our brands and ingredients reach millions of people every day.

Our portfolio
Our unique portfolio comprises world-leading sports nutrition and lifestyle brands and large-scale, expert capabilities in proprietary technologies across a range of nutritional ingredients, all meeting consumer demand for better nutrition.

Adding value
Over the past decade our portfolio has evolved from base ingredients to higher-value ingredient solutions and branded products.

OUR MARKETS

Serving growing consumer trends

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

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

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

The rise of plant-based diets
Plant-based protein appeals to three growing consumer cohorts: flexitarian, vegetarian and vegan.

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

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

Read more in 'market trends and growth drivers' on pages: 10–11

ROUTES TO MARKET

Nutrition focused brands and ingredients

Consumer branded products

by **Glanbia Performance Nutrition**

#1 global sports nutrition brand[1]

A portfolio of leading brands in performance and lifestyle nutrition.

2022 Revenue	2022 Revenue growth
€1,625.7m	13.9% cc[2]

Read more about our consumer brands on pages: 24–33

Better Nutrition

Specialty nutritional ingredients

by **Glanbia Nutritionals**

#1 US producer of whey protein isolate

#2 global leader of premix solutions

 # 1 producer of American-style cheddar cheese

Glanbia Nutritionals' (GN) Nutritional Solutions (NS) is a leading provider of both bespoke customised premix solutions and whey protein isolate.

GN's US Cheese business is the number one marketer of American-style cheddar cheese.

2022 Revenue	2022 Revenue growth
€4,016.7m	24.3% cc

Read more about our functional ingredients and solutions on pages: 34–43

1 Euromonitor
2 Constant currency

OUR CULTURE & VALUES

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

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

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

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

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

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

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

"Key to Glanbia's continuing success in 2022 is our unique culture and values, and the importance we place on our relationships with all our stakeholders. We listen to our people, our investment community, and our consumers and customers to craft and deliver on our strategy and this allows us to succeed on the world stage."

A clear strategy driving growth

Our investment case

- We have **simplified** and continue to **evolve our strategy.**
- We have a **highly focused, attractive position** in growing nutrition categories.
- We have **invested in key capabilities** across talent, innovation and supply chain.
- We have **reshaped our operating model** to drive customer and consumer relevance.
- We have delivered on our 2018-2022 strategic targets and have set new ambitious goals for 2023-2025.

Dear Shareholder,
2022 saw Glanbia deliver the highest earnings it has ever delivered in terms of adjusted earnings per share from continuing operations of 104.02c, with growth in adjusted EPS from continuing operations of 17.6% constant currency against the originally guided range of 2% to 8%. This is attributable to the hard work of our employees, the consistent execution of our strategy, the resilience and flexibility of the Group's business model and ongoing initiatives to enhance business and operational performance.

We delivered a strong performance across all our key metrics. Revenues, profit, cash generation and return on capital employed ("ROCE") all grew in 2022. Pre-exceptional Group EBITA increased by 13.5%, constant currency, to €347.1 million (+28.3% reported). ROCE, a key metric for the Group, was 11.1% and our strong Operating Cash Flow conversion continued at 85.7%.

But the year wasn't without its challenges, and indeed these challenges continue into 2023, with considerable instability in the global environment, the continued reverberations from Covid-19 and significant inflationary pressures across many cost areas. North America, our largest market remains very resilient as we continue to leverage our supply chain capabilities and longstanding experience in managing the complexities of running a global business.

Long term ambition and strategy

We continue to take a long-term view of our business. Having proudly delivered across all the key metrics of our 2018–2022 strategy, at our Capital Markets Day in November 2022 we set out our new 2023–2025 growth ambitions. We have clear revenue, earnings and returns ambitions at business and Group level as set out on page 14. These ambitions are grounded in attractive fundamentals for our business which provide a strong platform for growth. These include a growing global demand for better nutrition as consumers seek healthier and more active lifestyles.

In April 2022, following a long and successful partnership, we completed the sale of our 40% holding in Glanbia Ireland (Tirlán) to Tirlán Co-operative Society Limited (formerly Glanbia Co-operative Society Limited) (the "Society") for €307 million. This disposal enables us to focus on our portfolio of key brands and ingredients which have distinct competitive advantages and hold leadership positions across their categories. In May we announced the acquisition of Sterling Technology, LLC, a US-based manufacturer of dairy bioactive solutions derived from bovine colostrum. This acquisition represents an attractive addition to the Glanbia Nutritionals (GN) portfolio strengthening our offering in immunity solutions. Our strategy is clear. We will continue to grow our core brands and ingredients, while simultaneously optimising our business through innovation, investment, creativity and precision in our marketing. And we will achieve all this while maintaining consistent financial discipline. Our long-term value creation model is based on the balanced pursuit of top and bottom-line growth and improved capital efficiency.

Our commitment to ESG

This year the Group made further significant and wide-ranging progress in our environmental, social and governance commitment. Over the course of 2022, we completed a process to realign the Group's Scope 1 and 2 decarbonisation agenda. We have moved from a well below two degrees Celsius temperature pathway ambition to 1.5 degrees Celsius pathway, in line with the Paris Agreement. The revised ambition is for a 50% reduction (previously a 31% reduction) in Scope 1 and 2 carbon emissions by 2030 from a 2018 base year. We also agreed that our ESG targets will represent 20% of the total 2022 Long Term Incentive Plan award for the senior executive team.

As the Group's Engagement Director, I continued to engage with employees and was very pleased with the results of the Engagement Survey which showed a score of 71 points (up 1 point since 2021) for employee engagement. Importantly representing a more pronounced improvement in our employee inclusion metrics. As set out later in the Governance section (page 66) of this Report, the Board recognises that Glanbia's culture is one of it's principal competitive advantages and something to be carefully nurtured and developed.

The Board's engagement across all of Glanbia's stakeholders is deeper and more extensive than ever before, whether through townhalls with employees, consultations with suppliers and customers or meetings with shareholders.

Dividends

In testament to the strength of the business, the Board believes it is appropriate for Glanbia to deliver a strong dividend for 2022. The Board is recommending a final dividend of 19.28 cent per share for the year ended 31 December 2022. This brings the total dividend per share for the year ended 31 December 2022 to 32.21 cent per share, up 10% on the previous year. The Board will continue to review the availability of surplus cash and capital in accordance with the Group's policies on financial leverage and capital allocation. In 2022, we spent €173.5m on share buybacks and will continue to assess this option as part of our capital allocation tools.

Our Board

We have significantly refreshed the composition of the Board to ensure we reflect an appropriate mix of skills, experience and diversity to suit the evolving nature of the business and the expectations of society. The reduction in the representation of the Society, on the Board from six to five in 2022 with a further agreed reduction to three in 2023, has also enabled us to achieve greater board diversity. Patrick Coveney and Vincent Gorman retired from the Board on 30 March 2022 and 5 May 2022 respectively. On behalf of the Board, I thank them for their extensive contributions.

We welcomed Ilona Haaijer and Kimberly Underhill who were appointed as Independent Non-Executive Directors effective 1 August 2022 increasing female Board membership to 36%. Full biographical details for Ilona and Kimberly can be found on page 85. Developing our diversity will remain a focus in the selection of future Board members.

While Dan O'Connor continues in the role of Senior Independent Director, Paul Duffy replaced Dan as chair of the Audit Committee. During the year, Michael Horan stepped down as Group Secretary with Liam Hennigan taking the role. I would like to thank Michael for his work and commitment over the many years.

Looking ahead

Every one of Glanbia's employees deserve great credit for the achievements of 2022. On behalf of the Board, I offer them my sincere thanks for their unremitting efforts in helping drive our business forward in accordance with our purpose and values. The confidence I have in Glanbia's people extends fully to its senior leadership team, and I particularly thank Siobhán for her commitment to Glanbia and for her continued leadership.

In this complex world, Glanbia's guiding light remains its purpose: delivering better nutrition for every step of life's journey. The Group also benefits from considerable financial strength attributable to its strong cash generating capability and long -term financing agreements. As set out in our Capital Markets Day last November, we are confident for future and believe we have two strong platforms to realise our ambitions for the future growth. Your Board and executive leadership team will remain focused on delivering long-term value creation for all our stakeholders.

Donard Gaynor
Group Chairman

Group Managing Director's review

"In 2022, we delivered the highest earnings that Glanbia has ever delivered in terms of adjusted earnings per share. The fact that the Group prospered in a highly challenging global environment is a testimony to the strength of our consumer-focused better nutrition portfolio."

Sustaining growth momentum

Dear Shareholder,
I am delighted to report that Glanbia enters 2023 with confidence.

Our performance in 2022 once again clearly demonstrates the strength and agility of the Group. There were of course, challenges with accelerating inflationary pressures, the lasting impacts of Covid-19 and the terrible conflict in Ukraine. The fact that the Group prospered, despite these challenges, is testimony to the commitment of our people and to the strength of our consumer-focused better nutrition portfolio.

Delivering double digit growth

In 2022, we delivered the highest earnings that Glanbia has ever delivered in terms of adjusted earnings per share. Adjusted EPS from continuing operations rose by 17.6% constant currency to 104.02c. Group Revenue increased to €5.6bn, an increase of 21.2% constant currency, (+34.4% reported) over the previous year. And pre-exceptional operating profit rose to €272.1m an increase of 31.6% reported.

We significantly evolved our portfolio and are very pleased that we delivered across all our key financial metrics over the period 2018–2022 as set out in 2018. In November 2022 as part of our Capital Markets Day, we set new guidance for consistent and sustainable growth for 2023–2025. The core of our ambition is to grow the consumer relevance of our leading ingredients solutions and brands through sustained investment in innovation, technology and brand marketing. This strategy will translate into financial growth across revenue, earnings and investment returns.

The bedrock of our portfolio is a deep knowledge and expertise in the application of protein technologies across a range of consumer occasions. We have reshaped and broadened this portfolio to focus on that better nutrition space. Ten years ago, that better nutrition element of our portfolio was about 50%. As we progressively moved from largely commodity-based spaces into higher value-added areas, better nutrition is now 90% of what we do. We achieved this by portfolio evolution; redeploying the capital from areas we divested; and driving organic and acquired growth in performance nutrition and nutritional solutions.

Two core growth platforms

Our journey of focus on better nutrition has now consolidated into our two core growth platforms, Glanbia Nutritionals

Nutritional Solutions ("GN NS") and Glanbia Performance Nutrition ("GPN"). There is a strong complementary thread of protein nutrition expertise across both businesses providing functional and nutritional benefits through a range of protein ingredient solutions and leading consumer brands. Informed by increasing investment in consumer engagement, insights and research and development, both platforms, have significantly extended their nutrition propositions beyond protein, both organically and by acquisition, to serve a variety of consumer nutrition needs across multiple occasions, formats and indeed geographies. On this strategic journey we have significantly evolved our operating models to best serve our customers and consumers. Aligned with centres of excellence in financial operations, capital allocation and risk management, each business unit team now has clarity of focus on driving 'one face to the customer' supported by centres of excellence in key functional areas. This evolution of our operating models has been most evident recently in GPN through the successful execution of the transformation programme which has driven both revenue and margin growth.

Our portfolio changes and focused strategic approach has served Glanbia well in navigating the volatile external environment of recent years. This is ultimately reflected in a strong 2022 financial performance building on the 2021 achievements. GPN continued to build on the 2021 momentum with strong, pricing led, revenue growth of 13.9%, constant currency and earnings growth of 10.5%, constant currency. In the context of unprecedented inflation both businesses delivered a strong margin performance sustaining margins at, or close to, prior year levels. Nutritional Solutions ("NS") continues to demonstrate great resilience growing revenue by 16.6% constant currency, largely driven by pricing with strong earnings growth of 13%, constant currency.

Our focus on working capital in 2022 sustained our cash conversion performance and strengthened our balance sheet, positioning us well for future growth.

An evolved and simplified strategy

I want to pay tribute to my Glanbia colleagues not just for the strong performance delivered in 2022, but also for the strong progress we have already achieved across our refreshed strategic pillars of lead and grow the core; optimising our business; and disciplined financial management:

Lead and grow the core: We have leading positions in our North American market and capabilities that we can extend to other geographies. We remain a protein powerhouse within our Nutritional Solutions business, and we are proud to be the #1 global supplier of whey protein isolate and #2 in global premix. We are home to the #1 sports nutrition brand in the world – Optimum Nutrition, a $1 billon brand, in a growing category which is available in over 90 countries, and we have an on-trend growing portfolio of lifestyle nutrition brands:

Optimising our business: In 2022, post completion of the disposal of our 40% interest in Glanbia Ireland, we enhanced our strategic planning processes to complete a thorough review of our Group strategy and structure. This review reaffirmed the significant strategic growth opportunity inherent in our current focus on driving performance in our complementary nutrition platforms of GPN and NS. As part of our ongoing focus on our core growth platforms, we have announced our intention to sell our interest in our UK and EU Glanbia cheese joint ventures. After a long and successful partnership with Leprino Foods for over 20 years, where we built a strong European market leading mozzarella business, strategically now is the right time for the business to transfer to full ownership of Leprino. The proceeds of the sale will be used to drive further growth in our core business and to return capital to shareholders. See page 43 for more details.
We will continue to refine our operating model, understanding and responding to our customers and consumers through innovation and active portfolio management. As mentioned earlier, in 2022 GPN's transformation programme was completed, driving revenue and margin progression, and embedding new capabilities to drive future growth momentum.

Disciplined financial management: Strong financial management has been a key ethos of the Group for a long number of years. We are disciplined in the deployment of our shareholders' capital. We will always be cautious, but ambitious. This has stood us in good stead through the recent volatile times.

With that said, given the inherent uncertainties of the current external environment, our strategy is underpinned by both responsiveness and resilience – a responsiveness to opportunities and resilience to volatility. This gives us the confidence that we are resilient to the heightened volatility in the marketplace.

Sustainable operations

As you would expect in an organisation that has, through our co-operative heritage, been involved in the nutrition business for over 100 years, we understand that the environmental impact of what we do is hugely important. We have signed up to SBTi targets for carbon emission reduction. We are very clear on our roadmap now across Scope 1 and 2 emissions.

We remain committed to our diversity, equity and inclusion journey as detailed on page 22. We firmly believe that everybody should be able to thrive in an environment that values their contribution and celebrates what makes them unique. Across Glanbia we champion inclusion and diversity, from how we attract, recruit and develop our teams to the ways we portray the diverse richness of society across our portfolio.

Ambition 2023–2025

Our strong 2022 results highlight the strength of our business, the diversity of our products and markets, our geographic spread, robust financing and an organisational design that permits fast and agile decision-taking.

We have built capabilities and platforms to drive sustainable growth. We have incredible teams of people, passionate about the delivery of our better nutrition agenda.

In today's environment there is no shortage of opportunities for a global organisation focused on better nutrition. We shall continue to invest and grow our Nutritional Solutions and Glanbia Performance Nutrition portfolios to drive sustainable growth for our shareholders.

Siobhán Talbot
Group Managing Director

Market trends and growth drivers

Glanbia's broad, global portfolio of performance nutrition and ingredients products is addressing the growth opportunities arising from major macrotrends: maximising athletic performance, active lifestyles and health and wellness.

Meeting market needs

CONSUMER NEED #1

Maximise athletic performance

Performance nutrition
From sports enthusiasts seeking to build muscle mass to lifestyle consumers aiming to improve their overall health, there is a growing awareness of the role of nutrition in maximising sports performance and recovery. The US sports nutrition category achieved double-digit growth in 2022.[1]

1. Source Spins: multi-outlet + natural channel, 52 Weeks ending 01/01/2023, Team analysis.

Total addressable markets[4]

$25bn

How we're meeting this need

World-leading brands and ingredients

Our portfolio of brands and ingredients hold significant leadership positions in the performance nutrition category.

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

GPN's portfolio also includes BSN, targeted at consumers looking to build muscle mass with a range of protein and energy-based products.

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

For more information, see pages 24–43

4. Source: Euromonitor, team analysis.

CONSUMER NEED #2

Healthy, active lifestyles

Improve physical and cognitive health

More and more people are living healthy and active lifestyles, a trend amplified by the Covid-19 pandemic. They are now more focused on nutrition that supports their physical and mental health. Post pandemic, 50% of US adults have increased their prioritisation of wellness.[2]

2. McKinsey Future of Wellness Survey.

Total addressable markets[4]

$17bn

How we're meeting this need

Delivering trusted lifestyle brands and ingredients

GPN offers a range of lifestyle nutrition brands. SlimFast has been helping consumers manage and lose weight for over 30 years with a range of delicious snacks and meal replacement drinks and bars. Isopure provides low and zero carb protein powders and drinks to premium consumers looking to support their active lifestyles, while think! offers high- protein low sugar bars for consumers looking for healthy on-the-go snacking options.

NS produces a large portfolio of nutrition-enriched functional and nutritional ingredients for use in the bakery, beverage, snack bar, dairy and foodservice markets. Our capabilities range from producing 'straight' ingredients to bespoke premix blends. Historically anchored in dairy proteins, our capabilities now extend from marketing 'straight' ingredients to developing bespoke nutritional solutions using a wide range of ingredients, providing greater market reach and broader customer relevance.

For more information, see pages 24–43

CONSUMER NEED #3

Improve and maintain energy levels

Energy and supplements

Consumer interest in fortified products and foods with functional claims continues to increase, as people seek to supplement their diets with immune boosting nutrients to improve their energy levels and health. The use of sports nutrition ("SN") supplements grew +5% in 2022 with 39% of US adults using a SN supplement over the last 12 months.[3]

3. Council for Responsible Nutrition Annual Consumer Survey on Supplement usage.

Total addressable markets[4]

$54bn

How we're meeting this need

Energy boosting products and beverages

For most people, the true definition of health and wellness is having the energy to live an active lifestyle.

In NS business, we offer tailor-made and sustainable nutritional ingredients and supplements that provide energy without compromising quality. In May 2022, we acquired Sterling Technology, a US-based manufacturer of dairy bioactive solutions. This acquisition represents an attractive addition to the GN portfolio expanding our offering in immunity solutions.

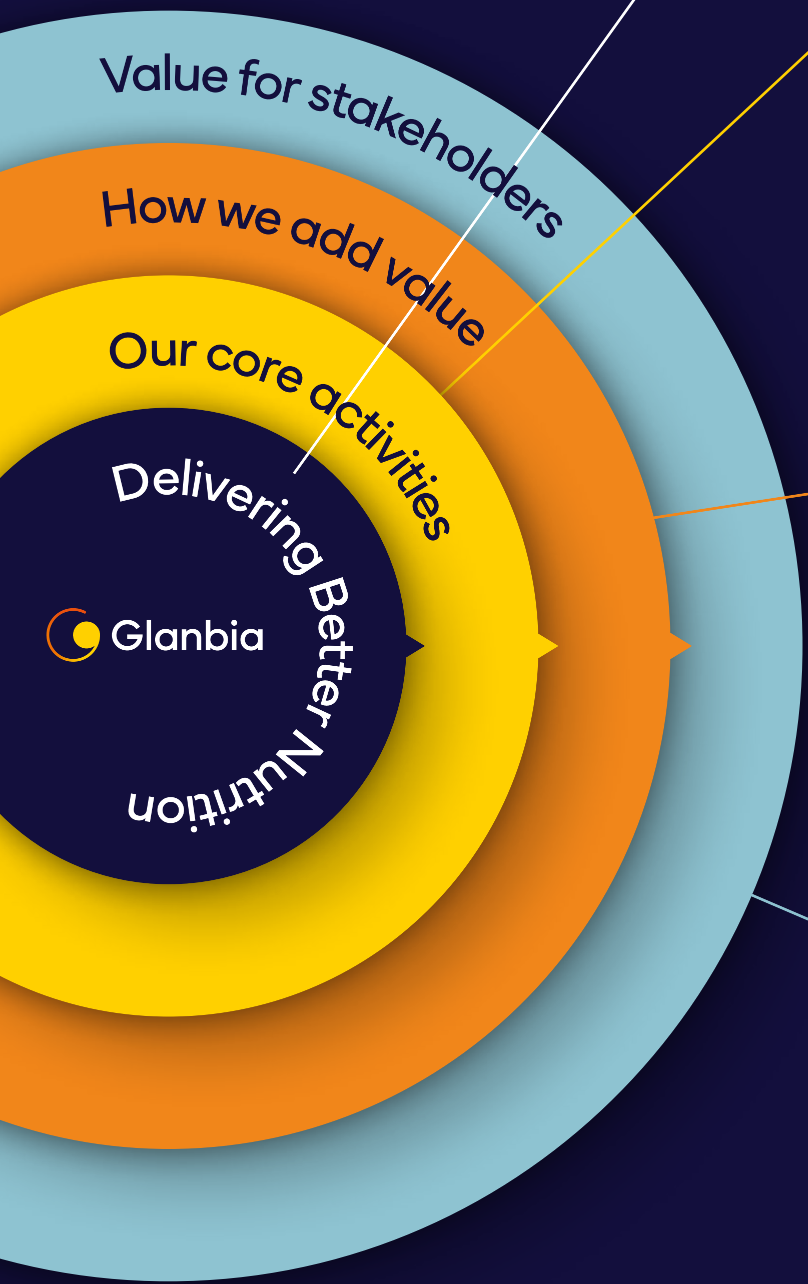
ON's leading Amino Energy brand offers energy powders and drinks that provide consumers with the extra energy they require to achieve their healthy lifestyle goals.

Amazing Grass is a leader in the Greens segment with a range of Greens Superfood powders for consumers looking to supplement their intake of vegetables. This brand appeals to the growing consumer groups of flexitarians, vegetarians and vegans.

For more information, see pages 24–43

Our Business Model

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



We focus on delivering our purpose...

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

...through our business activities and skills...

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

...and leverage our unique capabilities...

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

...to create sustainable value for all.

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

Our portfolio of brands and ingredients
GPN is the world's #1 sports nutrition company with an unrivalled product offering and key channel and category leadership. As an ingredient supplier in the B2B arena, GN stands for quality, integrity, innovation and sustainability.

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

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

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

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

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

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

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

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

Read more on pages: 24-43

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

Read more on pages: 24-43

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

Read more on pages: 44-49

Global talent management
As a global business, excellence in human resources and talent management is key to the Group's future success and this was a particular area of focus in 2022.

Read more on pages: 20-23

Delivery of our Strategy

Read more on pages: 14-17

Consumers and customers
ON enjoys strong brand loyalty as a $1bn brand that continues to grow.

$1bn
ON brand Revenue

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

€481.3m
Employee benefits for wholly owned group

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

ecovadis

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

8.6%
Scope 1 & 2 carbon emissions reduction in 2022

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

€1.2m
Raised to support charitable donations in 2022

Investors
Our dividend policy has a targeted dividend payout ratio of 25%-35%. Shareholders were returned €173.5m in 2022 under the share buyback programmes.

€84.4m
Dividends paid to shareholders in FY 2022

Creating Value. Delivering Growth.

Our ambition

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

Glanbia has evolved and grown over the past decade. Today, we are a better nutrition company, the home of consumer brands and ingredients that nourish millions around the world. The choices we do – and don't – make, are guided by our purpose. Everything we do reflects our respect for each other and the earth.

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

Having achieved all our 2018-2022 financial metric targets, we have defined a clear set of strategic priorities to help us achieve our 2025 ambitions: lead and grow the core; optimise the business; disciplined financial management. To support these priorities and harness Glanbia's global growth potential, we will continue to develop our key enablers, our world-class strategic capabilities and our strong assets.

See our Business Model on pages 12-13

Our strategy

Key enablers

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

See pages 10-11

Culture and talent: Glanbia culture and extraordinary talent are key sources of competitive advantage for the Group. Our heritage is rooted in the vision of extraordinary people delivering better nutrition and better livelihoods for the communities around them.

See pages 21-23

Sustainable operations: We seek to maintain a strong position on key sustainability issues in our sector including food safety and quality, diversity, equity and inclusion and in particular our environmental commitments. We have signed up to the Science-Based Targets initiative ("SBTi") and are very clear on our roadmap across Scope 1 and 2 emissions.

See our Business Model on pages 12-13

Ambition 2023-2025

Business Unit Metrics*

Metric		
Revenue	5-7%	GPN avg. revenue growth
Revenue	3-5%	NS avg. volume growth
EBITA Margin %	12%+	GPN avg. EBITA margin
EBITA Margin %	12%+	NS avg. EBITA margin

Delivering sustainable value creation

Group Metrics**

Metric		
Adj. EPS	5-10%	Avg. Adj. EPS growth %
OCF %	+80%	Avg. OCF conversion %
ROCE	10-13%	Avg. ROCE

*Organic growth ** Organic & M&A growth

Strategic priority #1

Lead and grow the core

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

Our refreshed strategy

- **Capture Global potential of $1bn Optimum Nutrition ("ON") brand;**
- **Build North America's branded lifestyle nutrition platform;**
- **Build on core strength in GN NS custom premix solutions;**
- **Scale NS extensive capability in protein; and**
- **Focus on earnings and cash potential of US cheese/JV operations.**

2022 Progress

- Like-for-like ("LFL") GPN branded growth of 14.6% constant currency with strong growth in all regions;
- Solidified ON's position as the world's #1 sports nutrition brand, ON delivered US consumption growth* of 30.8%;
- LFL NS revenue growth of 12.6%;
- Ensured NS resiliently played into market trending categories driven by strong demand for functional and nutritional ingredients; and
- Continued to build compelling capabilities and innovative solutions that are attractive to NS' customers.

Looking ahead to 2023

- Fully cement ON's #1 global position across the sports nutrition industry;
- Capture further growth of GPN lifestyle brands in key growing markets and leverage refresh of SlimFast brand in the US;
- Maintain NS' momentum in healthy snacking and ingredients solutions; and
- Continue to build out NS' business through enhanced capabilities, innovative technologies and bolt-on acquisitions.

* US consumption growth is measured in North American channels and includes Online, FDMC (Food, Drug, Mass, Club) and Specialty channels. Data compiled from published external sources and Glanbia estimates for the 52-week period to 1 January 2023.

STRATEGY IN ACTION

GPN Transformation programme

With strong delivery against both growth and margin enhancement initiatives throughout 2020 and 2021, the GPN transformation programme continued to deliver in 2022, further enhancing margins and delivering increased growth rates for our brands. The programme has now matured, becoming embedded across the business as our execution engine. The capabilities of our teams have been enhanced with team members now applying the core programme concept – ideate, plan, execute – to all initiatives, whether focused on driving demand or increasing efficiencies. The benefits of the transformation programme are expected to be felt across the business for many years to come.

KPIs

Basic EPS – continuing operations

72.67c

+23.5% constant currency

GPN Revenue

€1.6bn

+13.9% constant currency

GN Revenue

€4.0bn

+24.3% constant currency

Key 2023 Risks

- Macroeconomic headwinds impacting demand;
- Competitor promotional activity or unexpected product innovation; and
- A rapid change in consumer behaviour or preferences.

For more information about risk, see pages 67–77

Link to Remuneration

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

For more information about remuneration, see pages 120-140

Strategic priority #2

Optimise our business

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

Our refreshed strategy:

- **Science-led innovation**
- **Refine business and operating model**
- **Optimise opportunities for margin expansion**
- **Digitise our ecosystem**

2022 Progress

- Completed GPN's transformation programme driving top line and margin momentum ahead of target;
- Launched new innovation in GPN for ON energy and plant products;
- Invested in new technologies and capabilities in NS;
- Despite significant inflation delivered 2022 margins in both GPN and NS at or close to prior year levels;
- Committed to our science-based carbon emissions targets and enhanced our global DE&I focus; and
- Developed our HR transformation programme.

Looking ahead to 2023

- Continue to refine Group and Business Unit operating models and pursue efficiencies;
- Focus on digitally enabled ongoing talent development and engagement strategies;
- Embed our ESG strategy across the business; and
- Optimise Group-wide support functions to align with our growth agenda.

STRATEGY IN ACTION

Establishing new R&D capabilities

In NS we have a strong culture of innovation. Our 15 innovation and collaboration centres match our customers' brand ambitions, providing the resources, knowledge, and expertise to solve their product challenges through co-innovation. Most recently, we have built a new innovation centre in Singapore. We are also establishing new R&D capabilities in Japan. These new innovation hubs further link us with customers in the Asia Pacific region. In Europe, we expanded our lab in Ireland to support our growing business on the Continent and in North America, we have expanded our facilities in Twin Falls. We can develop deeper extrusion, confectionary and flavour applications. Whatever our customers' ambition, we are there to partner with them on their journey and to solve the challenges in bringing their products to life.

KPIs

Basic EPS – continuing operations

72.67c

+23.5% constant currency

Employee Engagement Score

71 points

+1 point

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

Carbon Emission reduction

8.6%

Scope 1 & 2 GHG emissions reduction versus 2021.

ROCE – continuing operations

11.1%

+110bps

Key Risks

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

For more information about risk, see pages 67–77

Link to Remuneration

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

For more information about remuneration, see pages 120–140

Strategic priority #3

Disciplined financial management

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

Our refreshed strategy:

- **Focus on cash generation**
- **Disciplined cash management**
- **Accretive M&A**
- **Balance between investment and return of capital to shareholders**

2022 Progress

- Delivered strong cash generation with 85.7% operating cash conversion;
- Net debt: adjusted EBITDA 1.12 (2021: 1.71) and adjusted EBIT: adjusted net finance cost 17.0 (2021: 15.1);
- Refinanced €0.9 billion of near term debt, extending the duration of Group financing facilities to 5.8 years;
- Completed detailed strategic review of existing business and portfolio options;
- Completed divestment of Glanbia Ireland and an acquisition in NS; and
- Continued growth in dividend (+10%) and €173.5m returned via share buyback programmes.

Looking ahead to 2023

- Continue progressive capital allocation strategy through mechanisms such as dividends and share buyback programmes;
- Transition to a US$ presentation currency for reporting, better representing core Group markets;
- Complete divestment of our Glanbia Cheese EU and UK joint ventures
- Pursue other margin accretive strategic M&A opportunities, to complement the current portfolio; and
- Progress programme to optimise Group-wide functions supporting our growth agenda.

STRATEGY IN ACTION

Strategic review of our portfolio

A disciplined approach to M&A is at the core of our strategy as we pursue opportunities to strengthen our growth platforms as a brand owner and ingredient solutions provider. In May, 2022 we announced the acquisition of Sterling Technology, a US-based manufacturer of dairy bioactive solutions derived from bovine colostrum, for €54.5 million plus deferred consideration. This acquisition represents an attractive addition to the GN portfolio expanding our offering in immunity solutions. We continuously review our existing operations to ensure alignment with Glanbia's long term strategy and explore opportunities to release capital. As part of our on going focus on optimising our portfolio, we have decided to dispose of our stake in our UK and EU cheese joint ventures to our partner Leprino Foods Company. The proceeds of the sale will be used to drive further growth in our core business and return capital to shareholders.

KPIs

OCF conversion
85.7%
2021: 100.2%

ROCE – continuing operations
11.1%
2021: 10.0%

Net Debt
€459.4m
2021: €602.7m

Key 2023 Risks

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

For more information about risk, see pages 67–77

Link to Remuneration

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

For more information about remuneration, see pages 120–140

Key performance indicators

Revenue

€5.6bn (2021: €4.2bn)

+21.2% constant currency
+34.4% reported currency

Strategic relevance

Revenue growth is a key indicator of how the Group is succeeding in developing through investment in organic growth and the ongoing acquisition programme.

In addition, there are a number of key components of Group revenue (price, volume and acquisition) which are actively monitored to provide greater insight into performance.

Performance

In 2022, revenue was €5.6 billion (2021: €4.2 billion), an increase of 34.4% on a reported basis and up 21.2% constant currency (cc) on 2021. Revenue growth was driven by positive pricing of 19.7% in response to inflationary pressures, volume growth of 0.5% and a further contribution from acquisitions of 1.0%.

Revenue volume growth[1]

+0.5% (2021: +16.1%)

GPN -2.1% (2021: +13.6%)

Like-for-like branded revenue volume growth

NS -3.5% (2021: +13.6%)

Like-for-like revenue volume growth

Strategic relevance

Revenue volume growth is an important metric for the Group as it represents the underlying growth in sales to customers excluding any impact of price. Volume is further broken down by the Business Units to understand the brand growth within GPN and the components of volume growth in NS within GN.

Performance

Overall volumes increased by 0.5% in the year. LFL branded volumes in GPN declined by 2.1% and volume declined by 3.5% in NS, offset by volume growth of 4.3% in the US Cheese business within the GN segment. Volume declines in GPN and NS were in the context of significant pricing adjustments in mitigation of record input cost inflation, with US Cheese volumes benefiting from the full year impact of the new Michigan cheese facility, commissioned in 2021.

EBITA[2]

€347.1m (2021: €270.6m)

+13.5% constant currency
+28.3% reported currency

Strategic relevance

Earnings Before Interest, Tax and Amortisation ("EBITA"), pre-exceptional items, is the key performance measure for the wholly-owned segments of the Group. The exclusion of amortisation aids comparability between our segments.

EBITA margin is a key metric to ensure that growth is being driven in a responsible manner by maintaining margins within an acceptable range. The strategy for the Group is to focus on higher growth, higher margin products within GPN and GN.

Performance

EBITA was €347.1 million in 2022, an increase of 28.3% reported and up 13.5% cc. GPN's EBITA increased by 10.5% cc versus 2021, while EBITA margins were up 10bps to 11.2%. GN achieved EBITA growth of 16.9% (cc) with EBITA margins down 20bps versus 2021 to 4.1%, comprising EBITA margins in Nutritional Solutions of 11.4% (2021: 11.5%) and US Cheese of 1.3% (2021: 1.2%).

Profit after Tax

€256.8m (2021: €167.4m)

Continuing operations €199.6m
Discontinued operations €57.2m

Strategic relevance

Profit after tax is the measure of the profit generated by the Group for the year, post tax and post exceptional items.

Performance

Profit after tax for 2022 was €256.8 million (2021: €167.4 million), an increase of €89.4 million on prior year. This comprises the profit generated from continuing operations of €199.6 million and discontinued operations of €57.2 million, with discontinued operations representing the exceptional gain on the divestment of the Group's interest in Glanbia Ireland.

Basic Earnings Per Share – continuing operations

72.67c (2021: 48.47c)

23.5% constant currency
49.9% reported currency

Strategic relevance

Basic Earnings Per Share ("EPS") is an important IFRS reporting metric and relates to EPS of the Group post tax and post exceptional items.

Performance

Basic EPS – continuing operations was 72.67 cent, an increase of 49.9% on a reported basis and an increase of 23.5% cc, driven by increased profitability across the Group. Discontinued operations, which includes the gain on disposal of Glanbia Ireland, have been excluded on the basis that they are now less relevant as a benchmark for the ongoing business of the Group.

1. Performance condition of Glanbia's Annual Incentive Scheme.
2 Both EBITA and OCF are presented on a pre-exceptional basis.

Adjusted Earnings Per Share – continuing operations[1,3]

104.02c (2021: 77.84c)

+17.6% constant currency
+33.6% reported currency

Strategic relevance
Adjusted EPS is an important measure of the profitability of the Group as it represents the underlying profit per equity share in issue.

Performance
Adjusted EPS (continuing operations) increased 33.6% to 104.02 cent, representing a cc increase of 17.6%, due to continued growth in profitability of the wholly owned business, net of reduced profitability in joint ventures. Positive pricing in response to inflationary pressures and the ongoing benefit from transformation initiatives contributed to this record performance for the Group.

Return on Capital Employed – continuing operations[3]

11.1% (2021: 10.0%)

Strategic relevance
Return on Capital Employed ("ROCE") measures the efficiency of the Group's organic and acquisition investment programme as well as the utilisation of its assets.

Performance
ROCE from continuing operations increased by 110 basis points to 11.1% (2021: 10.0%). This increase was primarily due to the continued growth in profitability from the successful execution of strategy with pricing and efficiency improvements to mitigate against input cost inflation.

OCF conversion[1,2]

85.7% (2021: 100.2%)

Strategic relevance
Operating Cash Flow ("OCF") measures the cash generated from operations before interest and tax payments and before strategic capital expenditure. OCF conversion is OCF as a percentage of earnings before interest, tax, depreciation and amortisation ("EBITDA") and is a measure of the ability of the Group to convert trading profits to cash, which is then available for strategic investments and dividend payments.

Performance
OCF conversion was 85.7% in 2022 (2021: 100.2%) compared to a target of 80%. The OCF conversion rate remains very strong and ahead of target. OCF conversion has reduced since prior year due to increased investment in working capital as a result of higher pricing in receivables and inventory, and restoration of inventory buffer levels to ensure sufficient supplies of key raw materials.

Carbon emissions[4]

NFM

-8.6%

Objective
Decarbonise our operations and dairy supply in line with the SBTi commitment and future-proof our organisation and our value chain.

Strategic relevance
Climate change is impacting all of society. At Glanbia we are committed to doing our part by focusing on our most material areas. Our Pure Food + Pure Planet strategy prioritises energy efficiency and renewable electricity procurement for our operations.

Performance
In 2022 we reduced Scope 1 and 2 greenhouse gas ("GHG") emissions in our operations by 8.6% from the previous reporting year (2021). Glanbia updated its ambition to a SBTi validated target aligned with 1.5 degrees Celsius climate scenario. The Board approved the Group's new decarbonisation plan for a 50% reduction in operational GHG emissions by 2030 from a 2018 base.

Health and safety[5]

NFM

35%

Improved Lost Time Case Rate ("LTC")

Objective
Maintain the highest possible global safety standards using sites with no LTC as a key benchmark.

Strategic relevance
The health and safety of our employees is inherent in our Glanbia values and is reflected in our organisational goal of 'Zero Harm'. Proportion of sites meeting at least industry standard safety performance, based on NAIC ("North American Industry Codes") benchmark, and reduced severity of injuries, by progression of the Lost Time Incident Rate ("LTIR") are established global measures of safety performance. Glanbia aspires to zero LTC and all sites maintaining a minimum of industry benchmark performance for lost time injuries.

Performance
Overall, 35% improvement in the LTC rate in 2022, led by a strong performance in GN (50% improvement in overall injury rate). Group LTIR was 0.45 / 200,000 hours, well below our NAIC food industry benchmark of 1.20 (2021: 0.69). 44% of operational sites were without an LTC case recorded for a year or longer, 83% are better than the NAIC industry LTC injury rate for their peers. Sites below the NAIC performance standard maintain robust improvement plans supported and monitored by leadership.

Employee engagement score

NFM

71

Objective
Measure and understand how well our employees believe we are doing in living our values.

Strategic relevance
Employee engagement is a key enabler of performance. At Glanbia we acknowledge that people who are positively engaged, motivated and supported perform to the best of their ability, find a greater sense of meaning in what they do and contribute positively to Glanbia's success.

Performance
In the 2022 'Your Voice' survey, overall engagement was up 1 point with scores increasing across all business units on our key focus areas of wellbeing and communication. While there is opportunity to further improve our wellbeing programmes, employees expressed particular appreciation for the flexible, hybrid working options available to them.

NFM Non-financial metric

3. Performance condition of Glanbia's Long-Term Incentive Plan.
4. GHG emissions reduction in Scope 1 and 2 in comparison to prior year result (2021). Refer to page 57 for operational control GHG emissions breakdown by Scope and performance since 2018 base year.
5. Results relate to sites under Glanbia's operational control. Includes Group's wholly-owned operations and MWC-Southwest Holdings LLC joint venture operations.

A year of growth and success

"We are committed to creating a strong and inclusive culture where each individual feels engaged and supported to do their best work. We want our people to feel that they belong and to know that they can thrive at Glanbia."

Sue Sweem
Chief Human Resources Officer

A year of transformation for our global HR organisation

2022 was a year of significant change for our global HR function as the phased implementation of Grow@ Glanbia, our multi-year transformation programme commenced. This programme enables us to create a future-ready, people-centred organisation with the HR capabilities to support further business growth. Our new HR operating model was rolled out establishing global centres of excellence for a number of functions including talent and engagement; performance and reward; and talent acquisition. Our new People Success Organisation also went live with a centralised team to provide support to our employees and managers in our major markets as well as enabling our wider HR teams to focus more strategically.

Creating a culture of continuous learning

In a world of change, a culture of continuous learning, developing new skills and strong leadership capabilities are key to enabling our business and our people to grow and flourish. This year, we launched our new career growth tools 'MyLearning' and 'MyCareer' to support our people to gain the skills, leadership capabilities and career pathways to be future-ready. MyLearning enables inclusive access to leading-edge, mobile-enabled learning content, while MyCareer empowers employees to take ownership of their career aspirations and development plans. Our learning platform was accessed by more than 1,700 employees, building education and awareness through our general employee population.

Our leadership development programmes continue to evolve. Our Advanced Leadership Programme ("ALP"), for our most senior leaders, is currently being redesigned and will be relaunched in 2023. Our Senior Leadership Programme ("SLP") for senior executives continued in 2022, with a particular focus on accelerating succession readiness. Our Leading the Glanbia Way programme for people managers has been refreshed with new content including a focus on inclusive leadership. Our Early Years Careers programme continued to be an important focus in 2022. In recognition of the contribution made by our Early Years Associates to our organisation, we were proud to be awarded the Gold Award for Graduate Employer of the year by gradireland for 2022.

Maintaining a strong culture through progressive policies

We continued to embed our Smart Working Model in 2022. Core principles of the model include flexible hours; blended working where employees can work remotely on a hybrid basis; and flex Fridays where eligible. Our most recent employee engagement survey shows that employees continue to value our Smart Working model. We believe that it helps enhance and differentiate Glanbia from a talent acquisition perspective.

Based on feedback from our employee engagement survey, we are taking steps to strengthen our Family Leave support with the launch of a new suite of policies this year to include enhanced benefits for: birth mothers; adoptive parents; employees undertaking fertility treatments as well as those who experience loss. As we continue to focus on building a strong and inclusive culture, we will implement policies to support all our employees across the business.

Culture and engagement

We continue to build our strong Group engagement metrics. Our 'Your Voice' employee pulse survey conducted in 2022 showed employee engagement score levels increasing to 71 points, against a backdrop of a challenging external environment. Reflecting the Group's listening and action-oriented approach, engagement scores increased across all areas of the business with continued improvements noted in the areas of inclusion and communication. Our Inclusion Index score improved for all parts of the organisation (+2.5 points). The Inclusion Index is based on a combination of the two scores:

- **Belonging:** I feel a sense of belonging at Glanbia (+2 points since last year); and
- **Equal opportunity:** Regardless of background, everyone at Glanbia has an equal opportunity to succeed (+3 points since last year).

While we have more to do in this area, we believe that initiatives including the establishment of our Employee Resource Groups and Smart Working policies are having a positive impact in relation to these scores. Key areas identified for improvement in the survey include further action on employee wellbeing and career progression with action plans developed to support these areas. A key focus in 2023 will be the development of a Group Wellbeing strategy. A wellbeing working group comprising HR and business leaders has been established to progress this initiative.

Global employee base

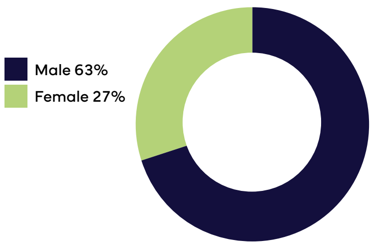
In 2022, total Group employees, including Joint Ventures & Associates, came to 6,163 people based in 31 countries. Glanbia Performance Nutrition ("GPN") had 1,996 employees while Glanbia Nutritionals ("GN") employed 3,010 people during the year. Our Joint Ventures had 1,157 employees in 2022.

Total Group employees in 2022

6,163

across 31 countries

GPN	GN	Joint Ventures
1,996	**3,010**	**1,157**



Engagement score

71

(up 1 point since last year)

Inclusion Index

69.5

(up 2.5 points since last year)

CASE STUDY

Creating an inclusive culture through our Employee Resource Groups

In 2022, we established a number of employee resource groups, including Glanbia NOW (Network of Women); our LGBTQIA+ network True Colours; and our multicultural network Mosaic. These networks provide a safe space for our people to support one another and to address workplace and career-related strategies through education, conversation, networking, mentorship and professional development. Our ERGs also help our leaders to better understand the priorities and concerns of our under represented communities. Highlights from our ERGs' programme of activities this year include: a global mentorship pilot programme and marking moments including International Women's Day; Pride Month; Black History Month; Hispanic Heritage Month; World Mental Health Day, Diwali and Lunar New Year.

Glanbia Network of Women (NOW) European Chapter celebrating the doubling in membership numbers in 2022. Pictured: Harsha Sinha, Communications Lead and Martha Kavanagh, Chair European Chapter.

Building an inclusive culture and society

We are committed to building an inclusive culture that empowers our people to thrive and grow.

Our Inclusion Journey

At Glanbia, respect is a cornerstone of our values, behaviours and culture. We strive to develop a more diverse and inclusive work environment and to build an understanding of inclusive behaviour at all levels of the organisation. To ensure we are aligning our actions to our ambition, we implemented diversity, equity and inclusion ("DE&I") targets for our senior leaders as part of remuneration incentives.

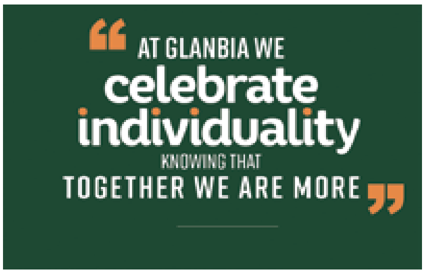
In 2020, we engaged our organisation to develop our vision for inclusion and together we defined the statement that at Glanbia '**we celebrate individuality, knowing that together we are more.**' In 2022, we continued to make progress on the rollout of our diversity, equity and inclusion programme. We are committed to creating an inclusive and diverse culture, as well as shaping progressive policies and practices.

Education and training were an important focus for our DE&I programme in 2022. In 2022, our entire senior leadership team completed our immersive Inclusion development programme, designed to build leadership skills and impact in this area, while over 200 other managers completed our Leading Inclusively online course. We developed unconscious bias training for all employees and more than 200 employees completed inclusive recruitment training to support eliminating bias in our recruitment processes.

Over the course of the year, we also focused on giving a voice to our under represented employees through the establishment of our Employee Resource Groups ("ERGs'"). More than 700 employees across the organisation are now involved in an ERG. We continued to improve representation throughout the organisation, with 36% female participation at Board level and 38% female participation in management in 2022. Our commitment and focus on improving representation at all levels, reflecting the communities in which we operate, will continue in 2023.

Gender Pay Ratio

Our Global Reporting Initiative ("GRI") Gender Pay Ratio measures average female to male pay for our employees in the US and Ireland.



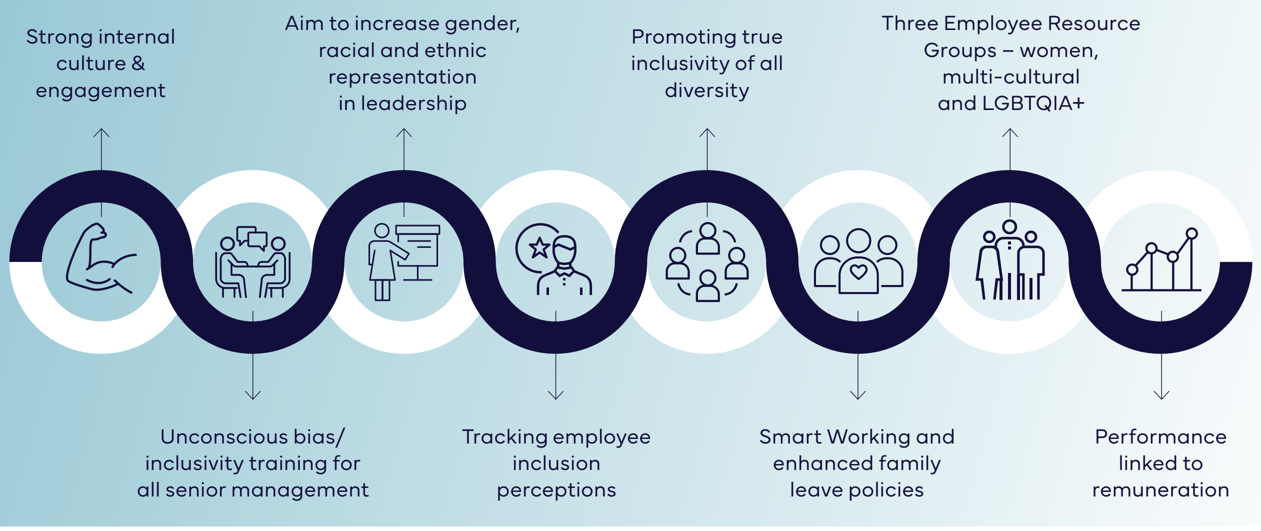
Our GRI gender pay ratio for 2022 is 99:100 which means that there is a 1% difference in average pay between men and women across this population.

We are committed to improving our gender balance by working to increase female representation particularly at management level. Our long term ambition is to achieve gender balance in our management team.

Female management participation in 2022

38%

Roadmap to Building an Inclusive Culture



Health & Safety

2022 was a year of continued progress in our mission towards 'Zero Harm' with a significant reduction in the Group's total recordable incident rate ("TRIR") from 2.30 to 1.22 and of lost time injuries from 0.69 to 0.45. In addition, zero critical injuries were reported for the full year, as the organisation benefited from enhanced prevention tools and metrics including Job Safety Analysis ("JSA") risk assessments and 'Near Miss' data to drive sustainable improvements. Our internal benchmarking has also indicated an excellent performance in reference to the NAIC (North American Industry Code) Occupational Health and Safety performance. In 2022, 97% of our locations are at or better than the NAIC average performance in total recordable incidences.

Further, we have had zero lost time incidences in all laboratories and administrative/corporate offices globally. In 2022, eight operational locations had zero lost time cases recorded, demonstrating the sustainability and resilience of our health and safety approach over time.

GN has driven an (H&S) culture of excellence in 2022, driving its lost time injury rate ("LTIR") down to 0.71 from 1.38 just a year ago. Across the Group a number of projects have successfully been rolled out and contributed to this progress. These include a chemical safety programme aimed at improved labelling and handling practices, focused efforts for reduction of sprain and strain injuries including earlier identification and intervention, as well as an office induction training have all been successfully rolled out in 2022 and are reflected in the improved injury metrics.

Our focus in 2023 will continue on Environmental Health and Safety ("EHS") training for managers and supervisors, Hand Safety Initiative, and expanding our plans for H&S compliance. This includes best practice benchmarking and assuring compliance with the GRI Occupational Health and Safety reporting standard.

Key Achievements in 2022*

- TRIR[1] 1.22 (2021: 2.30)
- LTIR[2] 0.45 (2021: 0.69)
- GN recorded lowest LTIR in the history of the business
- GN achieved a 50% reduction in TRIR, while GPN recorded a 38% reduction in TRIR, versus 2021.

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

CASE STUDY

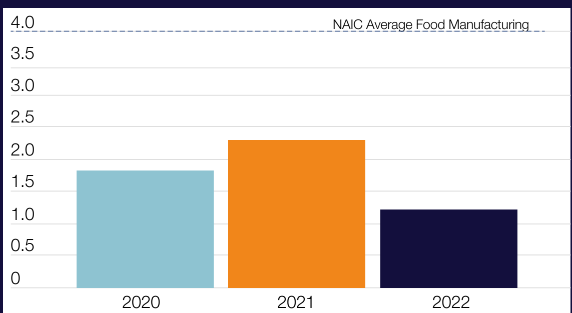
Building a zero-incident culture in Glanbia Nutritionals

GN achieved its best ever performance in both rolling incident rate and rolling lost time rate in 2022. A focused, committed, and dedicated EHS team drove initiatives and behaviour-based programmes aimed at reducing the number of incidents. By leveraging and centralising data, the team created a live dashboard to demonstrate daily performance and to allow plants to analyse information for their own site and compare it to other operational plants in the network. This data was then used to roll out targeted programmes to the common injury categories, aimed at reducing the overall number of injuries in the calendar year. In addition to internal programmes, the team leveraged external programmes through SafeStart.

GN has built a zero-incident culture by living its daily mission to safely deliver quality products in full and on time as efficiently as possible. This achievement is testament to the culture of safety developed by the Company's supply chain leadership and plant personnel across the entire global network.

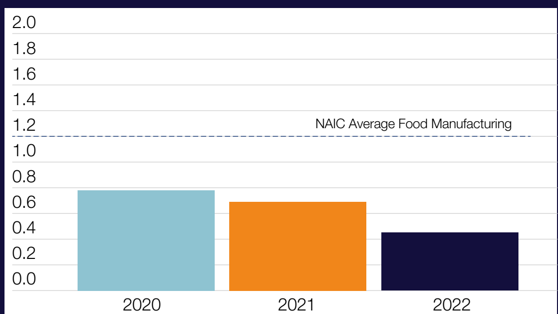
Health and Safety Benchmarking – Food manufacturing

Total Recordable Incident Rate (TRIR)[1]



Glanbia's 2022 TRIR score is 1.22, down from 2.30 in 2021 and substantially lower than the NAIC Average of 4.0.

Lost Time Incident Rate (LTIR)[2]



Glanbia's 2022 LTIR was 0.45 down from 0.69 in 2021. Glanbia's score is significantly lower than the NAIC Food Manufacturing Average of 1.2.

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

Operations review
Glanbia Performance Nutrition

Financial ambition 2023 to 2025

Average Revenue Growth

5-7%

Average EBITA margin

12%+

Transformative Growth

Operations review
Glanbia Performance Nutrition

Delivering a strong performance led by the world's #1 sports nutrition brand

Revenue

€1,625.7m

2021: €1,303.1m

EBITA (pre-exceptional)

€182.1m

2021: €145.1m

EBITA Margin

11.2%

2021: 11.1%

Hugh McGuire
CEO Glanbia Performance Nutrition

Performance highlights:

- **Like-for-like ("LFL") branded revenue growth of +14.6% with volume -2.1% and pricing +16.7%**
- **ON, the leading brand in the sports nutrition sector, continues to sustain a strong consumer position in key markets and delivered US consumption growth of 30.8%,**
- **EBITA margin increase of +10bps versus prior year despite unprecedented inflation, with 12.0% EBITA margin delivered for the second half of 2022.**

GPN Performance Overview

€'m	FY 2022	FY 2021	Change	Constant Currency Change
Revenue	**1,625.7**	1,303.1	+24.8%	+13.9%
EBITA	**182.1**	145.1	+25.5%	+10.5%
EBITA margin	**11.2%**	11.1%	+10bps	

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

Who we are

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

Our brands

Our portfolio comprises nine brands – Optimum Nutrition ("ON"), BSN, Isopure, Nutramino, SlimFast, think! Amazing Grass, Body & Fit and LevlUp. Each has its own brand essence and consumer appeal.

Our brands participate across a range of formats such as powders, capsules and tablets, drinks, smoothies, bites and bars and are sold in a variety of channels such as online, specialty and mass retail. Innovation sits at the heart of our business and we continuously develop new products.

Financial performance 2022

Overall GPN revenue increased by 13.9% in 2022 versus prior year. This was driven by volume declines of 2.9%, price increases of 16.4%, and the LevlUp acquisition contributing 0.4%. Excluding the impact of our contract business, which we exited in North America, like-for-like branded revenues increased by 14.6% with 16.7% growth in pricing offset by a volume decline of 2.1%. Pricing was driven by the execution of strategic price increases across all brands, in all regions, in response to inflationary trends. While volume performance in the global ON brand was strong, the overall decline was driven by the SlimFast brand, where the brand refresh activity remains on track.

GPN EBITA increased by 10.5% versus prior year to €182.1 million. The GPN transformation programme, widened in scope to include mitigation of inflation, is now complete and provides a fundamental underpin to margins as the business moves through the current inflationary cycle. The benefits from this programme, together with the pricing action taken, enabled the business to deliver a 12.0% EBITA margin for the second half of the year.

Americas

GPN Americas delivered 12.3% revenue growth in 2022 compared to the prior year, with like-for-like branded revenue increasing by 13.2%. This was driven by significant pricing actions and revenue growth management initiatives. The ON brand continued to exhibit very strong performance in the period and was supported by continued brand investment and innovation. ON delivered US consumption[1] growth in 2022 of 30.8%. Strong consumption trends in the healthy lifestyle portfolio also continued through the period across the think!, Isopure and Amazing Grass brands, with US consumption[1] in 2022 up 13.9%. The SlimFast brand performance continues to be impacted by headwinds in the overall diet category with US consumption[1] in 2022 down 17.9%. The brand refresh is in market as planned, supported by new branding and pack design, creative content and innovation.

International

GPN International, which includes direct-to-consumer ("DTC") brands, grew like-for-like revenues by 16.3% in 2022 compared to the prior year. This was driven by volume growth in key regional markets, with consumption trends in Europe, India and Oceania particularly strong. Pricing was positive across all regions due to the execution of multiple price increases in response to inflationary trends.

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

Glanbia Performance Nutrition brand portfolio

GPN is the number one sports nutrition company in the world[2]

#1
in the world

2 Euromonitor

Growing the world's #1 Sports Nutrition business

Our strategy

- Capturing the global potential of Optimum Nutrition
- Building a lifestyle nutrition platform in North America
- Accelerating growth in priority international markets

Supported by digital commerce expertise

GPN's consistent strategy

- Capturing the global potential of $1 billion Optimum Nutrition brand;
- Building a lifestyle nutrition platform in North America; and
- Accelerating growth in priority international markets.

These pillars, which are individually supported by digital commerce expertise, are outlined in more detail over the following pages.

Our unique strategy is enabled by our recently completed transformation programme, our people, our enhanced capabilities in consumer insights and analytics and our continued focus on innovation and M&A.

GPN growth transformation ongoing since 2019

We commenced GPN's transformation programme in late 2019, which we accelerated over the past number of years, and widened in scope to address rising inflation. The programme has been highly successful, delivering ahead of its business case and driving focus and discipline across the business as we executed hundreds of initiatives to drive demand and increase efficiencies.

Brand focus

GPN has driven strong demand through a deeper focus on its brands and consumers. A strong insights and analytics function has been built to enhance our understanding of consumer motivations and needs, and we track our key brands regularly with a range of brand equity and performance studies. Marketing investment has increased significantly in the last five years leading to greater visibility of our brands with our target audiences.

For more information on our markets see pages 10-11

Route to markets

As part of our transformation programme, we focused on international routes to market and became a truly omnichannel business selling across all channels. We have also implemented new operating models in both the Americas and International regions while also enhancing the capabilities of our teams.

In terms of efficiency, we eliminated circa.50% of our stock keeping units ("SKUs") since 2019, which has significantly simplified our operations and enhanced margins.

Optimum Nutrition is the world's #1 Sports Nutrition Brand, sold in over 90 countries.

ON Gold Standard Whey is the world's best-selling Protein Powder. Since its launch in 1986 ON has built trust with consumers and established a leading position in many markets through its uncompromising commitment to quality and continued innovation across a portfolio of products and formats. ON consumers are typically highly engaged in the category and see sports nutrition as an "essential" spend.

On track to deliver revenue in excess of $1 billion in 2023, ON has driven growth by protecting the brand's reputation among its core sports nutrition audience while at the same time aggressively recruiting consumers beyond that core audience. The brands success has been achieved through the execution of a simple brand growth model.

- Ongoing prioritisation of the brand's "hero" product groups of Protein, Energy and Gainers
- Expanding the distribution footprint beyond the traditional specialty sports nutrition channel
- Development of a range of distinctive brand assets, most notably the Gold Standard Whey tub
- Creation of inspiring brand content, combining product and emotional benefits and growing the reach of that content through increased investment in digital media channels
- Continued product and format innovation, most recently with Amino Energy ready-to-drink and Gold Standard Plant Protein

An attractive runway for further growth: Optimum Nutrition

ON operates in a large and growing category. We are ambitious for growth and have identified six reasons to believe that ON can accelerate beyond $1bn in revenue.

1 brand growing fast globally.

Growing category desired by consumers: 75% of consumers expect protein consumption to go up or stay the same in next 12 months.[1]

Continued brand investment in all priority markets: marketing spend increased by 20% in 2022 vs 2020.

Large untapped consumer pool in all markets: 110 million potential customers in USA.[2]

Strong and established routes to market and distribution.

Proven brand growth playbook.

1. GPN internal estimates.
2. GPN research study.

A lifestyle nutrition platform in North America

GPN has a range of leading consumer brands that appeal to consumers across a range of lifestyle nutrition needs and motivations in the US. Our strategic focus in our lifestyle nutrition portfolio centres on: recruiting new consumers; increasing brand awareness; and driving physical distribution.

think!

Firmly established as a leading bar brand in the US for over 20 years, think! has been offering high protein, low sugar, great tasting bars.

ISOPURE

Isopure has been offering premium low carb protein ready-to-drink and powder solutions for discerning sports nutrition consumers for over 20 years through its Purity platform.

Amazing Grass

Founded in 1999, Amazing Grass has developed a strong reputation among natural nutrition enthusiasts for family farm sourcing, whole food nutrition and natural ingredients and is the #1 Greens brand in the US.

SlimFast

Recognised by consumers looking to lose and manage their weight, SlimFast is an iconic brand with a reputation for offering an effective, nutritionally balanced, great tasting range of products in convenient ready-to-drink, ready-to-eat and powder formats. 2023 sees a new look for the brand, with an updated pack design, product architecture and advertising campaign as well as the launch of a range of products designed to help consumers with their intermittent fasting plans.

Accelerate priority international markets

Accelerating growth in priority international markets is critical for GPN. We have a scaled presence in 10 markets with an in-market presence in a further 13 markets. Our brands are well positioned across these markets with a large pool of consumers.

UK

Second largest GPN market outside of US

- Manufacturing hub in Middlesbrough, UK
- True omnichannel market with strong GPN retail penetration
- #2 in sports nutrition category driven by ON brand and #1 in weight management driven by SlimFast brand
- Consistent growth and market share gain
- Strong and diverse roster of leading sporting influencers
- Extending our portfolio into plant-based nutrition, energy and on-the-go opportunities
- Top 3 Net Promotor Score in sports nutrition category.

India

India is a competitive market with significant growth potential for GPN

- One of GPN's fastest growing markets globally
- ON is #1 ranked brand in sports nutrition (source: Euromonitor)
- Strong omnichannel presence across 150 key cities
- Strong awareness of ON brand (up over 40% in last 2 years)
- Significant investment in building out the capabilities of the in-market team
- Deep roster of local sporting influencers from personal trainers to individual athletes and sports teams
- Implemented local manufacturing of key SKUs
- Top 3 Net Promotor Score in sports nutrition category.

Australia

Australia is a scale international market for GPN delivering stable growth

- ON continues to lead the specialty channel – the largest sports nutrition channel in the Australian market
- Strong growth in ecommerce
- Enhanced capabilities across the business with emphasis on brand-building talent
- GPN has invested significantly in local consumer insight capabilities to inform our innovation strategy
- ON is the official protein of the AFL (Australian Football League) – Australia's most watched sport
- Voted brand of the year for 5 consecutive years by customers of Nutrition Warehouse (Australia's largest sports supplement retailer)

A growing international business

Percentage of GPN's net revenue in international
32%

Percentage of international in ecommerce
38%

Scaled presence in 10 markets and an in-market presence in a further 13 markets
23

Total employees in our international business
938

Optimum Nutrition
75%
of international sales

Product Supply
- UK manufacturing facility fulfils Europe
- Local co-manufacturing for India, China and Australia
- US manufacturing facilities fulfils rest of world
- DTC fulfillment in the Netherlands

GPN's financial ambition

Financial ambition 2023 to 2025:

- **5% to 7% average revenue growth.**
- **12%+ average EBITA margin.**

GPN has a clear growth strategy and a compelling growth opportunity. We have a track record of organic and acquisition-driven growth and are ambitious for the future of the business.

ON is a $1 billion brand with significant potential for growth, and we continue to invest behind it. We have the ambition to grow our unique portfolio of lifestyle brands in North America. We have a global, scalable, efficient operating and business model enabling us to leverage our portfolio of brands across multiple channels and geographies, driving sustained growth.

We are truly a global business, the only global business in our category that has the required level of infrastructure and capability to play in the on-trend categories with large consumer pools represented by sports and healthy lifestyle nutrition.

GPN has a strong values-led culture with a great passion for our brands across the team.

Our financial ambition is to build on our growth momentum to deliver average revenue growth of 5% to 7% over the next three years, with average EBITA margin of over 12%.

Delivering our 2023-2025 ambition through our strong platform for growth

- ON – approaching $1bn revenue with further potential for growth
- Unique portfolio of lifestyle brands
- On-trend growing categories with large consumer pools
- Global business with established infrastructure and capabilities
- Track record of organic and acquisition-driven growth
- Values-led culture, passion for our brands
- True omnichannel business
- Talented team of brand & business builders

Operations review
Glanbia Nutritionals

Achieving Global Scale

Our growth ambition

Continue to build
We will continue to build our leadership positions in protein and premix solutions.

Accelerate our growth
We will scale extensive protein capability & deep expertise.

Growth enablers
Scaling complementary technologies and further M&A.

Nutritional Solutions
Average Volume Growth 3%–5%
Average EBITA Margins 12%+

A good performance backed by growing scale and capabilities in Nutritional Solutions

Nutritional Solutions Revenue

€1,126.6m

2021: €877.4m

US Cheese Revenue

€2,890.1m

2021: €2,016.4m

Brian Phelan
CEO Glanbia Nutritionals

Performance highlights:

- **Glanbia Nutritionals Nutritional Solutions ("GN NS") like-for-like ("LFL") revenue growth of +12.6% with pricing +16.1% and volumes -3.5%;**
- **EBITA margin of 11.4% was broadly in line with prior year;**
- **Recent acquisitions performed well in the year, building further on innovation and operational capabilities in NS; and**
- **Glanbia Nutritionals' US Cheese business performed well with revenue growth of 27.7% and EBITA growth of 33.3%.**

GN divisional performance

	FY 2022			FY 2021		
€'m	Revenue	EBITA	Margin %	Revenue	EBITA	Margin %
Nutritional Solutions	**1,126.6**	**128.2**	**11.4%**	877.4	101.1	11.5%
US Cheese	**2,890.1**	**36.8**	**1.3%**	2,016.4	24.4	1.2%
Total GN	**4,016.7**	**165.0**	**4.1%**	2,893.8	125.5	4.3%

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

Nutritional Solutions (NS)

€'m	FY 2022	FY 2021	Change	Constant Currency Change
Revenue	**1,126.6**	877.4	+28.4%	+16.6%
EBITA	**128.2**	101.1	+26.8%	+13.0%
EBITA margin	**11.4%**	11.5%	-10bps	

Financial performance 2022

NS revenues increased by 16.6% in 2022 versus prior year. This was driven by a 3.5% decrease in volume, 16.1% increase in price and the net impact of acquisitions and disposals delivering 4.0% revenue growth. While the customised premix solutions portfolio delivered volume growth this was offset by a volume decline in the protein solutions business, driven largely by supply chain realignment and inventory reduction by customers in the second half of the year. Overall pricing was strong in the year driven by significantly heightened dairy protein market prices. NS EBITA was €128.2 million, 13.0% higher versus prior year as margins were sustained at broadly the same level as 2021.

Who we are

Glanbia Nutritionals (GN) is a leading innovation and solutions partner to the global food and nutrition industry. GN Nutritional Solutions is a global provider of customised premix solutions, proteins and complementary technologies. GN US Cheese is the leading producer and marketer of American-style cheddar cheese in the US.

What we do

GN's Nutritional Solutions (NS) is a global business delivering a broad range of innovative ingredient solutions that improve product functionality and nutritional profile. The business has a deep protein expertise , a scaled position in customised premix solutions and a range of complemented technologies that enhance global solutions capabilities.

Through our innovative ingredient solutions, we proudly solve our customers' product challenges across the mainstream food and beverage industry, health and fitness industry and specialised nutrition sector. Our expertise, innovations and custom formulations enable them to outperform their competition.

GN's US cheese business is a leading producer and marketer of American-style cheddar cheese, used by leading retail brand owners and food service organisations.

Our Business structure

Nutritional Solutions

2022 EBITA
€128.2m

2022 EBITA margin
11.4%

- Growth categories
- Track record of organic and acquisition growth/ strong return on capital employed
- Strong market positions across key platforms
- Global and Regional customers
- Deep innovation expertise
- Broad suite of complementary solutions
- Supply chain leverage

Focus for future growth 2023–2025

Cheese

2022 EBITA
€36.8m

2022 EBITA margin
1.3%

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

Stable earnings over 2023–2025

Culture of innovation

Nutritional Solutions

Our **key platforms**

- **Custom premix solutions**
- **Protein and complementary technologies**

Our **competitive edge**

- **Unique access to ingredients**
- **Breadth of customer offerings**
- **Customer at the core of everything**
- **Collaboration partnership & accelerated development**
- **Strength of supply chain**
- **Truly global organisation & reach**
- **Deep innovation capability**
- **15 global innovation centres**

The **consumer needs** we serve

Boosting our capabilities through **acquisition**

In excess of

€250m

Deployed on acquisitions since 2019

A clear expertise in the **application of protein technologies**

Innovation is at the core of our business. From bars to beverages to bakery and much more, our 15 global innovation and collaboration centres are designed for customers to work side-by-side with our scientists, so ideas flow faster and solutions get stronger.

Customer relationships

Whether our customers are looking for a cleaner label product, a product with better texture, flavour and nutrition, or the next category blockbuster, our innovation capabilities are built from the ground up to help accelerate the process and get their product to market faster than the competition.

We use our own production facilities as real-time testing grounds for new ingredient ideas and improve ingredient production practices.

Supported by our innovation and collaboration centres in Europe, the US and Asia, our technologies have enabled us to revolutionise functional protein solutions in the nutritional bar category, develop accelerated cheese aging techniques and invent an oat ingredient that remains fluid and pourable through high pressure processing ("HPP") and ultra-high temperature ("UHT") processing.

We offer a suite of technologies across custom premix solutions and functional and nutritional solutions.

CASE STUDY

Caffeine ingredient

Our NutraShield™ technology works well in the energy sector as demonstrated with our NutraShield™ Triple Layer Caffeine ingredient. Caffeine has a very undesirable taste, making it difficult to include at large dose levels within products. Encapsulating the nutrient with NutraShield™ provides protection during challenging processing conditions (heat) and stops ingredient interactions in the final product format. This also allows for the insertion of higher caffeine content while still tasting great.

CASE STUDY

Pea protein

GN applies its insights capability and development expertise to inform and bring new product concepts to its customers. This combination of market knowledge, consumer knowledge, and application science stimulates new product ideation with customers that is focused on emerging opportunities.

A good example of this is a Blueberry Pancake Pea Protein Cereal concept, developed across several R&D internal teams and combining capabilities and technologies from across our product portfolio encompassing plant-based ingredients, edible films, Foodarom flavors and PacMoore extrusion technologies. Using a newly developed clean label pea protein ingredient called BarHarvest™ 120 (with properties designed to work optimally in the extrusion process), the ingredients R&D team leveraged our PacMoore extrusion capabilities to create a neutral flavoured, loop shaped extruded piece (cereal). The applications R&D team then incorporated our edible film and Foodarom flavour technologies to imagine a new children's cereal idea that would deliver higher protein cereal with a soft crunchy cereal piece, impart palette-enticing blueberry pancake flavor, and offer fun visual appeal with the addition of EdiSparklz® edible glitter.

The resulting Blueberry Pancake Pea Protein Cereal demonstrates the synergy of complementary capabilities and technologies that we can bring to our customers, while giving them a new product idea to chew on.

Customised premix solutions

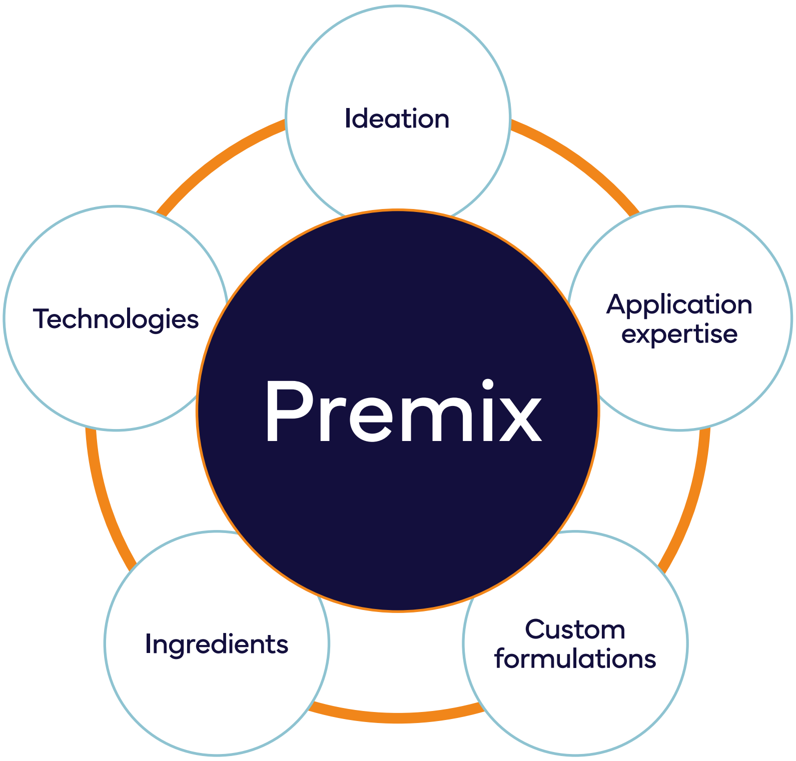
#2
Global player

We are one of the world's leading providers of customised premix solutions, delivering critical micronutrients into everything from beverages and supplements to infant and clinical nutrition.

Our customised premix solutions business has strong capabilities across multiple geographies. We leverage our technologies to bring value to our customers and we play into large growing consumer categories.

Growth ambition built around:

- Categories in growth
- Strong global & regional customer relationships
- Leverage global scale
- Leverage technology and innovation capability in NS
- Further M&A to accelerate growth (LATAM/SEA)



CASE STUDY

Delivering higher protein content

Standard extrusion is the technology used to make cold cereals, hand-held snacks and puffs. Our unique technologies enable us to deliver protein content of more than 70%, well above the industry norm of 15% to 20% protein content. It can be a challenge to process proteins as they tend to gel and clog up processing equipment. Using unique processing technologies from our PacMoore acquisition our protein chemists have developed this platform and system that enables us to deliver a high-protein extrusion process that works across snacks, chips, inclusions etc.

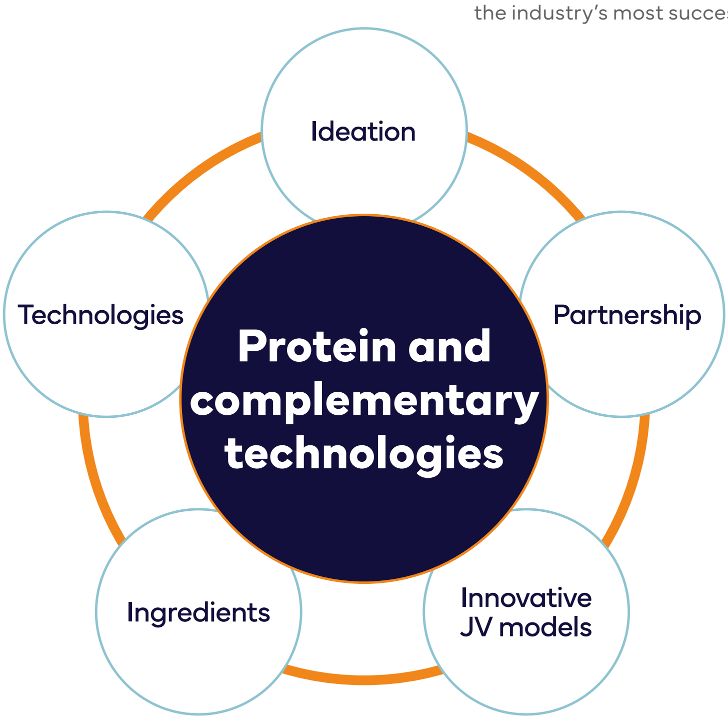
Protein and complementary technologies

#1
Whey Protein Isolate

NS' protein expertise has revolutionised the world of healthy snacking. We are the #1 global supplier of whey protein isolate and we leverage our technologies and ingredients to bring protein to the world in a range of convenient formats.

We built our business around healthy categories and deliver functional and nutritional ingredients and applications across mainstream food and beverages, supplements, sports and lifestyle nutrition and clinical and early-life nutrition. Furthermore our Foodarom acquisition has given us access to a 20,000-flavour library and with it, the opportunity to integrate flavours with protein.

We have long-standing relationships with our customers and have been with many of these customers since they started in business, so we understand their brand ambitions. Some of our customers want to move into adjacent categories, launch new formats, or enter new geographies. Whatever their ambition, we help them bring it to life. By doing so, we become the innovation partner of choice for many of the world's leading brands and we have helped to kickstart the journey for some of the industry's most successful start-ups.



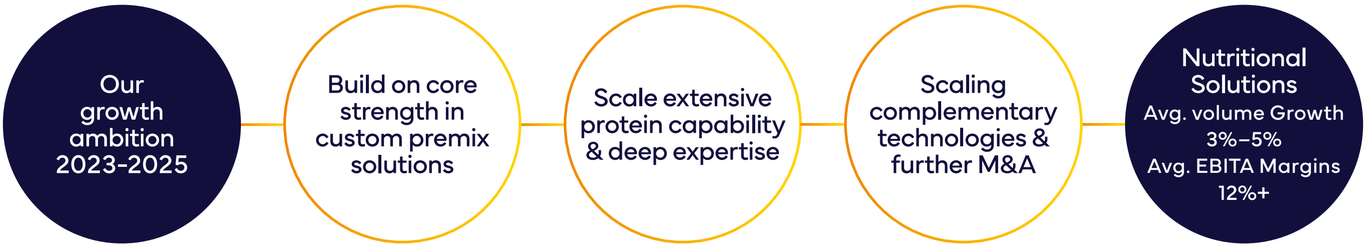
Growth ambition built around:

- Categories in growth
- Strong customer relationships – innovation partner to support customer brand ambition
- Leverage global scale, reach and deep protein expertise
- Replicate success in North America in EMEA and ASPAC markets
- Scale current capabilities & footprint in flavours
- Further M&A to accelerate growth markets

Our 'Go-to-Market' strategy

Our go-to-market strategy brings our full breadth of capabilities to our customers thereby increasing our relevance across all their needs and ambitions.

Ambitious for Growth



US Cheese

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

US Cheese revenue increased by 27.7% in 2022 versus prior year. This was driven by a 4.3% increase in volume and a 23.4% increase in price. Volume growth was driven by end-use markets and expanded production through the new joint venture plant in Michigan which was commissioned during 2021. Price increases were aligned to the higher year-on-year market pricing.

US Cheese EBITA increased by 33.3% to €36.8 million due to incremental volumes. EBITA margin increased from 1.2% to 1.3% as a result of operating leverage and efficiencies.

US Cheese

€'m	2022	2021	Reported change	Constant currency change
Revenue	**2,890.1**	2,016.4	43.3%	**27.7%**
EBITA	**36.8**	24.4	50.8%	**33.3%**
EBITA margin	**1.3%**	1.2%	+10bps	

CASE STUDY

Probiotic cheddar

Our Health & Wellness cheese platform provides cheeses that deliver increased health benefits to an already healthy snack. Varieties include higher-protein cheddar, probiotic cheddar and Vitamin D fortified cheeses.

Joint Ventures

Focused on MWC-Southwest Holdings

Looking forward, Glanbia's joint venture activities are focused at MWC-Southwest Holdings, a US business with strong alignment to our Glanbia Nutritionals platform.

For 2022 Glanbia's joint ventures (continuing operations) included MWC-Southwest Holdings, Glanbia Cheese EU and Glanbia Cheese UK. The Group's share of joint ventures' profit after tax pre-exceptionals for continuing operations was €15.4 million.

Aligned with the evolution of our strategy, subsequent to the year end, Glanbia has signed a non-binding memorandum of understanding for the sale of the Company's shareholding in Glanbia Cheese and Glanbia Cheese EU joint ventures ("Glanbia Cheese") to Leprino Foods Company. It is expected that Glanbia will receive initial cash proceeds in excess of €160m (including the repayment of shareholder loans), with further contingent consideration of up to €25m dependant on the performance of Glanbia Cheese over the next three years.

On 1 April 2022, Glanbia completed the disposal of its 40% interest in the Glanbia Ireland joint venture to Glanbia Co-operative Society Limited (the 'Society') for €307 million. The transaction was approved by members of the Society on 17 December 2021, following which this joint venture investment was considered as an investment 'held for sale', with equity accounting ceasing to apply from that date.

Joint Ventures (Glanbia share)

€'m – pre-exceptionals	2022	2021	Change
Share of joint ventures' profit after tax – continuing operations	15.4	19.2	**(3.8)**
Share of joint ventures' profit after tax – discontinued operations	–	25.7	**(25.7)**
Total	15.4	44.9	**(29.5)**

An evolved strategy driving a strong sustainable performance

Adjusted EPS – continuing operations
104.02 cent
(2021: 77.84 cent)
+33.6% reported currency
+17.6% constant currency

ROCE – continuing operations
11.1%
(2021: 10.0%)
+110bps

Profit After Tax – continuing operations
€199.6m
(2021: €141.0m)
+41.6% reported currency
+16.7% constant currency

EBITA (pre-exceptional)
€347.1m
(2021: €270.6m)
+28.3% reported currency
+13.5% constant currency

Dividend payout ratio
31.0%
(2021: 33.6%)
Dividend per share as a % of adjusted EPS (continuing and discontinued)

Basic EPS – continuing operations
72.67 cent
(2021: 48.47 cent)
+ 49.9% reported currency
+23.5% constant currency

OCF conversion
85.7%
(2021: 100.2%)
OCF as % of EBITDA

Mark Garvey
Group Finance Director

In what was a challenging year with unprecedented global inflation and volatile macro-economic conditions, Glanbia continued delivering strong growth, achieving above the upper end of market guidance and representing the strongest ever adjusted EPS result, while continuing to evolve and progress the strategic agenda. Revenues increased by 21.2% constant currency (reported: 34.4%) to €5.6 billion with EBITA (before exceptional gains) of €347.1 million achieved, representing an increase of 13.5% constant currency (reported 28.3%) since prior year. The Group reported adjusted EPS of 104.02 cent (all continuing operations), an increase of 17.6% constant currency (+33.6% reported) on prior year. Basic EPS from continuing operations of 72.67 cent was achieved (2021: 48.47 cent), an increase of 23.5% constant currency (+49.9% reported).

Effective execution of strategy combined with the strength of platforms in better nutrition enabled the Group to successfully navigate the turbulent economic conditions and deliver on the growth agenda. Furthermore, the recent and planned portfolio changes positions the Group well as an ambitious purpose-led global nutrition company.

On 1 April 2022, the Group completed the disposal of its 40% interest in Glanbia Ireland. This represents the completion of a long-term strategic goal and enables more future focus on the core business and growth opportunities in the health, wellbeing and nutrition space. The proceeds received on completion of this transaction were reinvested to drive further growth across the Group and return of capital to shareholders.

In addition to the Glanbia Ireland disposition, as part of a broader strategic review, all remaining businesses were reviewed to consider other non-core parts of the portfolio. A decision was reached to dispose of a small bottling facility in the US (Aseptic Solutions). The impacted assets are considered to be held-for-sale at year end, resulting in a fair value adjustment to reduce the carrying value of the assets to recoverable value, with a sales transaction expected to conclude in H1, 2023. In addition, subsequent to the year end the Group made a decision to dispose of its interests in its EU and UK cheese joint ventures (Glanbia Cheese EU Limited and

Glanbia Cheese Limited). In February 2023, a non-binding memorandum of understanding to sell these businesses was entered into with the joint venture partner, Leprino Foods Company. It is anticipated that subject to the completion of limited confirmatory diligence and final negotiations, a sales transaction will conclude in H1, 2023.

Following the progression of these portfolio changes, the Group launched a programme to realign Group-wide support functions and optimise structures in support of the remaining Group portfolio, to better enable the business and support further growth. This programme will continue into 2023 with realisation of benefits from 2024 onwards further enabling the Group's ambitious growth strategy.

Acquisition activity saw the addition of Sterling Technology, a US based bioactive ingredient business, to the Nutritional Solutions' portfolio in March 2022, further enhancing and complementing the Group's existing ingredient technology portfolio. Integration of this business has gone well, and performance of the new business has been impressive, surpassing original expectations.

Operating cash flow ("OCF") was strong at €355.3 million converting 85.7% of EBITDA into OCF, against a target of 80% conversion. Free cash flow ("FCF") for the year was €268.6 million.

In December 2022, the Group completed the re-financing of an existing €0.9 billion of near-term bank facilities, extending the duration of Group facilities to 5.8 years, with the earliest maturing debt not due for repayment before December 2027. When combined with the Group's ability to generate cash, this positions the Group well with the capacity to finance future investments and progress the strategic growth agenda.

Return on Capital Employed ("ROCE") from continuing operations increased by 110 basis points to 11.1% (2021: 10.0%), with the consistent delivery of profits as the business recovered post-pandemic, combined with the benefit of simplification and optimisation of the business and operating model.

The Group engaged in share buyback activity during 2022, returning €173.5 million to shareholders via these programmes. With confidence in the strong cash generation abilities of the organisation, further buyback programmes will be considered in 2023 as an effective mechanism to return value to shareholders, with an additional €50 million buyback just recently announced. In addition, the Board is recommending a final dividend of 19.28 cent per share representing a dividend payout of 31.0% of adjusted Earnings Per Share in respect of 2022.

Looking ahead

The Group remains vigilant to the continued volatile and disruptive potential of rising geopolitical tensions, the lingering impact of Covid-19, and the indirect impact of inflation and global supply chain disruption. The strong performance and strategic actions progressed in 2022 position the Group well to navigate this environment and further enable growth.

During 2023, the Group will transition from a euro presentation of consolidated financial statements to a US$ presentation, better reflecting the Group's underlying core markets in light of recent portfolio changes. International markets, however, remain a key priority for the Group and part of the Group's long-term growth strategy, which continues to be a blend of organic, M&A and portfolio activity. The Group's strong financial position will allow us to capitalise on these opportunities as they arise.

2023-2025 ambition

In November 2022, we held a Capital Markets Day ("CMD") which gave us the opportunity to present our ambition for the Group over the next 3 years and reflect on the performance since the previous CMD in 2018. I am pleased that all Group Financial Targets set in 2018 were successfully achieved and the Group is now well positioned to achieve the revised targets set out at the 2022 event.

	2018-2022 ambition	2018-2022 outcome	2023-2025 ambition
Adjusted EPS growth (cc)	5-10%	√	5-10%
Cash Conversion	80% +	√	80% +
ROCE	10%-13%	√	10%-13%
Dividend payout ratio	25%-35%	√	25%-35%

√ Outcome achieved

2022 Income Statement review

Revenue and EBITA

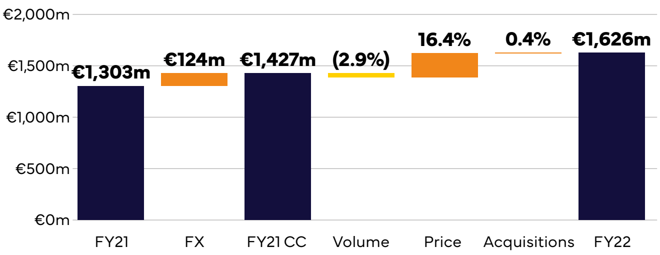
Revenue and EBITA are key performance indicators ("KPIs") for the Group. In particular the Group focuses on revenue, volumes and EBITA margins to assess underlying performance. Details of these KPIs are set out below.

€'m	2022	2021	Change	Constant currency change
Revenue				
GPN	**1,625.7**	1,303.1	24.8%	13.9%
GN	**4,016.7**	2,893.8	38.8%	24.3%
Total Revenue	**5,642.4**	4,196.9	34.4%	21.2%
EBITA (pre-exceptional)				
GPN	**182.1**	145.1	25.5%	10.5%
GN	**165.0**	125.5	31.5%	16.9%
Total EBITA	**347.1**	270.6	28.3%	13.5%
EBITA margin (pre-exceptional)				
GPN	**11.2%**	11.1%	+10bps	
GN	**4.1%**	4.3%	-20bps	
Total EBITA margin	**6.2%**	6.4%	-20bps	

Revenue

Revenue increased in 2022 by 21.2% versus prior year on a constant currency basis to €5.6 billion, an increase of 34.4% on a reported basis. Like-for-like ("LFL") wholly owned revenue increased by 20.2%, driven by positive pricing of 19.7% and volume increases of 0.5%. The full year impact of the 2021 LevlUp and PacMoore acquisitions, and the recent Sterling Technology acquisition added a further 1.0% to revenue. Detailed analysis of revenue is set out below.

Glanbia Performance Nutrition



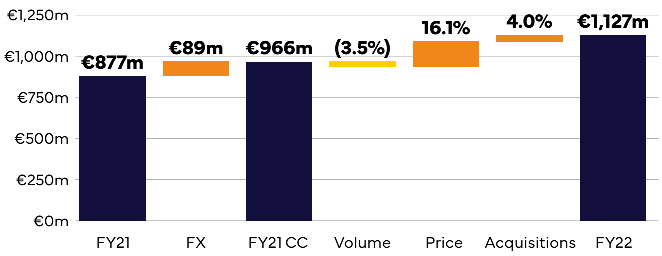
Group Finance Director's review continued

Glanbia Performance Nutrition ("GPN") recorded a total revenue increase of 13.9% constant currency (reported 24.8%) in 2022 versus prior year. LFL branded revenue grew 14.6%, with strong performance across US Sports Nutrition, Healthy Lifestyle and International markets driven by solid underlying consumption trends as well as the successful implementation of price increases to mitigate cost inflation, offset by headwinds in the weight management category. Overall price increases of 16.4% were achieved, volume declined 2.9% and the 2021 LevlUp acquisition contributed a further 0.4% revenue growth in the period.

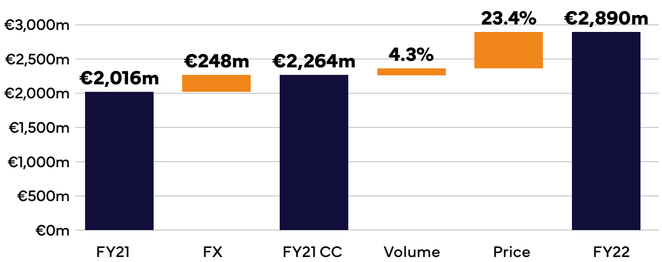
Glanbia Nutritionals

Glanbia Nutritionals ("GN") delivered revenue growth of 24.3% constant currency (reported 38.8%) in 2022, with volume growth of 1.9%, price increases of 21.2% and contribution from acquisitions of 1.2%. Nutritional Solutions ("NS") volumes decreased by 3.5%, with premix volume growth more than offset by dairy volume declines, particularly in bar solutions and whey as customers reduced inventory levels. NS pricing contributed 16.1%, primarily driven by higher whey markets and the benefit of price increases across the portfolio. US Cheese volumes were 4.3% higher than prior year, benefitting from the full year impact of the new Michigan joint venture cheese plant following successful commissioning in 2021. Cheese pricing also increased by 23.4% in 2022 due to strong market conditions.

Nutritional Solutions



US Cheese



EBITA (pre-exceptional)

EBITA before exceptional items increased 13.5% constant currency (+28.3% reported) to €347.1 million (2021: €270.6 million) with strong EBITA delivery in both GPN and GN. EBITA margin in FY 2022 was 6.2%, compared to 6.4% in 2021 as a result of the unprecedented inflationary trends across the business, net of mitigating actions.

GPN pre-exceptional EBITA increased by 10.5% constant currency to €182.1 million (2021: €145.1 million), an increase of 25.5% on a reported basis. GPN pre-exceptional EBITA margin at 11.2% for the year was 10 basis points higher than prior year reported, with an improving margin profile over the year and delivering 12% margin in H2, 2022.

GN pre-exceptional EBITA grew 16.9% constant currency to €165.0 million (2021: €125.5 million), an increase of 31.5% on a reported basis. GN pre-exceptional EBITA margin was 4.1%, down 20 basis points from 2021, as the dilutive impact of higher dairy markets was largely mitigated by improved business mix and operating efficiencies.

Net finance costs (pre-exceptional)

€'m	2022	2021	Change
Finance income	**1.8**	2.0	(0.2)
Finance costs	**(22.5)**	(19.5)	(3.0)
Net finance costs	**(20.7)**	(17.5)	(3.2)

Net finance costs (pre-exceptional) increased by €3.2 million to €20.7 million (2021: €17.5 million). The increase was primarily driven by increased average debt levels and stronger average US dollar exchange rates in 2022 compared to 2021. The Group's average interest rate was 2.3% (2021: 3.0%). Glanbia operates a policy of fixing a significant amount of its interest exposure, with 90% of projected 2023 debt currently contracted at fixed rates.

Share of results of joint ventures

€'m – pre-exceptional	2022	2021	Change
Share of profits of joint ventures:			
– continuing operations	**15.4**	19.2	(3.8)
– discontinued operations	**–**	25.7	(25.7)
Total	**15.4**	44.9	(29.5)

The Group's share of results of joint ventures is stated after tax and before exceptional items. The Group's share of joint venture profits from continuing operations decreased by €3.8 million to €15.4 million (2021: €19.2 million) in the year.

Operationally, the joint ventures, particularly in the US, delivered a strong performance with year-on-year volume growth, benefiting from the full year impact of the new Michigan facility, following successful commissioning in 2021.

The prior year share of joint venture profits from discontinued operations relate to the Glanbia Ireland investment which was classified as an asset held-for-sale in 2021. Following receipt of all shareholder approvals and regulatory clearances, the disposal was completed in April 2022, with the related once off gain on disposal treated as an exceptional item in the period.

Income taxes

€'m	2022	2021	Change
Income taxes	**25.7**	17.0	8.7
Exceptional tax credit	**5.7**	7.6	(1.9)
Income taxes (pre-exceptional)	**31.4**	24.6	6.8
Effective tax rate	**12.5%**	13.0%	-50bps

The 2022 pre-exceptional tax charge increased by €6.8 million to €31.4 million (2021: €24.6 million). This represents an effective tax rate, excluding joint ventures, of 12.5% (2021: 13.0%). The tax credit related to exceptional items is €5.7 million (2021: €7.6 million). The Group currently expects that its effective tax rate for 2023 will be in the range of 13.5% to 14.5%.

Exceptional items

€'m – continuing operations	2022	2021
Pension related costs (note 1)	**(1.7)**	(30.3)
Changes in fair value of contingent consideration and call option (note 2)	**6.7**	–
Organisation redesign costs (note 3)	**–**	(18.1)
Portfolio related reorganisation costs (note 4)	**(2.9)**	–
Non-core assets held for sale (note 5)	**(43.8)**	–
Total	**(41.7)**	(48.4)
Share of results of joint ventures (note 1)	**0.2**	(2.0)
Exceptional tax credit	**5.7**	7.6
Exceptional charge – continuing operations	**(35.8)**	(42.8)

€'m – discontinued operations	2022	2021
Exceptional gain from discontinued operations (note 6)	**57.2**	0.7
Total exceptional gain/(charge) in the year	**21.4**	(42.1)

Details of the exceptional items are as follows:

1. **Pension related costs** relate to the restructure of legacy defined benefit pension schemes associated with the Group and joint ventures, which included initiating a process for the ultimate buyout and wind up of these schemes and a further simplification of schemes that remain. Costs incurred relate to the estimated cost of the settlement loss as a result of acquiring bulk purchase annuity policies to mirror and offset movements in known liabilities of the schemes ('buy-in' transaction), as well as related advisory and execution costs, net of gains from risk reduction activities. The restructuring effort has progressed well during 2022, effectively managing the volatile financial market conditions in the UK during 2022, with final wind up of schemes planned for completion in 2023.
2. **Changes in fair value of contingent consideration and call option** relate to contingent payments and call option associated with the 2021 LevlUp acquisition that have now reduced following an assessment of conditions that give rise to the additional payments.
3. Prior year **organisation redesign costs** related to a fundamental reorganisation of the GPN segment to drive greater efficiencies, improve margin and deliver top line growth. The investment phase of this programme is now complete, with no further costs incurred during the period.
4. **Portfolio related reorganisation costs** relate to indirect one off costs as a result of recent and planned portfolio changes. Following divestment decisions related to non-core businesses, the Group launched a programme to realign Group-wide support functions and optimise structures of the remaining portfolio, to more efficiently support business operations and growth. This programme will continue into 2023 with realisation of benefits from 2024 onwards. Costs incurred to date relate to advisory fees and people-related costs.
5. **Non-core assets held-for-sale** relate to fair value adjustments to reduce the carrying value of certain assets to recoverable value. The assets relate to a small US based bottling facility (Aseptic Solutions) which, following completion of a strategic portfolio review, were determined to be non-core and a decision was made to divest the business, resulting in the designation as held-for-sale at year end. Discussions are ongoing and a sale is expected to conclude by the end of H1, 2023.
6. **Exceptional gain from discontinued operations** relates to the gain arising on the divestment of the Group's interest in Glanbia Ireland, following its classification as a discontinued operation in 2021. The 2021 gain includes one off gains on the settlement of forward contracts, net of one off reorganisation costs within this joint venture.

During 2022 there were cash outflows of €21.3 million in respect of exceptional charges (2021: €55.9 million).

Profit after tax

€'m	2022	2021	Change
Profit after tax – continuing operations	**199.6**	141.0	+58.6
Profit after tax – discontinued operations	**57.2**	26.4	+30.8
Profit after tax for the year	**256.8**	167.4	+89.4

Profit after tax for the year was €256.8 million compared to €167.4 million in 2021, comprising continuing operations of €199.6 million (2021: €141.0 million) and discontinued operations of €57.2 million (2021: €26.4 million). Profit after tax from continuing operations comprises pre-exceptional profit of €235.4 million (2021: 183.8 million) and exceptional charges of €35.8 million (2021: €42.8 million). The €51.6 million increase in pre-exceptional profit after tax from continuing operations is driven by the continued growth in profitability of wholly owned businesses net of reduced profitability of Joint Ventures.

Profit after tax from discontinued operations in the current and prior year relates to the Glanbia Ireland joint venture. As outlined above, the Group's share of Glanbia Ireland was disposed in April 2022, with the resulting gain being recognised as an exceptional gain.

Earnings Per Share

	2022	2021	Reported Change	Constant Currency Change
Basic EPS	**93.42c**	57.57c	+62.3%	+37.5%
– continuing	**72.67c**	48.47c	+49.9%	+23.5%
– discontinued	**20.75c**	9.10c	+128.0%	+128.0%
Adjusted EPS	**104.02c**	87.15c	+19.4%	+6.4%
– continuing	**104.02c**	77.84c	+33.6%	+17.6%
– discontinued	**nil**	9.31c	-100.0%	-100.0%

Basic EPS increased by 62.3% reported versus prior year, driven by a year-on-year increase in pre-exceptional profitability and the exceptional one off gains arising on portfolio related adjustments.

Adjusted EPS is a KPI of the Group, a key metric guided to the market and a key element of Executive Director and senior management remuneration. Adjusted EPS increased by 6.4% constant currency (19.4% reported) in the year, driven primarily by the increased profitability in both GPN and GN, offset by a reduced share of profits of joint ventures. Adjusted EPS comprises continuing operations of 104.02 cent (2021: 77.84 cent) and discontinued operations representing the now disposed Glanbia Ireland joint venture of nil (2021: 9.31 cent).

Cash flow

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

€'m	2022	2021
EBITDA pre-exceptional	**414.6**	333.6
Movement in working capital (pre-exceptional)	**(39.9)**	16.5
Business-sustaining capital expenditure	**(19.4)**	(15.9)
Operating cash flow	**355.3**	334.2
Net interest and tax paid	**(81.4)**	(51.5)
Dividends from joint ventures	**14.5**	33.9
Payment of lease liabilities	**(16.5)**	(19.1)
Other inflows/(outflows)	**(3.3)**	6.4
Free cash flow	**268.6**	303.9
Strategic capital expenditure	**(49.5)**	(61.6)
Dividends paid to Company shareholders	**(84.4)**	(80.5)
Share buyback (purchase of own shares)	**(173.5)**	(91.3)
Payment for acquisition of subsidiaries	**(54.9)**	(95.0)
Exceptional costs paid	**(21.3)**	(55.9)
Proceeds from sale of property, plant and equipment	**3.4**	1.5
Loans/investment in joint ventures	**(18.2)**	(10.7)
Proceeds on disposal of interest in Glanbia Ireland	**307.0**	–
Net cash flow	**177.2**	(89.6)
Exchange translation	**(34.8)**	(23.6)
Cash/(debt) acquired on acquisition	**0.9**	4.4
Net debt movement	**143.3**	(108.8)
Opening net debt	**(602.7)**	(493.9)
Closing net debt	**(459.4)**	(602.7)

For more information on operating cash flow and free cash flow see glossary pages 246 to 254.

OCF was €355.3 million in the year (2021: €334.2 million) and represents a strong cash conversion on EBITDA of 85.7% (2021: 100.2%). The OCF conversion target for the year was 80%. This rate remains above target conversion levels, reducing since the prior year as a result of an increased investment in working capital due to higher pricing in receivables and inventory, and the restoration of appropriate inventory buffer levels to ensure appropriate supplies of key raw materials to mitigate further inflationary exposures.

FCF was €268.6 million versus €303.9 million in 2021, with the reduction primarily due to higher net tax payments in the year combined with a reduction in dividend income from joint ventures following the disposal of the Group's interest in Glanbia Ireland.

Capital allocated for the benefit of shareholders includes regular dividend payments of €84.4 million (2021: €80.5 million) and the execution of share buyback programmes of €173.5 million (2021: €91.3 million). The Board continues to review buyback programmes as part of the Groups capital allocation strategy as they provide an opportunity to allocate capital to the benefit of shareholders.

Acquisition spend relates primarily to the acquisition of Sterling Technology, a US based bioactive ingredient company, for an initial consideration of €54.5 million which concluded in March 2022 and divestment proceeds relate to the completion of the disposal of the Group's 40% holding in Glanbia Ireland for a consideration of €307.0 million in April 2022.

Loans to/equity in joint ventures during 2022 includes the continued investment in Glanbia Cheese EU, the mozzarella cheese joint venture in Portlaoise, Ireland which was fully commissioned during Q4, 2022. Negotiations are ongoing to sell the Group's interest in this joint venture, with full repayment of outstanding loans on completion of the sales transaction.

Group financing

Financing Key Performance Indicators	2022	2021
Net debt (€'m)	**459.4**	602.7
Net debt: adjusted EBITDA	**1.12 times**	1.71 times
Adjusted EBIT: net finance cost	**17.0 times**	15.1 times

The Group's financial position continues to be strong. At year-end 2022, net debt was €459.4 million (2021: €602.7 million), a decrease of €143.3 million from prior year and the Group had committed debt facilities of €1.215 billion (2021: €1.16 billion) with a weighted average maturity of 5.8 years (2021: 3.9 years). Glanbia's ability to generate cash, as well as available debt facilities ensures the Group has considerable capacity to finance future investments. Net debt to adjusted EBITDA was 1.12 times (2021: 1.71 times) and interest cover was 17.0 times (2021: 15.1 times), both metrics remaining well within financing covenants.

In December 2022, the Group completed the refinancing of €0.9 billion of bank facilities, repayable in January 2024, with replacement facilities repayable in December 2027. This refinancing improved the weighted average maturity of committed debt facilities, at 2022 year-end, to 5.8 years (2021: 3.9 years).

Use of capital

Capital expenditure

Cash outflow relating to capital expenditure in the year amounted to €68.9 million (2021: €77.5 million), including €19.4 million of business-sustaining capital expenditure and €49.5 million of strategic capital expenditure. Key strategic projects completed in 2022 include ongoing capacity enhancement and business integrations to drive further efficiencies in operations.

Investments in Joint Ventures

During 2022, the Group continued developing its joint venture investment portfolio. Following the successful commissioning of the US cheese and whey facility in Michigan in 2021, the Glanbia Cheese EU mozzarella cheese plant in Ireland was fully commissioned during Q4, 2022. A further €47.0 million was advanced to this venture in the period, all of which will be fully repaid on completion of the planned divestment of this business in 2023.

Return on Capital Employed	2022	2021	Change
Return on Capital Employed:	**11.1%**	10.1%	+100bps
– continuing operations	**11.1%**	10.0%	+110bps
– discontinued operations	**–**	12.0%	-1,200bps

ROCE increased in 2022 by 100 basis points to 11.1%. This increase was primarily due to the continued growth in profitability of the wholly owned business, as well as the successful execution of strategy through pricing and efficiency improvements to mitigate the impact of unprecedented input cost inflation. Acquisitions remain a key part of the growth strategy of the Group with investments assessed against a target benchmark of 12% return after tax by the end of year three.

Annual impairment testing

The Group monitors the performance of acquisitions on an ongoing basis and completes annual impairment reviews in respect of goodwill and intangible assets. No impairments were identified from the 2022 review, nor did sensitivity analysis identify any scenarios where a reasonably possible change in assumptions would result in an impairment charge. Full details of the annual impairment reviews are set out in Note 16 of the financial statements.

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

Dividends

The Board is recommending a final dividend of 19.28 cent per share which brings the total dividend for the year to 32.21 cent per share, a 10% increase on the prior year. This total dividend represents a return of €87.9 million to shareholders from 2022 earnings and a payout ratio of 31.0% of 2022 adjusted Earnings Per Share which is in line with the Board's target dividend payout ratio of 25% to 35%. The final dividend will be paid on 5 May 2023 to shareholders on the share register on 24 March 2023.

Total Shareholder Returns

Total Shareholder Return ("TSR") for 2022 was -8.4%. The STOXX Europe 600 Food & Beverage Index (F&B Index), a benchmark for the Group, decreased by 14.25% in 2022. The three-year period 2020 to 2022 Glanbia TSR was +15.6% versus the F&B Index which decreased by 3.62%. The five-year Glanbia TSR to 2022 was -19.2% versus the F&B Index of +10.79%. Glanbia's share price at the end of the financial year was €11.92 compared to €12.30 at the 2021 year-end, representing a decrease of 3%.

Impact of new accounting standards

No new accounting standards were adopted in 2022. Amendments to existing standards during the year did not have a material impact on the Group.

Pension

The Group's net pension liability under IAS 19 (revised) 'Employee Benefits', before deferred tax, improved by €15.8 million since 2021, resulting in a net pension asset of €1.6 million at 31 December 2022 (2021: liability of €14.2 million). The defined benefit pension position is calculated by discounting the estimated future cash outflows using appropriate corporate bond rates. During 2022, the company progressed the restructuring of UK pension schemes, further reducing the Group's exposure to liabilities on these legacy schemes. It is anticipated that the UK schemes will ultimately be wound up in 2023, removing any related scheme assets and liabilities and associated volatility from the Group's balance sheet.

Foreign exchange

Glanbia generates the majority of its earnings in US dollar currency and has significant assets and liabilities denominated in US dollars. As a result, and as Glanbia's reporting currency is euro, there can be a significant impact to reported numbers arising from currency movements year-on-year and on translation of US dollar non-monetary assets and liabilities in the preparation of the consolidated financial statements. Commentary is provided on a constant currency basis to provide a better reflection of the underlying operating results in the year, removing the translational currency impact. To arrive at the constant currency change, the average foreign exchange rate for the current period is applied to the relevant reported result from the same period in the prior year. At the balance sheet date, due to the strengthening of the US dollar in 2022, there was a gain arising primarily on the translation of US assets and liabilities into euro which is presented within other comprehensive income and amounted to €79.9 million in the year. The amount included a gain of €0.2 million on the retranslation of non-euro denominated cash and cash equivalents as presented in the cash flow statement. Average and year-end euro to US dollar rates were as follows:

	Average		Year-end	
	2022	2021	**2022**	2021
1 euro converted to US dollar	**1.0534**	1.1826	**1.0666**	1.1326

Investor relations

Glanbia has a proactive approach to shareholder engagement with the Annual General Meeting ("AGM") being a key event annually. In 2022, a hybrid AGM was held, with shareholders given the opportunity to attend the event in person or participate online. All details relating to the AGM were published on the Company's website: www.glanbia.com/agm.

The Group Chairman consulted directly with a number of shareholders during the year. A shareholder perceptions survey was also completed by an independent third party, where shareholders and investors were given the opportunity to provide confidential feedback to the company. Feedback was discussed with the Board with actions taken on specific areas. The Group Secretary and Head of Investor Relations also undertook a shareholder consultation on the Group's share buyback resolution and support was noted.

In 2022, Glanbia attended 12 international equities investor conferences (physically and virtually). In November 2022, the Group held a Capital Markets Day at its GPN facilities in Illinois, USA, bringing together our investor and shareholder communities to learn more about our strategy, including details of our medium term financial objectives, as set out on page 14.

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

Annual General Meeting (AGM)

Glanbia plc's AGM will be held on Thursday, 4 May 2023, at 11.00 a.m. in the Lyrath Estate, Kilkenny, R95 F685, Ireland.

Mark Garvey
Group Finance Director

Delivering better nutrition responsibly

Glanbia's purpose is delivering better nutrition for every step of life's journey. Over the past number of years, we have evolved our business to become more focused on better nutrition.

"We have a robust and ambitious approach to our ESG strategy focusing in particular on our environmental impacts"

Michael Patten
Chief ESG & Corporate Affairs Officer

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

If delivering better nutrition is our purpose, our Environmental, Social and Governance ("ESG") focus is about how we bring that to life. It is about delivering better nutrition responsibly.

Driving action to achieve our sustainability targets

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

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

Our focus now is on driving action. In doing so we are committed to keeping our stakeholders informed with Global Reporting Initiative ("GRI") aligned reporting, Carbon Disclosure Project ("CDP") disclosures, as well as our annual Taskforce for Climate-related Financial Disclosure ("TCFD") and other Non-Financial Reporting.

For more information, see pages 55, 62-66.

We have made good progress against our stated targets across our environmental pillars, refer to pages 56-59 for details, with individual work programmes and associated business unit teams in place to support delivery of these targets. In 2023 we will continue to drive progress while ensuring the appropriate feasibility studies and assessments are finalised and incorporated into our future plans.

Awareness and support for delivery of our ESG agenda is driven by the Board and cascades through the Group. We have linked our ambition to remuneration, which was formally approved by shareholders at our 2021 AGM in our updated remuneration policy. Senior management long term incentives are directly linked to the achievement of our environmental sustainability goals (see page 133 for more detail), while actions on our social agenda are reflected in senior management short term incentives.

We strive to ensure our overall ESG ambition and commitments are integrated into our strategic planning and risk management oversight. As part of the Group Risk Management Framework, we ensure ESG risks are identified, evaluated and assessed. Where deemed material, such risks are monitored and reported upon, with the appropriate mitigating actions feeding into our strategy and operational response.

See pages for more detail 67-73.

We are proud of the advancements made to support our people, see pages 20-22 within the Our People section of this report, for details on the progress made against our stated Diversity, Equity & Inclusion ("DE&I") ambition and page 23 for a review of the 2022 Group Health and Safety programme and results.

Reinforcing our commitments and actions

Our ESG strategy draws together our environmental, social and governance ambitions, guided by our materiality assessments on where to prioritise.

We recognise the global impact our corporate actions have on the environment and society, and have mapped the SDGs that we are addressing as part of our ESG framework.

Refer to page 52-53 for details on our stakeholder engagement process and outcomes, page 54 for further details on how Glanbia considers SDGs in the way we operate and page 55 on the process undertaken to identify our most material ESG topics.

Showing respect for all our stakeholders

Key Stakeholder engagement in 2022

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

See more information see pages 90-91

Stakeholder group – why we engage	Key topics
Employees Regular and ongoing engagement with our employees is key to attracting, developing and retaining a talented, dedicated and motivated workforce which ensures the successful delivery of our strategy and achievement of our purpose.	• Group strategic agenda/ priorities • Safety and support at work • Smart (flexible) working • Diverse and inclusive workplaces • Career development • Reward framework
Customers and consumers Strong engagement with our customers and consumers enables us to operate a customer-centric business model and act as our customers' most valued partner, creating a world of sustainable nutrition.	• Insights on consumer trends • Stable supply of high-quality products and ingredients • Food safety & quality • Sustainable food with a lower environmental footprint, produced in a responsible way
Local communities By fostering strong relationships with the communities in which we operate, we can help support livelihoods and create a better society while protecting the environment.	• Economic development of the communities in which we operate • ESG impact on local communities
Shareholders Active engagement with our shareholders ensures they are aware of the Group's business environment, strategy, performance and sustainability commitments. The views of our shareholders help to inform the strategic decision making of the Board.	• Strategic agenda/priorities • Governance performance • Portfolio evolution through organic growth, acquisitions and divestments • ESG agenda and priorities
Suppliers and business partners By partnering and engaging with our suppliers, and establishing trusted business partnerships within our value chain, we enable them to meet our high standards in food safety & quality, business ethics, labour, human rights and the environment.	• Responsible sourcing and use of raw materials • Long-term, sustainable partnerships • Positive environmental and social impact • Ethical business conduct
Government & non-governmental organisations (NGOs) Through active engagement with governments and NGOs we can share valuable insights gained as a global nutrition company on the strategic issues facing our industry, while increasing our understanding of wider issues, enabling us to add value to relevant policy and regulatory debates and support industry initiatives.	• Regulation across all business activities • Reliable and complete corporate reporting • Contribution to local economy and communities • Climate change and environmental preservation • Responsible sourcing • Human rights, diversity and inclusion

How we engage		Outcomes	Read more
• Implemented multiyear 'Grow@ Glanbia' programme, using technology to enable personalised employee development and engagement • Ongoing engagement through one-to-one meetings, team meetings and town halls • Engagement and regular pulse surveys	• Connection to the Board through a dedicated Workforce Engagement Director (Group Chairman) • Employee Resource Groups • 'Speak Up' and Whistleblowing procedures • Monitoring of actions to address topics raised by employees • ESG Impact Materiality Assessment	**Employee attraction, retention and engagement** Our approach keeps us connected with our people. It helps attract, develop, retain and motivate our workforce, sustaining our competitive advantage and long-term success. It provides key insights into the effectiveness of employee-related programmes and key focus areas. It also helps us strengthen our approach to diversity, equity and inclusion across our businesses. • Inclusion Index: 69.5 points (up 2.5 points since 2021). • Employee engagement score of 71 points (up 1 point since 2021). • Employee survey scores increased across all business units on our key focus areas of wellbeing and communication. • Gold Award for Graduate Employer of the Year by gradireland for 2022.	Pages 20-23
• Customer relationship development – key account managers, R&D insights and brand teams • Company websites & social media • Formal market research • Exhibitions	• Product information on packaging • Customer surveys • GPN sports nutrition school • ESG Impact materiality assessment	**Engaging with our consumers means we enable them to achieve their lifestyle and nutrition goals. We bring strong market insights and secure supply quality to our customers** • The ON brand is one of the world's most awarded, most reviewed and most nominated sport nutrition brands by consumers. • ON is now a $1bn brand consistently recording strong Net Promotor Scores. • Gold Standard whey tub certified "Widely Recycled" by How2Recycle • GN – ingredients partner of choice to some of the world's leading brands. • Supporting customer ESG ambition through the provision of transparent, product specific data sharing.	Pages 24-43
• My Community initiative • GPN sports nutrition school • Employee volunteering programme	• Ongoing dialogue and funding of community and charitable organisations • ESG Impact materiality assessment	**Strong and positive community relationships** Engaging with our local communities during 2022 ensured that we increased our understanding of their needs and priorities, addressed any concerns and identified areas for value creation.	Page 61
• Capital Markets Day • Investor meetings and conferences • Regular externally published performance and strategy updates • Perception survey • Annual general meeting	• One-to-one meetings and calls • CDP climate change and water reporting • Key investor rating assessments • ESG Impact materiality assessment	**Trust and engagement from the investor community** Engagement with investors helps us to understand their expectations of our strategic agenda, risk management and financial and ESG performance. During 2022, investor focus continued around the Group's strategic direction, performance, emissions reduction and employee engagement.	Page 90
• Supplier surveys and audits • Contractual meetings • Tenders • Information requests • E-tendering platforms • Assessment and due diligence	• Membership of industry associations • Membership in industry expert panels • ESG Impact materiality assessment	**Partnering with our suppliers to make sustained positive impact in the value chain** We engage with suppliers to develop a responsible and sustainable supply chain needed to deliver innovative and sustainable products. During 2022, we specifically engaged with our suppliers to drive improvements across our sustainability priority areas.	Page 60
• Industry associations • Briefings & direct meetings • Multistakeholder forums • Participating in relevant calls for information	• One-to-one meetings • Participation in events • ESG Impact materiality assessment	**Engagement with Government and NGOs** Our engagement with local and national regulators, governments and industry associations, ensures that we contribute to issues relevant to our activities, improve our sustainability performance and compliance and progress projects for the enhancement of society. Through our memberships and partnerships with NGOs we continue to be involved in developing industry best practices across a range of established sustainability topics and collaborating on integrated solutions across the value chain.	Page 91

Sustainable development goals

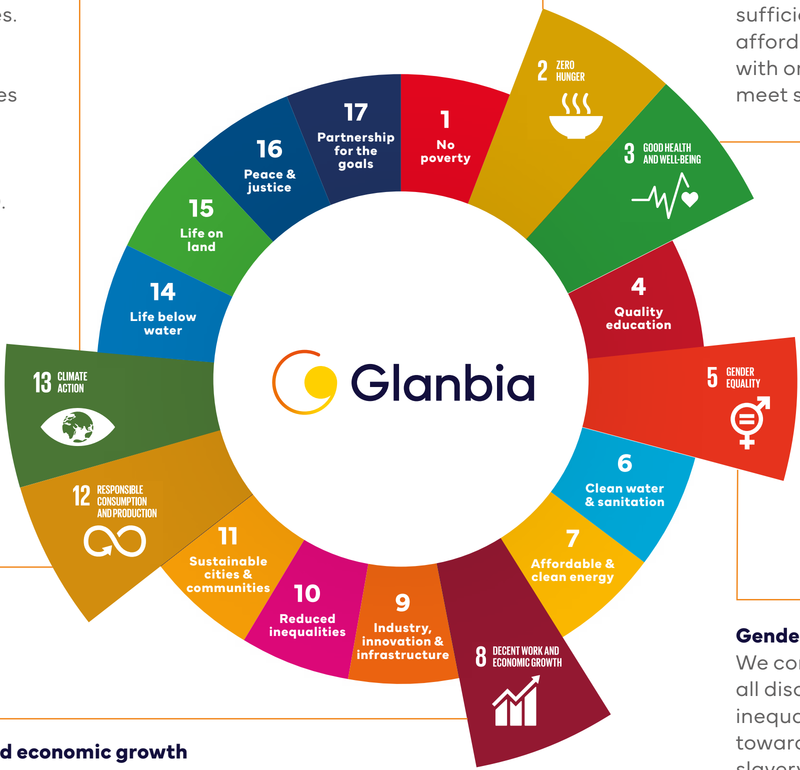
The United Nations (UN) 2030 Agenda is a global plan to promote sustainable peace and prosperity and to protect our planet. Since 2016, countries and organisations have been working to implement this agenda with its 17 Sustainable Development Goals (SDGs).

Our aim is for our business activities to create shared value that is both measurable and makes a recognisable contribution to society.

While all 17 SDGs are critical, as part of our sustainability strategy, we have identified six SDGs on which we have the strongest impact through our business actions. These six SDGs and their impact are outlined below.

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

Responsible consumption and production
We use resources efficiently and reduce waste and emissions. We incorporate this approach in our product development and in our manufacturing activities. We support our customers ambitions to manufacture their products sustainably and efficiently.



Zero hunger
We develop and deliver products with nutritional attributes, in sufficient quantities and at affordable prices. We collaborate with organisations to help better meet society's food challenges.

Good health and wellbeing
We take a scientific approach to nutrition, meeting nutritional needs across all stages of life and promoting active and healthy lifestyles. Through our brands and products, we positively impact the health and wellbeing of millions of people around the world.

Gender equality
We continue to advocate against all discrimination including gender inequality with a zero tolerance towards child labour, modern slavery and human trafficking. This is achieved through our internal DE&I programmes, ethical business conduct practices, procurement and related due diligence procedures.

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

Identifying our material impacts

Glanbia will publish its first Global Reporting Initiative (GRI) Sustainability Report in May 2023. In 2022, we updated our impact materiality assessment in line with the GRI framework standards. To determine our material topics, we followed a process based on the standard 'GRI 3: Material Topics 2021' which included:

- Understanding our ESG context;
- Identifying actual and potential impacts;
- Assessing the significance of the impact; and
- Prioritising the most significant impacts.

Throughout each step of the process, we engaged our identified stakeholder groups as set out on page 52 through surveys, interviews, workshops and research. The table below shows the material topics, the impacts, and their alignment with the United Nations Sustainable Development Goals (SDGs). The list of material topics was reviewed and approved by Glanbia's Board of Directors.

Topic	Summary impact	Value chain mapping	SDG reference	Read more
1. Food safety & quality	Impact of our food safety and quality systems, ensuring quality nutritious product are produced	Operations and Downstream	2 3 12	Page 60
2. Employee health, safety & wellbeing	Impact of our health, safety and wellbeing programmes protecting our people in line with industry best practice.	Operations	3 8 12	Page 23
3. Climate change	Impact of global warming as a result of carbon emissions, and the corresponding emission reduction initiatives within our operations and value chain.	Upstream and Operations	3 12 13	Pages 56-57
4. Water	Impact of water use within our value chain and manufacturing sites and related efficiency initiatives.	Upstream and Operations	12 13	Page 58
5. Responsible sourcing	Impact of Glanbia procurement controls and oversight within our value chain.	Upstream	8 12	Page 60
6. DE&I	Impact of DE&I initiatives for Glanbia's employees.	Operations	5 8	Page 22
7. Waste	Impact of waste generation within our manufacturing sites and related resource efficiency initiatives.	Operations	3 8 12 13	Page 69
8. Animal welfare	Impact of animal care and protection measures in supporting animal welfare within our value chain.	Upstream	12	Page 66
9. Sustainable products & packaging	Impact of innovative product and packaging design on resource consumption and environmental impact.	Operations and Downstream	8 12 13	Page 59
10. Biodiversity	Impact of direct manufacturing activities and indirect impact through our supply chain on biodiversity and ecosystems.	Upstream and Operations	12 13	Page 113
11. Trusted business partner	Impact within the value chain as a trusted joint venture partner, food company and seller of quality nutrition products.	Upstream and Operations	8 12	Page 60
12. Economic contributions	Impact of Glanbia's operations on the economy and government through its economic activities and monetary contribution.	Operations and Downstream	8	Pages 10-11,61
13. Employee engagement & development	Impact of employee programmes to support job satisfaction, a healthy working culture and employee development.	Operations	8	Page 21
14. Responsible nutrition	Impact of the development of nutritional products in a responsible and ethical way.	Downstream	3 12	Page 60
15. Business ethics	Impact of strong governance and oversight, fair competitive practices, underpinned by our code of conduct.	Operations	8	Page 66

Delivering on our sustainability strategy

Climate and environment

Climate – Scope 1 & 2 emissions

Target:

- **50% absolute reduction** in operations' emissions by 2030 vs 2018 baseline
- Upgraded Scope 1 and 2 emissions **reduction targets** to meet a 1.5 degrees Celsius temperature pathway

In 2021 the Science Based Target initiative ("SBTi") validated our emissions reduction strategy for a 31% reduction in Scope 1 (direct emissions from sources owned or controlled directly) and Scope 2 (indirect, purchased energy) emissions by 2030. The modelling to inform this ambition was in line with keeping global temperature increases well below 2 degrees Celsius ("WB2DC").

Our transition plan

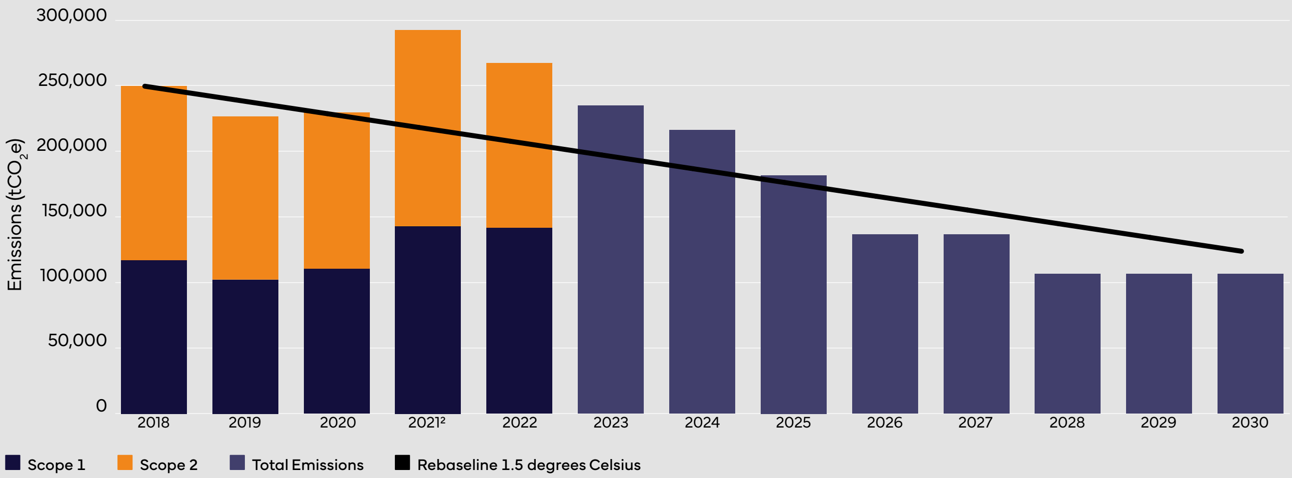
In 2022, we partnered with the Carbon Trust, Schneider Electric and EM3 to model our transition (decarbonisation) plan to 2030 against our existing 31% reduction, and to factor in options to accelerate our transition plan. The resultant roadmap, approved by the Board in November 2022, outlines how we are accelerating our ambition and updating our target to a 50% reduction in Scope 1 and 2 emissions by 2030 from a 2018 base year. This plan aligns with the Paris Agreement which calls for countries to take concerted climate action to reduce greenhouse gas ("GHG") emissions in order to limit global temperature increases to 1.5 degrees Celsius.

Our strategic plan targets reductions in Scope 1 and 2 emissions. We aim to reduce Scope 1 emissions by 15,000 tonnes by 2025 through energy efficiency projects and a further minimum reduction of 30,000 tonnes by 2028 by leveraging advances in energy efficient process technologies.

We are also integrating energy management systems at our largest manufacturing sites providing real time insights into operational efficiency together with expert advice on energy investments.

Our roadmap envisages the elimination of Scope 2 emissions, initially through progressively matching electricity consumption with a qualifying Renewable Energy Certification ("REC") programme. From there we aim to progress to long term power purchase agreements ("PPAs") as well as self-generation. In 2023 we will work with Schneider Electric to develop the options for PPA execution.

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



1 GHG emissions presented include the projected footprint of all Glanbia acquisitions contracted by the end of 2022 and organic growth. 12-month averages were used to estimate the footprint of the acquired sites back to 2018. Scope 2 GHG emissions were calculated according to the market-based methodology by GHG Protocol, using data on procured renewable electricity (including RECs), energy providers' and eGRID data where appropriate.

2 In 2021, a new-to-world dairy processing facility was commissioned in Michigan, resulting in an absolute Scope 1 and 2 GHG emissions increase, which will be eliminated by 2025 per the Board-approved decarbonisation plan.

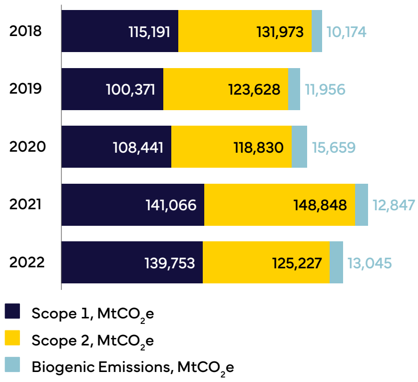
2022 performance

Continuous decarbonisation stays the most ambitious element of our strategy. Glanbia is committed to growth while reducing GHG emissions from our existing production facilities and new acquisitions. In 2022, our operational control Scope 1 and 2 emissions decreased by 8.6% over the previous reporting year (2021).

The proportion of renewables in our electricity supply reached 45% representing an 8% increase from the preceding year. We have a 50% renewable electricity target for 2023, and we aim to progress to 100% renewable electricity procurement for our US, Canada, UK and EU operations by 2028.

Since the initial SBTi baselining, a new-to-world MWC- Southwest Holdings LLC production facility was commissioned, in Michigan, which resulted in an absolute GHG emissions increase in 2021-2022. However, compared to the original baseline scope that excluded the Michigan plant, our footprint would be 21% lower today over the 2018 base year. We will continue working on further emissions reduction in Michigan and other processing sites. Our New Mexico, Michigan and Idaho dairy sites' decarbonisation will be in focus in 2023-25, in line with the Board-approved plan, supporting the Group's upgraded SBTi commitment.

GHG Emissions in Operational Control, 2018-2022[3]



Climate – Scope 3 emissions

Target:

25% reduction in dairy emissions intensity by 2030

Our work on Scope 3 emissions is ongoing, focusing in particular on the dairy supply chain. In 2021 the SBTi validated our target of a 25% intensity reduction in Scope 3 dairy emissions by 2030.

Our actions and impact

In 2022 our work on Scope 3 evaluated baselines for the three elements of dairy supply: 1. Direct shipped milk in Idaho; 2. JV partner ambition in New Mexico and Michigan; and 3. Dairy ingredient supplier strategy for our GPN business.

Direct shipped milk

In our direct shipped milk in Idaho, we have completed GHG footprints on all our direct suppliers providing a complete primary data set using the National Milk Producers Federation Farmers Assuring Responsible Management ("FARM") Environmental Stewardship ("ES") tool. A FARM ES footprint gives our suppliers an understanding of the specific emission sources associated with their farm, recognising the significant regional differences, and allows benchmarking against regional and national averages.

In 2023, our focus will be on building a comprehensive Scope 3 roadmap. We have engaged Newtrient LLC, a US dairy sustainability specialist group, to complete comprehensive analysis across the main sources of emissions of a representative sample of Idaho suppliers. The project will fill a significant gap for Glanbia and our farm suppliers in identifying the feasible abatement technologies and their likely emissions and economic impacts. In 2022 we engaged the Carbon Trust to assess the implications of the SBTi's Forest, Land and Agriculture Guidance ("FLAG"). In 2023, we will continue to work with the Carbon Trust on this evolving guidance with engagement with Newtrient developing roadmaps to satisfy our current commitments and potential accelerated scenarios. In addition, we will evaluate carbon trading implications and opportunities particular to US dairy on farm investments.

JV partner ambition in New Mexico and Michigan

As Scope 3 emissions rest outside of our operations, our approach continues to be one of partnership with suppliers and the wider dairy industry. We are a leader in the development of the US Dairy Net Zero Initiative ("NZI") as part of the ES Committee of the Innovation Center for US Dairy, which convenes the entire dairy supply chain. NZI is building the proof points with extensive US wide research. This effort was significantly augmented by US government supports for climate action in 2022.

In 2022 we engaged our largest JV partner, Dairy Farmers of America ("DFA"). DFA, on their Scope 3 ambition, and who also have a SBTI for dairy supply. We will continue our partnership in 2023 on a roadmap for JV milk pool decarbonisation, shared learnings, and potential projects.

Dairy ingredient supplier strategy for our GPN business

In GPN we engaged with dairy ingredient suppliers to review their ambition and strategy. In line with many of our upstream customers, we will be requiring annual emissions factors from our suppliers to support our strategy going forward.

Glanbia Scope 3: a partnership approach

Our approach is 4-pronged and iterative:

CARBON TRUST

NEWTRIENT

3 GHG emissions reported include the footprint of the acquired Watson sites, which resulted in previous years and base year Scope 1 & 2 recalculation per GHG Protocol. Scope 2 GHG emissions were calculated according to the market-based methodology by GHG Protocol, using data on procured renewable electricity (including RECs), energy providers' and eGRID data where appropriate.

Water

Target:

New target to further reduce freshwater use by 10% by 2025 vs 2021 baseline

Our actions and impact
Glanbia is committed to water conservation at all our sites. Having reduced freshwater consumption intensity by 17% between 2015 and 2020, in 2022 the Board approved a new ambition for a further absolute reduction in freshwater use of 10% by 2025, a reduction of over 500 million litres annually.

The decision to accelerate was the output of extensive strategic work in 2022 including leveraging the insights from robust plant water use data sets, improved plant real time data analysis and prioritising sites previously identified as high risk through the World Resources Institute ("WRI") Aqueduct risk assessment.

Dairy processing plants have a unique opportunity for water reuse, where water is generated, referred to as polished water, when milk constituents are separated and concentrated or fractionated. Polished water optimisation is the priority focus, by both ensuring water use efficiency and capitalising on the inherent efficiency of dairy operations that return more water than they take in.

The project shortlists to achieve our ambition focus on clean-in-place ("CIP") optimisation, more polished water reuse opportunities, and reverse osmosis systems.

Resource efficiency and circularity have always been core values in our operations. In Idaho, our dairy facilities reuse polished water and recycle it in our processes before cleaning it at our onsite wastewater treatment plant and using it to irrigate the crops we grow in adjacent fields. The crops go to local milk suppliers as feed, fuelling the regenerative process.

The current ratio of freshwater and polished water used in our dairy operations allowed us to save 5,313 million litres of freshwater from being withdrawn for processing in 2022. We will maximise polished water recovery and recycling to bring freshwater withdrawals further down in line with our new target. We recognise water as a precious resource and will continue to drive efficiency beyond 2025.

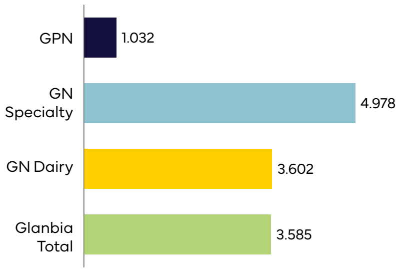
CASE STUDY

Freshwater consumption reductions

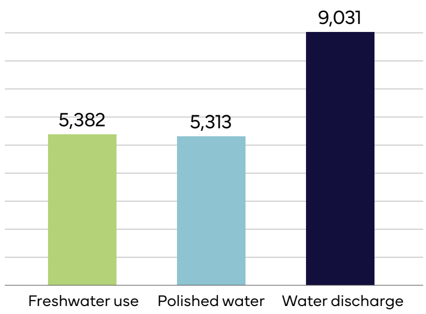
In 2022, our Twin Falls, Idaho plant received a pollution prevention award, from the Idaho Department of Environment and Quality.

The award recognised the initiatives implemented by a dedicated process improvement team to reduce freshwater consumption. Due to these initiatives, average daily freshwater consumption is reduced by nearly 10,000 litres, with improved water quality readings also recorded.

2022 Freshwater use intensity (L/Kg)



2022 Water use and discharge (Million litres)



Reduction target
500 million
litres per annum by 2025

Glanbia returns more treated water to the environment than it draws as freshwater

Waste

Targets:

Overall waste target upgraded to achieving TRUE zero waste certification by 2025

Target 50% reduction in food waste by 2030 vs 2021 baseline

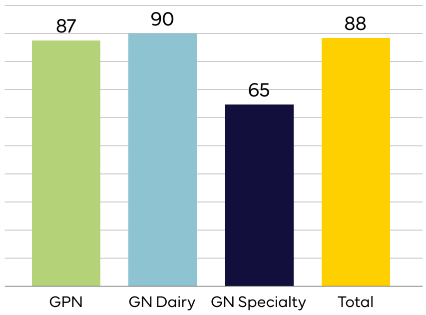
Our actions and impact
To help lower our environmental impact, we are focused on a more circular approach that recovers resources for re-use within our business, or as an input to another system. Our initial waste target was zero waste to landfill, but we have upgraded this to achieve TRUE zero waste certification Group-wide by 2025. This international externally validated certification focuses primarily on waste prevention and reduction and ultimately diverting the remainder away from landfill. Our TRUE Zero Waste commitment includes a goal to divert at least 90% of each site's non-preventable waste from landfill and incineration.

We are also focused on a 50% reduction in food waste by 2030. A significant proportion of our food waste (70%) is recovered for animal feed use, however, our teams are focused on preventing food waste in our operations including ingredient and finished product inventory.

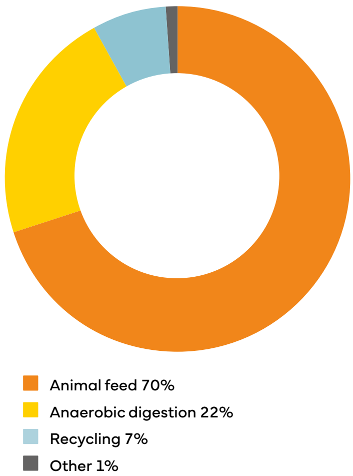
In 2022 we established a waste leadership team to deliver TRUE certification, manage data reporting needs, and develop our food waste strategy.

70% of food waste is now recycled to animal feed

2022 Waste diverted from landfill and incineration (%)



2022 Food waste recovery (%)



Consumer packaging

Target:

100% recyclable, reusable or compostable consumer packaging by 2030

Our actions and impact
Our target for consumer packaging is to ensure that 100% is designed to be fully recyclable, reusable or compostable by the end of 2030. This is an area of major focus for GPN, which includes collaborating with industry partners on sustainable packaging options that align to the recycling infrastructure capabilities in the markets that we operate in.

As part of this collaboration, GPN has committed to meeting How2Recycle and On-Pack Recycling Label schemes in the US and UK respectively that will result in addition of on-pack recycling guidance for our consumers to recycle packaging correctly.

In addition to our work to redesign our packaging for recyclability, we are evaluating opportunities to reduce the amount of virgin plastic we use along with incorporating more recycled plastic in our packaging.

With 2021 serving as baseline year for global packaging procurement, recyclability assessments were completed in 2022 resulting in base recyclability rate of 62% for all packaging. From this, GPN leadership has committed to a milestone target of 83% by end of 2025 with the 2030 target being 100%.

GPN packaging recyclability rates (% by weight)

Target recyclability rate:

Society

Responsible sourcing

Our Global Procurement Policy was updated to include responsible procurement requirements and ethical provisions which are included in our standard terms and conditions. In growing our procurement teams' understanding, we partnered with The Chartered Institute of Procurement and Supply ("CIPS") to provide an ethical procurement and supply course across ESG topics.

Glanbia's procurement teams work closely with key stakeholders to manage activities in the areas of supplier selection, contract negotiation and supplier performance. Under the policy, procurement teams are required to apply responsible sourcing criteria to our selection decisions and requires all suppliers to be compliant with laws, regulations and social customs for the countries they operate in and to comply fully with all human rights, labour, food safety, environment and health and safety regulations. The policy governs Glanbia's 'Supplier Process' which suppliers must go through before they can become available to purchase from, through Glanbia's procurement systems.

Glanbia has partnered with EcoVadis since 2021, a global trusted provider of business sustainability ratings. We have carried out a risk assessment exercise on our supplier base using the EcoVadis IQ module. This involved risk-profiling our suppliers across four sustainability risk themes, including environmental, labour and human rights, ethics and procurement, in the context of the industry and country of the respective suppliers. This analysis enables us to prioritise the suppliers that require a more in-depth assessment using the EcoVadis Platform.

Food safety and quality

The Quality Leadership Team ("QLT") remains Glanbia's centre of excellence and food safety and quality expert network. All manufacturing sites hold an externally recognised food safety certification, such as those recognised by the Global Food Safety Initiative ("GFSI").

The Glanbia Quality System ("GQS") – our internal code of practice aims to provide in-depth technical criteria to augment GFSI requirements, and rate capability using both internal and verification auditing. To further leverage these tools, in 2022 we rolled out an 'internal benchmarking' protocol that aligns each site's GQS results, along with third party auditing performance, and incident management practices to prioritise and rank site action planning.

The overall GQS programme (and Infant Nutrition Food Safety standards) were thoroughly reviewed in 2022 by an external expert and considered a 'best practice approach' to food safety systems.

Other focus areas, during 2022, included updating and reassessing our Mergers and Acquisition and Contract Manufacturing GQS standards, with action plans developed to address any areas of opportunity identified in 2023.

In 2023, the QLT's focus will remain on continuous improvement of processes and procedures in line with industry best practice. This includes an independent regulatory capability assessment and benchmarking review to assure readiness for reporting expectations, including under the Global Reporting Initiative.

CASE STUDY

Laboratory excellence

Glanbia's extensive expertise in quality control laboratories (lab) and testing capabilities is a differentiator for our customers and reflects our leadership in quality and food safety.

After a successful lab expansion project in 2021 at the Aurora 948 facility, Chicago, Illinois, the full lab performance and expanded capabilities were rolled out in 2022 under the Lab Excellence programme.

The Aurora site conducts over 6,000 routine quality tests per month to assure product label, nutritional and food safety standards are met. Further, the lab conducts specialised testing in contaminants, restricted substances and advanced sensory analytical methods.

As well as this, GN initiated a central lab project in Idaho to service our GN dairy facilities. The GN central lab in Twin Falls, Idaho will be up and running in Q2 of 2023. The lab will have the capacity to process over 30,000 tests per month across our dairy, whey and specialty products and is planning ISO certification for a full microbiological suite of testing.

Community

Supporting our communities around the world

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

Glanbia supported the humanitarian work of the International Committee of the Red Cross in Ukraine this year, contributing more than €130,000 through a combination of company and employee donations.

Combatting food insecurity

In North America, Glanbia supported relief efforts in regions impacted by Hurricane Ian through our Glanbia Performance Nutrition ("GPN") business by donating $50,000 to Feeding Florida, which provides state-wide hunger relief. GPN also supported the Northern Illinois Food Bank across a range of initiatives this year including volunteering and other contributions.

Glanbia Nutritionals ("GN") in Twin Falls, Idaho hosted its 29th Annual Charity Challenge golf tournament, raising $200,000 for local organisations, ranging from food banks to community resource centres. In keeping with our value of 'Showing Respect', Glanbia has facilitated the donation of $2.9 million to organisations in southern Idaho in recent years. GN also partnered with non-profit Bigger Table to help fight food insecurity in the Chicago area by donating ingredients to create nutrient-rich products to support local food banks.

Below: Glanbia Nutritionals team members at the annual Charity Golf Challenge in Twin Falls, Idaho.

CASE STUDY

Breast cancer research

Glanbia continued its partnership with Breast Cancer Ireland ("BCI") in 2022, sponsoring the Great Pink Run which raised over €575k for BCI's pioneering research into metastatic breast cancer and their educational and awareness programmes. Over €6m has been raised by the Great Pink Run over the last number of years, which has helped support pioneering treatments for breast cancer in Ireland and in North America via the Ludwig Breast Cancer Research Centre at the University of Chicago.

Glanbia employee Jacinta Power and family members Pippa Cass and Courtney Cass participated in the Great Pink Run in Kilkenny.

CASE STUDY

GPN's Sports Nutrition School

In 2011, GPN introduced Sports Nutrition School ("SNS"), an industry-leading educational programme designed to immerse participants in the world of performance nutrition, lifestyle nutrition and weight management. Today, SNS is a globally-recognised programme with participation from Glanbia teams, customers, retailers, and distributors. In 2022, SNS launched the first-ever virtual regional SNS in India, returned to live SNS at GPN Chicago and delivered the first-ever live SNS in Santiago, Chile. GPN also offers SNS Advanced Training, a continuing education platform supporting nutritionists, athletes, personal trainers, as well as influencers, agencies and more.

Task Force on Climate-Related Financial Disclosures Report

Glanbia is committed to achieving our climate change ambition and playing our part in sustaining our earth. As outlined on page 64 we have identified and assessed our climate-related risks and opportunities ("CROs") and continue to monitor and embed the identified impacts within our governance, operations and strategic model and risk management system.

This statement pertains to the parts of the business over which Glanbia has operational control. This includes the Group's wholly-owned operations as well as the MWC-Southwest Holdings LLC joint venture operations where Glanbia plc has authority to introduce and implement operating policies in accordance with our sustainability strategy, as well as those operations related to our supply chain footprint.

Glanbia has complied with all of the requirements of LR 9.8.6R by including climate-related financial disclosures in this section (and in the information available at the locations referenced therein) consistent with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations. Refer to page 156 for the TCFD Disclosure Index table.

Governance

Please refer to the ESG Committee Report, page 113 for details of how the Board, its respective committees and Group management embed climate change and related topics into our governance, risk management and strategic structures.

Chaired by the Group Chairman, the Board has appointed an ESG Committee to oversee execution of our ESG strategy agenda, refer to page 113 which outlines the key activities of the Committee, including reviewing updates from management responsible for aligning processes and disclosures with the TCFD recommendations. All Board members undertook dedicated ESG training during 2022, which focused on environmental impacts, including climate change.

Board oversight of CROs

The Board is responsible for the oversight of all Group activities that ensure the long term sustainability of our business, and therefore considers all risks and opportunities including the impact of climate change.

A number of key activities and significant decisions were made by the Board during 2022, where climate change was taken into account including the review and approval of:

- the Group strategic plan for the years 2023-2025, reflecting assessment of opportunities against all external factors including environmental considerations.
- the revision of our scope 1 and 2 emissions reduction target upwards to 50% by 2030 from a 2018 base.
- listing of potential capital projects to improve operational efficiencies and reduce on-site carbon emissions (Scope 1).
- renewable electricity procurement plan (Scope 2).
- LTIP metrics which incorporate renewable energy targets.
- Glanbia's 2022 ESG material impacts assessment which reflects climate change as a priority for our key stakeholders.
- the Group Risk Register, where climate change is categorised as a primary risk.

Management's role in assessing and managing CROs

The Group Managing Director and Executive team are responsible, under Board direction, for the execution and delivery of the Group's strategic plans, overseeing the delivery of the Group's investment ambition and the realisation of commercial opportunities. Management report monthly to the Board through a monthly Board Report, supported by formal Board and strategy meetings, on all matters relating to the performance of the Group including climate change matters.

The Chief ESG and Corporate Affairs Officer, supported by a dedicated leadership team and business unit resources, holds responsibility for the delivery of the Group's ESG strategy, key policies and commitments. This is achieved by providing oversight, coordination and management of ESG commitments and activities, with regular progress updates provided to the Group Operating Executive and ESG Committee. These include:

- updates on performance against stated targets.
- results of our 2022 TCFD financial quantification analysis.
- progress made on approved initiatives to support delivery of our decarbonisation transition plan.
- presentation of the Sustainability Risk Register, incorporating all CROs identified.

Strategy

In 2021, we engaged the Carbon Trust, a global climate consultancy, to assist the Group in analysing the possible CROs which may be faced by the business. The identified CROs were prioritised by their likelihood, velocity, and estimated financial materiality (prior to the consideration of any mitigation measures). This allowed us to better understand the potential impacts from physical climate change risks and possible risks and opportunities associated with the transition to a decarbonised economy. In 2022, Glanbia again partnered with the Carbon Trust, and drawing on climate science and scenario data, we assessed in greater detail the potential impact that Glanbia's top CROs could have on our business, operations and strategy.

Two scenarios were considered for each CRO: current policies and a stress scenario: **current policies** relate to the Network for Greening the Financial System ("NGFS") scenario projections, where the world does not take any further action than what has been already stated and planned for implementation.

For transition risks, the **stress scenario** used in the analysis relate to an ambitious low-carbon transition. Where available, the analysis prioritised scenarios aligned with a Net Zero or 1.5°C target, while well-below 2°C or 2°C aligned scenarios were used when scenario data around more ambitious pathways were not available. For physical risks, the **stress scenario** is based on high-emissions scenarios associated with significant increases in temperatures, aligned with the Shared Socio-economic Pathway SSP5-8.5.

A detailed modelling approach was used to quantify the financial implications of the identified CROs on Glanbia's operations and wider value chain. Transition risks and opportunities were modelled in line with a 2022-2030 timeframe, while physical risks were modelled until 2050, due to the longer-term impact of these CROs. The output of this analysis provides an assessment of the nature and potential scale of Glanbia's most relevant CROs. This assessment outlines any potential risk hotspots; evaluates our business readiness to respond to these risks; identifies how we can capitalise on potential opportunities; and reviews current strategy and business continuity plans against a set of defined scenarios. As the underlying assumptions and methodology are further refined and matured, we will consider if disclosing additional detail on the quantification work undertaken would add value to our stakeholders.

Risks under a two-degree scenario

Under current policies and a transition scenario, Glanbia is largely protected against climate-related risks that may impact the value chain, due to its market position, business partnerships, contractual relationships, as well as existing and planned mitigation actions. Alignment with, and delivery of, science-based targets across Scopes 1, 2, and 3 is considered a key mitigant against the impact of the transition risks identified, including risks associated with potential dairy market decline and changing consumer preferences. The underlying assumption is that changes in demand driven by sustainability concerns can be mitigated if Glanbia (and its value chain) can successfully align with a decarbonisation trajectory that is considered compatible with the goals set out by the Paris Agreement.

The residual risks (i.e., after taking into account mitigation actions) identified for this area mostly relate to:

1) the uncertainty around the level of ambition required for decarbonisation targets to be effective at influencing consumers perception of the overall sustainability of the dairy sector; and
2) the success of the on-farm decarbonisation plan which is dependent on cooperation and engagement from our dairy supply partners.

For the risks that have a direct operational cost impact such as direct and indirect carbon taxes, increasing energy prices and sustainable trends in packaging, after consideration of the output from this quantitative analysis, the potential financial impact is expected to be mitigated through improving resource efficiency at the production and distribution level, cost pass through and fulfilment of our stated packaging and carbon emission targets.

Risks under a greater than four-degree scenario

The impact of climate-related physical risks may also become increasingly evident and more substantial in the longer-term, especially if global actions fail to contain global temperature increases to within 2°C. In these physical risk scenarios, long-term shifts in climate patterns and increased occurrence of extreme weather events may have a significant impact on the dairy supply chain. As a Group, we recognise this requires close monitoring to ensure existing mitigation factors remain viable, and that our strategic and operational plans remain alert to the challenges associated with such risks.

The table on the next page summarises the material climate risk themes reviewed as part of financial quantification analysis, with the expected time horizon and value chain impact outlined.

Opportunities under two and greater than four-degree scenarios

Potential opportunities were identified in both the two and four-degree scenarios. Under a two-degree scenario opportunities include; investment in operational and dairy decarbonisation, access to low carbon markets and product diversification.

While some transition opportunities are still likely to materialise under a four degree scenario, the high likelihood of carbon credit prices increasing would render propositions such as the creation and sale of credits from the generation and use of biogas more attractive by leveraging Glanbia's supply chain.

Having assessed the identified CROs, including climate scenario analysis to understand their potential future impacts, we do not believe that there are any significant adjustments to this year's financial statements. We will continue to monitor the identified CROs and we will adjust our financial position and performance in line with accounting standards, should the need arise. We have considered our commitments under SBTi, and the proposed Scope 1 and 2 transition plan to achieve the required reductions up to 2030 and concluded that these plans do not require reflection in the financial statements at this time.

Risk management

The Audit Committee is responsible for providing structured and systematic oversight of the Group's risk management and internal control systems. The Group operates a bottom up and top-down assessment process which facilitates the identification and evaluation of risks, as well as assessing how the risks are monitored, managed and mitigated, referred to as our Group Risk Management Framework. This process is coordinated by Group Internal Audit, including the consolidation and presentation of the material and trending risks to the Group Operating Executive, Audit Committee and Board on a twice yearly basis. This process is described in detail on pages 67-70.

Process for identifying and assessing climate risk

Climate change is identified as a principal risk to Glanbia. This risk includes output from the TCFD CRO identification and prioritisation process (likelihood and velocity) and financial quantification assessment (materiality). Key outputs of this process are summarised within this report on page 64, and assessed through the Group Risk Register process (pages 67-73). The register includes the estimated likelihood, velocity and financial materiality of each CRO assessed, and also documents the identified Group-wide controls and actions to mitigate against the respective risks to evaluate the potential residual impact encompassing both transition and physical risks. These risks are consolidated as one principal risk 'Climate Change' within the Group Risk Register. Page 65 further outlines our resilience and strategic response to the individual risks identified.

CRO risk measurement metrics and targets

To support Glanbia in measuring our exposure to the risks identified and modelled, tailored risk measurement metrics were developed as part of the project with the Carbon Trust. These were developed with direct input from the relevant Glanbia subject matter experts with a view to supporting central and operational oversight and monitoring the CROs going forward.

Metrics and targets

In 2022, supported by a transition plan, we enhanced our Scope 1 and 2 emissions reduction ambition in line with calls to limit global average temperature increase to 1.5 degrees Celsius, as set out by the Paris Agreement. In support of our climate objectives, we also have a number of associated targets which contribute to our overall goals including meeting key elements of our transition plan; to progressively shift towards 100% renewable energy procurement (Scope 2) by 2030 and reduce on-site emissions (Scope 1) through operational efficiencies and capital investment. Refer to pages 56-59 for more information on the Group's targets and progress to date, and page 65 which outlines how these metrics form part of our strategic response to the CROs identified.

	Climate risk description			Glanbia assessment		
	Climate risk theme	Time horizon	Direct value chain impact	Potential risk impact to Glanbia prior to mitigation	Mitigations considered as part of strategic planning and risk management	Business readiness assessment
Transition Risks	**Dairy market decline –** impact of end consumers/customers reducing dairy consumption to: Decrease their carbon footprint; and Align with their own science based targets	Medium	Dairy value chain – raw materials production sales	Potential changes in consumer preferences, impacting revenue		Monitored In plan
	Climate regulation on dairy – impact of stricter regulation of on-farm methane emissions.	Short, Medium	Dairy value chain – raw materials	Increased operating costs due to increasing raw material costs		In plan
	Direct and indirect carbon taxes – a direct increase in the cost of fuel due to the implementation of a price on carbon, or indirectly through phase out of fossil fuel subsidies.	Short, Medium	Raw materials – distributions Product – distributions	Increased operating costs		Monitored
	Increasing energy prices – (natural gas, biogas, and electricity) due to regulatory and market changes.	Short, Medium	Production	Increased operating costs		In plan
	Sustainable trends in packaging – increase in demand for sustainable packaging alternatives (secondary plastics) and the subsequent increase in packaging procurement costs.	Medium	Production Sales	Increased operating costs		In plan
Physical Risk	**Effect of temperature increases (both acute and chronic) on key aspects of Glanbia's supply chain** including negatively impacting dairy productivity, milk yields and crop yields, potentially impacting supplier margins and milk price.	Long	Dairy value chain – raw materials	Increased operating costs due to increasing raw material costs		Monitored
	Water scarcity – increasing water scarcity caused by droughts, increased temperatures, heatwaves, and water demand resulting in increasing water prices.	Short, Medium	Production	Increased operating costs		In plan

Time horizon	Period	
Short	Up to 3 Years	Aligned with our business strategy cycle where we develop detailed financial projections and use them to manage performance.
Medium	From three to 10 years	Nearer term to primarily capture transition risks and opportunities, embedded within our sustainability strategy.
Long	Beyond 10 years	Greatest level of uncertainty associated with these CROs, primarily linked to the physical risks identified.

Business readiness	Impact description
In plan	Related response to risk has been built into Glanbia's strategic plan, with a view to operationalise based on output of relevant scoping and feasibility assessments.
Monitored	Recognition that associated risks may require action but currently based on level of uncertainty being monitored with a view to incorporating into our strategic plan where appropriate.

Resilience and strategic response

Glanbia acknowledges that there are challenges associated with climate change but equally we see great opportunities to build efficiencies and cost savings through our capital decarbonisation and process improvement plans. As a Group we have robust innovative business models and expertise, we pride ourselves in our agility to meet the varied nutritional needs of our customers and consumers. Our market insight teams anticipate and monitor ever changing market trends, through the development of new branded products and ingredients. For example, in response to these trends we have developed a number of new products such as Gold Standard 100% plant protein powder.

We recognise potential investment opportunities which will support our climate change agenda and provide additional revenue streams. This includes development of future consumer brands and ingredient solutions, investment in operational and supply chain decarbonisation and access to low carbon markets. For example, the use of anaerobic digesters at Glanbia's sites can generate biogas and reduce methane emissions from Glanbia's operations. In this transition phase, these potential strategic investments and opportunities analysed are dependent on feasibility studies of technological, operational and commercial suitability for Glanbia and are under consideration as part of our medium to longer term strategy, with a similar estimated time horizon impact. We continue to monitor the resilience of the organisation with due regard for the CROs that the business faces. The table below outlines our strategic responses in dealing with these.

	Brand portfolio/ loyal customer	Innovation/ R&D	Capital investment opportunities	Dairy partnership	Carbon emissions	Environment
Resilience and strategic response	Strong brand portfolio with a loyal customer base, offering a range of ingredient choices	Proven R&D and innovation capabilities	Climate change impact incorporated into investment assessment criteria	Hold a strong and valued partnership with our dairy suppliers Joint venture business model that largely protects business profitability	SBTi validated targets across Scopes 1, 2 and 3	Stated targets and externally accredited programmes in place across core environment pillars of Water, Waste and Packaging
Action	Closely monitor consumer preferences and consumption trends Dedicated consumer insights and analytics team Informs our strategy and innovation focus	16 dedicated innovation/ R&D facilities Pipeline of innovation products and packaging solutions – key input into strategy process Annual formal review of results and approval by the Board of both Business Units innovation/ R&D strategy and pipeline	Due diligence assessment of all potential acquisitions and capital expansions – evaluating carbon emission impact Commitment to reduce our emissions through low energy technologies Capital projects identified to date to reduce Scope 1 and 2 emissions deliver on Group investment hurdle rates	Active role in supporting US Dairy's Net Zero ambition and the Global Dairy Platform's pathways to Dairy Net Zero Active members of initiatives which aim to support our supply base including preparedness for regulation relating to climate change Dedicated farm relationship team to support our dairy suppliers and ensure supply security	Operational plan in place to ensure support to on-site decarbonisation pathway plan On site feasibility studies underway relating to on-site generation, primarily solar Development of renewable energy procurement plan Partnering with dairy suppliers on Scope 3 emissions reductions	Water risk assessments and freshwater reductions Polished water optimisation Adoption of TRUE Zero Waste Certification as the standard for our facilities Packaging recyclability aligned to externally recognised criteria – How2Recyle and The on Pack Recycling Label
Further details	Pages 26-43	Pages 28-30, 38-42	Page 56	Page 57	Pages 56-57	Pages 58-89

Focus for 2023

We are committed to building on the progress made in 2022 on our climate impact. In 2022, to support our revised Scope 1 and 2 carbon emissions reduction target, we mapped out a transition plan to meet this target, refer to page 56 for further details. A key focus for 2023 will be to complete the required scoping and feasibility assessment to fulfil this transition plan, in order to remain on track to comply with our commitments. In 2023 we will accelerate the modelling work to develop a comprehensive roadmap to reduce Scope 3 emissions to meet our stated target.

We recognise the deep and intricate connections between food systems and the planet's health, as well as the impact of a changing climate for our own future. Glanbia is committed to further embedding the appropriate mitigating actions within our strategy and risk management process. We will continue to address the assessed material climate-related risks, ensuring we build out our existing metrics further to monitor and assess those risks and focus on maximising the climate-related opportunities within our business model.

Governance

To embed our approach, Glanbia's ESG focus reaches from the Board through the Group Operating Executive and ESG Centre of Excellence into all aspects of the business through specialists and cross functional teams and workstreams. This approach provides oversight, and balances the focus on programme delivery, required due diligence procedures and increased reporting and disclosure obligations.
See more on pages 95 and 112.

At Glanbia, we are committed to conducting business in the right way, complying with the law and working responsibly. Glanbia updated and recommunicated a number of our core governance policies during 2022. This included the Code of Conduct, Supplier Code of Conduct and Anti-bribery and Corruption policy. The Group has a zero-tolerance approach to bribery or any form of corrupt practices and actively encourages all workers and third parties to speak up through our dedicated whistleblowing line if they have any concerns.
See more on pages 103 and 107.

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

Reporting requirement	Policies and standards which govern our approach	Risk management and additional information
Environmental matters	• Environmental policy • Supply chain and responsible sourcing and on-farm sustainability • Animal welfare policy	• Environment section – pages 50-59 • Responsible sourcing – page 60 • ESG Committee report – pages 110-113 • Task Force on Climate-related Financial Disclosures (TCFD) Report – pages 62-65 • Risk management – pages 67-73
Employee matters	• Culture and engagement • Group code of conduct • Whistleblowing policy • Diversity, equity and inclusion policy • Health & safety policy	• Employee engagement survey – pages 20-21 and 52-53 • Whistleblowing and fraud – page 107 • UK Corporate Governance Code – pages 82 and 102 • Diversity, equity and inclusion – page 22 • Health and safety – page 23
Social matters	• Education initiatives • Community support • Food safety & quality policy	• GPN sports nutrition school – page 61 • Community and charity support – page 61 • Food safety and quality – page 60
Human rights	• Anti-slavery and human trafficking statement • Supplier code of conduct • Human rights policy	• See page 60 and our policies can be viewed on www.glanbia.com/about/corporate-governance/our-policies
Anti-bribery and corruption	• Group code of conduct • Anti-bribery and corruption policy	• See page 107 and our policies can be viewed on www.glanbia.com/about/corporate-governance/our-policies
Description of principal risks and impact of business activity		• Principal risks and uncertainties – pages 72-77
Description of the business model		• Business model – pages 12-13
Non-financial key performance indicators (KPIs)		• Key performance indicators – page 19

Consolidated disclosures pursuant to Article 8 Taxonomy Regulation

Following consideration of the 'EU Taxonomy Compass', and detailed review of the economic activities' descriptions and NACE code definitions as referenced within the "EU Taxonomy Climate Delegated Act (Delegated Act)", the Group concludes that our core economic activities of food processing and manufacturing are not included within the Delegated Act and consequently are Taxonomy non-eligible.

Refer to pages 146 to 155 for Glanbia's consolidated disclosure in accordance with "Article 8 Taxonomy Regulation" and Art. 10 (2) of the Art. 8 Delegated Act (Disclosures Delegated Act).

Risk management

Managing risk volatility and the impacts to our strategic objectives

Managing our risks

Volatility continues to be a core theme with the global macroeconomic environment, geopolitical tensions and ongoing inflationary impacts affecting multiple geographic regions with varying levels of severity. The ongoing war in Ukraine has driven up energy prices and impacted supply, aggravating inflationary pressures at a time when the cost of living was already rising rapidly around the world due in part to the lingering impacts of the Covid-19 pandemic. While consumption trends remain resilient following the pricing actions taken in response to the inflationary impacts, the Group remains vigilant to the volatile external environment.

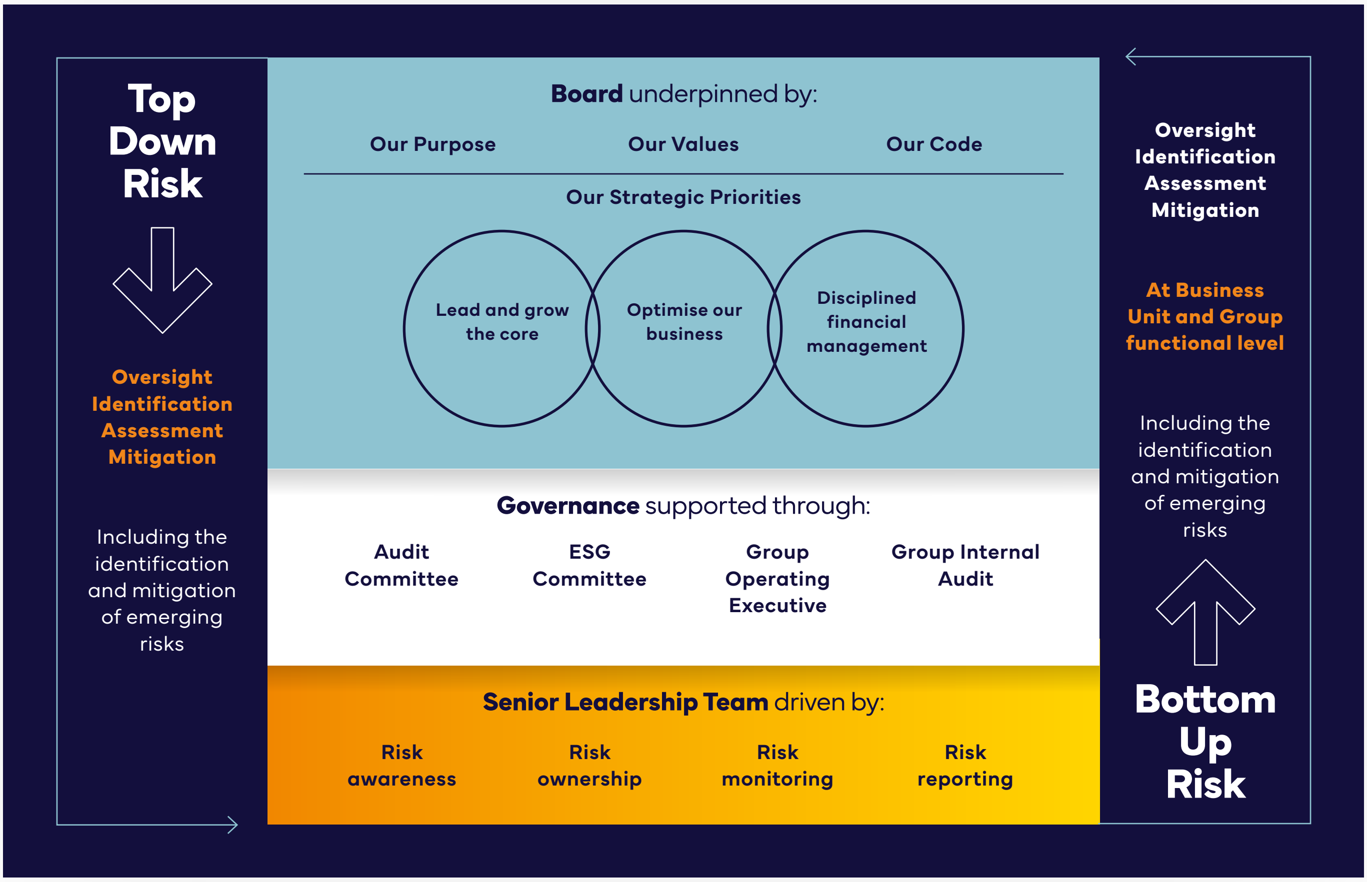
Covid-19 and general macroeconomic environment

The impacts of Covid-19, the ongoing war in Ukraine and the general macroeconomic conditions on the business are explained in various sections of the Strategic Report and consequently the narrative included in the Group Managing Director's Review, Group Finance Director's Review and Operations Review updates should be read in conjunction with the below disclosures to provide an overall understanding of the risks, economic uncertainties and challenges which will continue in 2023.

The Covid-19 pandemic is not over yet but its economic impacts have continued to lessen during the year as the public health situation improves due to rising vaccination rates and improved Covid-19 treatments. The Group will continue to focus on strict compliance with safety policies for our frontline workers, the effective execution of our smart working hybrid model for office-based employees and the continued monitoring of our risk environment for any significant changes that may impact the delivery of the Group's strategic objectives.

Our risk management framework

The Group encounters risk every day in the pursuit of its strategic priorities. Our risk management framework is designed to ensure that risk management is embedded into our culture, policies and practices. There is input across all levels of the business to enable the Group to remain responsive to the ever-changing operating environment, including the consequences of the ongoing war in Ukraine, geopolitical tension, climate change, the general macroeconomic conditions, rising energy and interest costs, inflationary pressures together with the residual impacts of Covid-19, which are factors in almost all risks to some extent. An overview of the Group's risk management and internal control framework is outlined in the diagram below.



Risk oversight

Board of Directors

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

As part of the annual Group strategy process, the Board conducted a detailed assessment of the impact of the Group's principal risks, including emerging risks. This was designed to ensure that the Board understands both the key risks existing within the business and newly emerging risks, together with the methods employed to manage these risks. The focus during such reviews is to ensure that the Group's residual risk position is within the Group's risk appetite. The Board and management use the same process to assess and manage risks within our material joint ventures as it does for the wholly-owned areas of the Group. In 2022, we held board positions in all such entities.

The Board conducted a formal half-year and full-year review of the risk register summary reports prepared by Group Internal Audit to ensure that the Group's principal risks and uncertainties, as outlined on pages 72 to 77, effectively describe the nature and extent of the Group's principal risks. The Board is satisfied that its risk management systems and internal control processes are effective. However, as with all practices, a mindset of continuous improvement is required. The Board also considered its obligations in relation to the annual Going Concern and Long-term Viability Statements. Its review and conclusions in this regard are outlined on pages 70 and 71.

Audit Committee

The Audit Committee on behalf of the Board, has responsibility for monitoring the Group's systems of risk management and internal control including the review of their effectiveness. In 2022 and early 2023, to ensure that appropriate measures are in place to validate the strength of internal controls and risk mitigation and to continue to develop a deeper awareness and insight into the Group's principal risks, the Audit Committee received updates from senior executives and detailed presentations from Group functional leads across Health and Safety, Food Safety and Quality, Glanbia Business Services and IT, Legal, Financial Reporting and Taxation. In addition to the detailed considerations on climate related matters outlined in the Environmental, Social and Governance ("ESG") Committee Report on pages 110 to 113, following the publication of the 2021 Annual Report, the Audit Committee also received three updates in 2022 from the Group Financial Controller on current and anticipated future ESG reporting obligations related to the Task Force on Climate-related Financial Disclosures ("TCFD"), the EU Taxonomy for sustainable activities, the EU Non-Financial Reporting Directive ("NFRD") Statement and the EU Climate Sustainability Reporting Directive ("CSRD"). These presentations typically provide the Committee with the opportunity to review the Group's risk appetite statements in relation to the principal and emerging risks being examined. Proactive attention is also given to key risks where the probability of occurrence and extent of impact are elevated by the consequences of the ongoing war in Ukraine and the deteriorating global economic outlook.

Group Operating Executive

The Group Operating Executive forum as outlined in the Corporate Governance Report on page 95 also acts as the Group Risk Committee and supports the Audit Committee in the risk management process through the ongoing monitoring of the risk environment and the effectiveness of the controls in place. The Group Operating Executive aims to ensure that the risk management process supports the delivery of the Group's strategy by managing the risks impacting the Group's ability to achieve business objectives.

Environmental, Social and Governance ("ESG") Committee

The ESG Committee supports the Group's ongoing commitment to environmental, corporate social responsibility and corporate governance matters. The ESG Committee is responsible for monitoring and reviewing current and emerging ESG trends, relevant international standards and legislative requirements and identifying how these are likely to impact the strategy, operations, and reputation of the Group. The ESG Committee, in conjunction with the Group Operating Executive, is also responsible for assessing the effectiveness of the Group's policies, programmes, practices and systems for:

a) Identifying, managing and mitigating or eliminating ESG risks and opportunities, as outlined on pages 72 and 73, in connection with the Group's operations and corporate activity; and
b) Ensuring compliance with relevant legal and regulatory requirements and industry standards and guidelines applicable to ESG matters.

Risk reporting

Group Internal Audit ("GIA")

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

- An analysis of key Group risks in terms of impact (assessed over the following 12 months within defined monetary terms), likelihood of occurrence (using defined probabilities of occurrence) and velocity (speed at which the impact of the risk could materialise) with the climate related exceptions outlined on pages 69 and 70;
- A summary of the key movements in the identified risks, with a particular focus on highlighting new or emerging risks;
- A summary of management action plans (MAPs) to manage potential significant risk exposures; and
- An overview of organisational, business and emerging risks.

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

Group Senior Leadership Team ("SLT")

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

By focusing our risk management system on the early identification of new or emerging risks, it enables us to conduct a detailed assessment of the existing level of mitigation and the management actions required to either reduce or remove the risk. Where the removal or reduction of the risk is not possible, the Group formulates management action plans to respond to the risk, should the risk materialise.

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

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

Risk categories

Our approach recognises the external risks associated with our operating environment, which are typically considered and managed through our strategic processes, and the primarily internal risks associated with our people, processes and systems which are managed through our internal controls. Emerging risks with the potential to impact our longer-term success are also considered to ensure that we plan appropriately to respond to them over time.

Identifying our principal risks and uncertainties

The Directors have carried out a robust assessment of the Group's principal risks, including those that may threaten our business model, future performance, solvency or liquidity. Key risks are identified based on the likelihood of occurrence, potential impact and velocity on the Group using the process outlined on pages 67 to 69.

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

The Board also fully recognises that many risks do not exist in isolation and that one or more risks may crystallise at the same time which could increase the impact to the Group. The interactions and relationship between such risks are discussed and considered by the Board throughout the year. In 2022, these discussions included an in-depth consideration of the consequences of the ongoing war in Ukraine, the general macroeconomic environment including rising energy costs and availability concerns, cost of living impacts including the inflationary and interest rate environment, and climate change risks. The outlook for Covid-19 is more optimistic as the public health situation continues to improve together with the strength and operating effectiveness of our internal controls implemented for managing its impacts.

Principal risks and uncertainties

Changes to risks during the year

The Directors have considered the Group's principal risks and uncertainties and have determined that the risks and uncertainties reported in Glanbia plc's 2021 Annual Report remain relevant, with no new principal risks identified. In our previous disclosures, we explained how Covid-19 had wide-ranging consequences on our principal risks and uncertainties and was not presented as a single principal risk. This has not changed, and the same approach has been taken in relation to the impacts of the Russian invasion of Ukraine and the general macroeconomic environment, with the consequences being captured in the relevant principal risks rather than shown as a stand-alone item. The fluctuation in risk trends that arose in 2022 include:

- Economic, industry and political, and supply chain risks continue to trend upwards as the geopolitical risks and global macroeconomic environment continue to be challenging, creating headwinds across the business into 2023.
- The risk trend for market disruption risk increased from stable to increasing during the year, due to the potential impacts to demand from the rising cost of living which has been intensified by continued inflationary pressures and rising energy costs hitting household incomes.
- Climate change risk continues to trend upwards due to the evolving landscape and expected future developments in ESG regulations including the stricter regulation of on-farm methane emissions, and the increasing stakeholder corporate reporting expectations and the other climate change risks disclosed in the TCFD Metrics and Targets disclosures on pages 62 to 65.
- Cyber security and data protection, and talent management risks continued to trend upwards due to continued existence of risks in these areas at a global level.

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

Climate-related risks and opportunities

In line with the recommendations of the TCFD reporting requirements, the Group has considered climate-related impacts within the organisation under the pillars of Governance, Strategy, Risk Management and Metrics and Targets as outlined on pages 62 to 65.

As detailed in our 2021 Annual Report, the Group engaged the Carbon Trust, an independent sustainability consultant, to conduct a comprehensive climate change risk assessment of the parts of the business over which Glanbia has operational control. The identified climate-related risks and opportunities (CROs) were prioritised by their likelihood, velocity and estimated financial materiality (prior to the consideration of any mitigation measures). This allowed us to better understand the potential impacts from physical climate change risks and the possible risks associated with the transition to a decarbonised economy.

This year, Glanbia has again partnered with the Carbon Trust to carry out further analysis and to assess in greater detail the potential impact that Glanbia's top CROs could have on our business, operations, and strategy, drawing on climate science and scenario data. Two scenarios were considered for each CRO, Current Policy and a Stress Scenario. The material CRO themes that were reviewed as part of the risk identification, prioritisation and quantification analysis, with the expected time horizon and direct value chain impact are outlined on pages 62 to 65 of the TCFD Report.

In line with the Group's risk management framework, the CROs were assessed for likelihood, velocity and materiality (impact) with the following threshold deviations:

- Velocity: The time horizon applied to velocity was short term up to 3 years, medium term from three to 10 years and long term beyond 10 years as opposed to the Group approved thresholds which assess velocity as very rapid if the impact of the risk is felt within 1 month, rapid if within 1 quarter and slow if it extends beyond 1 quarter.

Risk management continued

Risk trend Increasing Stable Decreasing

Strategic/External	Technological	Operational/Regulatory	Financial
Mainly external risks associated with our operating environment	The systems we use to drive the business and the data they hold	The people and processes we use to power our business model	Our financial status and internal controls
Economic, Industry and Political (Increasing) Market disruption (Increasing) Customer concentration (Stable) Climate change (Increasing)	Digital transformation (Stable) Cyber security and data protection (Increasing)	Talent management (Increasing) Health and safety (Stable) Supply chain (Increasing) Product safety and compliance (Stable) Acquisition/Integration (Stable)	Taxation changes (Stable)

- Likelihood: Under the CRO assessment, this is based upon the certainty of outcome across the different climate scenarios analysed. Where there is a highly consistent outcome under all scenarios, the relevant CRO is categorised with a higher likelihood and conversely, where the outcome is only expected under stress scenarios the CRO is categorised with a lower likelihood. The standard Group approach to likelihood is measured as a percentage of possible occurrence over a three-year period in line with the Group's strategic plan.

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

Climate change risks are also considered when assessing other relevant risks including: Economic, Industry and Political; Market Disruption and Acquisition/Integration. For example, this includes involving the relevant internal functional experts when making acquisition or capital investment decisions or impairment review decisions where required.

Climate considerations were enhanced during the year through the scenario analysis performed, as outlined on pages 62 to 65. The Group concluded that climate change is not expected to have a material impact on the viability of the Group in the current year and summarised the material climate risk themes which will require close monitoring going forward as outlined on pages 62 to 65. Glanbia has also a continuing engagement with the Carbon Trust who provide technical expertise on the Group's carbon footprint mapping, and identification of key carbon reduction projects. The Group plans to continue this work and has committed to building on the progress achieved in 2022 in relation to our climate impact.

Going concern

Glanbia's business activities, together with the main factors likely to affect its future development and performance, are described in the Strategic Report on pages 1 to 77. After due consideration and review, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the Financial Statements.

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

- Available cash resources, cash generation from operations, liquidity, borrowing facilities and related covenant requirements which taken together, provide confidence that Glanbia will be able to meet its obligations as they fall due. Further information on the Group's bank facilities, which were successfully re-financed in December 2022, is provided in Note 25 to the Financial Statements and outlined in the Group Finance Director's review on pages 44 to 49;
- Glanbia's financial risk management policies as described in Note 30 to the Financial Statements, the nature of its business activities and the factors likely to impact our operating performance and future growth; and
- The lingering impact of the Covid-19 pandemic, the general macroeconomic environment including inflation, rising energy costs, high interest rates and the cost-of-living crisis exacerbated by the ongoing war in Ukraine, geopolitical tensions, climate change, the recoverability of trade receivables, inventory and other assets.

Long-term viability statement

Assessment of prospects

In accordance with the Code and Listing Rule 6.1.82 (3) of Euronext Dublin Listing Rules, the Directors have assessed the viability of the Group and its ability to meet its liabilities as they fall due over a period extending to 2025. This period was chosen as it is aligned to the Group's budget and strategy plans as approved at the Board's strategy review session in December 2022. The Board considers this the most appropriate period to assess the Group's prospects taking into account its current financial position, the Group's strategy and business model and the potential impact arising from the principal risks and uncertainties. Factors considered in assessing long-term prospects include:

(a) The Group's current position

- A team of talented and committed people, focused on the delivery of Group targets in line with our Group purpose, vision and values.
- Strong market positions in the wholly-owned segments GPN and GN and robust joint venture business models.

- Global market trends in human nutrition continue to strengthen and will underpin the execution of the Group's strategic ambition.
- Key long-term customer relationships, brands with strong equity and leadership positions in ingredients.
- Our recent acquisition, Sterling Technology, is performing well.
- Completion of share buyback programmes of €173.5 million in 2022. These programmes support the Board's confidence in the strength of the Group's financial position.
- Net debt at year end decreased by €143.3 million versus the prior year, primarily due to the net impact of the Group's divestment and acquisition activity and the execution of the Group's share buyback programmes. The net debt to adjusted EBITDA ratio remained low at 1.12 times with continuing strong cash generation.

See the Finance Director's review on pages 44 to 49 for more detail.

(b) The Group's strategy and business model

- The strategic agenda progressed with the completion of the sale of the Company's minority interest in Glanbia Ireland and other planned divestments recently announced. The Group continues to evolve as a focused, purpose-led global nutrition company via its two growth platforms, Glanbia Performance Nutrition ("GPN") and Glanbia Nutritionals ("GN"), and through strategic joint ventures.
- Clearly articulated business model with well-defined Group growth targets focused on building GPN top line growth and driving earnings to 2025 from GPN and Nutritional Solutions ("NS").
- Clear focus on and prioritisation of the development of talent which remains central to our strategy as outlined in the 'People' section on pages 20 to 23.
- The Group continues to invest for growth, with all key strategic capital expenditure projects on track and the acquisition of Sterling Technology completed in March 2022.
- Customer demand has sustained in GPN following a number of price increases to mitigate the impact of input cost inflation.
- The successful implementation of price increases in GPN is expected to continue to mitigate the impact of inflation during 2023.
- Solid progress against the stated environmental, social and governance objectives as outlined in the ESG Committee report on pages 110 to 113.
- Ambition to grow through both organic investment and acquisition activity within a framework of clear capital allocation priorities.

See the Group's business model on pages 12 and 13 and strategy on pages 14 to 17 for more detail.

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

See pages 72 to 77 for a detailed description of each of the Group's principal risks, including climate change risk, related mitigation measures and 2023 focus areas.

Assessment of viability

The Directors' assessment of the Group's viability has been made with reference to the 2022 performance, the principal risks and uncertainties including emerging risks facing the Group and how these are managed within the Board's risk appetite as detailed on pages 72 to 77. The Directors carried out a robust assessment of the consolidated financial forecast for the current year and financial projections for future years to 2025 during its strategy and budget review session in December 2022 with due consideration to the actual and potential consequences of the ongoing war in Ukraine, climate change risks and the general macroeconomic environment particularly with respect to the significant judgements and estimates made in the application of its accounting policies.

The Board reviewed the assessment of the Group's prospects made by management, including:

- The development of a rigorous planning process, the outputs of which are comprised of a strategic plan, a consolidated financial forecast for the current year and financial projections for future years covering the period of the plan;
- A comprehensive review of the strategic plan as part of its annual strategy review, with regular monitoring of the achievement of strategic objectives taking place at each Board meeting;
- Assumptions are developed at both Group and Business Unit levels and are subject to detailed examination, challenge and sensitivity analysis by management and the Directors;
- A consideration of how the impact of one or more of the principal risks and uncertainties, outlined on pages 72 to 77, could materially impact the Group's performance, solvency or liquidity; and
- The impact of climate change on the Financial Statements as outlined in Note 2. The assessment concluded that climate change is not expected to have a material impact on the viability of the Group in the current year. The material climate risk themes which will require close monitoring in the medium and long term are summarised on pages 64 and 65.

These considerations include external factors such as the impacts of the expected high levels of inflation, increasing interest rates and energy costs; lower economic growth and geopolitical tension, particularly in our key areas of operation; the potential impacts of Covid-19 on the Group; currency exchange rate movements, principally the USD/euro rate; increased regulations; and internal factors such as the strategic plan under-delivering; the loss of a key production site; or a major food safety or health and safety related event. These considerations also took into account additional mitigating measures available to the Group, including the ability to reduce capital expenditure and the potential availability of additional debt facilities. The Board is satisfied that sufficient financial headroom exists to address the potential negative impacts arising from the events considered.

Conclusions

Having considered these elements, the challenging global economic outlook and the lingering Covid-19 related challenges and impacts experienced in 2022, the Board assessed the prospects and viability of the Group in accordance with the UK Corporate Governance Code requirements.

The Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of the assessment. The Board does not expect any reasonably anticipated Covid-19 outcome, ongoing war in Ukraine, geopolitical tensions, climate change impacts or general macroeconomic condition to impact the Group's long-term viability or ability to continue as a going concern. The Board, in considering its dividend policy for the years to 2025, believes it will have sufficient distributable reserves to pay dividends. The Board assesses the Group's key financial metrics, liquidity position and projected cash flows before declaring interim and proposing final dividends.

Principal risks and uncertainties

Link to strategic priorities (see pages 14 to 17)

Lead and grow the core | Optimise our business | Disciplined financial management

Risk	Potential impact	Mitigation
Strategic/External		
Economic, industry and political **Our performance is influenced by global economic conditions, consumer confidence and the stability of the markets in which we operate.**	Deterioration in economic growth or consumer confidence, significant currency movements, political instability, or civil disturbance may impact performance and the achievement of growth targets. The ongoing war between Russia and Ukraine and continuing tensions between China and Taiwan may also negatively impact performance. The inability to continue to contain the spread of global pandemics such as Covid-19 which may create a risk of business interruption.	The Board regularly assesses key market trends, the current economic environment and the implications for Group performance and strategic objectives. Our strategy is aimed at the continued expansion of our geographic reach, focusing on key customer relationships and investment in new product development which helps to protect the Group from economic fluctuations and rapid changes in the external environment. Covid-19 actions taken by governments in the countries in which we operate continue to address the spread of the virus. The public health situation continues to improve based on rising vaccination rates and improved Covid-19 treatments.
Market disruption **Inflationary pressures may create further headwinds for the business.** **Increasing competition across certain channels through high promotional activity, competitor product innovation and channel shifts provide an ongoing challenge.** **Further waves of Covid-19 may disrupt the ability of markets to remain open and delay growth plans.**	Continued inflationary pressures above expectations may disrupt demand due to consumer price elasticity. Consumer spending habits have altered as a result of a changed way of working/living through the pandemic. Failing to recognise or obtain accurate and relevant competitive and environmental intelligence may result in the adoption of incorrect business strategies.	Significant actions to mitigate cost inflation were implemented across a range of initiatives including pricing, revenue growth management and efficiency programmes. The GPN team has invested in developing in-house capabilities to assess market trends and to improve the accuracy and relevance of data available to the Board and management to support decision making. We invest in research and development expenditure focused on value-added and customer-specific solutions and invest in promotional activities where required. GN focuses on differentiating its capabilities from competitors through innovation to enable it to be the partner of choice for nutritional and functional solutions across both the dairy and non-dairy segments.
Customer concentration **The Group benefits from close commercial relationships with a number of key customers and adverse changes could materially impact the Group.**	The loss or material disruption with one or more of these customers, or a significant deterioration in commercial terms, could have a material impact on Group profitability. Pricing risks associated with the growth of the online channel.	The Group has developed strong relationships with major customers by focusing on superior customer service, quality assurance and cost competitiveness. There is a continued focus on new customer and channel development opportunities. Continued strong execution of the GN commercial team's 'one face to the customer' approach. The Board regularly reviews its exposure, including credit exposure, to individual customers and considers the impact of acquisitions where relevant.
Climate change **Failing to have an appropriate business model in place to react to the CROs and to achieve the Group's vision of protecting the environment through responsible stewardship.** **The risk of non-compliance with regulations.**	Changes in policy, regulation, technologies and weather conditions, may impact the Group or influence consumer preferences. Failure to comply with environmental incident reporting regulations may cause reputational damage.	An ESG Board subcommittee is in place and a member of the Group Operating Executive has responsibility for overseeing the delivery of the Group's agenda on environmental, sustainability and governance topics. The Board recognises the scientific consensus that action is required to address the impact of greenhouse gases on rising global temperatures and has ensured that: • A Board approved strategy is in place to accelerate our climate change commitments, targeting decarbonisation in our operations and supply chain and addressing our most material sustainability focus areas. • The Group-wide sustainability programme focuses on building a strong culture, systems and governance model to oversee progress and to ensure compliance with environmental incident reporting regulations. • Clearly defined Board approved KPIs and targets in place as outlined on pages 56 to 59. • We have expanded our climate change reporting to include the use of the TCFD framework as outlined on pages 62 to 65. We reinforced our clear environment strategy which is aligned to science-based targets and other relevant benchmarks and continued our focus on driving actions to achieve targets.

Risk trend Increasing Stable Decreasing

Developments in 2022	2023 focus areas
The macroeconomic environment faced headwinds particularly in relation to cost inflation, global trade uncertainty and currency fluctuations which the Group will continue to navigate and mitigate where possible. The successful progression of the GPN transformation objectives and the careful management of price increases were required to address inflationary challenges. The impact of price increases will continue to be monitored for elasticity effects. The business continued to remain resilient in managing the Covid-19 pandemic. The Group maintained its focus on protecting employees, continuing food supply, and maintaining our strong financial position, throughout the year.	The macroeconomic environment is uncertain, and it is possible some of our end markets may be in recession in the near term. This will remain under continued review throughout 2023 to ensure mitigating actions to combat cost inflation and rising cost of living impacts are assessed and implemented where appropriate. Aside from the impact of the pandemic and inflationary concerns affecting the global economy, the geopolitical climate has also deteriorated with continued significant concern over the ongoing conflict between Russia and the Ukraine in particular, and with regard to the tension between China and Taiwan. The Group will continue to monitor this closely where any potential conflict, economic sanctions or trade rulings may impact the growth objectives of the Group.
A strategic portfolio review was performed in 2022 resulting in divestment decisions around non-core assets as outlined in the Group Finance Director's review on pages 44 to 49. The impact of increasing inflationary pressures, supply chain volatility and labour shortages have been mitigated by price increases and this balance will continue to be closely monitored in 2023. The continued embedding of the GPN transformation programme together with the mitigating cost inflation and cost saving actions implemented have enabled the business to underpin margins. Marketing spend has continually focused on the areas/brands where recovery momentum is strong.	The Group will monitor any adverse changes in economic conditions, such as the rising cost of living which has been intensified by continued inflationary, interest rate and energy cost/availability pressures that could result in reduced consumer spending which may disrupt demand. We will continue to invest in developing in-house capabilities to assess trends in key market areas ensuring accurate and relevant data is available to management teams to support decision making. The Board will keep the frequency and impact of any future waves of Covid-19 under review to assess the level of potential market disruption.
Continued assessment of the impacts of channel shifts by consumers and the financial strength of our customer base, particularly our US customers which represent approximately 82% of Group Revenue. There is an ongoing monitoring and relationship investment with current customers, and we continue to build out our direct-to-consumer ("DTC") capabilities to reach consumers directly. Dedicated consumer insights and analytics teams are in place. The Board carefully monitored credit exposures in 2022 as customers recovered from the challenges imposed by Covid-19 restrictions on their operations.	The impact of pricing increases associated with the rising cost of inflation will be closely monitored. The Group will continue to build key customer partnerships through strategic capacity expansions and product supply opportunities, particularly with our core GN customers. We will continue to review new customer and channel development opportunities.
The Group's business model was reviewed and refreshed during the year including an appropriate consideration of the impacts of the CROs and the ability of the Group to react to environmental changes. The Group has taken a rigorous approach to measuring climate risk impact through data, baselining and risk assessment supported by the Carbon Trust and aligned to the United Nation's Sustainable Development Goals. A number of key activities and significant decisions were made by the Board during the year, where climate change was taken into account including the completion of the scenario analysis and financial impact assessment of material CROs as detailed in the TCFD Report on pages 62 to 65. Updated our environment and sustainability targets as detailed in the 'Climate & Environment' report on pages 56 to 59 including a 50% reduction in Scope 1 and 2 operations emissions by 2030 to meet a 1.5 degrees celsius temperature pathway. ESG training was provided to the Board designed to cover the evolving regulatory landscape/climate change reporting requirements and to ensure that a baseline understanding of the requirements is in place. The Group's Capital Investment Policy has been reviewed to incorporate environmental considerations into the existing due diligence process.	The Board will continue to receive regular updates from the ESG Committee on environment related risks and opportunities and will work to enhance the integration of climate-related impacts into our governance, operational and strategic model, particularly with regard to investment in energy efficiency advancements, carbon reduction and emission management programmes. In 2023, over 50% (2022: 45%) of our electricity usage will be by way of renewable electricity, see pages 56 and 57 for more information on the pathway to achieving this goal. The Group will continue to update the data systems and processes to meet new disclosure requirements which are expected with the forthcoming EU Corporate Sustainability Reporting Directive. The ESG Committee will continue to focus on monitoring the effectiveness of the environment metrics and regulatory disclosure requirements to ensure progress is being maintained in line with expectations.

Principal risks and uncertainties continued

Link to strategic priorities (see pages 14 to 17)

Lead and grow the core | Optimise our business | Disciplined financial management

Risk	Potential impact	Mitigation
Technological		
Digital transformation **The risk of the Group implementing an ineffective digital strategy.**	A failure to adopt new technologies may impact our targeted growth.	Each core business function has a three year digital roadmap that is reviewed and updated annually. Significant investment by the Group to ensure a leading eCommerce platform and market-leading technologies have been deployed to drive growth across the eCommerce landscape. Executive commitment to ensure the full benefits of the Group's digital capabilities are maximised to increase our speed to market, reduce costs and improve customer experience.
Cyber security and data protection **The Group is dependent on robust IT systems and infrastructure for most of our principal business processes which may be impacted by the significant growth of cyber threats.**	An adverse event could result in significant financial loss or reputational damage due to the potential loss of or unauthorised access to sensitive financial, personal and commercial information. This includes the Group's intellectual property (IP) or that of our customers. An adverse event could also result in significant negative impacts to our operational capabilities through ransomware or denial of services attacks. Financial and reputational loss may also occur through targeted attacks such as phishing or impersonation frauds.	Dedicated Group IT Security team in place to manage IT risks. Regular security scanning across all eCommerce sites with penetration testing completed on all new sites. Policies in place regarding the protection of both business and personal information, as well as the use of IT systems and applications by our employees with oversight by the Group Data Protection Committee. Systems in place, including ongoing audit activities, to monitor compliance with relevant privacy laws and regulations. The Group maintains a cyber insurance policy and there were no material information or cybersecurity breaches noted over the last three years resulting in an insurance claim. Continued investment in cyber-crime prevention and information security programme.
Operational/Regulatory		
Talent management **The ability to attract, develop, engage and retain appropriately qualified talent is critical if the Group is to continue to compete effectively.**	A failure to retain, attract and/or develop key talent, particularly in emerging areas of talent need, will impact our ability to deliver sustainable value for all our stakeholders.	The Group's purpose, vision and values are embedded across all levels of the Group through defined training programmes. A remuneration policy is in place with clear links to our strategic objectives. This policy includes a balanced approach to short and long-term incentives and is aimed at mitigating weak performance in any one year and utilising appropriate retention tools for key individuals. Strong recruitment processes, effective human resources (HR) policies and procedures, robust succession management planning and talent management initiatives are in place. Remote working continued, and new smart working hybrid models were implemented to make the workplace more accessible.
Health and safety **The risk of non-compliance with Health and Safety and/or building regulations resulting in injuries or a loss of capacity or closure at a major site.** **The risk of a global pandemic such as Covid-19.**	Health and safety risks to our people and the wider public. Reputational damage, regulatory penalties and an inability to service customer requirements due to capacity restrictions or plant closure.	ESG Board subcommittee in place and a member of the Group Operating Executive responsible for overseeing Health and Safety related performance. We have created and continue to expand programmes, processes and tools to ensure progress in Health and Safety for all our workforce. The Group Operating Executive monitor progress against our key Health and Safety, food safety and quality and environmental objectives. This review is focused on ensuring an effective framework, Group policies and clear objectives are in place and that corrective actions are implemented in a timely manner. The Group monitors overall safety and loss prevention performance through the independently assessed GRMS.

Risk trend Increasing Stable Decreasing

Developments in 2022	2023 focus areas
Completed a strategic review of the Group IT organisation and services. The Group has deployed the leading technologies from SAP, which support the automation of our key business processes. The Group is currently upgrading the ERP system to SAP's latest technology, S/4HANA, which will bring enhanced machine learning and artificial intelligence capabilities to the Group. Fraud and cyber security exercises completed with vulnerability scans implemented across all eCommerce sites.	Continue to focus our digitisation programme on supply chain, customer engagement, manufacturing, operations, finance, and HR systems and progress on the planned SAP S/4HANA upgrade within the Group. Continue to evaluate additional opportunities to leverage the DTC platform across GPN and execute where the opportunity matches the brand strategy. Continue to execute fraud and cyber security reviews and vulnerability scans across all eCommerce sites.
Continue to evolve security and data privacy programmes to address new threats, hybrid working models and increasing regulatory requirements. Cyber security and anti-fraud control reviews were conducted against the US Department of Commerce and National Institute of Standards and Technology Cybersecurity Framework to continue to gain comfort over the effectiveness of the Group's ransomware prevention, detection and response plans. Enhanced existing incident response processes from the system recovery simulation exercise learnings. Significant development of control processes to limit the risk of system intrusion and/or data loss with a particular focus on regulatory compliance. Continued progress on the effective integration of our IT systems and related Group monitoring controls within our recent acquisitions. Group IT updated the Board and Audit Committee on the refreshed Group IT strategy and key IT risks.	Continue to raise awareness of potential cyber-attack risks such as phishing and social engineering. Continue to progress the Tirlán (formerly Glanbia Ireland) segregation and separation of IT infrastructure and applications from the Group in line with the transition agreement. The cross-functional teams involved will continue to ensure our IP is protected through appropriate IT security measures, patent applications and related control procedures. Ongoing cybersecurity awareness will continue to be actively promoted through regular IT awareness communications, information security training and other initiatives to keep employees updated on new and emerging IT threats. This will continue in 2023 with follow up workshops and awareness sessions with the leadership team and Board representatives.
Significant management focus directed at ensuring the impacts of a competitive labour market were carefully navigated. Continued working on building an actively inclusive culture, growing gender and racial representation in senior management in particular and creating more equitable work practices and benefits. The DE&I agenda has further progressed with the launch of an inclusive leadership development programme for senior leaders as well as a continued focus on employee resource groups including NOW (Network of Women) and the addition of LGBTQIA+ and multicultural groups. The senior management long-term incentives are now directly linked to the achievement of the Group's environmental sustainability strategy. Completed the HR transformation through the implementation of the Grow@ Glanbia programme as outlined on page 20. Continued navigating the return to office in a flexible way as a key initiative to supporting the retention of the salaried workforce while also protecting our employees from Covid-19.	Continuing the successful execution of our people strategy which aims to sustain a high-performing, values driven and respectful culture with a diversity and inclusion focus. DE&I targets are included in senior leader incentives. To assist target delivery, the Group is formally measuring female management participation with particular focus on hiring and retention. Through engagement surveys, employee attitudes toward DE&I measures will continue to be monitored in the future. Monitoring the evolving talent retention risks driven by inflationary pressures and remote working options which have become more widespread during the pandemic. Continue to focus on the protection of our employees with a focus on wellbeing and employee communications to support smart working hybrid models.
Continued progress in our mission towards 'Zero Harm' and other Health and Safety initiatives during the year as outlined on page 23. Management controls in place to monitor the Group's business continuity plans. These were reviewed and enhanced in response to the evolving organisational needs arising from the pandemic. Close monitoring of our accident rates continues with a clear focus on driving effective root cause analysis across the Group. Risk assessment methods and leading indicators ("near miss" reporting) in place to help drive sustainable improvement at site level. Standardised Group Health and Safety, and Quality, Food Safety KPIs in place aligned to industry benchmarks.	The Group HR and operational teams will continue to ensure ongoing surveillance and support across the Group to maintain business continuity and employee welfare including: • Maintaining effective employee engagement and welfare programmes. • Sustaining operations in line with local geographical restrictions. • Ensuring clearly communicated site health and safety policies and procedures are in place. • Monitoring evolving regulatory requirements and working to ensure compliance to the Global Reporting Initiative (GRI) 403 Occupational Health and Safety standard. • Implementing effective corrective actions to address any improvement opportunities identified.

Principal risks and uncertainties continued

Link to strategic priorities (see pages 14 to 17)

Lead and grow the core | Optimise our business | Disciplined financial management

Risk	Potential impact	Mitigation
Operational/Regulatory		
Supply chain **The risk that unprecedented inflation creates significant headwinds for the business and/or an inability to contain the spread of a global pandemic (such as Covid-19) resulting in prolonged supply chain disruptions.**	Milk availability and pricing can vary from quarter-to-quarter and year-to-year with resulting impacts on production levels and input costs. This can be exacerbated by greater-than-expected inflationary impact. A global pandemic could result in supply chain constraints, inflationary impacts and/or negative impacts on our international sales channels.	Appropriate short-term safety stocks are in place for our core raw materials and detailed monitoring of raw material delay risks is in place with alternative sources of supply identified if required. Broad geographic spread of our supplier base and other functional ingredient options. The majority of our dairy activities are in joint venture partnerships with established, robust business models to manage this risk in our dairy operations. Our milk and procurement strategy teams work proactively with the US patron supplier base to ensure the business remains competitive in its supplier offerings to underpin long-term sustainable supply including the provision of non-pricing value-added initiatives.
Product safety and compliance **A breakdown in control processes may result in contamination of products leading to a breach of existing food safety legislation and potential consumer or employee illness.**	Reputational damage, regulatory penalties or restrictions, product recall costs, compensation payments, lost revenues and reduced growth potential. The sudden introduction of more stringent regulations such as additional labelling requirements may also cause operational difficulties.	The global reporting tool and core Glanbia Quality Standards ("GQS")/KPIs are embedded across the Group. Considerable focus on ensuring suitably qualified and experienced staff are employed within the Group. Ensuring new regulatory requirements and emerging issues are captured with appropriate team training. Appropriate product liability insurance is maintained.
Acquisition/integration **The anticipated benefits of acquisitions may not be achieved if the Group fails to conduct effective due diligence, complete the transaction or properly integrate the acquired businesses.**	Below expected performance of the acquired business and the diversion of management attention to integration efforts could result in significant value destruction.	The Board approves the business case and funding requirements for all significant investments and has acquisition integration processes in place to monitor the performance of acquired businesses. Chief Corporate Development Officer and a Corporate Development Committee are in place to oversee acquisition and divestiture related activity. Acquired entity management teams are typically strengthened by the transfer of experienced Glanbia managers, which assists in increasing the efficiency of integration efforts. Mandatory post-acquisition completion and significant capital expenditure project reviews are conducted, with regular Audit Committee updates.
Financial		
Taxation changes **The Group's tax strategy may be impacted by legislative changes to local or international tax rules.**	The Group may be exposed to additional tax liabilities.	The Group employs a team of tax professionals to support the Group in ensuring compliance with legislative requirements globally. We constructively engage with tax authorities where appropriate and we engage advisors to clarify tax legislation to ensure that we achieve compliance with relevant tax law across the jurisdictions in which we operate. The Audit Committee is routinely updated on the outcome of tax authority reviews. No material issues arose in any such reviews in recent years.

Risk trend Increasing Stable Decreasing

Developments in 2022	2023 focus areas
Significant management effort deployed to prevent supply chain disruptions. Pricing action in both GPN and GN were implemented to offset some of the increased inflationary related input costs. Continuous review of future supply, demand and expected pricing of raw materials through further strengthening relationships with suppliers were performed to ensure resources were available at competitive prices. Appropriate safety stocks for core raw materials are in place and continued monitoring of raw materials delay risks are considered with alternative sources of supply identified.	The impact of price increases across our brand portfolio, which may disrupt demand due to price elasticity, will continue to be monitored. Any further price increases will be managed against the Group's ambition to continue to drive revenue growth. Ongoing engagement with our supply base to ensure sustainability of supply at a level of pricing that is both commercial and competitive. Continuing to monitor the potential impacts of Covid-19 and geopolitical tensions, particularly in relation to the import of key raw materials and/or negative impacts on our international sales channels. Effective action will be taken where required.
Robust quality and auditing standards continue to be maintained with routine ESG and Audit Committee reporting. All sites achieved or maintained a globally recognised food safety certification in 2022. Critical incident trends continue to be closely monitored to ensure effective root cause analysis and implementation of appropriate corrective and preventive actions from previous incidents. New 'internal benchmarking' protocol for food safety risk has been implemented which defines the minimum acceptable programme elements that all sites are expected to meet. The Group's overall GQS programme was reviewed by an external globally recognised expert and considered a 'best practice approach' to food safety systems.	Maintaining standards as we integrate new acquisitions and optimise our supply chain globally by encompassing a mix of owned and contract manufacturer facilities. Ensuring effective oversight of third-party manufacturing qualifications and compliance with Glanbia's food safety performance standards. Working to continuously improve our operations, particularly in the servicing of higher risk product sectors, while reducing our environmental impacts in a cost effective and sustainable manner. Focusing on identifying, and as needed, narrowing the gap to meeting the GRI 416 Customer Health and Safety standard, with priority on an independent regulatory capability assessment and benchmarking review.
Completed the disposal of the Group's 40% interest in the Glanbia Ireland joint venture to Tirlán Co-operative Society Limited (formerly Glanbia Co-operative Society Limited) for €307 million. Completed the acquisition of Sterling Technology, a US bioactive ingredient company focused on immunity solutions, in March 2022 for an initial consideration of €54.5 million plus deferred consideration. Implemented changes in the fair value of contingent consideration related to LevlUp as outlined in the Group Finance Director's review on page 47. The joint venture Glanbia Cheese EU, a mozzarella cheese plant in Ireland, was fully commissioned during Q4 2022. A further €47.0 million was advanced to this Irish venture in 2022, with full repayment of these loans on completion of the planned divestment of this business in 2023. The Audit Committee assessed the impairment review of goodwill and intangibles, including an assessment of the current global economic environment, as outlined on page 108 and reviewed a number of post-completion reviews presented by the Group Finance Director.	The Board will continue to review the Group's overall portfolio as part of its strategic review processes and will evaluate potential acquisition opportunities to broaden the portfolio in this context that will drive growth and assist the Group in achieving its ambition. Completing the divestment of other non-core assets arising from the strategic review performed, as outlined in the Group Finance Director's review on pages 44 to 49. Acquisition integration and post-acquisition review processes will continue to be monitored through Board and/or Audit Committee reviews. The Audit Committee will continue to review the impairment testing methodology, inputs, assumptions, sensitivity analysis and results of any material businesses performing below expectations.
The Audit Committee received a detailed management presentation on our tax structures and controls, the status of tax audits, the ongoing management of our current operations and evolving tax legislation including the work of the Organisation for Economic Co-operation and Development (OECD).	Management will continue to monitor developments in international tax legislation, with a focus on maintaining compliance with legislative requirements. We will continue to engage external tax advisors to clarify tax legislation to ensure that we achieve compliance with relevant tax laws across the jurisdictions in which we operate. Pro-active engagement with tax authorities in all material jurisdictions will also continue where required.

Governance

Directors' Report

Corporate Governance Report
Introduction from the Group Chairman

Effective governance enabling growth

"The Board is very conscious of the role that it plays in ensuring that Glanbia operates in a manner which is consistent with the highest standards of corporate governance. In 2022 we made good progress on our key governance priorities in the areas of Board renewal, sustainability and stakeholder engagement"

Donard Gaynor
Group Chairman

Dear Shareholder,
On behalf of the Board, I am delighted to present the Corporate Governance Report for the year ended 31 December 2022.

We have sustained the growth momentum seen in 2021 and continued to focus on delivering on and exceeding our targets. While we see further challenges ahead in the form of the volatile political climate, ever pressing climate and environmental targets and rising inflation, we are more determined than ever to deliver excellence across the Group and remain a top choice for our customers and end-point consumers.

A performance driven, purpose-led better nutrition company
We are driven by healthier lifestyles and our purpose is to deliver better nutrition for every step of life's journey. We aim to do this through focused, scalable growth and continue to make progress on our strategic agenda. Reiterating the sentiment expressed by our Group Managing Director, Siobhán Talbot, at the Capital Markets Day held in Illinois on 9 November 2022, change is part of our DNA, we have evolved enormously, our markets have evolved and we have stayed close to our customers and consumers. We don't let structure get in the way of strategy.

With the completion of the sale of the Group's minority interest in Glanbia Ireland (Tirlán) on 1 April 2022, the Company continues to evolve as a focused, purpose-led global better nutrition company.

Further details on the disposal transaction are set out on page 44.

Sustainability
Sustainability remains a large focus area for the Group. We are committed to delivering our Environmental Social and Governance ("ESG") goals, reducing our carbon emissions in line with a 1.5 degrees Celsius pathway. The revised ambition is for a 50% reduction in Scope 1 and 2 carbon emissions by 2030, from a 2018 base year.

Further details on our sustainability strategy can be found on pages 50 to 67.

Stakeholder engagement
Stakeholder engagement, and understanding the views of our stakeholders, is a core part of my role as Group Chairman. Following the lifting of Covid-19 restrictions, I focused on face-to-face engagements throughout the year.

A highlight of 2022 was the Capital Markets Day where we provided robust detail on the Group's strategic plans and three year financial ambition, on operations for GN, GPN and joint ventures, their performance and strategies, and on our sustainability targets and commitments.

During 2022, representatives of the Group attended 12 investor conferences. Meetings were held face-to-face where possible and an analyst dinner was held in London in June.

A shareholder perceptions survey to understand shareholders' priorities was carried out by an independent specialist firm on behalf of the Board. Shareholders and investors were given an opportunity to provide feedback to the Company on a confidential basis. Interviews with shareholders and equity analysts, covering a significant proportion of the Company's equity ownership, were carried out on an anonymous basis. Investors were interested in understanding the evolution of the Group's strategy following the disposal of its stake in Glanbia Ireland (Tirlán). They were also keen to further understand the key markets the Group is exposed to as well as the drivers of growth following the pandemic. The findings were presented to the Board for review and discussion.

Further details on how we engage with our stakeholders are set out on pages 52 to 53.

Culture

As a purpose-led company, the culture of the Group is integral and we live this through inclusive behaviours and promoting our values, as set out on pages 20 and 21. We adopt this culture in every aspect of how we do business, from the manner in which we engage with our customers, consumers and the communities in which we operate, to the ways in which we show our respect for our people. We put a lot of emphasis on respect, on respecting perspective, views and the environment. We are conscious that the success of Glanbia is underpinned by the work and dedication of its people and we are committed to fostering this supportive, inclusive and diverse culture in Glanbia.

This year we established employee resource groups ("ERG") for female, multicultural and LGBTQIA+ employees, we built female management representation targets into our annual incentives, increased awareness and education programmes on diversity and inclusion and we engaged with our employees by rolling out a pulse survey during the year, with favourable results. We endeavour to promote an open and inclusive environment for our employees. We understand that our people have busy and challenging lives and have chosen to continue to support working from home where possible and permitted by work commitments, allowing us access to a wide geography of talent.

Over the course of the year, I held a number of face-to-face meetings with employees throughout the organisation across both Ireland and the US. During these conversations, I heard about what we are doing right as an organisation and indeed how we can improve. I am always grateful for these meetings and listened carefully to these suggestions, reporting them back to the Board to be factored into decision making.

Our cultural climate is measured through a number of policy and compliance processes, internal audit and both formal and informal channels for employees to raise concerns (including our employee engagement survey and our whistleblowing programme, 'Speak Up', which is also available to the contractors and suppliers working with us).

For more on our culture and values see pages 20-21 and 91, and for DE&I policies see page 22.

Board composition, Board renewal and Committee changes

There were a number of changes in the composition of the Board and Committees during 2022, which are discussed in more detail in the Nomination and Governance Committee Report on page 114. Patrick Coveney and Vincent Gorman retired from the Board on 30 March 2022 and 5 May 2022 respectively. I thank both of them sincerely for their service and commitment to the Board during their tenure. Following an extensive search using a global talent search firm, Ilona Haaijer and Kimberly Underhill were appointed as Independent Non-Executive Directors effective 1 August 2022, increasing female Board membership to 36%. This follows the reduction in the representation of Tirlán Co-operative Society Limited (formerly Glanbia Co-operative Society Limited) (the "Society") on the Board from six to five in 2022 with a further agreed reduction to three in 2023.

The reduction of Society representation on the Board has enabled us to increase the range of diversity and experience on our Board. Full biographical details for Ilona and Kimberly can be found on page 85.

Michael Horan stepped down from his role as Group Secretary and as a member of the Group Operating Executive on 4 April 2022. As a result, Liam Hennigan took on the role of Group Secretary and Head of Investor Relations with effect from 4 April 2022. Liam joined Glanbia in 2014 as Head of Investor Relations and later took on added responsibility for Strategic Planning. Prior to Glanbia he worked at PwC, focusing on restructuring, mergers and acquisitions within the consumer sector.

A new Development Committee was established on 24 February 2022 to assist the Board in assessing new corporate development opportunities. Paul Duffy replaced Dan O'Connor as Chair of the Audit Committee on 7 March 2022.

Looking ahead

The governance priorities for the coming year include a continued focus on delivering strong results, maximising our growth strategy, supporting diversity, equity and inclusion, monitoring the progress of our sustainability targets, mitigating inflation and the continued evolution of the Board. Good governance and a strong corporate culture are the foundations of Glanbia's purpose, vision and strategy. We have considered this report carefully so that our stakeholders have an in-depth understanding of our priorities and the arrangements and processes we have in place to comply with the UK Corporate Governance Code 2018 (the "Code") and the Irish Corporate Governance Annex (the "Irish Annex") (together the "Codes"). The information contained in this report and the Corporate Governance Statement has been set out in a way to enable the reader to evaluate how the principles in the Codes have been applied.

We are currently planning our 2023 Annual General Meeting ("AGM") which will be held on 4 May 2023 at 11.00 a.m. at the Lyrath Estate, Kilkenny, R95 F685, Ireland. I encourage all shareholders to either attend the AGM personally or use their proxy vote in respect of the resolutions to be considered. This will enable us to obtain a better understanding of your views. I also welcome questions from shareholders either via our website www.glanbia.com, by e-mail at groupsecretary@glanbia.ie or in person at the AGM.

I would like to express my sincere thanks to the Board, and on behalf of the Board to our employees, colleagues and partners worldwide, whose dedication, as always, has been exemplary and without whose talents we could not continue to deliver the high standard of excellence for which Glanbia is known.

Donard Gaynor
Group Chairman

Corporate Governance

Experience and skills of the Non-Executive Directors

	Food and beverage industry	Leadership and management	Finance	Strategic planning	Brand experience	Change management	Corporate transactions	Corporate governance	International business development
Donard Gaynor	■	■	■	■	■	■	■	■	■
Patsy Ahern	■							■	
Róisín Brennan	■	■	■	■		■	■	■	
Paul Duffy	■	■	■	■	■	■	■	■	■
Ilona Haaijer	■	■		■	■	■	■	■	■
Brendan Hayes	■							■	
Jane Lodge	■	■	■			■	■	■	■
John G Murphy	■	■						■	
John Murphy	■							■	
Patrick Murphy	■							■	
Dan O'Connor	■	■	■	■		■	■	■	■
Kimberly Underhill		■		■	■	■		■	■

UK Corporate Governance and Irish Corporate Governance Annex Statement of Compliance

In 2022 the Group was subject to the Codes. The Group applied all the principles and complied with the detailed provisions of the Codes with the exception of those set out below. The Codes recognise that an alternative to following a provision may be justified in particular circumstances where good governance is still achieved. The rationale for these departures is explained below.

Provision 11 (Composition of the Board of Directors)

Provision 11 provides that at least half the Board, excluding the chair, should be non-executive directors whom the Board considers to be independent. The current composition of the Board is the Group Chairman, two Executive Directors, five Directors nominated by the Society and six Independent Non-Executive Directors, with the Independent Non-Executive Directors making up 43% of the Board. The current Board composition reflects the relationship of the Company with the Society which is documented in the amended and restated Relationship Agreement dated 5 May 2021. On 23 February 2021, the Society and the Board agreed a number of changes which will impact the composition and size of the Board over the period between 2021 to 2023 and which will reduce the number of Directors nominated by the Society on the Board from seven to three (currently five) and the Board size from 15 to 13 (currently 14) (details of which are set out in the Nomination and Governance Committee Report). This would mean the composition of the Board in 2023 will be the Group Chairman, two Executive Directors, three Directors nominated by the Society and seven Independent Non-Executive Directors, with the Independent Non-Executive Directors making up 54% of the Board. The Board is satisfied that the current composition of the Board is justified in our particular circumstances where there is an identified plan to increase the number of Independent Directors on the Board.

Provision 19 (Chairman tenure)

In accordance with the Relationship Agreement dated 2 July 2017, Donard Gaynor, (at the time an Independent Non-Executive Director), was appointed as the first Independent of the Society Group Chairman of the Company on 8 October 2020, having been appointed to the Board on 12 March 2013. In 2021, the Board unanimously agreed that he will continue as Group Chairman until his successor is appointed in 2025 to facilitate the appointment of three new Independent Non-Executive Directors together with ongoing effective Board renewal. The Board believes that the extension of the Group Chairman's tenure for a limited period beyond nine years is warranted in this instance to facilitate effective succession planning and the development of a diverse board. The Group Chairman is evaluated yearly and the Board is satisfied that he continues to demonstrate independence of character and judgment and is free from any business or other relationship that could affect his judgement.

Provision 38 (Pension Contributions)

We are reviewing our workforce pension arrangements so that our Executive Directors will be aligned to the workforce rate in Ireland following this review. Although the review has not yet completed, from 1 January 2023 the pension contribution for the Group Managing Director and Group Finance Director was reduced from 26.5% and 25% of salary respectively to 12% for both. Upon conclusion of the review in 2023, any further necessary adjustments for the Group Managing Director and Group Finance Director to align with the workforce rate in Ireland will be made at that time. The pension contribution rates for future Executive Directors will be aligned to the workforce in the country of appointment. Further details can be found in the Remuneration Committee Report.

A description of how we have applied the principles and detailed provisions of the Codes is set out in the following pages.

Board of Directors and Senior Management
Group Chairman and Executive Directors

Leading by example

	Donard Gaynor	Siobhán Talbot	Mark Garvey
Job title	Group Chairman and Non-Executive Director	Group Managing Director and Executive Director	Group Finance Director and Executive Director
Date of appointment	12 March 2013	1 July 2009	12 November 2013
Board tenure	Nine full years	13 full years	Nine full years
Skills and expertise	Extensive knowledge of the food and beverage industry with significant commercial acumen and deep insight into international business.	Strong leadership qualities, and deep knowledge of management, finance and strategic planning acquired from a successful career path within Glanbia.	Strong background in finance and global executive management and extensive experience in the food and beverage industry.
Experience	Donard Gaynor was appointed Group Chairman on 8 October 2020. Donard Gaynor retired in December 2012 as Senior Vice President of Strategy and Corporate Development of Beam, Inc., the premium spirits company previously listed on the New York Stock Exchange. A Fellow of Chartered Accountants Ireland and the American Institute of Certified Public Accountants, he joined Beam, Inc. in 2003 as Senior Vice President and Managing Director – International. Prior to this, he served in a variety of senior executive leadership roles with The Seagram Spirits & Wine Group in New York and was also Audit Client Services Partner with the New York office of PwC.	Siobhán Talbot was appointed as Group Managing Director on 12 November 2013, having been appointed Group Managing Director Designate on 1 June 2013. She was previously Group Finance Director and her role encompassed responsibility for Group strategic planning. She has been a member of the Group Operating Executive since 2000 and the Board since 2009 and has held a number of senior positions since she joined the Group in 1992. She is also a Director of the Irish Business and Employers Confederation (IBEC) and was appointed as a Non-Executive Director of CRH plc effective 1 December 2018. Prior to joining Glanbia, she worked with PwC in Dublin and Sydney. A Fellow of Chartered Accountants Ireland, Siobhán graduated from University College Dublin with a Bachelor of Commerce degree and Diploma in Professional Accounting.	Mark Garvey was appointed as Group Finance Director on 12 November 2013. Prior to joining Glanbia he held the position of Executive Vice President and Chief Financial Officer until 2012 with Sara Lee Corporation, a leading global food and beverage company. Mark also held a number of senior finance roles in the Sara Lee Corporation in the US and Europe and prior to that he worked with Arthur Andersen in Ireland and the US. A Fellow of Chartered Accountants Ireland and the American Institute of Certified Public Accountants, Mark graduated from University College Dublin with a Bachelor of Commerce degree and Diploma in Professional Accounting and has an Executive MBA from Northwestern University, Illinois.
Key external appointments	None.	Non-Executive Director of CRH plc and Director of the Irish Business and Employers Confederation (IBEC).	None.
	DC ESG NGC RC	DC ESG	DC

Key

AC Audit Committee
DC Development Committee
NGC Nomination and Governance Committee
ESG Environmental Social and Governance Committee
RC Remuneration Committee
Chair

Board of Directors and Senior Management continued

Senior Independent Director, Non-Executive Directors



	Dan O'Connor	**Róisín Brennan**	**Paul Duffy**
Job title	Senior Independent Director and Non-Executive Director	Non-Executive Director	Non-Executive Director
Date of appointment	1 December 2014	1 January 2021	1 March 2021
Board tenure	Eight full years	Two full years	One full year
Skills and expertise	Strong, strategic leadership acquired from 30 years international and financial services sector experience.	Extensive strategic and financial advisory experience across many sectors including food and FMCG.	Experienced Chairman and Chief Executive Officer with extensive knowledge of the consumer and beverage industry with significant strategic and brand experience.
Experience	Dan O'Connor is currently Chairman of Activate Capital Limited and a Director of Oriel Windfarm Limited. He is former Chairman of International Personal Finance plc and a former Non-Executive Director of CRH plc. Dan is a former President and Chief Executive Officer of GE Consumer Finance Europe and a former Senior Vice-President of GE. He was Executive Chairman of Allied Irish Banks plc from 2009 until 2010. A Fellow of Chartered Accountants Ireland. Dan graduated from University College Dublin with a Bachelor of Commerce degree and Diploma in Professional Accounting.	Róisín Brennan is a former Chief Executive of IBI Corporate Finance Ltd and has over 20 years of investment banking experience, particularly advising public companies in Ireland. She brings strong strategic and financial advisory experience across many sectors including food and FMCG to the Board. Róisín is currently a Non-Executive Director of Ryanair Holdings plc, Musgrave Group plc and Dell Bank International DAC. Formerly, she was a Non-Executive Director of DCC plc from 2005 until 2016 and is also a former Non-Executive Director of Hibernia REIT plc, Wireless Group plc, Coillte DAC and The Irish Takeover Panel. A Fellow of Chartered Accountants Ireland, Róisín graduated from University College Dublin with a Bachelor of Civil Law degree.	Paul Duffy is a former Chairman and CEO of Pernod Ricard North America, a global leader in the Wine and Spirits industry. During his 25 year career with Pernod Ricard, Paul held a number of senior management positions including Chairman and CEO roles at Pernod Ricard UK, The Absolut Company (Sweden) and Irish Distillers. He served on the Pernod Ricard worldwide management executive committee. Paul is currently a director of W.A. Baxter & Sons, a United Kingdom Food Group and is a former director of Corby Spirit and Wine Limited, a leading Canadian marketer and distributor of spirits and wines listed on the Toronto Stock Exchange. Paul is a Fellow of Chartered Accountants Ireland and is a graduate of Trinity College Dublin.
Key external appointments	Chairman of Activate Capital Limited and Director of Oriel Windfarm Limited.	Non-Executive Director of Ryanair Holdings plc, Musgrave Group plc and Dell Bank International DAC.	Non-Executive Director of W.A. Baxter & Sons.
	DC NGC ESG	DC NGC RC	AC DC RC

			
	Ilona Haaijer	**Jane Lodge**	**Kimberly Underhill**
Job title	Non-Executive Director	Non-Executive Director	Non-Executive Director
Date of appointment	1 August 2022	1 November 2020	1 August 2022
Board tenure	Less than one full year	Two full years	Less than one full year
Skills and expertise	Extensive and significant leadership experience of strategic development, change management, mergers and acquisitions and leading complex, global businesses in the food ingredients and consumer sectors.	In-depth knowledge of international business, management, corporate transactions, corporate governance and reporting gained from a successful career with Deloitte.	Extensive and significant leadership experience in US and international consumer products businesses, with particular strength in product development, marketing, portfolio management, brand-building, strategic planning and international business development.
Experience	Ilona Haaijer is a former President and CEO of DSM Food Specialties, President of DSM Personal Care and also previously served as CEO of Bugaboo International, CEO of Philips AVENT, Vice President Corporate Strategy of Royal Philips Electronics, and as a Consultant at The Boston Consulting Group. Ilona brings significant international experience of food ingredient and consumer oriented businesses and is currently a Non-Executive Director of Corbion N.V., an Amsterdam based Euronext listed food and bio-technology company. Formerly, she was a Non-Executive Director of RPC Group plc and Royal Boskalis Westminster N.V.. Ilona graduated from the University of Groningen, Netherlands with an MA in Business Economics.	Jane Lodge is a former Senior Audit Partner of Deloitte with extensive knowledge and experience of international businesses in a wide range of sectors. Jane served on the Deloitte UK Board of Partners and was the UK Manufacturing Industry Lead Partner. She is currently a Non-Executive Director of TI Fluid Systems plc, FirstGroup plc and Bakkavor Group plc. She is a former Non-Executive Director of Devro plc, Sirius Minerals plc, Costain Group plc and DCC plc. A Fellow of the Institute of Chartered Accountants in England and Wales, Jane graduated from University of Birmingham with a BSc in Geology.	Kimberly Underhill is a former Group President, Consumer Business North America of Kimberly-Clark. During her 33 year career with Kimberly-Clark, she held roles within research and engineering, operations and marketing. Kimberly served as Global President, Kimberly-Clark Professional and as President, Consumer Europe. Kimberly is currently a Non-Executive Director of Foot Locker Inc., the global sportswear and footwear retailer listed on the New York Stock Exchange. She also serves on the Board of Trustees of Theda Care Regional Medical Centre, is a Director of The Menasha Corporation (a privately held company that is a packaging manufacturer and provider of supply chain solutions) and is Co-Chair of Fox Cities United Way Campaign. Formerly, Kimberly chaired the Network of Executive Women and was a Director of the Food Marketing Institute. Kimberly graduated from Milwaukee School of Engineering, USA with a MSc in Engineering Management, and Purdue University, USA with a BSc in Chemical Engineering.
Key external appointments	Non-Executive Director of Corbion N.V.	Non-Executive Director of TI Fluid Systems plc, FirstGroup plc and Bakkavor Group plc.	Non-Executive Director of Foot Locker Inc., and a director of The Menasha Corporation.
	AC DC ESG	AC DC RC	AC DC RC

Key

AC Audit Committee
DC Development Committee
NGC Nomination and Governance Committee
ESG Environmental Social and Governance Committee
RC Remuneration Committee
Chair

Board of Directors and Senior Management continued
Non-Executive Directors nominated by the Society



Name	Patsy Ahern	Brendan Hayes	John G Murphy
Job title	Non-Executive Director nominated by the Society	Non-Executive Director nominated by the Society	Non-Executive Director nominated by the Society
Date of appointment	21 June 2018	2 June 2017	29 June 2010
Board tenure	Seven full years (over each of his terms)	10 full years (over each of his terms)	12 full years
Skills and expertise	Extensive knowledge of the global food and beverage industry and significant experience in the governance and strategic management of a global business gained from his tenure on the boards of Tirlán Co-operative Society Limited and Glanbia plc.	Extensive knowledge of the global food and beverage industry and significant experience in the governance and strategic management of a global business gained from his tenure on the boards of Tirlán Co-operative Society Limited and Glanbia plc.	Extensive knowledge of the global food and beverage industry and significant experience in the governance and strategic management of a global business gained from his tenure on the boards of Tirlán Co-operative Society Limited and Glanbia plc.
Experience	Patsy Ahern farms at Sheanmore, Ballyduff Upper, Co. Waterford and previously served two full years on the Board. Patsy has completed the University College Cork Diploma in Corporate Direction.	Brendan Hayes farms at Ballyquinn, Carrick-on-Suir, Co. Waterford and previously served four full years on the Board. He was appointed Vice-Chairman of Tirlán Co-operative Society Limited (formerly Glanbia Co-operative Society Limited) on 8 October 2020. Brendan has completed the University College Cork Diploma in Corporate Direction.	John G Murphy farms at Ballinacoola, Craanford, Gorey, Co. Wexford. John served as Group Vice-Chairman between 2 June 2017 and 8 October 2020. John was appointed Chairman of Tirlán Co-operative Society Limited (formerly Glanbia Co-operative Society Limited) on 8 October 2020. John has completed the University College Cork Diploma in Corporate Direction.
Key external appointments	Director of Tirlán Co-operative Society Limited and Irish Co-operative Organisation Society Limited.	Vice-Chairman of Tirlán Co-operative Society Limited.	Chairman of Tirlán Co-operative Society Limited.
			ESG

	John Murphy	Patrick Murphy
Job title	Non-Executive Director nominated by the Society	Non-Executive Director nominated by the Society
Date of appointment	8 October 2020	26 May 2011
Board tenure	Two full years	11 full years
Skills and expertise	Extensive knowledge of the global food and beverage industry and significant experience in the governance and strategic management of a global business gained from his tenure on the boards of Tirlán Co-operative Society Limited and Glanbia plc.	Extensive knowledge of the global food and beverage industry and significant experience in the governance and strategic management of a global business gained from his tenure on the boards of Tirlán Co-operative Society Limited and Glanbia plc.
Experience	John Murphy farms at High Down Hill, Newcastle, Co Dublin.	Patrick Murphy farms at Smithstown, Maddoxtown, Co. Kilkenny. Patrick served as Group Vice-Chairman until 8 October 2020 having served as Vice-Chairman for over five years over two separate terms. He is Vice-Chairman of Tirlán Co-operative Society Limited (formerly Glanbia Co-operative Society Limited). Patrick is a Director of Farmer Business Developments plc.
Key external appointments	Director of Tirlán Co-operative Society Limited.	Vice-Chairman of Tirlán Co-operative Society Limited and Director of Farmer Business Developments plc.

Key

AC Audit Committee
DC Development Committee
NGC Nomination and Governance Committee
ESG Environmental Social and Governance Committee
RC Remuneration Committee
Chair

Board of Directors and Senior Management continued
Senior management, Group Operating Executive

Name	Ian Doyle	Hugh McGuire	Michael Patten
Job title	Chief Corporate Development Officer	CEO Glanbia Performance Nutrition	Chief ESG & Corporate Affairs Officer
Date of appointment	4 January 2022	1 June 2013	11 December 2014
Tenure	One full year	Nine full years	Eight full years
Skills and expertise	A deep knowledge of international corporate finance with extensive experience negotiating and structuring complex acquisitions, divestitures, investments and partnerships.	Experienced chief executive officer who has extensive strategic, corporate development and acquisition experience. Strong leadership qualities acquired from a successful career within Glanbia.	Internationally experienced senior leader with a deep understanding of leadership and culture, ESG, reputation and policy agendas in the global food and beverage sector.
Experience	Ian Doyle is Chief Corporate Development Officer and responsible for identifying partnership, acquisition and new business opportunities globally. Prior to joining Glanbia, he was Managing Director in the North American Consumer Retail Group of Nomura Securities with responsibility for food and beverage companies. Previously Ian was based in London and was part of Lehman Brothers' European investment banking business. He holds a degree in Business Studies and German from Trinity College Dublin.	Hugh McGuire is CEO of Glanbia Performance Nutrition. Hugh was appointed to the Board on 1 June 2013 and served as a Director of the Company between June 2013 and April 2019. Hugh joined the Group in 2003 and has been CEO of Glanbia Performance Nutrition since 2008. Prior to that he held a number of senior management roles in the Group. He previously worked for McKinsey & Company as a consultant across a range of industry sectors. Prior to this he worked in the consumer products industry with Nestle and Leaf. Hugh graduated from University College Dublin with an M.Sc. in Food Science. He has a Diploma in Finance from the Association of Chartered Certified Accountants Ireland.	Michael Patten is Chief Environmental Social Governance ("ESG") & Corporate Affairs Officer and has responsibility for the development and implementation of our ESG strategy, strategic leadership of the Group's global reputation, public affairs and sustainability agenda. Previously Michael was Glanbia's Chief Human Resource Officer. Prior to joining the Group, Michael was Global Public Affairs Director with Diageo plc. He previously served with the Group as Director of Communications. Michael is currently a Non-Executive Director of the Irish Management Institute (IMI). Michael holds a BA in Communication Studies from Dublin City University and is an Honorary Life Fellow of the Public Relations Institute of Ireland. Michael is a Chartered Director with the Institute of Directors.
Key external appointments	None.	Director of ClonBio Group Limited.	Non-Executive Director of the Irish Management Institute (IMI)



	Brian Phelan	Sue Sweem	Liam Hennigan
Job title	CEO Glanbia Nutritionals	Chief Human Resources Officer	Group Secretary and Head of Investor Relations
Date of appointment	1 January 2004	1 December 2021	4 April 2022
Tenure	19 full years	One full year	Less than one full year
Skills and expertise	Experienced chief executive officer who has extensive strategic, commercial and corporate development experience. Strong leadership qualities acquired from a successful career within Glanbia.	A deep knowledge of global human resources management with expertise in organisation development shaping the culture and capabilities of the business, and supporting the integration of acquisitions.	In-depth knowledge of the consumer goods sector, strategy, finance, restructuring, mergers, acquisitions, capital markets and communications.
Experience	Brian Phelan was appointed as CEO of Glanbia Nutritionals on 1 June 2013 and served as a Director of the Company between January 2013 and April 2019. Brian was previously Group Human Resources & Operations Development Director from 2004 to 2012. He is the Chairman of Glanbia Cheese Limited. Since joining the Group in 1993, he has held a number of senior management positions. Prior to this, he worked with KPMG. He graduated from University College Cork with a Bachelor of Commerce degree and is a Fellow of Chartered Accountants Ireland.	Sue Sweem is Chief Human Resources Officer and has responsibility for the strategic leadership of Group Human Resources. Previously, she was Chief People Officer for Glanbia Performance Nutrition ("GPN") from 2015 to 2021 and held other HR positions in GPN since joining in 2012. Prior to joining Glanbia, Sue was a HR Director at Walgreens and gained international experience while serving as Head of HR in the US for AkzoNobel, a global company based in The Netherlands. Sue holds a PhD in Organization Development from Benedictine University, a Master's degree in HR & Industrial Relations from Loyola University and a BS in Sociology from Iowa State University.	Liam Hennigan was appointed Group Secretary and Head of Investor Relations on 4 April 2022, having previously held the position of Group Director of Strategic Planning and Investor Relations. Liam joined the Group in 2014 as Head of Investor Relations and later took on added responsibility for Strategic Planning. Liam previously worked as a Corporate Finance Director with PwC and prior to that at Diageo plc where he worked in brand innovation and marketing procurement. Liam has lived and worked extensively in the UK, USA, Spain and Ireland. He holds a degree in Food Technology from University College Cork, Ireland as well as an MBA from IE Business School, Spain and a diploma in Accounting from the Association of Chartered Certified Accountants.
Key external appointments	None.	None.	None.

Board Leadership and Company Purpose

The Board recognises the different interests of our stakeholder groups and the impact the delivery of our strategic priorities will have upon them. As outlined on pages 52 and 53, stakeholder engagement occurs at all levels of the organisation. The Board monitors and contributes to regular dialogue taking place with stakeholders.

Shareholder engagement

Communications with shareholders are given high priority and the Group devotes considerable time and resources each year to shareholder engagement. Effective dialogue is an integral element of good corporate governance. The Investor Relations team, together with the Group Chairman, Group Managing Director, Group Finance Director and other senior executives regularly meet with shareholders. Details on the issues covered in those meetings and the views of shareholders are circulated to the Board regularly.

A brief outline of the nature of the activities undertaken by our Investor Relations Team in 2022 which included 12 conferences and over 200 investor meetings are set out below.

2022 Shareholder engagement

First Quarter 2022

- Released the Full Year Results, along with accompanying presentation, webcast and conference call.
- Investor Roadshows: held following the release of formal announcements.
- Media Briefings: the Company provided media briefings and interviews on various issues.
- Industry Conferences: attended key sector and investor conferences affording members of the senior management team the opportunity to engage with key investors and analysts.

Second Quarter 2022

- Released the Interim Management Statement, along with accompanying presentation, webcast and conference call;
- 2022 Annual General meeting.
- Investor presentation made available on the Group's website and an analyst event held in London, UK.
- Completed investor perceptions survey. The Group Chairman completed a number of shareholder engagements.

Third Quarter 2022

- Released the Half Year Results, along with accompanying presentation, webcast and conference call.
- Investor Roadshows: held following the release of formal announcements.
- Completed engagement with shareholders on Resolution 14 (the share buyback resolution) following the Company's AGM on 5 May 2022. Glanbia consulted with, and received support from, a number of its independent shareholders on the use of share buybacks as a capital allocation tool, where appropriate. The feedback received was that in general shareholders believed share buybacks are a helpful additional capital allocation tool.

Fourth Quarter 2022

- Released the Interim Management Statement and published ESG targets for the Group, along with accompanying presentation, webcast and conference call.
- Held a Capital Markets Day in November. The event provided an opportunity for the senior management team to update the market on the Group's strategy and 2022 – 2025 financial ambition. The event included a presentation on various aspects of Glanbia's operations and strategy and an opportunity for investors and analysts to meet with Glanbia's wider management team.
- Announced the appointment of Barclays Bank plc and Morgan Stanley & Co International plc as its UK corporate brokers alongside its existing Irish corporate broker J&E Davy.
- Attended a number of investor conferences following the Capital Markets Day to engage with shareholders following the event.

For more information see pages 52 and 53

Employee engagement

Regular and ongoing engagement with employees is key to attracting, developing and retaining a talented, dedicated and motivated workforce which ensures the successful delivery of our strategy and achievement of our purpose. We aim to build a trusting, respectful and inclusive culture where our people feel valued, engaged and fulfilled. As Workforce Engagement Director, Group Chairman Donard Gaynor provides regular feedback to the Board on employee engagement activities during the year. The global survey of employees known as 'Your Voice' is carried out annually and its findings are reviewed by the Board. The Board is also provided with feedback on the global priorities and plans to address the matters raised by employees in the survey and in ongoing dialogue and focus groups. These employee surveys provide valuable insights into what is valued and seen as corporate norms. As part of the feedback from the 2022 survey, the Board was pleased to note improvements in our key focus areas of wellbeing, communication and acting on employee feedback. In addition, the Board also received regular updates on the health, safety and wellbeing of employees.

For more information see pages 20-23

Customers and consumers

Maintaining a broad portfolio of consumer brands and nutritional ingredients is key for our customers and consumers. The Board regularly reviews both innovation and inorganic opportunities to enhance the Group's portfolio and to ensure that it has sufficient breadth and depth in its portfolio to meet consumer demand. The Board is also constantly exploring new ways to meet consumers' and customers' needs by listening to consumers' needs and collaborating with our customers. Furthermore, we consider customer and consumer engagement matters as part of the overall Group sustainability strategy. We also assess recommendations in respect of our brands' positioning and focuses on household penetration, net promoter scores and consumption rates.

In terms of the Group's investment in Research & Development activities, the Board, together with management, ensures focus is given to those projects that can best meet customers' needs and thereby enable the Group to achieve its purpose and strategic objectives in relation to revenue growth, margin expansion, return on investment and enabling the delivery of Better Nutrition in a more environmentally sustainable manner.

For more information see pages 24-43

Local communities

Our vision is to have a positive social and economic impact on our communities, by promoting health and wellbeing while protecting the environment. The Board considers the maintenance of close and supportive relationships with the communities in which Glanbia operates to be of particular importance to the Group. We aim to create long-term value for the communities in which we live, work, source and sell. By ensuring we empower people, increase their access to opportunities and champion inclusion and diversity, we can help build thriving communities and strengthen our business. The Board considers local community engagements as part of the overall Group sustainability strategy. We support and receive updates on Glanbia's involvement in local communities and charitable partnerships.

For more information see page 61

Suppliers and business partners

As a Group, we are committed to excellence in food safety and quality and adhere to international standards at our manufacturing sites. We take environmental stewardship seriously, supporting our suppliers and safeguarding animal welfare and life on land. The Board, together with management, ensure that the organisation works with suppliers who provide raw materials to the required safety and quality standards, produced on a sustainable basis and with the proper regard for the fair treatment of workers across the supply chain. Our suppliers must be compliant with the regulations and social customs of the countries in which they operate. The Board receives updates on the operation of the Group procurement function and supply chain priorities and initiatives, and we continuously engage with dairy producers as part of the review of our joint venture operations.

For more information see page 60

Government and Non-Governmental Organisations (NGOs)

As a Board we are cognisant of the regulatory environment in which we operate. The Board engages indirectly with government, regulators and policy makers through regular reports from Senior Executive Team and management. In particular, the Board has received regular briefings during the year on the macro economic environment, world events and emerging geopolitical trends. Management also provided the Board with an analysis of potential developments in regulation and tax policies.

For more information see pages 52 and 53

Purpose, values and culture

Purpose

We have a clear purpose to deliver better nutrition for every step of life's journey. Our purpose communicates the Group's strategic direction and intentions to our employees and wider stakeholders. Due to its importance, it is regularly reviewed by the Board.

In 2022 we refreshed our purpose and brand identity to reflect how the organisation has grown and evolved over the past number of years. During the year the Board approved a new corporate brand identity which was rolled out as part of the Group's Capital Markets Day in November 2022.

Our values

Glanbia has a very distinct set of values which articulate the qualities we embody and our underlying approach to doing business. Our values are embedded in our operational practices through the policies approved by the Board and the direct oversight and involvement of the Executive Directors. Glanbia's values of: Customers' champion; Performance matters; Find a better way; Winning together; and Showing Respect are the code by which the Group operates both internally and externally.

Our culture

Our business spans several continents, but our culture is universal. Our culture has developed from our values and is a key strength of our business. Fuelled by a positive growth mindset, Glanbia leaders inspire and empower others to maximise their potential. The Board reinforces our culture and values through its decisions, strategy and conduct. The Board monitors the Group's culture through several cultural indicators such as:

- management's attitude to risk;
- health and safety data; and
- compliance with the Group's policies and procedures:
  - key performance indicators, including staff retention;
  - messages received via the Group's whistleblowing 'Speak-Up' system;
  - promptness of payments to suppliers;
  - independent assurance is sought via the internal audit function and other outsourced advisers; and
  - employee surveys.

A key consideration during our recruitment process is a potential candidate's 'fit' with our culture and values. We reinforce our culture and values during our induction programme, town halls, and monitor our employees' 'fit' through performance appraisals. Our senior management teams undertake training to ensure they are supporting their teams and encouraging the behaviours which align with our culture. During 2022, management training covered recognising and supporting mental health concerns, diversity and inclusion, and unconscious bias.

In addition, the Board received regular updates from the Group Managing Director and Chief Human Resources Officer on the health, safety and wellbeing of employees.

For more information see pages 20- 23.

Corporate Governance Report continued
Board Leadership and Company Purpose

2022 Board highlights

The Board is responsible for promoting the long-term sustainable success of the Group to generate value for its stakeholders and contribute to the wider society. The Board recognises that the alignment of the Group's purpose, strategy and culture is a cornerstone of its leadership role and critical to our success.

The following pages provide an overview of a range of matters that the Board considered at its meetings. These are non-exhaustive and detail the breadth of oversight provided by the Board in order to discharge responsible leadership. The Board considerations in relation to stakeholder engagement can be found on pages 52 and 53.

Key Board Considerations		
Strategy and performance	• The Board had a strong focus on shareholder value creation and returns. • The Board continues to perform its duties and functions with the Group's purpose of delivering 'Better Nutrition' front and centre of its decision making. • In August 2022, the Board approved the raising of full year guidance from 9% to 13% adjusted EPS growth constant currency. • In November 2022, the Board approved the strategic growth ambitions outlined at the Group's Capital Markets Day on 9 November 2022 for the three years to 2025. • The Board focused on feedback from its shareholders on strategy and performance throughout the year.	**Further details are available on pages 14-19**
Sterling Technology, LLC Acquisition	• The Board approved and completed the acquisition of Sterling Technology, LLC, a bioactive ingredients business based in Brookings, South Dakota.	**Further details are available on page 45**
Disposal of Glanbia plc's 40% interest in Glanbia Ireland (Tirlán)	• On 1 April 2022, the Board oversaw the sale of the Company's minority interest in Glanbia Ireland (Tirlán) to the Society for €307 million. • Following this disposal the Board commenced a review of the Group's structure and growth strategy.	**Further details are available on pages 44 and 48**
Share buyback programmes	• Share buybacks of €173.5 million were approved by the Board.	**Further details are available on pages 45 and 48**
Group sustainability strategy	• The Board appointed a New Senior Vice President for Sustainability and Vice President of Diversity, Equity & Inclusion with strong organisation development put in place. • The Board approved an upgraded Scope 1 and 2 carbon emissions target in line with the 1.5 degrees Celsius pathway. • The Board oversaw the completion of energy audits across the seven largest Group operational sites, with detailed energy efficiency planning, and validation of emissions reduction assessments. • A specialist sustainability firm delivered environmental sustainability Board training in October 2022.	**Further details are available on pages 50-67**

Key Board Considerations

Diversity, equity and inclusion (DE&I)	• During the year, the Board launched ERGs for female, multicultural and LGBTQIA+ employees. • The Board is dedicated to meeting its diversity targets for Board members and senior leadership roles. Female management representation targets were built into annual incentives. • The Board focused on equipping talent acquisition with the resources to attract and source under represented talent and educate hiring managers on inclusive hiring practices. • The Board rolled out unconscious bias training for all employees and Inclusive Leadership training for the Group Senior Leadership which was conducted by Korn Ferry. • The Board published its first gender pay gap report in December 2022. • The Board placed an emphasis on employee engagement, awareness and impact. The Board rolled out a pulse employee engagement survey in June. The Group inclusion index score increased by 2.5 points.	**Further details are available on page 22**
Capital investment	• Glanbia's total investment in capital expenditure (tangible and intangible assets) was €68.9 million (2021: €77.5 million). Strategic investment totalled €49.5 million which related mainly to ongoing capacity enhancement and business integrations to drive further efficiencies in operations. • The Board is focused on cash generation, disciplined cash management, accretive M&A and balancing investment and return of capital to shareholders.	**Further details are available on page 48**
Financing and refinancing	• In December 2022, the Group successfully renewed its debt facilities, and at the year end had committed debt facilities of €1.21 billion (FY 2021: €1.16 billion) with a weighted average maturity of 5.8 years (FY 2021: 3.9 years). Glanbia's ability to generate cash and its available debt facilities ensure the Group has considerable capacity to finance future investment.	**Further details are available on page 48**
Development Committee	• A new Development Committee was established on 24 February 2022 to assist the Board in assessing new corporate development opportunities. • Following the disposal of the Group's interest in Glanbia Ireland (Tirlán) the Development Committee reviewed the Group's portfolio with support from its advisors. This re-emphasised a focus on the Group's two growth platforms of GPN and GN, strategic joint ventures and M&A strategy to acquire targets across GPN and Nutritional Solutions ("NS").	**Further details are available on page 95 and members are listed on pages 83-87**
Cybercrime prevention and security programme	• The Board considered the strategic review of the Group's IT organisation and services, cyber security and anti-fraud controls. • This included a review of the protocols the Group would follow in the event of an attack, based on a protect, detect, respond and recover model. • A new Group Ransomware Response Policy was adopted. • Management response simulation testing was performed to assess the completeness of protocols and internal capabilities. • Email phishing simulation exercises were conducted with the wider workforce to raise awareness in this area.	**Further details are available on pages 74 and 75**

Corporate Governance Report continued
Board Leadership and Company Purpose continued

2022 Board highlights continued

Key Board Considerations		
Mitigating inflation	• The Group's financial priority has been its financial strength and mitigating inflation to keep its strong position. • As we recover from the worst of the Covid-19 pandemic, supply chain issues remain a concern. Along with the outbreak of war in Ukraine and soaring energy prices, inflation has been identified as a major risk by the Board. • Supported by the Board, significant action is being taken across the Group to mitigate inflation with the implementation of operational efficiencies, and pricing increases.	**Further details are available on page 76**
Dividend payments	• The Board is recommending a final dividend of 19.28 cent per share (FY 2021: 17.53 cent per share) which brings the total dividend for the year to 32.21 cent per share, representing an increase of 10% for the prior year. The final dividend will be paid on 5 May 2023 to shareholders on the register of members as at 24 March 2023.	**Further details are available on page 49**
Board renewal	• Two new Independent Non-Executive Directors were appointed on 1 August 2022, Kimberly Underhill and Ilona Haaijer. • Patrick Coveney and Vincent Gorman retired from the Board on 30 March 2022 and 5 May 2022 respectively. • Liam Hennigan replaced Michael Horan and was appointed as Group Secretary and Head of Investor Relations on 4 April 2022.	**Board biographical details are available on pages 83-87**
Directors' Remuneration Policy 2022–2024	• During 2021 the Remuneration Committee completed a review of the Directors' Remuneration Policy to ensure that delivery of an ambitious Group strategy is appropriately incentivised while maintaining focus on strong financial discipline. The Directors' Remuneration Policy for 2022–2024 received 87.91% approval of shareholders at the 2022 AGM.	**Further details are available on page 123**
Corporate brokers	• The Board approved the appointment of Barclays Bank plc and Morgan Stanley & Co International plc as UK corporate brokers alongside its existing Irish corporate broker J&E Davy.	**Further details are available on page 90**
External Group audit evaluation	• An external quality assessment of the Internal Audit function was conducted in 2022 by PwC. • The review noted that the Internal Audit function is providing effective assurance to management and the Audit Committee and is operating in general compliance with the Institute of Internal Auditors Standards with no material issues arising.	**Further details are available on page 107**
Research & Development facility in Kilkenny, Ireland	• The Board approved an upgrade of GN R&D facility in Kilkenny, Ireland. The new enhanced R&D facility will allow GN teams to better deliver innovative solutions to their EMEA-based food and beverage, lifestyle and nutrition brand customers as a key part of their market strategy in the EMEA region.	**Further details on capital expenditure on research and development are available in Note 5 to the Financial Statements on page 190**

Division of Responsibilities

The Board is responsible for establishing the Group's purpose, values and strategy, promoting its culture, overseeing its conduct and affairs, and for promoting the success of the Group for the benefit of its members and stakeholders. It discharges some of its responsibilities directly and others through its Committee framework, the Group Operating Executive and Group Senior Leadership Team. A description of the Governance Framework as at 31 December 2022 is set out below.

Board

Board Committees

Audit Committee
Key activities: review of Annual Report and Financial Statements and statutory Auditor's independence and fees, internal controls, risk management systems, post-acquisition reviews and the effectiveness of the Group Internal Audit and Group Finance functions.

ESG Committee
Key activities: oversight of the ESG programme, the Group sustainability strategy, Pure Food + Pure Planet and the Diversity, Equity and Inclusion Policy, monitoring progress against key performance indicators and external ESG index results, overseeing progress on ESG commitments and targets and monitoring and reviewing the Group's quality, health and safety ("QHS") performance to support continuous improvement and transparency regarding the Group's QHS performance.

Nomination and Governance Committee
Key activities: making recommendations on appointments to the Board (including the Group Chairman), senior management succession planning, review of the independence and time commitment of Non-Executive Directors and keeping under review corporate governance developments to ensure Group governance practices remain in line with best practice.

Remuneration Committee
Key activities: review of Executive Directors' salaries and benefits, approval of annual incentive targets, long-term incentive share awards, review of Non-Executive Directors' fees and compliance with the relevant codes.

Development Committee
Key activities: assist the Board in assessing new corporate development opportunities.

Managing Director

Group Management

Group Operating Executive
This group is comprised of the two Executive Directors, the CEO of GPN, the CEO of GN, the Chief Human Resources Officer, the Chief Corporate Development Officer and the Chief ESG & Corporate Affairs Officer. Key activities: monitoring performance and making strategic recommendations to the Board. This forum is also the Group Risk Committee and the Group Investment Committee.

Group Senior Leadership Team
This team includes the Group Operating Executive and the Group's senior business and functional leaders. Key activities: to create alignment and drive delivery of the Group's business plans.

The Disclosure Committee is in place to oversee the timely and accurate disclosure of all information required to be so disclosed by the Company to meet the legal and regulatory obligations required by its stock exchange listings. It also continues to assist in the design, implementation and periodic evaluation of disclosure controls and procedures. The Disclosure Committee comprises of the Group Managing Director, the Group Finance Director, the Group Secretary and Head of Investor Relations and the Group Financial Controller.

The following are the key matters reserved for the Board:

- approval of the Group's strategic plan, oversight of the Group's operations and review of performance in light of the Group's strategy, objectives, business plans and budgets, ensuring that any necessary corrective/ transformative action is taken;
- ultimate oversight of risk, including determining the Group's risk profile and risk appetite;
- approval of acquisitions, disposals, share buybacks and other transactions outside delegated limits;
- financial reporting and controls, including approval of the Half Year Results, Interim Management Statements and Full Year Results, approval of the Annual Report and Financial Statements, approval of any significant changes in accounting policies or practices and ensuring maintenance of appropriate internal control and risk management systems;
- appointment and removal of Directors;
- ensuring the Annual Report and Financial Statements present a fair, balanced and understandable assessment of the Group's position and prospects and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy;
- assessment of the Group's viability and ability to continue as a going concern;
- capital expenditure, including annual approval of capital expenditure budgets and any material changes to them in line with the Group-wide policy on capital expenditure;
- dividend policy, including annual review of the dividend policy and declaration of the interim dividend and recommendation of the final dividend;
- shareholder documentation, including approval of resolutions and corresponding documentation to be put to the shareholders and approval of all press releases concerning matters decided by the Board; and
- key business policies.

Corporate Governance Report continued
Division of Responsibilities

Board and Committee meeting attendance

Director	Years on the Board	Scheduled	Unscheduled	Audit Committee	Environmental and Social Governance Committee	Nomination and Governance Committee	Remuneration Committee
D Gaynor	9	7/7	7/7		3/3	5/5	6/6
S Talbot	13	7/7	7/7		3/3		
P Ahern	7	7/7	7/7				
R Brennan	2	7/7	7/7			5/5	6/6
P Coveney[1]	8	1/1	1/1	3/3	1/1		
P Duffy	2	7/7	7/7	8/8			6/6
M Garvey	9	7/7	7/7				
V Gorman[2]	8	2/2	2/3				
I Haaijer[3,5]	less than 1	4/4	2/2	1/2	1/1		
B Hayes	10	7/7	7/7				
J Lodge	2	7/7	6/7	8/8			6/6
JG Murphy[5]	12	7/7	7/7		2/3		
J Murphy	2	7/7	7/7				
P Murphy	11	7/7	6/7				
D O'Connor	8	7/7	7/7	6/6	1/1	5/5	4/4
K Underhill[4]	less than 1	4/4	2/2	2/2			2/2

1 P Coveney retired from the Board on 30 March 2022
2 V Gorman retired from the Board on 5 May 2022
3 I Haaijer was appointed to the Board on 1 August 2022
4 K Underhill was appointed to the Board on 1 August 2022.
5 Ilona Haaijer was unable to attend one Audit Committee meeting and John G Murphy was unable to attend one ESG Committee meeting due to personal commitments made prior to their appointments to the respective Committees.

The Board held seven scheduled Board meetings and seven unscheduled Board meetings in 2022. Unscheduled meetings were held as and when required throughout the year.

Board responsibilities
To ensure that the Group operates efficiently and effectively, the Directors, the Group Secretary and Head of Investor Relations and the Group Operating Executive have clearly defined responsibilities which are set out below. There is a clear division of responsibility between the Group Chairman and the Group Managing Director.

Donard Gaynor, Group Chairman
- Leads the Board, sets the agenda and promotes a culture of open debate between Executive and Non-Executive Directors and sets the highest standards of corporate governance.
- Regularly meets with the Group Managing Director and other senior management to stay informed.
- Ensures effective communication with our stakeholders.

Siobhán Talbot, Group Managing Director
- Develops and implements strategy and chairs the Group Operating Executive.
- Leads the Group through the Group Operating Executive.
- Promotes the purpose, vision and values of the organisation.

Dan O'Connor, Senior Independent Director
- Provides a sounding board to the Group Chairman and appraises his performance.
- Acts as intermediary for other Directors, if needed.
- Is available to respond to shareholder concerns when contact through the normal channels is inappropriate.

Mark Garvey, Group Finance Director
- Manages the effectiveness and profitability of the Group including financial and operational risk management.
- Develops appropriate capital and corporate structures to ensure the Group's strategy is met.

Non-Executive Directors
- Provide independent insight and support the Group Chairman in instilling the appropriate culture, values and behaviours in the Group.
- Contribute to developing strategy.
- Scrutinise and constructively challenge the performance of the business, management and individual Executive Directors.
- Monitor the integrity of financial information and ensures that there are robust financial controls and systems of risk management.
- Determine and agree the framework and policy for executive remuneration.
- Oversee Director succession planning.

Liam Hennigan, Group Secretary and Head of Investor Relations
- Monitors the Group's compliance with legal, regulatory, governance, ethics, policy and procedural matters.
- Ensures the Group is appropriately and strategically positioned with analysts, investors, and all stakeholders.
- In conjunction with the Group Chairman, ensures that the Directors receive timely and clear information so that the Directors are equipped for robust debate and informed decision making.
- Supports the Group Chairman by organising induction and training programmes for Directors.
- Provides support and guidance to the Board and the Group Chairman, and acts as an intermediary for Non-Executive Directors.

Group Operating Executive
- With the Group Managing Director, develops and executes the Group's strategy in line with the policies and objectives agreed by the Board.
- Manages operational effectiveness and profitability of the Group.
- Is the Group Risk Committee and Group Investment Committee.

Composition, succession and evaluation

Composition, succession and evaluation

The Board has a clear governance framework with defined responsibilities and accountabilities which ensures that policies and procedures set at Board level are effectively communicated across the whole Group. The Board has established certain principal Committees to assist it in fulfilling its oversight responsibilities, providing detailed focus on particular areas as set out in the respective Committee Reports that follow. The Committees focus on their areas of expertise enabling the Board meetings to focus on strategy, performance, leadership and people, governance and risk, and stakeholder engagement, thereby making the best use of the Board's time together as a whole. The Committee Chairs report to the full Board at each Board meeting following their sessions, ensuring a good communication flow while retaining the ability to escalate items to the full Board's agenda if appropriate.

Information for the Board

The Group Chairman, with the assistance of the Group Managing Director and the Group Secretary and Head of Investor Relations, is responsible for ensuring that Directors are supplied with information in a timely manner and of an appropriate quality that enables them to discharge their duties. Board papers are published typically seven days prior to each meeting to ensure the Board has sufficient time to read the papers and presentations and be prepared in advance of the meeting. In the normal course of business, such information is provided by the Group Managing Director in a regular report to the Board that includes information on operational matters, strategic developments, financial performance relative to the business plan, business development, corporate responsibility and investor relations. The Board meets sufficiently frequently to discharge its duties, and holds additional unscheduled meetings when required, for example to discuss a strategic growth opportunity if it arises.

Each scheduled Board meeting follows a carefully tailored agenda agreed in advance by the Group Chairman, the Group Managing Director and the Group Secretary and Head of Investor Relations. At each scheduled Board meeting, the Group Managing Director, the Group Finance Director and CEOs of the Group's two global growth platforms, GPN and GN, provide detailed operational and financial updates. Depending on the nature of the agenda item to be considered, other Senior Executives are invited to make presentations or participate in Board discussions to ensure that Board decisions are supported by a full analysis.

Throughout the year the Chairs of the Audit, ESG, Nomination and Governance, Remuneration and Development Committees updated the Board on the proceedings of their meetings, including the key discussion points and any particular areas of concern. All Directors have access to the advice and services of the Group Secretary and Head of Investor Relations, who is responsible for advising the Board on all governance matters. The Directors also have access to independent professional advice, if required, provided by the Group. This is coordinated through the Group Secretary and Head of Investor Relations.

Board and Committee meetings are held in person, usually in Kilkenny or Dublin, with the availability for Directors to attend remotely if needed.

Board structure

The Board, who come from diverse backgrounds, ranging from corporate finance, accountancy and banking to industry (food and beverage, fast moving consumer goods and production), currently comprises 14 Directors: two Executive Directors, the Group Chairman and 11 Non-Executive Directors of whom five are currently nominated by the Society, there are currently six other Independent Non-Executive Directors. On 23 February 2021, the Society and the Board agreed a number of changes which will impact the composition and size of the Board over the period between 2021 to 2023 and which will reduce the number of Directors nominated by the Society on the Board effective 2023 from five (2021: seven) to three and the Board size from 14 (2021: 15) to 13. Two Directors nominated by the Society will retire at the 2023 AGM and an additional Independent Non-Executive Director is expected to be appointed in 2023, bringing the number of Independent Non-Executive Directors on the Board, excluding the Chairman, to seven of 13 (54% of the Board).

Appointments to the Board: policy, diversity and succession planning

Having regard to the right of the Society to nominate Directors to the Board, the Nomination and Governance Committee keeps the Board's balance of skills, knowledge, experience and the tenure of Directors under constant review. During 2018, the Board approved a Board Diversity Policy which recognises the benefits of diversity. This was updated in early 2022 to reflect that the Group has agreed that as new Director appointments are made, the target is that a minimum of 50% of the Independent Non-Executive Directors will be female. The Group progressed this in 2022 with both of its most recent appointments being female. Females now represent 55.5% of the Independent Non-Executive Directors.

In respect of succession planning and maintaining the skill-set of the Board, there is an established procedure for the appointment of new Directors and Senior Executives. The Nomination and Governance Committee considers the set of skills and experience required as well as the Company's targets on Board diversity. External search agencies are engaged to assist where appropriate (see pages 117-118 for details of such engagements). The Company also has a formal policy with respect to the appointment of new Independent Non-Executive Directors (other than those nominated by the Society). Further information on appointments to the Board and succession planning can be found on pages 116.

Induction

A robust induction and site visits are an integral part of performing one's duties as a Director. They are invaluable in enabling Board members to develop a greater understanding of the opportunities and challenges affecting the business, leading to more informed discussions around the Board table.

The Company puts full, formal and tailored induction programmes in place for all of its new Directors. While Directors' backgrounds and experience are taken into account, the induction programme is aimed to be a broad introduction to the Group's businesses and its areas of significant risk. Key elements include meeting the Executive Directors and senior management as well as visiting the Group's main sites to be briefed on Group strategy and on their individual businesses. Induction programmes are usually completed within the first six months of a Director's appointment and the Group Secretary and Head of Investor Relations provides assistance and support throughout the induction process.
The programmes are reviewed regularly to consider Directors' feedback and are continually updated and improved.

Corporate Governance Report continued
Composition, succession and evaluation continued

Ilona Haaijer and Kimberly Underhill joined the Board on 1 August 2022. Ilona and Kimberly received an extensive and thorough induction involving one-to-one meetings with the Group Chairman, Group Managing Director, the Group Finance Director and other members of senior management from various Group functions including Group Finance, Group Treasury, Group Tax and Group HR.

In August 2022 Ilona and Kimberly met with each member of the Group Operating Executive Team as part of their induction process and in September 2022, they visited a number of the Group's manufacturing plants in the US and met with US based senior leaders within the GPN and GN segments.

Board development

The Group Chairman regularly encourages the Non-Executive Directors to update their skills, expertise and knowledge of the Group in order to carry out their responsibilities competently. This is achieved by regular presentations at Board meetings from senior management on matters of significance. Examples during the year included regular presentations from senior management of our two wholly-owned business segments GPN and GN and from our strategic joint ventures. During the year the Board and Committees received presentations from the Group Chairman, the Group Finance Director, the Chairs of each of the Committees, the CEOs of each of GPN and GN, the heads of the various business units, the Group Secretary and Head of Investor Relations, the Chief ESG and Corporate Affairs Officer, the Chief Corporate Development Officer, the Chief Human Resources Officer, the General Manager of Group Business Services, the Group Head of IT and the Group Head of Quality and Safety. The Board also participated in ESG training, delivered by a specialist sustainability firm, along with regular sustainability briefings.

In addition to the induction programme that all Directors undertake on joining the Board, an ongoing programme of Director development has been established. For example, it has been the Board's practice to hold a number of Board meetings at subsidiary locations each year to provide Directors with the opportunity to meet local teams, see operations on the ground and have presentations on current operations, projects, future plans and strategy. Opportunities to visit our operations globally and learn more about the business continue to be very important and valuable for the Board, and for new members in particular, as they provide the opportunity for our Directors to understand operations, performance and challenges in a regional context. Board members also get a chance to engage with local employees in different roles at different levels of seniority and from varying backgrounds. This aspect of Board visits provides real insight into the culture of the business. These visits also afford Directors the opportunity to interact with employees and develop deeper insights into the quality of our current senior management and the potential for succession. It also helps the Directors to actively embed the values of Glanbia across key locations.

"My induction to the Glanbia Board has been thorough and informative. I was delighted to visit Glanbia's operations in Ireland and the US as well as meet key management across the Group and I look forward to further engagement during 2023."

GOVERNANCE IN ACTION

New Director Induction

Kimberly Underhill was appointed to the Board on 1 August 2022. Following her appointment, Kimberly underwent a formal induction programme which was tailored to her individual requirements and included the following induction activities.

Induction Activities

- Provision of a detailed information pack including key corporate governance policies, Board papers, financial and strategic documents and information on Directors' duties and responsibilities.
- Meetings with the Executive Directors.
- Meetings with the Group Chairman, the Senior Independent Director and the Chairs of the Remuneration Committee and the Audit Committee.
- Meetings with functional leaders on matters such as Board and corporate governance, corporate development, internal audit, strategy, investor relations, human resources and sustainability.
- Meetings with business leaders of the Glanbia Performance Nutrition and Glanbia Nutritionals to obtain an overview of each business.
- Meetings with external auditors and other advisors.
- Site visits to see first-hand the Group's operations while engaging with employees and senior management.

The Group Secretary and Head of Investor Relations in conjunction with Glanbia's advisers, monitor legal and governance developments and Directors are regularly provided with updates on corporate governance, legislative and regulatory issues, and an annual update is circulated and presented to the Nomination and Governance Committee. Board updates in 2022 also included investor relations update presentations from the Group Secretary and Head of Investor Relations in conjunction with advice from various specialist advisors on the governance framework, investor perceptions, the Group's portfolio and a presentation on the Group's cyber security and anti-fraud controls.

As part of their annual performance evaluation, Directors are given the opportunity to discuss their own training and development needs and our Directors can avail of external courses.

Independence

Avonmore Foods plc and Waterford Foods plc merged in 1997 to form Glanbia plc, the Company. At the same time, their respective major shareholders also merged to form the Society. The Society held a substantial shareholding (over 30%) in the Company until 13 September 2022 when their holding was reduced to 27.6%. In accordance with Listing Rule 6.1.7 of Euronext Dublin/Listing Rule 6.5.4R of the United Kingdom Financial Conduct Authority (FCA), the Company and the Society entered into a relationship agreement in 2014 clarifying the right of the Society to nominate Directors to the Board of Company and the intention of the Company and the Society to comply with the independence provisions/undertakings set out in Listing Rule 2.2.15 of Euronext Dublin and 6.5.4 R of the FCA (the "Independence Provisions"). When the Society's holding in the Company fell below 30% on 13 September 2022, the Relationship Agreement terminated in part, the provision providing for the right of the Society to appoint Non-Executive Directors remained. Notwithstanding the termination of the Relationship Agreement, the Company can confirm it complied with the Independence Provisions in the Relationship Agreement for the entire of 2022 and, in so far as the Company is aware, the Society has also complied with the same Independence Provisions. Since the disposal of the Company's minority interest in Glanbia Ireland (Tirlán), separate executive teams have been established. The Group continues on an interim basis to provide certain corporate, shared services, IT and Group purchasing services to Glanbia Ireland (Tirlán).

The Board and the Nomination and Governance Committee believe that all Non-Executive Directors demonstrate the essential characteristics of independence and bring independent challenge and deliberations to the Board. Notwithstanding this, the Non-Executive Directors nominated by the Society are not counted by the Board as being independent solely for the purposes of the Codes. An explanation of the basis for this belief is set out in the Nomination and Governance Committee Report on page 118.

The Group has robust procedures in relation to conflicts of interest. Directors, upon their appointment are advised of their duty to declare their conflicts and are invited to declare their general interest in any entity in which they are to be regarded as interested in any contract which may, after their appointment, be made with that entity. The Directors nominated by the Society did not take part in the Board's consideration of the Glanbia Ireland (Tirlán) transaction.

Board Evaluation

A key element of good governance is an annual evaluation to ensure that the Board, its Committees and Board members are continuing to operate and perform effectively. The Group has established a formal process for the annual evaluation of the performance of the Board and its principal Committees, including a triennial external evaluation. The external evaluation supplements our existing internal Board performance evaluation processes. The last external evaluation was conducted in 2020 and the next external evaluation is scheduled to be conducted in 2023. For review of the findings of the external Board evaluations, please see the Annual Report 2019 at page 71 and the Annual Report 2020 at page 80.

2022 internal Board and Board Committee evaluation process

This year, our Board evaluation was an internal one in line with our agreed three-year cycle.

Process

Questionnaires focussing on best practice, relevant guidance and recommendations of previous evaluations, were issued electronically to all Board members following which each Director was individually given the opportunity to have detailed discussions with the Group Chairman to give feedback on strategy, the operation of the Board and its Committees, talent management, succession planning for the Board and senior management and the transition of the chairmanship of the Group.

The performance of the Group Chairman was separately evaluated by the Board led by the Senior Independent Director. As part of the Group Chairman's evaluation, the Non-Executive Directors met separately under the chairmanship of the Senior Independent Director.

Outcome

The questionnaire responses and interview results were collated and analysed and a report, summarising the findings and including proposed recommendations for discussion, was prepared by the Group Chairman. The report was presented to the Board in December 2022 for consideration. Overall, it was the collective view of the Directors that the Board is engaged, committed and effective in discharging its responsibilities with an open and transparent culture. Relations with senior management allows constructive challenge on key issues. Key highlights for the Board in 2022 which were recognised in the evaluation was the work completed on Group strategy following the disposal of the Company's stake in the Glanbia Ireland (Tirlán) joint venture, the approval of the Company's Remuneration Policy at the AGM in 2022, the Board renewal (advancing diversity objective) and the further development of the ESG agenda. The Board recognised that significant work had been undertaken in these areas throughout the year.

Composition, succession and evaluation continued

Areas of focus for 2023

The following areas of focus were agreed for 2023:

- continued focus on Diversity, Equity and Inclusion and succession planning on the Board and across the Company;
- focus on risk management and cyber security preparedness; and
- continued execution of the Group's strategy and corporate development agenda.

A review of the performance of each of the Board Committees was also undertaken covering each of their terms of reference, composition, procedures, contribution and effectiveness. As a result of that assessment, the Board and each Committee is satisfied that each Committee is functioning effectively and continues to meet its terms of reference. In particular, all Committees were considered to be well chaired, enjoy a broad representation across the Board, deal with relevant topics and substantially ease the burden of specific matters or areas on the Board as a whole.

Individual Directors' evaluation

Executive Directors' variable pay is tied to their personal contribution to organisational effectiveness and as such both the Group Managing Director and the Group Finance Director are subject to rigorous review each year. The Group Managing Director sets the strategic performance objectives for the Group Finance Director, and the Group Managing Director's strategic objectives are set by the Group Chairman in conjunction with the Remuneration Committee. All strategic objectives are then agreed with the Remuneration Committee who monitors the Executive Directors' progress throughout the year. More details can be found on pages 130-136.

The performance of the Group Chairman is reviewed internally each year by the Board (in the absence of the Group Chairman), led by the Senior Independent Director. In 2022, the Board was unanimous in its view that the Group Chairman has provided strong and effective leadership to the Board since his appointment on 8 October 2020 and that the Group Chairman is very committed to his role and is always available to Directors and stakeholders. The Board acknowledged the Group Chairman's understanding of the Group and his ambition to drive the business forward.

Subject to the right of the Society to nominate Non-Executive Directors, the Non-Executive Directors are appointed for an initial three-year term unless otherwise terminated earlier by and at the discretion of either party upon written notice. Continuation of their appointment(s) is contingent on satisfactory performance and re-election at each AGM. Additionally, all new Independent Non-Executive Directors, and any re-appointments, will be subject to a rigorous review by the Nomination and Governance Committee after each three-year term and annually after six years.

Election or Re-election of Directors

In accordance with the Code, all of the Directors are subject to annual re-election by shareholders. Accordingly, each of the Directors, with the exception of Patsy Ahern and John Murphy, who will retire in line with the planned reduction of the Society's representation on the Board, will seek election or re-election at the 2023 AGM.

The Group Chairman has confirmed that each of the Directors who are seeking election or re-election continue to be effective members of the Board and demonstrate their commitment to their responsibilities. The Executive Directors and Independent Non-Executive Directors bring extensive senior leadership experience, strategic commercial business acumen, wide ranging operational experience and strong understanding of global capital markets and major transactions. The Directors nominated by the Society are full time farmers who also have significant experience of the global food and beverage industry. The Board believes that the considerable and wide-ranging experience and perspective of the Directors (the individual skills, experience and competence of whom are set out on pages 82-87 of the Annual Report) will continue to be invaluable to the Company and its long-term sustainable success and recommends their election or re-election.

Board evaluation

The annual Board evaluation process is an important element in ensuring and enhancing the effective and efficient operation of the Board.

2020

Year 1
External evaluation

In-depth external Board evaluations by external facilitator

2021

Year 2
Internal evaluation

Internal evaluation facilitated by the Group Chairman focusing on progress against the key objectives highlighted by the external evaluations

2022

Year 3
Internal evaluation

Internal evaluation facilitated by the Group Chairman

Audit, Risk and Internal Control and Remuneration

Audit, Risk and Internal Control

Risk management and internal control

Effective risk management underpins our operating, financial and governance activities. The Board continues to place particular emphasis on monitoring both principal and emerging risks and regularly monitors the risk management framework to ensure risks are being appropriately mitigated and new risks identified.

While the Board has ultimate responsibility for determining the Group's risk profile and risk appetite, the Board has delegated responsibility for reviewing the design and implementation of the Group's risk management and internal control systems to the Audit Committee.

These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and provide reasonable, but not absolute, assurance against material misstatement or loss. During the year, the Board considered the Group's key risk reports and received updates from the Chair of the Audit Committee on the programme of risk presentations from key risk managers across the Group. This work provided a comprehensive insight into how key risk exposures are managed and better informs the Board in its evaluation of progress against strategic objectives of the business.

The Board and management are satisfied that appropriate risk management and internal control systems are in place throughout the Group. The Risk Management Report is contained on pages 67-77.

Going concern

Glanbia's business activities, together with the main factors likely to affect its future development and performance, are described in the Strategic Report on pages 1 to 77.

After due consideration and review, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the Financial Statements. The Group therefore continues to adopt the going concern basis in preparing its Financial Statements. The full Going Concern Statement is contained on page 70.

Long-term viability statement

In accordance with the Code and Listing Rule 6.1.82(3) of Euronext Dublin Listing Rules, the Directors have assessed the viability of the Group and its ability to meet its liabilities as they fall due over a period extending to 2025, taking into account the Group's current financial position, the Group's strategy and business model and the potential impact arising from the principal risks and uncertainties. The factors considered in assessing the long-term prospects are detailed on pages 70-71.

Having considered these factors, the challenging global economic outlook such as the impacts of the expected high levels of inflation, increasing interest rates and energy costs; lower economic growth and geopolitical tension, particularly in our key areas of operations, climate change and the lingering Covid-19 related challenges and impacts experienced in 2022 and anticipated for the years ahead, the Board assessed the prospects and viability of the Group in accordance with the Code requirements. The Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of the assessment. The full viability statement is contained on pages 70-71.

Fair, balanced and understandable

The Directors have concluded that the Annual Report and Financial Statements, taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and the Company position, performance, business model and strategy. This evaluation was supported by the Audit Committee as outlined in its Report on page 106.

Adequate accounting records

The Directors are responsible for keeping adequate accounting records that are sufficient to correctly record and explain the transactions of the Company or enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable the Directors to ensure that the Financial Statements comply with the Companies Act 2014, and, as regards the Group Financial Statements, Article 4 of the IAS Regulation, enable those Financial Statements to be audited. The Directors, through the use of appropriate procedures and systems, have also ensured that measures are in place to secure compliance with the Company's and the Group's obligation to keep adequate accounting records. These accounting records are kept at Glanbia House, Kilkenny, R95 E866, Ireland, the registered office of the Company.

Accountability and audit

Directors' responsibilities for preparing the Financial Statements for the Company and the Group are detailed on page 157.

The Independent Auditor's Report details the respective responsibilities of Directors and the statutory auditor.

Statutory Auditor

The statutory auditor, Deloitte Ireland LLP, continues in office in accordance with section 383(2) of the Companies Act 2014. Deloitte (who was succeeded by Deloitte Ireland LLP) was originally appointed on 27 April 2016.

Disclosure of information to statutory auditor

In accordance with the provisions of section 330 of the Companies Act 2014, each of the persons who are Directors of the Company at the date of approval of this Report confirms that:

- so far as the Director is aware, there is no relevant audit information (as defined in the Companies Act 2014) of which the statutory auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information (as defined) and to ensure that the statutory auditor is aware of such information.

Remuneration

The Remuneration Committee's agenda continued to apply focus to the key matters of Group and individual Executive Director performance and the consideration of appropriate targets for 2023 and beyond. Our aim is to ensure that our remuneration policies and practices remain competitive within our industry to attract, retain and motivate high quality and committed people who are critical to the future development and growth of the Group.

Details of 2022–2024 Remuneration Policy and the work of the Remuneration Committee can be obtained in the Remuneration Report on page 120-140.

Compliance Statements

Compliance Statements

Directors' Compliance Statement

It is the policy of the Company to comply with its relevant obligations (as defined in the Companies Act 2014). The Directors have drawn up a compliance policy statement as defined in section 225(3)(a) of the Companies Act 2014. Arrangements and structures have been put in place that are, in the Directors' opinion, designed to secure a material compliance with the Company's relevant obligations. These arrangements and structures were reviewed by the Company during the financial year. As required by section 225(2) of the Companies Act 2014, the Directors acknowledge that they are responsible for the Company's compliance with the relevant obligations. In discharging their responsibilities under section 225, the Directors relied on the advice of third parties whom the Directors believe have the requisite knowledge and experience to advise the Company on compliance with its relevant obligations.

Corporate governance statement

During 2022 the Group was subject to the Codes. Our Corporate Governance Statement can be found on page 82.

The Irish Annex published in December 2010 by Euronext Dublin, previously named the Irish Stock Exchange, is publicly available on the website: https://www.euronext.com/sites/default/files/2019-06/Irish-Corporate-Governance-Annex.pdf. The Code is publicly available on the Financial Reporting Council website: www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.PDF.

Our approach to corporate governance and how we apply the principles of the Codes is set out in this Corporate Governance Report, the Board and senior management section, the non-Financial Reporting Statement, Task Force on Climate-Related Financial Disclosures Report and the Risk Management Report (all of which are deemed to be incorporated in this Corporate Governance Report). The Reports from the Chairs of the Audit, ESG, Nomination and Governance and Remuneration Committees highlight the key areas of focus for, and the background to, the principal decisions taken by those Committees, which form an integral part of our governance structure. A fair, balanced and understandable assessment of the Group's position and prospects is set out in the Strategic Report on pages 1-77. The Strategic Report also includes other important information relating to Governance including our approach to People, Sustainability and Stakeholders. Other Statutory Information contains certain other information required to be incorporated into this Corporate Governance Statement. All of these statements are deemed to be incorporated in the Corporate Governance Statement.

UK Corporate Governance Code	Pages
Board Leadership and Company Purpose	80-94
Division of Responsibilities	95-96
Composition Succession and Evaluation	97-100
Audit Risk and Internal Controls	101, 103-109
Remuneration	101, 120-140

Irish Corporate Governance Annex	Pages
Board Composition	83-87
Board Appointments	81, 94, 96-98 and 116-117
Board Evaluation	99-100
Board Election or Re-election	100
Audit Committee	103-109
Remuneration	120-140

Section 1373 Companies Act 2014	Pages
Applicable Codes	82, 102
Departures from the Codes	82
Risk Management and Internal Control	67-77
Takeover Regulations	141-146
Shareholder Information	255
Board and Committees	80-140

Audit Committee Report

Delivering on our purpose

Paul Duffy
Audit Committee Chair

Committee members and Committee tenure

	Appointed to the Committee	Number of full years on the Committee
P Duffy (Chair)	17 Jun 21	1
J Lodge	20 Jan 21	2
I Haaijer	17 Aug 22	<1
K Underhill	17 Aug 22	<1
D O'Connor[1]	1 Dec 14	7
P Coveney[2]	30 Sep 14	7

1. D O'Connor stepped down as an Audit Committee member on 17 August 2022.
2. P Coveney retired as an Independent Non-Executive Director and stepped down as an Audit Committee member on 30 March 2022.

See pages 84 and 85 for more information on the current Audit Committee members.

Terms of reference

The full terms of reference of the Audit Committee can be found on the Group's website: www.glanbia.com or can be obtained from the Group Secretary.

Key responsibilities

- Protecting the interest of shareholders by monitoring the integrity of all aspects of corporate and financial reporting (both in the annual report and on the company website), internal control, risk management and audit quality.
- Reviewing and reporting to the Board the significant financial reporting issues and judgments made in preparing the Group's Financial Statements, interim reports, and related formal statements.
- Reviewing and challenging where necessary the appropriateness and consistency of the accounting policies applied in preparing the Group's Financial Statements.
- Providing advice to the Board on whether the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the necessary information for shareholders to assess the Group's position and performance, business model and strategy.
- Assisting the Board in its responsibilities in monitoring and reviewing the effectiveness of the Group's systems of risk management and internal control and assessing the emerging and principal risks facing the Group.
- Reviewing reports from specialist functions such as Health & Safety, Quality and Food Safety, Group Treasury, and Group Tax to identify issues that may have a material impact to the Group.
- Considering and inputting into the work undertaken to improve the Group IT and cyber security capabilities, and the Group's ESG disclosure requirements.
- Advising the Board of any material uncertainties that may impact the Group's ability to continue as a going concern and the appropriateness of the Group's long-term viability statement.
- Overseeing the relationship with the statutory auditor, including reviewing and monitoring the independence, objectivity and effectiveness of the external audit and the appropriateness of the provision of non-audit services to the Group in line with the Group Auditor Relationship and Independence Policy.
- Approving the statutory Auditor's terms of engagement and remuneration.
- Making recommendations to the Board in relation to the appointment, re-appointment and removal of the Group's statutory auditor and ensuring that an audit tender is conducted at least every 10 years.
- Monitoring the operation and reviewing the effectiveness of the Internal Audit Function.
- Assessing the Group's procedures for fraud prevention and detection and supporting the Board in assessing the Group's whistleblowing arrangements.

Allocation of time

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

Audit Committee Report continued

Dear shareholder,

As Chair of the Audit Committee, I am pleased to present the Committee's report for the year ended 31 December 2022. This report provides an overview of the Committee's principal activities during the year, its role in ensuring the integrity of the Group's published financial information and an outline of the Committee's priorities for the year ahead.

Committee structure changes

As announced on 24 February 2022, I have succeeded Dan O'Connor as Chair of the Audit Committee effective 7 March 2022. Patrick Coveney retired as an Independent Non-Executive Director effective 30 March 2022. Ilona Haaijer and Kimberly Underhill were appointed as members of the Audit Committee effective 17 August 2022 and Dan O'Connor stepped down as an Audit Committee member on the same date.

Responsibilities

The Audit Committee is responsible for monitoring the integrity of the Group's Financial Statements and for assisting the Board in determining that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. The work performed in this regard and our engagement with the statutory auditor is detailed on pages 105 to 109.

The Audit Committee also supports the Board in monitoring and reviewing the effectiveness of the Group's risk management and internal control systems and for ensuring a robust assessment of the emerging and principal risks facing the Company is performed. The Audit Committee, together with the Board, are closely monitoring the key risks that could materially and adversely affect the Group's ability to achieve its strategic objectives, particularly those whose probability of occurrence and extent of impact are elevated by the consequences of the ongoing war in Ukraine, geopolitical tension, the general macroeconomic environment and the lingering impacts of Covid-19.

During the year, the Group has continued to make progress on climate change initiatives and has made important strides in embedding climate change impacts within our strategy, operations and risk management processes. The approach taken to measure climate risk impact through the scenario analysis and financial impact assessment are discussed in detail in the TCFD Report on pages 62 to 65. The Audit Committee has also assessed with management the impact of climate-related matters on the Group's Financial Statements (see Note 2). The Audit Committee continues to monitor the regulatory environment to ensure the Group provides stakeholders with consistent, comparable and reliable information on ESG matters.

Group Internal Audit ("GIA") presented the results of a Group-wide combined assurance exercise, completed across the Group's core activities. While this exercise did not identify any significant improvement opportunities, it provided greater detail for the Audit Committee to assess the Group's principal risks and to further progress our overall assurance model. The work performed in this regard is detailed on page 107.

Engagement

In fulfilling its key oversight responsibilities, the Audit Committee engaged regularly with management, GIA and the statutory auditor to ensure timely and accurate information was consistently provided to the Audit Committee. Our engagement with the GIA function and the statutory auditor is detailed on pages 107 and 109 together with an explanation of how the Audit Committee has assessed the independence and effectiveness of the external audit process.

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

Priorities for 2023

The Audit Committee's key priorities for 2023 include:

- ensuring the Group's Financial Statements are accurate and reflect the balanced and consistent application of financial and non-financial reporting requirements;
- providing independent challenge and oversight of areas of key judgement or estimation;
- maintaining focus on impairment testing methodology, inputs, assumptions, sensitivity analysis and results;
- continuing to assess the processes in place to ensure effective oversight of ESG activities and other non-financial disclosures;
- monitoring the Group's principal risks and uncertainties including potential negative impacts arising from geopolitical risks affecting the Group, the ongoing war in Ukraine, the global economic outlook, and inflation, energy cost and interest rate increases;
- receiving direct presentations from management to ensure that effective risk management processes are implemented to address key risk areas in a manner consistent with the Group's risk appetite;
- maintaining oversight on the remaining challenges posed by Covid-19 on the business, principal risks, cash flow, accounting disclosures and financial controls; and
- ensuring that robust due diligence is performed, acquisition integration is closely monitored and post completion reviews are conducted for all material investments.

Review of Audit Committee performance

The Audit Committee assessed its performance covering its terms of reference, composition, procedures, contribution, and effectiveness. As a result of that assessment, the Board and Audit Committee are satisfied that the Audit Committee is functioning effectively and continues to meet the requirements of its terms of reference. A detailed Audit Committee effectiveness review, conducted by GIA, validated the Audit Committee's conclusion.

On behalf of the Audit Committee

Paul Duffy
Audit Committee Chair

Governance

Committee membership

The Audit Committee was in place throughout 2022. At present, the Audit Committee is comprised of four Independent Non-Executive Directors, Paul Duffy (Chair of the Audit Committee), Jane Lodge, Ilona Haaijer and Kimberly Underhill. Two members constitute a quorum. The Group Secretary acts as secretary to the Audit Committee.

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

The Board is satisfied that the Audit Committee, as a whole, meets the requirements for recent and relevant financial experience, as set out in the UK Corporate Governance Code 2018. The Board is also satisfied that the Audit Committee, as a whole, has competence relevant to the sector in which the Group operates including a wide range of skills, expertise and experience in financial and commercial matters arising from the senior positions they hold or held in other organisations as set out in their biographical details on pages 84 and 85.

Given the evolving Audit Committee membership a training session was delivered to the members of the Audit Committee focused on ensuring the effective operation of the Audit Committee in line with its duties from a statutory basis, as well as the Irish and UK Listing requirements.

Meetings

The Audit Committee met eight times during the year ended 31 December 2022. The Group Managing Director, Group Finance Director, Group Secretary, Group Head of Internal Audit, Group Financial Controller and representatives of the statutory auditor are invited to attend all meetings of the Audit Committee. Where required other key executives or members of the senior management team are invited to attend meetings and when specialist technical knowledge is required to provide a deeper insight on agenda items related to the Group's principal risks.

The Audit Committee meet with the statutory auditor, without other executive management being present, on an annual basis to discuss any issues which may have arisen in the year under review. This meeting was held in February 2023 to review the findings from the audit of the Financial Statements. The Group Head of Internal Audit also has direct access to the Chair of the Audit Committee. After each Audit Committee meeting, the Chair of the Audit Committee reports to the Board on the key issues which have been discussed. The allocation of time across each of the key Audit Committee activities is set out on page 103.

Audit Committee key activities

Financial reporting and significant financial judgements

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

- the appropriateness and consistency of application of accounting policies, practices and proposed disclosures;
- compliance with financial reporting standards and corporate governance requirements including compliance with climate-related disclosures; and
- significant areas in which estimation or judgement had been applied in the preparation of the Financial Statements.

The GIA team contribute to the assurance process by reviewing compliance with internal control processes including the review of the Group's internal financial controls. The statutory auditor presents its findings to the shareholders as the owners of the business, and its report can be found on pages 160 to 169.

As outlined in our accounting policies on page 177, the Group has adopted an income statement format that seeks to highlight significant items within the Group results for the year ('exceptional items'). Judgement is applied by the Directors in assessing the particular items which by virtue of their scale and nature should be disclosed in the Income Statement and Financial Statement notes as exceptional items. Several significant items have been highlighted as exceptional items in both 2021 and 2022 and the Audit Committee is satisfied that this is appropriate and consistent with the Group's policy in this area. The table on page 108 sets out the 2022 significant Financial Statements reporting judgements and disclosures and how the Audit Committee addressed these matters.

The Audit Committee considered the Directors' Responsibility Statement and the Group's principal risks and uncertainties within the 2022 Annual Report and Financial Statements and the half-year results and were satisfied with the adequacy of the disclosures.

Geopolitical risk

The Audit Committee has supported the Board in closely monitoring the risks associated with the ongoing war in Ukraine and other geopolitical tensions that could potentially impact the growth objectives of the Group. While the Group does not have operations in either Russia or Ukraine, a review was undertaken to assess any impacts for the Group's Financial Statements arising from the conflict or sanctions imposed on Russia. The Audit Committee together with the Board are also monitoring the escalating tensions in other key trading regions, particularly between China and Taiwan, where any potential conflict, economic sanctions or trade rulings would impact the growth objectives of the Group. The impact on the Group's principal risks is discussed in the Risk Management Report and Principal Risks and Uncertainties on pages 67 to 77.

Covid-19

The Audit Committee continues to be conscious of the potential impact of Covid-19 on the Group's employees and operations. Employee performance has remained strong, and the controls implemented to support remote working continue to be operationally effective. Our offices remained open during the year as restrictions on movement and travel were eased as the general public health situation continued to improve. The Audit Committee will continue to engage with the Board to ensure that effective internal control and risk management systems are maintained.

The Audit Committee discussed with Group management the work performed in respect of the Going Concern and Viability Statements, the goodwill and intangible asset impairment reviews and the evaluation of exceptional items. Impacts to the internal and external audit processes, which are being conducted in a hybrid manner (both in-person and remotely), have also been considered. The Audit Committee is satisfied that both the internal and external audit teams were able to work safely and in compliance with the relevant laws and guidance.

Audit Committee Report continued

Fair, balanced and understandable

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

- the documented process and timelines for the co-ordination, preparation and review of the Annual Report and Financial Statements;
- a dedicated project manager was in place to drive adherence to deadlines, reporting standards and consistency and this is aligned with the external audit process undertaken by Deloitte Ireland LLP;
- the senior finance management and executive team review and approval procedures;
- the key process milestones, to ensure the draft Annual Report and Financial Statements were available to the Audit Committee in sufficient time to facilitate adequate review and effective challenge at the meeting;
- a detailed report was presented to the Audit Committee outlining the process by which they assessed the narrative, financial sections and disclosures of the 2022 Annual Report to ensure that the criteria of fair, balanced and understandable has been achieved;
- together with the ESG Committee, disclosures on ESG related matters including the TCFD report and other climate disclosures were discussed in detail; and
- the effectiveness of the key features of internal control.

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

Regulators and our financial reporting

During the year, the Group received correspondence from the Irish Auditing and Accounting Supervisory Authority (IAASA) in respect of the Group's Annual Report and Financial Statements for the year ended 1 January 2022 outlining a number of areas on which they required further information. The Company provided the necessary information requested and IAASA acknowledged the cooperation received from the Directors and management in responding to the queries raised. The Audit Committee was satisfied that no material findings arose from the review.

Going Concern and Viability Statements

The Audit Committee reviewed the draft Going Concern and Viability Statements prior to recommending them for approval by the Board. These statements are included in the Risk Management report on pages 70 and 71. This review included assessing the effectiveness of the process undertaken by the Directors to evaluate going concern, including the lingering impacts of the Covid-19 pandemic, the general macroeconomic environment, inflationary pressures, rising energy costs, interest rates and cost of living which have been exacerbated by the ongoing war in Ukraine, and the analysis supporting the Going Concern Statement and disclosures in the Financial Statements. The Audit Committee and the Board consider it appropriate to adopt the going concern basis of accounting with no material uncertainties as to the Group's ability to continue to do so.

The Audit Committee also reviewed the Long-term Viability Statement which is supported by the work conducted in the strategy and budget review in December 2022 and the Board's ongoing review of monthly and year-to-date business performance versus budget and forecast. Further detail is provided within the Viability Statement on pages 70 and 71.

Directors' Compliance Statement

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

Risk management and internal control systems

The Audit Committee receives regular Group key risk summary reports, prepared by the Internal Audit team, tracking residual key risk exposures which allows the Audit Committee to assess the appropriateness of management's action plans to ensure the Board's risk appetite is not exceeded and to remain alert to emerging risks as they are identified through the review process. The Risk Management Report on pages 67 to 77 sets out the detailed steps in the process and the Group's principal risks. The Audit Committee's risk management focus during 2022 included:

- reviewing and approving the assessment of the principal risks and uncertainties that could impact the achievement of the Group's strategic objectives as outlined on pages 72 to 77;
- continued increasing focus on developing a detailed understanding of the risks within each of the core functions, our improvement opportunities and areas of emerging risk exacerbated by the ongoing war in Russia and Ukraine;
- receiving risk presentations from a number of Group functional leads in particular receiving detailed presentations from Group IT on the progress of the Group's IT strategy and its response to cyber security risks. Cyber security remains a major focus for the Audit Committee given the ever-increasing risks in this area at a global level. The Audit Committee received updates on information security matters from Group IT three times during the year. The Chair of the Audit Committee updated the Board on the IT discussions on each occasion;
- evaluating the continued impacts of Covid-19 on the business and the health and safety of its employees;
- reviewing the disclosures in relation to material CROs as outlined in the TCFD and the results of the reassessment and the completion of scenario and quantification analysis of the potential impact of CROs under a number of temperature scenarios on pages 62 and 63;
- reviewing Group Finance papers which considered the impact of climate change on the Group Financial Statements which includes details on the TCFD requirements, as outlined on pages 62 to 65 and accounting policy Note 2 to the Financial Statements. During the year, Group Finance and the statutory Auditors provided the Audit Committee with regular updates on the evolving legislative and external reporting requirements including climate-related risk disclosures;
- reviewing and assessing management's recommendation to change the presentation currency of the Group's Financial Statements from euro to US dollar reporting in 2023 as outlined in the Group Finance Director's review on page 45 and Note 36 to the Financial Statements;

- a consideration of the detailed business unit performance updates on Group investments and the impairment review methodology and outcomes outlined in Note 16;
- receiving updates from the Group Head of Internal Audit outlining areas of non-compliance with Group policies and control deficiencies identified during the year, fraud investigation reports and management actions to address the weaknesses noted;
- assessing the Group's risk management and internal control systems in line with the Financial Reporting Council (FRC) guidance on risk management and internal control; and
- reviewing reports from the statutory auditor in respect of significant financial accounting and reporting issues, key matters arising from the statutory audit together with management's plans in place to address any internal control weaknesses noted.

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

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

- approved the GIA Charter and annual risk-based work plan including any amendments to ensure the plan remains dynamic to address business challenges, changes to current and emerging areas of key Group risks and the changing business environment during the year. Audits were conducted in a hybrid manner (both in-person and remotely) as travel restrictions were lifted in key locations during the year;
- ensured that it is adequately resourced with a strong mix of skills and expertise capable of conducting effective internal audits, IT audits and special investigations;
- satisfied itself that the internal audit team is appropriately resourced, where additional skills or expertise are required, the Head of Internal Audit makes the necessary arrangements to complement the in-house team;
- reviewed the team's use of technology including the audit management system and data analytics tools, processes, techniques and plans to ensure the effectiveness of Internal Audit processes and oversight of risks;
- approved the GIA Strategic Plan for 2022 to 2024;
- received regular reports from the Head of Internal Audit covering team development, progress against the audit plan, amendments required and best practice risk management procedures. This included receiving updates on the activities performed in line with the quality assurance and improvement programme policy (QAIP) that is designed to ensure that Internal Audit performs its work in accordance with its Charter, which is consistent with the Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing, Definition of Internal Auditing and Code of Ethics; and
- as part of the QAIP, an external quality assessment of the Internal Audit function was conducted in 2022 by PwC. The external review noted that the Internal Audit function is providing effective assurance to management and the Audit Committee and is in general compliance with the IIA Standards with no material issues identified.

GIA performed a combined assurance mapping exercise to identify potential assurance gaps and avoid duplication of assurance effort. The output of the exercise was presented to the Audit Committee and while it did not identify any significant improvement opportunities, it provided greater detail to allow the Audit Committee to further progress the Group's overall assurance model. GIA also continued its focus on principal risks, which included cyber threat and information security, legal and regulatory compliance and technology failure. Audit results are reported to the Audit Committee to allow the Audit Committee to have an integrated view on the way risks are managed. Management is responsible for ensuring issues raised by Internal Audit are addressed within the agreed timeframe, and the Audit Committee reviews the status of actions periodically throughout the year to ensure they are completed on a timely basis.

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

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

Whistleblowing and fraud
The Board has delegated responsibility to the Audit Committee for ensuring that the Group maintains suitable arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting and other matters. These arrangements are outlined in our updated Code of Conduct which is available on the Company's website www.glanbia.com and on our Group intranet. The Audit Committee received a presentation from the Group Secretary providing an overview of how concerns raised are categorised, investigated, monitored and reported, together with a review of the main themes, issues and resolution actions arising. The Group's Speak Up Policy was updated during the year to reflect evolving regulatory and best practice requirements.

The Group's Anti-Bribery and Corruption Policy, Group Code of Conduct and Supplier Code of Conduct were refreshed during the year to further strengthen the Group's fraud prevention procedures. A training module to support the Supplier Code of Conduct was developed during 2022 and will be launched in 2023. Management with the support of Internal Audit have formalised and enhanced the existing fraud risk management policies and processes, to help ensure a robust fraud prevention programme is implemented across the Group. A fraud risk assessment has been completed and approved by the Audit Committee and Board.

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

2022 significant financial reporting judgements and disclosures

The areas considered and the actions taken by the Audit Committee in relation to the 2022 Annual Report are outlined in the table below. For each area, following its enquiries, the Audit Committee was satisfied with the key assumptions made, the accounting treatment applied and the disclosures in the Financial Statements.

Key financial judgement and disclosures	How the Audit Committee addressed these matters
Impairment review of goodwill and intangibles Judgement decisions largely relate to the assumptions used to assess the value-in-use of the assets being tested. These assumptions typically include short and long-term business and macroeconomic projections, cash flow forecasts and associated discount rates.	• Management provided the Audit Committee with detailed reports to support the recoverable value of the balances included in Note 16 to the Financial Statements including an analysis of the level of headroom between the carrying value of the asset and the value-in-use; • The Audit Committee considered the reorganisation of the Group's cash generating units (CGUs) following the fundamental reorganisation of the GPN segment which commenced in 2019 and is now complete. The Audit Committee is satisfied that the revised CGUs reflect the interdependencies of cash inflows within the Group and how management monitors operations. • The Audit Committee reviewed and discussed the reports with management and challenged the application of management's methodology, the appropriateness of the assumptions made for future cash flows, discount rates, terminal values and growth rates, and the achievability of the business plans with consideration of different scenarios; • The Audit Committee considered the updates made to assumptions and Financial Statement disclosures as a result of management's assessment of the impact of Covid-19 on forecasted business performance and cash flows, impact of climate related matters as disclosed in Note 16 to the Financial Statements, and the extent of sensitivity disclosures provided; • The Audit Committee considered the potential impacts of the ongoing war in Russia and Ukraine; rising energy costs, inflation, and interest rates; and climate change on the Group's businesses and valuation assumptions; and • The Audit Committee considered the output from the sensitivity analysis performed at 2022 year-end, and in particular, noted that based on the conclusions of the impairment process completed, no impairment was identified.
Exceptional items Judgement decisions relate to the assessment of the items identified as being exceptional in nature and the appropriateness of the presentation in the Financial Statements.	• The Audit Committee reviewed the nature of the exceptional items identified and the effectiveness of the process that requires all exceptional items to be pre-approved. After a detailed review and consideration of the disclosures, the Audit Committee is satisfied that the treatment is in line with the Group policy, consistently applied across years and appropriately presented in the Financial Statements with sufficient detail to allow users of the Financial Statements to understand the nature and extent of the exceptional items and how they arose. Further details on the exceptional items identified in 2022 are included in Note 6 to the Financial Statements.
Revenue recognition Revenue is a risk given the inherent complexity of IFRS 15 accounting requirements, the nature of some customer relationships and the adjustments recorded to ensure the basis of year-end rebate provisions are appropriate.	• Within the GPN segment, revenue is recognised net of rebate, discount, deduction and allowance claims where the amounts payable can vary depending on the arrangements made with individual customers and the volume of trade entered into; and • Key areas of focus and challenge from the Audit Committee were in relation to the period-end close process and the basis of any significant year-end rebate provisions to ensure they were adequate and appropriate.
Uncertain tax provisions Significant judgement is applied in assessing current and deferred tax exposures in relation to the interpretation of local and international tax laws, rates and treaties relating to the worldwide uncertain tax provisions.	• The Audit Committee received a presentation from the Group Finance Director and the Group Head of Tax on various tax matters including tax structures and controls, the ongoing management of the Group's system of operation, evolving tax legislation and the status or outcome of any tax authority reviews conducted during the financial period; • The Audit Committee considered the impact of the Group financing arrangements and the Group's compliance with the legislative requirements in this area; • The Audit Committee received an analysis of movements in the year-end uncertain tax provisions, reviewed the key judgements in relation to the calculation of the uncertain tax provisions, the external professional advice obtained to support the provisions and the Financial Statements disclosure requirements; and • The Audit Committee challenged management on the key judgements and estimates underpinning both the provisions and disclosures adopted for the most significant components of the taxation liabilities and the underlying assumptions for the recognition of deferred tax assets, principally the availability of future taxable profits and the utilisation period.

Review of statutory auditor

The Audit Committee oversees the relationship with the statutory auditor, including ensuring that the statutory audit contract is put out to tender at least every 10 years. Deloitte (who were succeeded by Deloitte Ireland LLP) were appointed as the Group's statutory auditor on 27 April 2016 following a formal tender process.

The Audit Committee reviewed the approach and scope of the annual audit work to be undertaken by the statutory auditor, which included planned levels of materiality, significant risks and key audit matters, the audit of the Group's core financial IT systems, fraud responsibilities and representations, the proposed audit fee and the approval of the terms of engagement for the audit. Particular consideration was given to the planning considerations associated with developing a hybrid audit plan to ensure the delivery of a robust audit within the required timelines through a combination of remote and in-person meetings, subject to any changes in Covid-19 restrictions. The Audit Committee is satisfied, based on discussions with the Group lead audit engagement partner, that the effectiveness of the audit procedures performed were not unduly impacted as a result of the hybrid audit approach adopted.

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

- ESG's current landscape and future developments and the importance of achieving an appropriate balance between the climate-related disclosures in the management commentary and the disclosures in the financial statements;
- IAASA, FRC and IFRS technical updates and commentary including the investor and regulator expectations of corporate reporting; and
- UK Corporate Governance Code requirements.

Independence and objectivity of the statutory Auditor

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

- maintains and regularly reviews the Group's Auditor Relationship and Independence Policy;
- considers the performance of the statutory auditor each year;
- monitors the nature and extent of services provided by the statutory auditor through an annual review of fees paid for audit and non-audit work;
- reviews audit partner rotation requirements and assesses their independence on an ongoing basis. In line with regulatory requirements for listed companies, the statutory auditor is required to rotate the audit partner responsible for the Group audit every five years. The current audit engagement partner, Emer O'Shaughnessy was appointed as lead engagement partner for the Group in 2021; and
- requests the statutory auditor to formally confirm in writing that they are in compliance with relevant ethical and professional guidance and that, in their professional judgment, they are independent from the Group. This confirmation process also provides examples of safeguards that may, either individually or in combination, reduce any independence threat to an acceptable level.

Non-audit services

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

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

Effectiveness

The Group Finance Director confirmed that the feedback from the Group and subsidiary finance executives, who had the most interaction with Deloitte Ireland LLP in 2022, remained consistently positive.

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

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

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

Environmental, Social and Governance Committee Report

Delivering better nutrition responsibly

Donard Gaynor
Environmental, Social and Governance Committee Chair

Committee members and Committee tenure

	Appointed to the Committee	Number of full years on the Committee
D Gaynor (Chair)	17 Jun 21	1
P Coveney[1]	17 Jun 21	< 1 full year
I Haaijer	1 Sep 22	<1 full year
J Murphy	17 Jun 21	1
D O'Connor	1 Sep 22	<1 full year
S Talbot	17 Jun 21	1

1 P Coveney retired as an independent director and stepped down as an ESG Committee member on the 30 March 2022.

See pages 83-86 for more information on current Environment, Social and Governance Committee members.

Terms of reference

The full terms of reference of the Environmental, Social and Governance ("ESG") Committee can be found on the Group's website: www.glanbia.com or can be obtained from the Group Secretary and Head of Investor Relations.

Key responsibilities

- Assisting the Board in defining and regularly reviewing the strategy of the Group relating to ESG matters and in setting relevant key performance indicators.
- Developing and reviewing regularly the policies, programmes, codes of practices, targets and initiatives of the Group relating to ESG matters, ensuring they remain effective and up to date and consistent with good industry practice.
- Providing oversight of the Group's management of ESG matters and compliance with relevant legal and regulatory requirements, including applicable rules and principles of corporate governance, and recognised international standards.
- Reviewing and supporting progress made against the Group's core ESG strategies including: Environmental Sustainability; Health and Safety; Food Safety and Quality; and Diversity, Equity and Inclusion ("DE&I").
- Reviewing the quality and integrity of internal and external reporting of ESG matters and performance to ensure that the Group provides appropriate information, complies with reporting obligations and meets international reporting standards and is transparent regarding its ESG related policies with the investment community.
- Reporting on these matters to the Board and, where appropriate, making recommendations to the Board.
- Reporting as required to the shareholders of the Company on the activities and remit of the ESG Committee.

Dear Shareholder,

In 2021, we established our Environmental, Social & Governance (ESG) Committee to provide the Group with rigour, support and challenge on ESG matters. This report outlines our activities in support of this aim, and how we have discharged the responsibilities delegated to the ESG Committee by the Board. This report should be read in conjunction with Our Sustainability section on pages 50-66 and Our People section on pages 20-23 which provides further information on our ESG activities.

At Glanbia we are focused on delivering better nutrition in a responsible way and achieving incremental improvements in impact for all stakeholders. Our Group sustainability strategy (as outlined on page 51) sets out our clear priorities based on the most material ESG topics to our business and stakeholders.

Page 113 highlights the key activities of the ESG Committee during 2022 and outlines the main focus areas for the year ahead.

Regulatory environment

In the context of an evolving ESG reporting landscape with recently added requirements such as reporting under the Task Force on Climate-related Financial Disclosures (TCFD) framework and upcoming legislative requirements, including the EU Corporate Sustainability Reporting Directive (CSRD), which enacts mandatory sustainability reporting standards, the ESG Committee recognises the challenge that an evolving ESG reporting landscape presents. This includes navigating ESG reporting obligations, while ensuring our ESG ambition is appropriately integrated into our strategic and operational plans and risk management framework.

To support preparedness for existing and future requirements we have taken a number of actions in 2022. These included aligning to the Global Reporting Initiative (GRI) reporting standards, with a separate GRI report relating to full year 2022 planned for release in May of 2023, updating our ESG material topics impact assessment, and carrying out a review of our IT system capabilities to support disclosure requirements.

Climate change

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

In the context of reviewing the Group's transition plan outlining the proposed Scope 1 and 2 carbon emissions reduction pathway to 2030, the decision to increase the Group's associated emissions reduction target from 31% to 50% (2018 baseline year), in line with the Paris Agreement, was endorsed by the ESG Committee.

Results of the climate-related impact assessment as disclosed within the TCFD report 62-65 was presented to the ESG Committee. This analysis has allowed the Group to evaluate the potential impacts of climate-related risks and opportunities that face the business and the wider value chain, and assess our current strategy and review our resilience against a number of different climate scenarios.

In relation to Scope 3 emissions, as these relate to emissions generated in our value chain, our approach is one of partnership with suppliers and the wider dairy industry with a focus on data quality and collaboration.

Focus areas in 2023 include building a comprehensive Scope 3 roadmap to achieve reductions in our Scope 3 emissions, with on-farm footprinting a key input to this work, and to build on existing initiatives such as the US Dairy Net Zero Initiative (NZI) as part of the Environmental Stewardship Committee of the Innovation Center for US Dairy.

Diversity, equity and inclusion (DE&I)

This year we focused on cultivating a culture of belonging for all of our people at Glanbia, and ensuring our hiring practices align with our DE&I Policy. We did this by continuing to educate and build awareness around DE&I across the organisation through webinars, social media and other forms of training for all employees, especially leadership and talent acquisition cohorts. We also established targets for leadership for female representation and for measuring employee inclusion to ensure these goals are being achieved in a quantifiable way.

Health and safety

2022 was a year of continued progress in our mission to 'Zero Harm', with significant reductions in injury rates and zero critical injuries reported, demonstrating the effectiveness of our health and safety approach and culture of excellence across our sites.

Food safety and quality

The Group's quality and food safety standards continue to meet industry best practice, and all manufacturing sites hold an externally recognised food safety certification. In 2022, we also reviewed our internal programme, The 'Glanbia Quality System' (GQS), to ensure alignment with best practice standards through a third party review.

Membership

The ESG Committee comprises of myself as Chair, the Group Managing Director, and three Non-Executive Directors. Two members constitute a quorum. The Deputy Group Secretary acts as secretary to the ESG Committee. In addition, the Chief ESG and Corporate Affairs Officer holds a standing invitation to attend ESG Committee meetings. At the request of the ESG Committee, members of the Executive Committee, senior management team and external advisers may be invited to attend all or part of any meeting, as and when appropriate. As Chair, I report to the Board after each meeting on the nature and content of our discussion, recommendations and any actions to be taken.

I would also refer you to page 113 which provides an overview of the ESG governance structure and related roles and responsibilities, including those of the ESG Committee.

Review of Committee performance

The ESG Committee assessed its performance covering its terms of reference, composition, procedures, contribution and effectiveness. As a result of that assessment, the Board and Committees are satisfied that the ESG Committee is functioning effectively and is meeting its terms of reference.

Donard Gaynor
Environmental, Social and Governance Committee Chair

Environmental, Social and Governance Committee Report continued

ESG Governance structure

Glanbia plc Board

- Oversees all aspects of ESG, including climate change, responsible sourcing, health and safety, food safety and quality, DE&I and community related topics. Refer to the materiality assessment page 55 for full listing of material ESG topics.
- Provides rigorous challenge to management on progress against goals and targets.
- Ensures the Group maintains an effective risk management framework, including over climate-related risks and opportunities.

The Board delegates specific ESG, including climate change, oversight matters to its committees:

ESG Committee
- Oversees the embedding of the Group's ESG Strategy, on behalf of the Board
- Reviews information presented within the ESG report
- Oversees the Group's ongoing commitment relating to TCFD
- Approves recommendations from the GOE in respect of key ESG issues and related objectives

Remuneration Committee
- Supports the ESG strategy through alignment of the Groups incentive plan to external ESG targets, including environment and social metrics

Audit Committee
- Oversees the Group Financial Statements and regulatory non-financial disclosures, including climate-related disclosures
- Oversees the whistleblowing programme
- Oversees the Group risk register process – including climate change, talent management, health and safety and product safety and compliance

Nomination & Governance Committee
- Oversees appropriate personnel are appointed to the Group's respective Committees and Board, and are provided with adequate training and support to meet ESG requirements and Group strategy

Group Operating Executive (GOE)

- Comprises of the Group Managing Director, Group Finance Director, GPN and GN Chief Executive Officers, Chief ESG and Corporate Affairs Officer, Chief Human Resource Officer and Corporate Development Director
- The Chief ESG and Corporate Affairs Officer is responsible for implementation of the Group's ESG strategy including ensuring integration and achievement of our climate related targets, with support from the GOE
- Approves recommendations from the ESG Centre of Excellence
- Makes recommendations to the ESG Committee in terms of ESG initiatives, operational and strategic approach to meet the overall Group ESG agenda
- Members of the Capital Investment Committee – responsible for oversight of responsible investment activity

ESG Centre of Excellence

- Chaired by the Chief ESG and Corporate Affairs Officer, comprises of the VP DE&I, SVP of QHS and SVP of Sustainability, Head of ESG Governance and Reporting, and Head of ESG and Leadership Communications
- Input from wider group functions including Group Finance, Corporate Affairs, Investor Relations, IT and Procurement
- Provides expert advice and direction in respect of ESG strategy, supporting the Business Units in achieving ESG targets and commitments
- Monitors performance and keeps the GOE informed on areas of required focus and progress made

ESG Leadership Team (LT)

Sustainability LT | **DE&I Committee** | **QHS LT** | **ESG Reporting LT**

Comprises of Group and Business Unit representatives – responsible for advancing the relevant strategic pillars and delivering the Group-wide strategy and Business Unit specific activities

Local Business Units

The local Business Units are responsible for implementation of the Group's ESG strategy, and ensuring workstream delivery.

The following workstreams are in place to support the respective pillars and ensure delivery of respective Business Unit work programmes:

DE&I	QHS	Sustainability
Culture & Leadership, Talent Acquisition, Commercial & Reputation, Employee Resource Groups, Training & Education	Food Quality & Safety, Employee Health & Safety Responsible Nutrition	Carbon Emissions, Water, Waste, Packaging, Responsible Sourcing, Reporting,

Reports to
Informs
Board level
Operational level

Key activities of the ESG Committee during 2022	Further information refer to:
Through the Chair of the ESG Committee, the Board has been formally updated of all the activities and related actions to meet the Board approved ESG strategy:	**Page(s)**
Environment	
Overseeing ESG ambition and performance against stated targets:	
• Updated Scope 1 & 2 reduction commitment – aligned to 1.5 degrees Celsius pathway.	**56**
• Approval of supporting decarbonisation plan comprised of operational improvements and renewable electricity procurement.	**57**
• Continued partnership with suppliers and wider dairy industry initiatives.	**57**
• Upgrading of our waste targets to externally accredited TRUE zero waste certification.	**59**
• Continued focus on consumer packaging innovation and recyclability.	**59**
• Enhanced analysis including financial quantification assessment on the identified climate-related risks and opportunities.	**62-65**
Social	**Page(s)**
Overseeing actions taken to support our stated DE&I strategy, employee engagement and our people's health, safety and wellbeing:	
• Three Employee Resource Groups – Glanbia NOW (Network of Women), Mosaic (multi-cultural) and True Colours (LGBTQIA+) were set up.	**21**
• Suite of global training modules deployed, including 'fostering inclusion' learning and development programme and 'unconscious bias' leadership training.	**22**
• Initiatives from our employee engagement survey, including improved flexible working and parental leave.	**20-21**
• Continued improved health and safety metrics, with zero critical injuries reported during 2022.	**23**
• All manufacturing sites continue to maintain an externally recognised certification in quality food safety, such as those recognised by the Global Food Safety Initiative ("GFSI").	**60**
• Embedding of EcoVadis risk assessment as part of our supplier due diligence process.	**60**
Governance	**Page(s)**
Ensuring appropriate governance structures are in place to support the Group's ESG strategy, including:	
• Attending externally facilitated Board training sessions supporting our ESG strategy.	**92**
• Reviewing and approving Glanbia's externally published ESG policies, including the updated Code of Conduct, Supplier Code of Conduct and Anti-bribery and Corruption policy.	**66**
• Approval of ESG targets within STIP and LTIP remuneration targets.	**133**
• Enhanced and more transparent ESG reporting through use of the GRI reporting framework.	**55**
• External review of the Group's ESG data systems and related processes.	**50**

Focus areas for 2023

In 2023 we will continue to build upon the momentum gained in 2022, and support the actions required to meet our stated commitments and ambition. The key priorities for the ESG Committee include:

- Further implementation of our on-site decarbonisation plan, with a dedicated on-site team charged with delivering this plan through a combination of production efficiencies (as identified through our audit and metering processes) and purposeful capital expenditure projects.
- Continued focus on our renewable energy procurement strategy.
- Accelerate modelling work to develop a comprehensive roadmap to reduce Scope 3 emissions to meet our targets.
- Further embed the results of climate change risk and opportunity assessments within our strategy and risk management process, with active challenge and support from the ESG Committee.
- Progress our plans to incorporate an internal carbon price mechanism within our capital investment assessments.
- Build on the initiatives and delivery of commitments set during 2022 within our other key environmental pillars, including waste (building alignment with the TRUE zero waste certification requirements), water and consumer packaging.
- Formalise our biodiversity, forestry and circular economy work programmes.
- Continue to support improved health and safety performance with a focus on root cause and near miss analysis reporting.
- Complete an independent regulatory capability assessment and benchmarking review relating to food safety and quality.
- Further engrain our DE&I strategy across all aspects of our organisation, including increase gender, racial and ethnic representation in leadership.
- Ensure responsible procurement remains a key focus, strengthen our due diligence processes further, through the use of the EcoVadis risk assessment tool and Group procurement protocols – with the protection of human rights at the core.
- Continue focus on stakeholder engagement, and understanding how Glanbia impacts our stakeholders.
- Monitor the Group's ESG reporting, data systems and related policies and processes delivering more transparent and comparable reporting, and ensuring readiness for future mandatory assurance, under CSRD.
- Ensure ESG performance continues to be a key indicator and strategy driver, linked to remuneration performance.

Fostering a culture of diverse and inclusive leadership

Donard Gaynor
Nomination and Governance Committee Chair

Committee members and Committee tenure

	Appointed to the Committee	Number of full years on the Committee
D Gaynor (Chair)	12 Dec 14	8
R Brennan	20 Jan 21	2
D O'Connor	12 Dec 14	8

See pages 83-87 for more information on current Nomination and Governance Committee members.

Terms of reference

The full terms of reference of the Nomination and Governance Committee can be found on the Group's website: www.glanbia.com or can be obtained from the Group Secretary and Head of Investor Relations.

Key responsibilities

- Assessing the composition, structure and size (including skills, knowledge, experience and diversity) of the Board and its Committees and making recommendations on appointments and reappointments to the Board.
- Planning for the orderly succession of new Directors to the Board and of senior management.
- Keeping up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.
- Keeping under review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the continued ability of the Group to compete effectively in the market place.
- Reviewing the talent capability across the Group.
- Keeping the extent of Directors' other interests under review to ensure that the effectiveness of the Board is not compromised.
- Overseeing the performance evaluation of the Board, its Committees and individual Directors.
- Keeping under review corporate governance developments with the aim of ensuring that the Group's governance policies and practices continue to be in line with best practice.
- Ensuring that the principles and provisions set out in the Irish Corporate Governance Annex (the "Irish Annex") and the UK Corporate Governance Code 2018 (the "Code") (together the "Codes") (and any other governance code that applies to the Company) are observed.
- Reviewing the disclosures and statements made in the Directors' Report to the shareholders.

Dear Shareholder,

On behalf of the Board and the Nomination and Governance Committee it is my pleasure to present the Nomination and Governance Committee Report for the year ended 31 December 2022.

Glanbia's values are at the heart of our business and culture, and for this to be the case, it is essential that the Board and each individual Director, our senior leadership team and our wider workforce share these values. We believe in leading by example, and it is a paramount responsibility of the Nomination and Governance Committee to oversee evaluation of the Board to ensure these values are being maintained and encouraged in every facet of our business. In this regard, the Nomination and Governance Committee keeps Board composition under constant review, continuously evaluating the composition, balance and performance of the Board and of its Committees, identifying and recommending to the Board the appointment of new Directors and Committee members to ensure that the Board and its Committees are comprised of an appropriate balance of independence, skills, knowledge, experience and diversity so that they are effective in discharging their responsibilities and in having holistic oversight. The Nomination and Governance Committee also identifies the leadership needs of the Group, overseeing talent and succession plans for senior roles and monitors the Group's compliance with, and approach to, all applicable legal, regulatory and guidance related to corporate governance matters.

Focus for the year

The Nomination and Governance Committee's areas of focus in 2022 were the appointment of two new Independent Non-Executive Directors, Ilona Haaijer and Kimberly Underhill (following the retirement of Patrick Coveney on 30 March 2022 and the retirement of Vincent Gorman on 5 May 2022) oversight of the internal Board evaluation, ongoing succession planning and oversight of the Board's Diversity, Equity and Inclusion ("DE&I") ambitions, each of which are dealt in more detail in the following pages. We also refreshed our Nomination and Governance Committee composition following the appointment of Kimberly and Ilona. Full biographical details for Kimberly and Ilona are set out on page 85. Information on the process followed in respect of their recruitment is contained on pages 97, 98 and 117.

Gender

- Male – 64%
- Female – 36%

Independence

- Independent – 43%
- Non-independent – 57%

Our search for new Independent Non-Executive Directors continues in accordance with the planned reduction of the Society's representation on the Board and the Group's well-established succession plans. We remain cognisant of our ambitions and will look to strengthen our diversity of skills, knowledge and personal experiences. Gender diversity remains a priority to ensure the Company maintains its target that 50% of our Independent Non-Executive Director appointments are female.

Board evaluation

During 2022 in line with our agreed triennial evaluation cycle, the Nomination and Governance Committee oversaw an internal evaluation of the effectiveness of the Board and its Committees. The results of this process were positive and provided the Board with the assurance that it was operating effectively. An external evaluation will be conducted in 2023. Information on the evaluation process and a summary of the outcomes of the Board evaluation and the areas of focus for 2023 arising therefrom are set out in more detail on pages 99 and 100 of this report.

Committee aims for 2023

In 2023, Board composition, balance and diversity (both gender and ethnicity), senior management succession planning and governance oversight will continue to be priorities for the Nomination and Governance Committee.

We will continue to support the Board's broader oversight of talent and succession, ensuring that the frameworks through which the Board analyses and evaluates these matters are thorough and robust. Additionally, the Nomination and Governance Committee will oversee the Board's external evaluation process and monitor progress against the findings from the most recent internal evaluation and will continue to lead Non-Executive Director search activity and Board renewal with an emphasis on diversity.

The following pages provide further details on the roles and responsibilities of the Nomination and Governance Committee and its governance duties.

I am available at any time to discuss any matters that any shareholder may wish to raise.

On behalf of the Nomination and Governance Committee

Donard Gaynor
Nomination and Governance Committee Chair

Diversity, Equity and Inclusion

Critical to our success is ensuring a culture that complements the delivery of our strategy. The Board continues to focus on engendering a corporate culture that is more diverse, equitable and inclusive and on ensuring that this aligns with the Company's purpose, values and strategy.

We are committed to fostering a truly inclusive culture that rejects any forms of racism and other discrimination, where talent and individuality is nurtured, where everyone feels that they belong, are valued, respected and appreciated for who they are as individuals and the diverse perspectives they bring to Glanbia and that they have equal opportunities to thrive regardless of ethnicity, religion, colour, gender, sexual orientation, nationality or any other personal characteristics.

This year, the Group was very active in promoting DE&I. Employee Resource Groups ("ERGs") were established for female (Glanbia Network of Women ("Glanbia NOW")), multicultural (Mosaic) and LGBTQIA+ employees (True Colours) further details of which are set out on page 22.

Female management representation targets were built into annual incentives for Executive Directors. The Board also focused on equipping talent acquisition with the resources to attract and source diverse talent and educate hiring managers on inclusive hiring practices along with an increased focus on ensuring diverse candidate slates for open roles to improve diverse hiring. Details of our diversity objectives, policy on equity and inclusion and how this is linked to Company strategy can be found on pages 20-22.

Board diversity

The commercial benefits of having a diverse Board are well established. Our Board diversity policy is contained on page 97. We strongly believe that diversity throughout the Group and at Board level is a driver of business success. We respect, value and welcome all forms of diversity. We recruit talented Board members who have the appropriate mix of skills, capabilities and market knowledge to ensure the Board is effective. When recruiting, we look across all sectors and non-traditional talent pools, and we require diversity on our candidate shortlists. We believe that diversity, equity and inclusion are essential to our purpose of delivering better nutrition for every step of life's journey.

In 2020, the Group agreed that as new appointments are made, the target is that a minimum of 50% of the Independent Non-Executive Directors will be female. The Group continued to progress this in 2022 with two of its most recent appointments being female, increasing total female Board membership to 36%, 55.5% of Independent Non-Executive Directors, Group Chairman and Executive Directors.

Tirlán Co-operative Society Limited (formerly Glanbia Co-operative Society Limited) – Right to nominate Non-Executive Directors

On 5 May 2021, the Company and the Society entered into an amended and restated relationship agreement, as required for compliance with the Listing Rules (the "Relationship Agreement"). Under the Relationship Agreement, the number of Non-Executive Directors nominated by the Society reduced to five in 2022 in a Board comprising of 14 members, with seven Independent Non-Executive Directors and two Executive Directors.

In 2023 the number of Directors nominated by the Society will decrease to three and the overall Board size will be reduced by one to 13. Patsy Ahern and John Murphy will retire immediately following the 2023 AGM and it is expected a new Independent Non-Executive Director will be appointed during the year.

Governance

The Nomination and Governance Committee comprises of the Group Chairman as Chair and two Independent Non-Executive Directors, of whom two members constitute a quorum. The Group Secretary and Head of Investor Relations acts as secretary to the Nomination and Governance Committee. The Group Managing Director attends by invitation only.

The Nomination and Governance Committee advises the Board on significant developments in the law and practice of corporate governance and monitors the Company's compliance with corporate governance best practice (making recommendations to the Board in relation to changes and enhancements to current procedures), with particular reference to the Codes.

There was extensive engagement with shareholders during 2022 on governance matters which are detailed throughout the Stakeholder Engagement on page 90 and Board Highlights on pages 92-94.

Board size, composition and renewal

The Nomination and Governance Committee reviews Board composition and structure and the leadership and succession needs of the Group to ensure we have the right balance of skills, knowledge and experience on the Board, taking account of our business model and the specific sectors in which the Group operates and developments in terms of scale, geographic expansion and external factors.

Succession planning

Oversight of succession planning is one of the Board's prime responsibilities, assisted by the Nomination and Governance Committee. The Nomination and Governance Committee leads the process for Board appointments and is responsible for ensuring that plans are in place for orderly Board and senior management succession. In addition, the Nomination and Governance Committee ensures that the Group's governance framework facilitates the appointment and development of effective Directors and management that can deliver shareholder value over the longer term.

The Nomination and Governance Committee regularly reviews the structure, size and composition of the Board and its Committees, to ensure critical skills and experience are appropriately refreshed, that continuity is maintained, and that Directors with the appropriate skills and experience and from a diverse range of backgrounds join the Board to bring fresh perspective. The Committee ensures that appropriate procedures are in place for nominating (pages 116-118), inducting (pages 97-98) and evaluating (pages 99-100) Directors.

The Nomination and Governance Committee gives full consideration to succession planning for Directors, in particular the Group Chairman, the Group Managing Director and Group Finance Director taking into account both Group strategy and the Group's DE&I strategy (which is now at the core of the Group's succession planning). The Nomination and Governance Committee is heavily focused on the leadership needs of the Group at senior management level and regularly receives updates from the Chief Human Resources Officer.

Governance in action

Non-Executive Director appointment

Ilona Haaijer and Kimberly Underhill were appointed to the Board with effect from 1 August 2022. The key stages of the nomination process are outlined below.

1. Assessment	The Nomination and Governance Committee assessed the skill set, experience and diversity on the Board, the requirements to meet the Group's future growth plans, together with the planned retirements from the Board over the coming years.
2. Requirement	The Nomination and Governance Committee agreed to prioritise gender diversity to enable the Company progress its objective to achieve its target that 50% of the Independent Non-Executive Directors be female. Such candidate would bring the following mix of skills and experience: marketing background with CEO, President, General Manager, or other commercial leader experience; US market experience; food ingredients industry experience; food or wider consumer products experience; and previous board experience.
3. Search	A sub-Committee comprised of the members of the Nomination and Governance Committee and the Chairman and Vice-Chairmen of the Society was established to progress the Independent Non-Executive Director selection process with a global talent search firm.
4. Screening	The sub-Committee assessed a long list of candidates identified by the search firm as having met the criteria.
5. Interview	A shortlist of potential candidates went through a two stage interview process meeting with the Group Chairman and the Group Secretary and Head of Investor Relations, initially. Second round interviews involving a number of Non-Executive Directors of the Company as well as the members of the Nomination and Governance Committee and the Executive Directors were undertaken.
6. Approval	Following a successful interview round, and a check for any disclosures required under Listing Rule 6.1.66 of the Euronext Dublin Listing Rules and 9.6.13 of the FCA Listing Rules, the Group Chairman took independent references on the candidates and then discussed their suitability with the Nomination and Governance Committee. The Nomination and Governance Committee then recommended the appointments to the Board for final approval.

During 2022, the Nomination and Governance Committee focused on the succession pipeline in the context of the Group's longer term talent strategy to ensure the development of a skilled workforce and nurture and encourage that workforce's own goals for management and senior leadership. Internal talent development and the attraction and retention of skilled individuals is facilitated through engagement with Human Resources so that the people strategy is aligned with the development of the internal talent pipeline. We look to identify and accelerate the development of talent at all levels, based on an assessment of successor readiness in respect of senior positions, and our talent acquisition and development process strives for transparent, equitable and accessible processes. NOW provides a space for education, conversation, networking, mentorship and professional development, with a view to enabling our female workforce to access the support they need to progress professionally within the Group, to facilitate more women in senior leadership positions.

Crucial to the successful delivery of our strategy is attracting and retaining strong, diverse talent who have an affinity to our culture. Our culture is a major contributing factor to the delivery of long-term success for our stakeholders and this makes the effective internal management of that talent absolutely critical to ensuring that Glanbia's unique culture is preserved as far as possible.

The Nomination and Governance Committee plays a key role in embedding a positive culture by ensuring that our succession planning and appointment process identifies candidates who are exemplars of our values. Our induction and training programmes and the annual performance evaluation process promotes these values in all of our Directors and employees.

The Nomination and Governance Committee is satisfied that effective succession plans for Directors and senior management are in place to ensure the continued ability of the Group to implement strategy and compete effectively in the markets in which it operates in a manner that fosters the Company's culture and values.

Independent Non-Executive Director recruitment and selection process

In 2022, in accordance with the planned reduction of the Society's representation on the Board, an Independent Non-Executive Director recruitment and selection process was undertaken to identify two new diverse Independent Non-Executive Directors.

Egon Zehnder, global talent search firm (who does not have any other connection with the Company or the Directors) was engaged to assist in the identification of suitable candidates for appointment as Non-Executive Directors to the Board. A Non-Executive Director role specification was drawn up to determine the key skills, experience, characteristics and requirements for the roles having regard to the challenges and demands of the future operating environment, growth opportunities for the Group and Board diversity. Please refer to 'Governance in Action' on page 117 for a detailed description of the process.

Committee changes

There were a number of changes to the membership of the Board Committees in 2022:

- a new Development Committee was established on 24 February 2022. The Group Chairman, the Group Managing Director, the Group Finance Director, Dan O'Connor, Paul Duffy and Róisín Brennan were appointed to the Development Committee on that date. The Group Chairman was appointed as Chair of the Development Committee;
- Paul Duffy replaced Dan O'Connor as Chair of the Audit Committee on 7 March 2022;
- Patrick Coveney resigned from the Audit Committee on 30 March 2022 and the ESG Committee on 30 March 2022, coincident with his resignation from the Board;
- Dan O'Connor retired from the Remuneration Committee on 1 August 2022 and the Audit Committee on 17 August 2022;
- Ilona Haajer and Kimberly Underhill were appointed to the Audit Committee on 17 August 2022;
- Kimberly Underhill was appointed to the Remuneration Committee on 1 August 2022;
- Ilona Haaijer and Dan O'Connor were appointed to the ESG Committee on 1 September 2022; and
- Jane Lodge was appointed to the Development Committee on 29 July 2022 and Ilona Haajer and Kimberly Underhill were appointed to the Development Committee on 1 August 2022.

The membership of the Nomination and Governance, Development and Remuneration Committees continues to comprise only the Group Chairman and Independent Non-Executive Directors. The Audit Committee continues to comprise only Independent Non-Executive Directors.

Workforce engagement Director

During 2019, the role of Donard Gaynor, an Independent Non-Executive Director (at that time, and now Group Chairman), was expanded to include oversight of workforce engagement to further improve Board involvement in this area and to gather employees views and communicate them to the Board so that employees' views can be considered in Board discussions and decision-making. Details of Donard's engagements with employees during 2022 are set out in Stakeholder Engagement on page 128.

Regular matters

A number of regular matters were considered by the Nomination and Governance Committee in accordance with its terms of reference, such as:

Review of Non-Executive Directors' independence in accordance with the guidance in the Codes

The Board evaluation and review process considered the independence of each of the Non-Executive Directors, taking into account their integrity, objectivity and contribution to the Board and its Committees. A rigorous internal review was carried out in respect of those Non-Executive Directors who served longer than six years.

The Board is of the view that the following behaviours are essential for a Non-Executive Director to be considered independent:

- provides an objective, robust and consistent challenge to the assumptions, beliefs and views of senior management and the other Directors;
- questions intelligently, debates constructively and challenges rigorously and dispassionately;
- acts at all times in the best interests of the Company and its shareholders; and
- has a detailed and extensive knowledge of the Company and the Group's business and of the market as a whole which provides a solid background with which they can consider the strategy of the Company and the Group objectively and help the Executive Directors develop proposals on strategy.

The Board also gives due regard to applicable legislation. The Board and Nomination and Governance Committee believe that all Non-Executive Directors demonstrated the essential characteristics of independence and brought independent challenge and deliberations to the Board.

The reviews took into consideration the fact that Donard Gaynor, Brendan Hayes, John G Murphy and Patrick Murphy have each served on the Board for more than nine years (John G Murphy serving 12 years conterminously with the Group Managing Director, the longest conterminous period with a current Executive Director) a factor the Codes state could be relevant to the determination of a Non-Executive Director's independence. The Codes also make it clear, however, that a director may be considered independent notwithstanding these facts. This reflects the Board's view that independence is determined by the Director's character as set out above. Nevertheless, the Non-Executive Directors nominated by the Society are not considered by the Board to be independent for the purposes of the Codes.

Group Chairman tenure

On 11 August 2021, the Board extended the tenure of Donard Gaynor as Group Chairman until 2025. The Board remain unanimous in its view that the Group Chairman continues to provide strong, objective and effective leadership to the Board notwithstanding that he has served on the Board for more than nine years. The Board believes that the extension of the Group Chairman's tenure for a limited period beyond nine years is warranted in this particular instance to facilitate effective succession planning and the development of a diverse board.

Election or Re-election of Directors

The Nomination and Governance Committee continues to be of the view that all Directors should be re-elected to the Board at the Company's AGM and this was the case in 2022. All Directors with the exception of Patsy Ahern and John Murphy, who will retire following the 2023 AGM, in accordance with the planned reduction of the Society's representation on the Board, are seeking election or re-election at the 2023 AGM. The Group Chairman has confirmed that each of the Directors, who are seeking election or re-election, continue to be effective members of the Board and demonstrate their commitment to their responsibilities, further detail in respect of which is contained on page 100. The Nomination and Governance Committee assessed the Non-Executive Directors' time commitment considering both the time required for Glanbia Board and Committee appointments and the number and nature of the Directors' external commitments. All Non-Executive Directors continue to demonstrate that they have sufficient time to devote to their present role on the Board. This has also been a consideration of the Board in assessing potential candidates for the role of Independent Non-Executive Director in 2022.

Committee performance

The Nomination and Governance Committee assessed its performance covering its terms of reference, composition, procedures, contribution and effectiveness. As a result of that assessment, the Board and Committee are satisfied that the Nomination and Governance Committee is functioning effectively and continues to meet its terms of reference.

Focusing on our strategic objectives and sustaining performance

Jane Lodge
Remuneration Committee Chair

Committee members and Committee tenure

	Appointed to the Committee	Number of full years on the Committee
R Brennan	20 Jan 21	2
P Duffy	17 Jun 21	1
D Gaynor	13 May 14	8
J Lodge (Chair)	14 Dec 20	2
K Underhill	1 Aug 22	<1
D O'Connor[1]	1 Dec 14	7

1. D O'Connor stepped down as a Committee member on 1 August 2022.

See pages 83-87 for more information on the current Remuneration Committee members.

Terms of reference
The Remuneration Committee Terms of Reference were reviewed and approved by the Committee during 2022, they can be found on the Group's website: www.glanbia.com or obtained from the Group Secretary and Head of Investor Relations.

Key responsibilities

- Determine and agree with the Board the framework and policy for remuneration of the Executive Directors and other Senior Executives as required.
- Oversee remuneration design and target setting of annual and long-term incentive arrangements to ensure comprehensive linkages between performance and reward and to incentivise delivery of Group strategy.
- Determine, within the agreed policy, individual total compensation packages for the Executive Directors and other Senior Executives as required.
- Determine any employee share-based incentive award and any performance conditions to be used for such awards.
- Consider and approve Executive Directors' and other Senior Executives' total compensation arrangements annually.
- Determine the achievement of performance conditions for vesting of Annual and Long-Term Incentive Plans.
- Review and understand reward policies and practices throughout the Glanbia Group.

Dear Shareholder,
On behalf of the Board and the Remuneration Committee, I am pleased to present the Directors' Remuneration Committee Report for the year end 31 December 2022.

2022 AGM and engagement with shareholders
I would like to thank those shareholders who engaged with me on our proposals for a new Directors' Remuneration Policy (the "Policy") ahead of the 2022 AGM. The feedback we received was welcomed, and following the engagement, the Remuneration Committee was very pleased with the level of support for the new Policy with 87.9% of votes cast being in favour.

Our new Policy rebalances our incentives to the shorter term to drive strong year-on-year growth over the next policy period, as well as embed and sustain new ways of working after significant organisational changes in recent years, leading to longer term sustainable performance. Our new Policy also enables the Remuneration Committee to be more agile in calibrating performance targets for the majority of the variable remuneration, resulting in the Remuneration Committee being able to refocus objectives over shorter time frames as well as resulting in a stronger link between management performance and reward. Significant focus is maintained on longer term sustainable performance and the wider shareholder experience through bonus deferral, equity awards and shareholding requirements.

Business performance 2022
As noted in the Group Chairman's statement, the Group performed strongly in 2022, delivering growth through an attractive portfolio of growing nutrition categories. We have simplified and evolved our strategy, reshaping our operating model to drive customer and consumer relevance, delivering on our 2018-2022 strategic targets and setting new and ambitious goals for 2023-2025.

2022 saw Glanbia deliver its highest earnings ever in terms of adjusted Earnings Per Share ("EPS") , with growth in adjusted EPS from continuing operations of 17.6% constant currency against the originally guided range of 2% to 8%. We delivered across all of our key metrics, with revenues, profit, margins, cash generation and return on capital employed ("ROCE") all growing in 2022.

In May we acquired Sterling Technology LLC, strengthening our offering in immunity solutions and in April we completed the sale of our 40% holding in Glanbia Ireland to Tirlán Co-Operative Society Limited (formerly Glanbia Co-operative Society Limited) (the "Society") for €307 million.

Our strategy is clear, and we are well positioned to deliver our growth commitments over the 2023–2025 period and beyond. It is within this business context that the Remuneration Committee reviewed remuneration outcomes for 2022.

Remuneration in respect of 2022

Executive Director base salary, benefits and pension

Base salaries for the Executive Directors were increased by 2.8% aligned to the increases to our wider employee population in Ireland. The resulting base salary for the Group Managing Director ("GMD") from 1 January 2022 was €1,106,385 and for the Group Finance Director ("GFD") was €612,200.

There were no changes to pension contributions and benefits from 2021.

2022 Annual Incentive

The 2022 annual incentive is the first award to be made under the new Policy, with the maximum opportunity for the Group Managing Director and Group Finance Director being 250% and 200% of salary respectively. Annual incentive measures and weightings for 2022 were unchanged from 2021 and comprised a combination of financial targets (adjusted EPS and Cash Conversion, with a 50% and 20% weighting respectively), strategic (20% weighting) and ESG (10% weighting) objectives.

The Group achieved all of its key financial targets for 2022, progressively upgrading earnings guidance during the year as the Group mitigated significant inflationary pressures. Reflecting strong performance during the year, the Group exceeded its maximum growth target for adjusted EPS (17.6% growth vs annual incentive maximum of 8%, constant currency). The Group also exceeded target for cash conversion (85.7% vs annual incentive target 80%). In respect of the ESG measures, the maximum inclusion index target was exceeded (69.5 vs 69), however, the threshold female representation target was not achieved (34% vs 35%). The Executive Directors performed strongly against the operating and strategic objectives set by the Remuneration Committee.

The formulaic outcome of the annual incentive is the achievement of 88.2% of maximum for the Group Managing Director and 89.1% of maximum for the Group Finance Director reflecting the Group's strong performance in 2022. Full details on the targets and related performance can be found on page 130. Under our new Policy, 50% of the annual incentive earned is deferred into shares with 30% released after two years and the remaining 20% after three years.

2020 Share Awards Vesting

The vesting of the 2020 share awards is determined by performance over the three-year performance period to 31 December 2022, measuring Group EPS (40% weighting), Group ROCE (40% weighting) and relative Total Shareholder Return ("TSR") against the STOXX Europe 600 Food and Beverage Index (20% weighting).

At the date of grant, the 2020 share awards were scaled back by 20% to 200% of salary (from 250%) for the Group Managing Director, and 160% (from 200%) for the Group Finance Director to reflect challenging market conditions at that time and share price performance during 2019.

The formulaic vesting outcome for both the Group Managing Director and Group Finance Director for the 2020 share awards is 65.9% of maximum. The performance outcome inherent in this vesting level is exceptional given that the targets set became significantly more challenging due to the disruptive impact of the Covid-19 pandemic over the period. The targets set at time of grant were not adjusted for this factor for the Executive Directors.

As I explained in last year's Remuneration Report, I engaged with shareholders during 2021 to understand their views on amending targets, applying new targets or the exercise of discretion to increase the vesting level of those inflight share awards affected by the Covid-19 pandemic and factors outside of management's control. The Remuneration Committee listened carefully to feedback at that time, determined that no action should be taken in respect of the 2019 award and has this year considered at length whether the application of discretion for the 2020 award would be appropriate. While the Remuneration Committee noted that many shareholders understood the context and were sympathetic to the rationale for applying discretion, it determined not to apply discretion to increase the formulaic outturn of the 2020 share awards for the Executive Directors.

The 2020 share awards will not vest before 23 March 2023, the third anniversary of grant. Full details of the targets and related performance can be found on page 132.

2022 Share Awards

2022 share awards were made under the Policy with grants of 150% of salary to both Executive Directors. The metrics and weightings were adjusted EPS (40%), ROCE (40%) and ESG measures (20%).

Review of formulaic incentive outcome, consideration of windfall gains and total single figure

The Remuneration Committee has reviewed both the 2022 annual incentive and 2020 share awards formulaic outcome and considered whether they are appropriate in the context of underlying business performance and wider stakeholder experience. As part of its review the Remuneration Committee has also considered matters such as culture, conduct, health and safety, systems and controls, reputation and risk and noted the positive delivery across these areas in the period.

As noted, the payment under the annual incentive reflects the Group's strong performance in 2022.

The vesting level of the 2020 share awards reflects both a scaled back level of grant and exceptional performance delivery against targets which were set prior to, and not adjusted for, the unforeseen impact of the Covid-19 pandemic on the business in the three-year period to December 2022. No positive discretion has been applied to the formulaic outcomes achieved.

The increase in the single total figure from 2021 results from the application of the new incentive Policy, the strong performance of the business and personal contribution of the Executive Directors in 2022 and the vesting of the 2020 share awards granted under the old Policy (the commensurate reduction in 2022 share award levels will vest in 2025). Considering all factors, the Remuneration Committee is comfortable with the level of remuneration payable to the Group Managing Director and Group Finance Director for 2022.

The Remuneration Committee also considered investor concerns regarding 'windfall gains'. Acknowledging the scaling back of the 2020 awards at date of grant by 20%, the vesting level of 65.9% and the strong business performance and outperformance of Glanbia relative to the FTSE 100 and the STOXX Europe 600 Food and Beverage index over the performance period, the Committee considers that the increase in the share price from date of grant (€8.79) is due to the underlying performance of the business and the vesting of the 2020 awards does not result in a 'windfall gain'.

No scale back was considered appropriate for the 2022 share awards taking into account the share price at which the award was made of €11.87 and the share price at which previous awards have been made. Given the current share price relative to previous share award share prices, it is not anticipated that a scale back will be appropriate for the 2023 award.

2023 operation of Policy

Executive Director Base Salary

The base salary of the Group Managing Director and Group Finance Director will increase by 3.4% to €1,144,002 and €633,015 respectively, effective 1 January 2023. The Remuneration Committee considers that this increase for the Executive Directors is appropriate in the context of the average increases in the wider workforce with a higher rate of increase planned in both the US of 4.1% (which is approximately 70% of the workforce) and the UK of 4.3%. The salary increases for our different locations vary dependent on local conditions, levels of inflation and market positioning of overall remuneration.

Both the Remuneration Committee and management are conscious that many of our employees, in Europe and North America, have through 2022 and into 2023, experienced ongoing cost-of-living pressures as a result of the current economic environment. With approximately 70% of our talent population in the US, in 2022 we made some mid-year adjustments to the hourly paid employees which resulted in average hourly increases higher than the standard increase.

Glanbia is committed to supporting its employees through employee assistance programmes, a variety of wellbeing initiatives and where appropriate, off-cycle adjustments.

We are delighted to develop new and more inclusive global Family Leave policies, which will be implemented in 2023. A Wellbeing working committee was also established, which has led to the development of a new framework that will be rolled out in early 2023. Smart Working was another area of focus as offices began to open once again. Our employees continue to enjoy the benefits of our hybrid working model and flexible hours policy. We also enhanced our US benefit programme, providing lower cost options to meet the needs of our employees.

Executive Director Pension

Last year I explained that we were reviewing our workforce pension arrangement and that our Executive Directors would be aligned to the workforce rate in Ireland following this review.

Although the review has not yet completed, from 1 January 2023 the pension contribution for the Group Managing Director and Group Finance Director has been reduced from 26.5% of salary and 25% of salary respectively to 12% for both Directors. Upon conclusion of our workforce pension review in 2023, any further necessary adjustments for the Group Managing Director and Group Finance Director to align with the workforce rate in Ireland will be made at that time.

Executive Director Benefits

There were no changes to benefits from 2022.

2023 Annual Incentive

The maximum annual incentive opportunity for 2023 remains at 250% and 200% of salary for the Group Managing Director and Group Finance Director. The performance metrics and weightings remain the same as for 2022, being 50% adjusted EPS, 20% Cash Conversion, 20% strategic objectives and 10% ESG measures. The targets for the annual incentive are commercially sensitive and will be disclosed retrospectively in next year's Remuneration Report. However, the Remuneration Committee is comfortable that the targets set for 2023 reflect our business planning and are appropriately stretching taking into account both the increased annual incentive opportunity under our new Remuneration Policy as well as the current economic and business environment.

2023 Share Awards

2023 share awards will be granted at 150% of salary. Performance and vesting will be determined by the same key Group performance metrics that applied to the 2022 award of adjusted EPS (40%), ROCE (40%) and ESG measures (20%). Full details on measures, weightings and targets are set out on page 135.

Non-Executive Director Remuneration

Our Chair and Non-Executive Director fees for 2023 will be increased in line with the increase for our Executive Directors at 3.4%.

Conclusion

2022 was a year of strong operational and strategic performance delivery for Glanbia against a challenging economic backdrop. Having performed robustly during the pandemic, we entered 2022 with an unprecedented level of inflation, executed significant pricing action, delivered other inflation mitigations while continuing our investment in our business and sustaining customer and consumer relevance. We delivered our highest reported adjusted EPS from continuing operations, positioned the Group for future growth and made considerable progress on non-financial priorities including our talent and ESG agendas. The Remuneration Committee, reflecting on performance during the year, is completely satisfied that the remuneration outcomes for 2022 demonstrate a strong link between pay and performance, and that the Directors Remuneration Policy approved at the 2022 AGM has worked effectively during its first full year of operation.

I am available through our Group Secretary and Head of Investor Relations if you wish to engage with me prior to our 2023 AGM. I look forward to receiving your support at the AGM for the advisory shareholder resolution to approve this Annual Statement and our Annual Report on Remuneration.

Jane Lodge

Jane Lodge
Remuneration Committee Chair

At a glance: Individual Executive Remuneration for the year ended 31 December 2022 (Audited)

	GMD (S Talbot)	GFD (M Garvey)
Base salary	€1,106,385 (2.8%) increase	€612,200 (2.8%) increase
Benefits	Company car or equivalent, medical/life assurance and accommodation allowance	Company car or equivalent, medical/life assurance and tax equalisation
Pension	26.5% of salary (cash in lieu of pension)	25% of salary
Short-Term Incentive Plan ("STIP")		
Measures	Adj. EPS (50%), Group Operating Cash Flow (20%), strategic objectives (20%), and ESG measures (10%)	
Maximum opportunity	250% of salary	200% of salary
Achievement	€2,439,579 (88.2% of max)	€1,090,940 (89.1% of max)
Structure	50% of bonuses earned deferred into shares – 30% released after year 2, 20% released after year 3	
Long-Term Incentive Plan ("LTIP")		
Measures 2022 award	Adj. EPS (40%), Group ROCE (40%) and ESG measures (20%)	
Award level 2022 award	150% of salary	150% of salary
Achievement 2020 award	€1,877,223 (65.9% of max)	€830,987 (65.9% of max)
Structure	Paid in shares, subject to two-year post vesting holding period	
Other Policy elements		
Shareholding requirements	250% of salary 50% of shares vesting under the annual bonus and LTIP must be retained until achieved	200% of salary 50% of shares vesting under the annual bonus and LTIP must be retained until achieved
Post-employment shareholding requirements	The lower of shares actually held and 100% of salary for the first year following cessation of employment and 50% of salary for the second year	

Section A: Directors Remuneration Policy 2022–2024

The Policy was approved by shareholders at the 2022 AGM and applies for a three-year period. However as permitted under Irish regulation this may be extended for a fourth year if deemed appropriate by the Remuneration Committee. The Policy has been developed with regard to regulatory requirements of both Euronext and FTSE listed companies, best practice and the views of our stakeholders. The views of our shareholders were considered through extensive shareholder consultation as part of the Policy review process.

Remuneration strategy, policy, and purpose

The Policy has been developed to attract, retain and motivate executives to ensure that they perform in the best interests of the Group and its shareholders by growing and developing the business over the long term. Performance-related elements of remuneration are designed to form an appropriate portion of the overall remuneration package of Executive Directors and link remuneration to business performance and individual performance, while aligning their interests with those of shareholders.

The Policy focuses on incentivising the successful implementation of our corporate strategy, consistent with our risk management framework. This strategy aims to deliver sustainable, superior earnings growth, solid financial stewardship and total shareholder return for our shareholders over the long-term through the strong performance of high-quality and committed leadership, critical to the future development of the Group. The Group Key Performance Indicators ("KPI"s), which are detailed on pages 18 and 19, underpin the selection of performance criteria used within the incentive arrangements.

Factors considered when developing the Remuneration Policy

The Remuneration Committee considered the following factors when developing the 2022 – 2024 Directors' Remuneration Policy:

- **Clarity –** All elements of the Policy and its implementation is set out clearly in the Directors' Remuneration Report.
- **Simplicity –** The Policy is simple and straightforward with the structures used being common across listed companies.
- **Risk –** The Policy has been developed so that incentive structures discourage inappropriate risk taking through use of long-term incentives, the balance of measures used to determine variable remuneration outcomes and through features such as shareholding requirements and malus and clawback.
- **Predictability –** The Policy has been constructed to have clear limits on the variable remuneration payable, with the scenario chart later in this report providing illustrative examples of how the Policy may operate in practice.
- **Proportionality –** There is a sensible balance between fixed and variable pay, and variable remuneration is appropriately structured to sustainable long-term performance.
- **Alignment to culture –** Through the assessment of financial and non-financial performance, executives are incentivised to achieve performance in a way that aligns to Glanbia's values and culture.

Executive Directors' Remuneration Policy Table

The following table sets out the different elements of remuneration for the Executive Directors.

Element	Objective	Description, Performance Measures and Maximum Value
Base salary (fixed) Annual fixed pay	Provide competitive base pay which reflects market value of role, job size, responsibility and individual skills and experience.	Set by reference to the relevant market median of Europe and US based on an external independent evaluation of the role against appropriate peer companies. Reviewed annually by the Remuneration Committee. Any reviews, unless reflecting a change in role or increased complexity, usually take effect from the commencement of the relevant financial year. There is no maximum increase or maximum salary amount, however, increases as a percentage of salary will normally be aligned to those of the wider workforce although the Remuneration Committee may determine it is appropriate to make higher increases than this, for example, but not limited to, where there is an increase in role including responsibilities and complexities.
Pension (fixed) Retirement benefit	Provide market aligned, affordable and sustainable retirement benefits.	Determined as a percentage of base salary. Until 31 December 2022, the Group Managing Director received cash in lieu of pension of 26.5% of salary and the Group Finance Director participates in the Glanbia defined contribution plan with contributions of 25% of salary. Incumbent Executive Directors from 1 January 2023 and new appointments with immediate effect, will receive a pension contribution aligned to the workforce in the country of appointment.
Other Benefits (fixed)	Provide competitive benefits which recognise market value of role, job size and responsibility.	Determined in consideration of the level of responsibilities and local market practice. Benefits to include but not be limited to company car or equivalent, medical/life assurance, tax equalisation payments and accommodation/ relocation or other business-related allowances where appropriate.
Short-Term Performance Related Incentive (variable)	Incentivise Executive Directors to achieve specific performance goals and personal performance objectives which are linked to the Group's business plans during a one-year period. Ensure greater linkage of remuneration to performance. Ensure greater linkage to long-term sustainability and alignment to Group Risk Management Policy. Alignment with shareholders and/or share value growth.	The annual incentive scheme rewards achievement of specific short-term annual performance metrics. The Group Managing Director and the Executive Directors can earn 125% and 100% of base salary at target performance respectively and up to 250% and 200% of base salary respectively for maximum performance. Annual bonus starts to accrue at 0% for threshold performance. In relation to strategic targets the structure of the target will vary based on the nature of the target set and it will not always be practicable to set targets using a graduated scale. Vesting may therefore take place in full if specific criteria are met in full. The majority of the STIP will be based on financial metrics. The Remuneration Committee reviews and determines the metrics, weightings and calibration of targets annually taking into account the business planning process and the strategic priorities of the business. The Remuneration Committee has the discretion to adjust the formulaic vesting outcome if it deems it appropriate. 50% of any annual incentive earned is deferred into shares and once the appropriate taxation and social security deductions have been made, invested in shares in the Company. The shares are subject to a holding period, 30% is released after 2 years, and 20% after 3 years. Deferred incentives are subject to malus and clawback (for a period of two years following this investment) to the extent determined by the Remuneration Committee as outlined in Note 1 on page 125.

Element	Objective	Description, Performance Measures and Maximum Value
Long-Term Performance Related Incentive (variable) LTIP under which shares are granted in the form of a provisional allocation of shares for which no exercise price is payable	To align the interests of Executive Directors and shareholders through a long-term share-based incentive linked to share ownership and holding requirements. To focus on greater alignment with shareholders, long-term retention and reward for sustainable performance.	Long-term incentive individual annual share award level cannot exceed 150% of base salary. The majority of the LTIP will be based on financial metrics. The Remuneration Committee reviews and determines the performance metrics and weightings annually ensuring that they support the strategic priorities of the business. For all performance metrics, 25% vests at threshold performance and 100% vests at maximum with straight line vesting in between these points. In relation to strategic targets the structure of the target will vary based on the nature of the target set, and it will not always be practicable to set targets using a graduated scale. Vesting may therefore take place in full if specific criteria are met in full. The extent of vesting shall be dependent on the level of achievement, measured over a three-year period, of the relevant performance conditions. The Remuneration Committee has the discretion to select different performance criteria (including the measures, their weighting and calibration) where deemed appropriate for new Long-term incentive awards to ensure they continue to reflect the strategic priorities of the business. The performance conditions for each award will be disclosed in the Directors' Remuneration Report which will be subject to a general shareholder non-binding advisory vote. The Remuneration Committee has the discretion to adjust the formulaic vesting outcome if it deems it appropriate and a share award shall not vest unless the Remuneration Committee is satisfied that the Group's underlying financial performance has shown a sustained improvement in the period since the date of grant. Executive Directors will be required to hold shares received pursuant to the vesting of share awards for a minimum period of two years post vesting subject to sales to meet taxes. Share awards are subject to malus and clawback (during the two-year holding period following vesting), to the extent determined by the Remuneration Committee as outlined in Note 1 below.
Shareholding Requirement Minimum share ownership requirements to be built up over time through the retention of vested incentive awards	Ensure a greater alignment with shareholders' interests.	Executive Directors are required to build a shareholding through retaining 50% of shares vesting under the annual bonus and LTIP (subject to sales to meet taxes) until shareholding requirement is achieved. The Group Managing Director is required to build and maintain a shareholding of 250% of base salary and other Executive Directors are required to build up and maintain a shareholding of 200% of base salary.
Post-Employment Shareholding Requirement Minimum share ownership requirements to be built up over time through the retention of vested incentive awards	Ensure a greater alignment with shareholders' interests	The lower of shares actually held and 100% of salary for the first year following cessation of employment and 50% of salary for the second year with Remuneration Committee discretion to amend the requirement in exceptional circumstances. Applies to incentive awards granted from 2022, and not to shares purchased from the executive's own funds. Requirement is to retain 50% of vested LTIPs and bonus shares (after sales to meet taxes) until sufficient shares held to meet post-employment requirement.

Note 1: Malus and clawback – the Remuneration Committee may, at any time within two years of a share award or annual deferred incentive vesting, determine that malus and clawback shall apply if the Remuneration Committee determines that there was a material misstatement of the financial statements of the Company upon which the performance targets were assessed or an erroneous calculation was made in assessing the extent to which performance targets were met. Additionally, the Remuneration Committee can determine at any time within two years of a share award or annual deferred incentive vesting that malus and clawback will apply if an award holder is found guilty, or pleads guilty, to a crime which causes reputational damage; or an award holder is guilty of serious misconduct or gross negligence which causes loss or reputational damage, or where corporate failure or failure in risk management has occurred.

Note 2: The policy table in the 2021 Remuneration Report contained a typographical error and showed deferral under the short term performance related incentive of 20% for 2 years and 30% for 3 years. The correct deferral is 30% for 2 years and 20% for 3 years as set out in table showing the policy changes and is the basis on which investors were consulted.

Executive Director employment conditions

The Remuneration Committee adopts a transparent framework when making Board appointments of either external or internal candidates.

Recruitment policy

When recruiting new Executive Directors, the Group's policy is to provide an appropriate remuneration package to attract the right calibre of individuals taking into account the skills and experience appropriate to the role being filled, and taking into account cost and remuneration across the Group, including other senior executives, and that offered by other international food and nutritional companies and other companies of similar size and complexity. New Executive Directors will generally be appointed on remuneration packages with the same structure and pay elements as described in the table below. Each element of remuneration to be included in the package offered to a new Executive Director would be considered.

Element	Description
Base salary (fixed)	Base salary levels will be set in consideration of the skills, experience and expected contribution to the new role, the current salaries of other Executive Directors in the Group and current market levels for the role.
Pension (fixed)	Pension contribution will be aligned to the workforce in the country of appointment unless there is specific market practice in the country of appointment and where for the recruitment of the right candidate it is considered necessary by the Remuneration Committee for the executive to participate in retirement benefits applicable to their local market and in line with relevant scheme rules and Company practice.
Other benefits (fixed)	Will be considered in light of relevant market practice for the role, the benefit received by the candidate in current role and the provisions in place for other Executive Directors.
Short-Term Performance Related Incentive (variable)	The maximum level of short-term variable remuneration which may be granted to a new recruit is 250% (total maximum variable remuneration is 400%, annual and long-term variable). This excludes any buyout share awards that might arise. The Remuneration Committee will consider whether it is appropriate for the new recruit to participate in the same annual incentive plan applicable to the current Executive Directors. If this is considered appropriate, the same financial measures, weighting, payout scale and target and maximum incentive opportunity (as a percentage of base salary) which apply to the existing Executive Directors will generally apply to the new recruit.
Long-Term Performance Related Incentive (variable)	The maximum level of long-term variable remuneration which may be granted to a new recruit is 150% (total maximum variable remuneration is 400%, annual and long-term variable). This excludes any buyout share awards that might arise. The award of long-term incentives will depend on the timing of the appointment and where this fits into the typical annual grant cycles.

In addition to the above, when appointing an Executive Director, all other aspects of the Remuneration Policy such as malus and clawback and shareholding requirements will apply.

In exceptional circumstances or where the Remuneration Committee determines that it is necessary for the recruitment of key executives, the Remuneration Committee reserves the right to offer additional cash and/or share-based payments to take into account remuneration relinquished including incentive awards forfeited when leaving the former employer which would reflect as far as possible the nature (delivery vehicle), time horizons and performance requirements attached to that remuneration.

The Remuneration Committee's approach to this matter is to carry out a detailed review of the awards or other remuneration element which the individual will lose and calculate the estimated value of them. In doing so, the Remuneration Committee will consider the vesting period; the award exercise period if applicable; whether the awards are cash or share-based; performance-related or not; the former employer's recent performance and payout levels and any other factors the Remuneration Committee considers appropriate. If a buyout share award is to be made, the structure and level will be carefully designed and will generally reflect and replicate the previous awards as accurately as possible. The award will be made subject to appropriate clawback provisions in the event that the individual resigns, or their employment is terminated within a certain time frame.

For an internal appointment, any variable pay element awarded in respect of the prior role may be allowed to payout according to its terms, adjusted as relevant to take into account the appointment. In addition, any ongoing remuneration obligations existing prior to appointment (which are inconsistent with the policy as disclosed herein) may continue, provided they are disclosed to the Remuneration Committee and in the Annual Report on Remuneration. The Remuneration Committee may also if it considers it appropriate and in the best interests of the Group and its shareholders realign existing incentive awards to the Director's Remuneration Policy applicable at the time of appointment.

Executive Director Service Agreements

The Group's policy is to provide rolling service contracts with a 12 month notice period. The Group Managing Director, Siobhán Talbot, and the Group Finance Director, Mark Garvey's service agreements have been renewed with a rolling 12 month notice period. The Group retains the sole right to terminate with payment in lieu of 12 months' notice, or part thereof, at any time.

Employment contracts for Executive Directors do not provide for any compensation for loss of office beyond payments in lieu of notice and therefore, except as may otherwise be required by Irish law, the amount payable under the contract upon termination is limited to a maximum of 12 months' remuneration. If so required, the Group reserves the right to make necessary payments in settlement of a Director's statutory employment rights.

Both the Group Managing Director and Group Finance Director have additional 12 month restrictive covenant agreements which were introduced in 2019 and are in addition to the contract of service and notice period. These restrictive covenant agreements were put in place under the 2018-2021 Remuneration Policy and are grandfathered into the 2022-2024 policy. These agreements are necessary as a matter of law and aligned to market practice in Ireland to ensure enforceability of non-compete obligations. The Remuneration Committee will ensure that careful consideration is given to the remuneration payable on any termination of employment including whether an Executive Director is required to work his or her notice period to minimise the total cost of severance.

All new appointments will have restrictive covenant agreements incorporated into their service contracts with no additional payment in respect of these.

Exit pay policy

The Group's exit pay policy for the variable pay of Executive Directors is as follows;

- STIP awards – STIP awards will vest pro rata to reflect the performance period, which was worked and the performance outcomes achieved, in accordance with plan rules with the Remuneration Committee applying its discretion to allow all or part of STIP award to vest. STIP payments will normally be made at the usual time;
- LTIP awards – In the event an Executive Director leaves before an award vests for reasons of death, redundancy, injury, ill health or disability, retirement with the agreement of the Remuneration Committee or any other reason approved by the Remuneration Committee LTIP awards lapse unless the Remuneration Committee exercises its discretion to allow all or some of the Executive Director's awards to vest taking into account pro-rating for service and the extent to which the performance conditions of the award are met (save in the case of death or if the circumstances are sufficiently exceptional as determined by the Remuneration Committee where the Remuneration Committee may reduce the pro-rating and vest awards earlier than the normal time). The Remuneration Committee may at any time prior to vesting, in its absolute discretion, revoke any determination to permit awards to vest where an Executive Director breaches a protective covenant. For all other leavers awards will lapse;
- in the event of a takeover, merger, scheme of arrangement or other similar event involving a change of control of the Company or a demerger of a substantial part of the Group, or a special dividend, or which has the effect of materially changing the Group's business, or an Executive Director's employment with the Group terminates by reason of a transfer of his/her employment to an entity outside the Group or other similar event that affects the Group's shares to a material extent, share awards under the 2018 LTIP will vest early, subject to normal restrictions on sale and the pro-rating of the share awards to reflect the reduced period of time between the commencement of the performance period and the early vesting. The Remuneration Committee can decide not to apply restrictions on sale or pro-rate a share award if it regards it as inappropriate to do so in the particular circumstances; and
- other payments, such as legal or other professional fees, relocation or outplacement costs, payments to settle legal claims may be paid if it is considered appropriate and is at the absolute discretion of the Remuneration Committee.

Policy on external Board appointments

The long-standing policy of allowing Executive Directors to hold external Non-Executive Directorships with the prior approval of the Remuneration Committee will continue. The Remuneration Committee considers that external directorships provide the Group's Executive Directors with valuable experience that is of benefit to Glanbia. The Remuneration Committee believes that it is reasonable for the individual Executive Director to retain any fees received from such appointments given the additional personal responsibility that this entails. Siobhán Talbot is a Non-Executive Director of CRH plc effective from 1 December 2018, for which Siobhán received an annual fee in 2022 of €141,177. Siobhán Talbot also holds a position on the IBEC board, for which she does not receive any fee. The Group Finance Director has no external directorships and no other fees earned.

Remuneration below Executive Directors

The Group's remuneration principles and the Policy underpin remuneration practice across the Group. Below the level of the Executive Directors, similar principles and policy framework, as outlined in the preceding pages, cascade as far as possible, taking account of seniority and relevant local market practice.

The table below outlines the reward elements which apply to employees across the Group depending on their level of seniority and market location.

Element	Description
Base salary (fixed)	Set by reference to role responsibilities relative to the relevant local market based on external independent market data against appropriate peer companies. Reviewed annually in consideration of personal performance with any change of pay approved by a member of the Group Operating Executive (and by the Remuneration Committee for senior executives falling under its remit).
Pension (fixed)	Employees participate in retirement benefits applicable to their local market and in line with relevant scheme rules and Company practice.
Other benefits (fixed)	Employees participate in other benefits applicable to their local market and in line with relevant rules and Company practice. Other benefits may include car benefit, illness benefit, medical insurance, relocation expenses/payments.
Short-Term Performance Related Incentive (variable)	The annual incentive potential is based on appropriate and specific Group or Business Unit measures, as determined by the Remuneration Committee. For designated senior executives, deferral of the proportion of the annual incentive earned once the appropriate taxation and social security deductions have been made, will be invested in shares in the Company and delivered over three years following investment.
Long-Term Performance Related Incentive (variable)	The LTIP is focused on key Group financial metrics aligned to the awards made to the Executive Directors. The Remuneration Committee may also assign a portion of the share award as restricted stock over the performance period with annual vesting of restricted stock awards to ensure incentive awards are aligned to market practice and remain competitive in the markets in which Glanbia operates, which is predominantly North America.

Consideration of employment conditions elsewhere in the Group

The Remuneration Committee considers all employees across the Group when establishing and implementing policy for Executive Directors. Senior and high-performing individuals within the organisation are invited to participate in both annual and long-term incentive arrangements. Similar to the Executive Directors, incentives are calibrated to provide appropriate rewards only on the achievement of superior performance. In addition, senior executives below Board level may be eligible to participate in restricted stock awards as part of the annual LTIP grant.

The Remuneration Committee has not previously consulted directly with employees when formulating Executive Director pay policy. However, it does solicit and take into account information provided by the Group Human Resources function and the independent external advice from its Remuneration Advisers. During 2022 there has been engagement with employees to explain how executive remuneration aligns with the wider company policy.

The Group Chairman is the designated Non-Executive Director for engagement.

The Workforce Engagement Director held numerous engagement sessions with employees at all levels and at various global sites during 2022 in the US and Ireland as well as at business unit leadership conferences. The employee engagement sessions provided two-way direct dialogue on the topics of total reward/inflation, benefits, wellbeing, belonging, and diversity, equity & inclusion. The sessions also provided the opportunity for the Workforce Engagement Director to provide insights into the Board responsibilities and how the Board committees cover remuneration, audit, and ESG oversight. Emphasis was placed on the Board's keen desire to hear the voice of the employee and to take that into account when decisions were being made.

Elements of remuneration for Non-Executive Directors

The Remuneration Policy for the Group Chairman and Non-Executive Directors is set out below:

Element	Objective	Description
Annual Fees	Recognise market value of role, job size, responsibility and reflects individual skills and experience.	Set by reference to market rates based on an external independent evaluation of comparator companies of a similar scale and complexity. Includes a base fee for the role of Non-Executive Director and additional fees reflecting responsibilities for chairmanship of a committee of the Board and Senior Independent Director, additional fees as appropriate for other roles and increased time commitments. The Group Chairman fee is reviewed from time to time by the Remuneration Committee and other Non-Executive Director fees reviewed by the Board. Any reviews usually take effect from 1 January in the relevant year. The Group Chairman receives a single all-encompassing fee.
Travel allowance	To recognise the additional time commitment associated with travel on Company business.	Set by reference to market rates where comparable allowances are paid and taking into account the associated time commitment. A travel allowance may be structured as appropriate from time to time, taking into account the location of the Non-Executive Director and travel commitments, including but not limited to an annual allowance, an allowance per meeting and different allowances payable for Non-Executives based in different continents.
Benefits and expenses	Reimburse role-based expenses incurred during performance of the duties of the role.	No additional benefits are provided other than direct expenses relating to the role. Such expenses may include travel in the course of the role for the Group and any tax payable in respect of the reimbursement grossed up if appropriate.

The Non-Executive Directors do not have service contracts but have letters of appointment detailing the basis of their appointment. The terms and conditions of appointment of Non-Executive Directors are available for inspection at the Company's registered office and at the AGM of the Company.

The Non-Executive Directors do not have periods of notice and the Group has no obligation to pay compensation when their appointment terminates in accordance with their letters of appointment. They are subject to annual re-election at the AGM of the Company.

Section B: Annual Report on Remuneration

Remuneration Committee Governance

The Remuneration Committee comprises of the Group Chairman who was independent on appointment and four Independent Non-Executive Directors, of whom two members constitute a quorum.

The Group Managing Director, Group Finance Director, Chief Human Resources Officer and VP HR, Performance & Reward attend Remuneration Committee meetings by invitation only and as necessary. No Director or member of the Group Operating Executive is involved in considering their own remuneration, they absent themselves when their remuneration is discussed. The Group Secretary and Head of Investor Relations acts as secretary to the Remuneration Committee.

Remuneration best practices

The Remuneration Committee complies with all relevant reporting and legislative requirements applicable to an Irish incorporated company with a primary listing on Euronext Dublin. With a secondary Premium listing on the London Stock Exchange, the Remuneration Committee has also resolved on a voluntary basis to align, to the extent it considers possible and appropriate having had regard to Irish law, the Directors' Remuneration Policy and Remuneration Reporting with UK remuneration best practices including the regulations applicable to UK incorporated and listed companies.

The Remuneration Committee receives independent external advice on executive remuneration from Korn Ferry, a member of the Remuneration Consultants Group and signatory to its Code of Conduct, who were appointed as Remuneration Advisers in 2019 following a competitive selection process in the same year. Korn Ferry, who do not have any connection with any Directors of the Company, provide advice to the Remuneration Committee which supports robust and sound decision making. The Remuneration Committee is satisfied that its remuneration advisers act independently. Korn Ferry fees for advising the Remuneration Committee during 2022 were €90,000.

The Remuneration Committee is committed to strong and effective engagement with its stakeholders and to provide remuneration reporting disclosures that effectively explain our remuneration decisions. The Remuneration Committee continues to actively listen and incorporate, as far as possible, the views of the stakeholders.

Remuneration Committee Report continued

Executive Directors' Remuneration 2022

Executive Director Remuneration Payments 2022

		Fixed Pay			Annual Incentives		Long-term Incentives			
Executive Directors	Full Year	Base salary €'000	Pension contribution €'000	Other benefits[1] €'000	Annual incentive (payable in cash)[2] €'000	Annual incentive (deferred shares)[3] €'000	Long-term incentive[4] €'000	Total Fixed Pay €'000	Total Variable Pay €'000	Total €'000
S Talbot	2022	1,106	–	567	1,220	1,220	1,877	1,673	4,317	5,990
	2021	1,076	–	457	807	770	349	1,533	1,926	3,459
M Garvey	2022	612	153	93	545	545	831	858	1,921	2,779
	2021	596	149	33	447	426	155	778	1,028	1,806

1. Other benefits include company car or equivalent, medical/life assurance, tax equalisation payment to M Garvey in respect of DC pension contribution in Ireland, taxable cash in lieu of pension payments of 26.5% of salary to S Talbot and an accommodation allowance of €100,000 for S Talbot. Having elected to forego annual revaluation of her accrued pension (which applies to active members of the pension scheme), S Talbot received a cash pension amount of €97,805 in 2022.
2. This reflects the proportion of the annual incentive payable in cash to Executive Directors in respect of performance for full year 2021 and 2022 performance.
3. For 2021, this reflects the proportion of the gross annual incentive (over 75% of base salary) which is invested in shares and retained for two years, following appropriate taxation and social security deductions. For 2022, 50% of the annual incentive will be deferred, with 30% being released after 2 years and 20% after 3 years.
4. For 2021, this reflects the value of the 2019 share award which vested on 25 May 2022. The vesting value has been updated from the 2021 Remuneration Report with the actual share price on vesting. For 2022, this reflects the value of the 2020 share award which will not vest before 23 March 2023, where the performance period ended on 31 December 2022. The gross value of the 2022 award is calculated using the official closing share price on 30 December 2022 (last day of trading for the 2022 financial year) of €11.92. Vested awards are held for a 2-year period from the date of vest.

Fixed Remuneration 2022

Base salary 2022

Base salary of the Group Managing Director and the Group Finance Director increased by 2.8% to €1,106,385 and €612,200, respectively, effective 1 January 2022, in line with the increase for the broader employee population in Ireland.

Pension 2022

Mark Garvey participates in a defined contribution retirement plan, to which contributions were made at an agreed rate of 25% in 2022.

Other benefits 2022

Other benefits include the use of a company car or equivalent, for the Group Managing Director a payment in lieu of pension of 26.5% of salary, medical/life assurance and an annual accommodation allowance and for the Group Finance Director, who is a US citizen, a tax equalisation in respect of defined contribution ("DC") pension contributions in Ireland. All benefits are subject to normal deductions per the relevant regulations.

Annual Incentive 2022

The table below summarises the 2022 annual incentive targets, weightings and outcomes.

Measure	Weighting	Threshold	Target	Maximum	Actual	Achievement as a % of maximum	Achievement outcome
Adjusted EPS (€ cent)	50%	90.2	92.0	95.5	104.0[1]	100%	50.0%
Group OCF	20%	75%	80%	90%	85.7%[2]	78.0%	15.6%
ESG – Inclusion Index	5%	67	68	69	69.5%	100%	5.0%
ESG – Female Representation	5%	35%	36%	37%	34%	0%	0.0%
Strategic	20%				GMD – 88.0% GFD – 92.5%	88.0% 92.5%	17.6% 18.5%
GMD Outcome **GFD Outcome**							88.2% 89.1%

	GMD	GFD
Overall outcome (% of salary)	220.50%	178.20%
Annual incentive award	€2,439,579	€1,090,940

1 The 2022 adjusted EPS outcome was 104.0 cent adjusted to 101.8 cent when the impact of the acquisition during the year is excluded.
2 The 2022 OCF outcome was 85.7% adjusted to 85.6% when the impact of the acquisition during the year is excluded.

Key Strategic Objectives 2022

Strategic objectives are aligned with the Group strategy reflecting the Executive Director's personal contribution to organisational effectiveness, the execution of the strategic growth plan and driving innovation capability. The Group Managing Director proposed the strategic performance objectives for the Group Finance Director, with the Group Managing Director's strategic objectives proposed by the Group Chairman and all objectives approved, monitored during the year and scored by the Remuneration Committee.

Group Managing Director,
Siobhán Talbot

Measure/Objective	Weighting %	Performance Assessment	Achievement %
Objective 1 – Team development Progression of career development and succession plans for Group senior leaders.	10%	Clear career development plans in place and actioned for senior leaders. Robust group wide senior leader succession planning process completed in 2022. Strong talent agenda including HR transformation and execution of Group DE&I strategy actioned through the year.	10%
Objective 2 – Deliver key GPN business initiatives for 2022 including brand revenue and consumption growth and margin progression.	15%	2022 planned GPN financial metrics exceeded with good margin progression through the year. Significant inflation mitigating actions taken during the year while minimising volume impact. Transformation programme completed, overachieving against the business case. Strong consumer activation / investment completed in 2022 delivering strong consumption in ON brand globally, growth of US lifestyle portfolio and progression of the refresh of SlimFast brand.	12%
Objective 3 – Deliver key GN business initiatives for 2022 including volume growth in NS and progressing global premix and healthy snacking solutions.	8%	2022 planned GN financial metrics achieved. Significant pricing actions taken and dilutive impact on margins largely mitigated. Volume growth in premix offset by dairy solutions decline due to significantly increased pricing. Strong progress on progression of premix business with continued evolution of global healthy snacking solutions.	5%
Objective 4 – Ensure achievement of targeted M&A for 2022.	7%	Strong pipeline of potential acquisitions evaluated through 2022. Acquisition of Sterling Technology completed.	7%
Objective 5 – Strategic portfolio assessment.	10%	With the successful sale of the Group interest in Glanbia Ireland, robust strategic assessment of the Group strategic opportunity and structure completed in 2022. Clear targets for 2023-2025 communicated to the capital markets in November 2022 across both financial and non-financial (ESG) metrics.	10%
Total achievement	**50%**		**44%**

Group Finance Director,
Mark Garvey

Measure/Objective	Weighting %	Performance Assessment	Achievement %
Objective 1 – Group IT. Finalise and align actions on the execution of the Group IT strategy.	9%	Strong progress on strategy execution; deep engagement and alignment with business unit strategies including investment in digitalising key aspects of Group support functions.	6%
Objective 2 – In collaboration with business unit teams, drive Group-wide key margin improvement initiatives.	8%	GPN Transformation programme completed, overachieving against the business case. 2022 Group and business unit margin exceeding plans despite navigating unprecedented inflation headwinds.	8%
Objective 3 – Investor Relations – develop and execute plans.	5%	Strong programme of stakeholder engagement in 2022. Successful Capital Markets Day held in November outlining 2023 -2025 strategic financial ambitions.	5%
Objective 4 – Finance team development.	3%	Clear career development and succession plans in place and actioned for global Group finance leaders. Strong support of talent agenda including IT enabled HR transformation programme and execution of Group DEI strategy.	3%
Objective 5 – Deliver accretive M&A for 2022.	5%	Strong pipeline of potential acquisitions evaluated through 2022. Acquisition of Sterling Technology completed.	5%
Objective 6 – Strategic portfolio assessment.	10%	With the successful sale of the Group interest in Glanbia Ireland, robust strategic assessment of the Group strategic opportunity and structure completed in 2022. Clear targets for 2023-2025 communicated to the capital markets in November 2022 across both financial and non financial (ESG) metrics.	10%
Total achievement	**40%**		**37%**

Vesting of 2020 Long-Term Incentive Share Awards

The 2020 share awards granted on 23 March 2020 had a three-year performance period (2020 to 2022) which ended on 31 December 2022.

Performance against the targets set has been measured and independently verified by external advisers on behalf of the Remuneration Committee with vesting as follows:

Measure	Weighting	Threshold	Maximum	Outcome as a % of maximum	Weighted outcome
Group Adjusted EPS	40%	4% CAGR	9% CAGR	69.9%	27.9%
		6.9 out of 9			
Group ROCE	40%	9.12%*	12.12%*	48.6%	19.5%
		10.07%			
Group TSR	20%	Median	Top Quartile	92.6%	18.5%
		Between median and top quartile			
Outcome					**65.9%**

* Group ROCE adjusted from 9.00 to 9.12% and 12.00 to 12.12% for the impact of the Glanbia Ireland disposal.

- Targets are set in consideration of acquisitions and disposals over the three-year performance period and therefore no adjustment is normally made for acquisitions and disposals to determine vesting. However as noted in the 2021 Remuneration Report, the disposal of the Company's interest in Glanbia Ireland was not contemplated at the time the targets for the 2020 (and 2021) LTIP awards were set. Following completion, the Remuneration Committee considered the implications of the disposal on inflight incentives and given the exceptional nature of the disposal, determined to adjust the inflight LTIP awards made in 2020 and 2021 such that the performance conditions measure continuing businesses only and take no account of either the gain or subsequent earnings impact of the disposal event.
- FY2019 Group adjusted EPS of 88.10 cents, as set out in the 2019 Annual Report was used as a base year and has been adjusted on a continuing basis. Adjusted EPS is calculated as the profit attributable to the equity holders of the Company before exceptional items and intangible asset amortisation and impairment (excluding software amortisation) net of related tax, divided by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Group and held as own shares. FY2022 Group adjusted EPS is 104.02 cents. The EPS performance condition is measured using constant currency to reflect more accurately underlying earnings performance and remove any distortionary effect of currency volatility.
- Group ROCE is defined as the Group's earnings before interest, and amortisation (net of related tax) plus the Group's share of the results of joint ventures after interest and tax divided by capital employed. Capital employed comprises the sum of the Group's total assets plus cumulative intangible asset amortisation and impairment less current liabilities and deferred tax liabilities excluding all borrowings and lease liabilities, retirement benefit assets, cash and acquisition related contingent consideration and contract options. It is calculated by taking the average of the relevant opening and closing balance sheet amounts. In years where the Group makes significant acquisitions or disposals, the ROCE calculation is adjusted appropriately, to ensure the acquisition or disposal are equally time apportioned in the numerator and the denominator.

The vesting of the share awards granted to Executive Directors in 2020 which will not vest before 23 March 2023 is as follows:

Executive Directors	Total number of shares awarded	Number of shares to vest in 2023	Percentage outcome %	Value at grant of the shares vesting (A)	Change in value over vesting period of share vesting (B)	Total vesting value (A+B)[1]
S Talbot	238,976	157,486	65.9%	€1,384,293	€492,930	€1,877,233
M Garvey	105,787	69,714	65.9%	€612,786	€218,200	€830,991

1 This reflects the value of share awards expected to vest in 2023 with a three-year performance period ended in 31 December 2022. The total vesting values have been estimated using the official closing share price on 30 December 2022 (last day of trading for FY 2022) of €11.92. The value at grant of the shares vesting was €8.79 being the mean between the high and low of a Glanbia plc share on 20 March 2020 (being the last day of trading on the Euronext Dublin before the grant of the award on 23 March 2020), which was the value used to determine the number of shares of the 2020 award.

Long-Term Incentive Share Awards 2021 and 2022

Details of the 2022 LTIP awards made to the Group Managing Director and Group Finance Director on 11 May 2022 are as follows:

Executive Director	Type of award	Basis of award	Face value of award	Number of shares under award	End of performance period
S Talbot	Conditional award	150% of salary	€1,653,988	139,813	4 January 2025
M Garvey	Conditional award	150% of salary	€915,204	77,363	4 January 2025

Face value calculated using a share price of €11.83 being the mean between the highest and lowest share price on the date of grant.

The performance conditions and weightings for all outstanding share awards are set out in the following table.

	2021 Performance Measures Financial Period 2021 – 2023				**2022 Performance Measures** Financial Period 2022 – 2024			
Performance Condition	Weighting % of max	Vesting 0%	Vesting 25% (Threshold)[1]	Vesting 100% (Maximum)[1]	Weighting % of max	Vesting 0%	Vesting 25% (Threshold)[1]	Vesting 100% (Maximum)[1]
Group EPS Three-year adjusted EPS	50%	< 6% CAGR	= 6% CAGR	≥ 11% CAGR	40%	< 4% CAGR	= 4% CAGR	≥ 9% CAGR
Group ROCE	30%	< 8%	= 8%	≥ 11%	40%	< 8%	= 8%	≥ 11%
Group TSR Ranking in STOXX Europe 600 Food and Beverage Index	10%	Below the median	At median	In the top quartile				
ESG measures	10%	See table overleaf			20%	See table overleaf		

1 Straight line vesting between threshold performance and maximum performance for Group EPS, ROCE and TSR.

Achievement against financial performance conditions is determined on a constant currency basis to reflect more accurately underlying earnings performance and remove any distortionary effect of currency volatility. LTIP performance targets are set with future acquisitions in mind and are therefore reflective of the expected impact acquisitions may have on key performance conditions. This approach acknowledges the strategic importance of acquisitions to the Group's long-term performance and strategy.

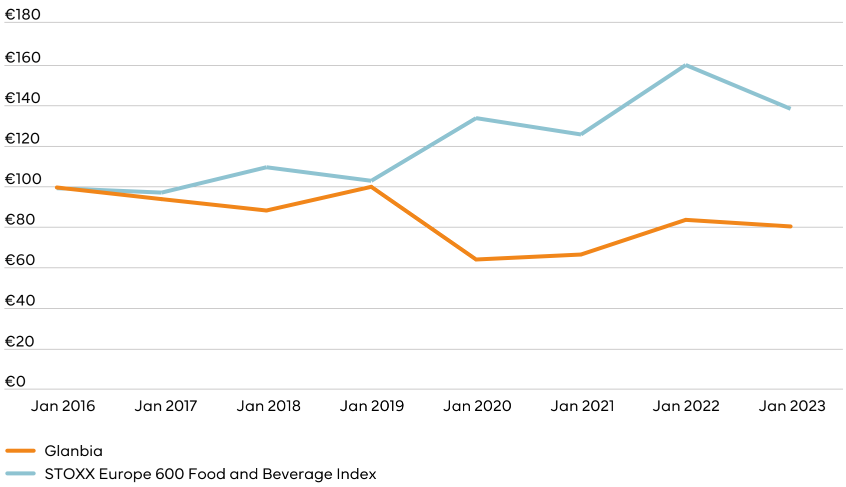
ESG measures

2021 – 2023 LTIP (10% weighting)	Threshold	Maximum
Renewable energy – 5%	Equal to a 30% conversion of existing non-renewable energy utilisation by December 2023	Equal to or greater than 40% conversion of existing non-renewable energy utilisation by December 2023
Energy efficiency – 2.5%	Audits completed at all key sites, and energy efficiency plans approved within the performance period	Completion of planned actions within the performance period
Waste and water utilisation – 2.5%	Base lining completed and plans approved within the performance period	Completion of planned actions within the performance period
2022 – 2024 LTIP (20% weighting)		
Scope 1 & 2 emissions reduction	20% reduction by the end of the performance period compared to 2021 emissions	29% reduction by the end of the performance period compared to 2021 emissions

TSR Performance

The graph illustrates the TSR performance of the Group over the past seven years showing the change in value of €100 invested in Group's shares from 3 January 2016 to 31 December 2022 (dates aligning with opening and closing financial periods) compared with the STOXX Europe 600 Food & Beverage Index of which the Group is a constituent. This chart was first incorporated into our reporting for 2020 covering five years and will build to 2025 to provide a full 10-year overview.

The STOXX Europe 600 Food and Beverage Index has been selected as an appropriate index as it comprises other companies within the same broad sector to Glanbia and of which Glanbia is a constituent.



Group Managing Director Total Remuneration

The table below sets out the remuneration received by the Group Managing Director. This table will be extended each year to 2025 to cover a 10-year period.

	2015	2016	2017	2018	2019	2020	2021	2022
Total Remuneration €'000	2,631	3,133	3,229	3,466	1,577[1]	2,310	3,459	5,990
Annual Incentive achieved as a % of maximum	81.2%	90.5%	71.6%	92.8%	0.0%[1]	36.3%	97.7%	88.2%
Long-term Incentives achieved as a % of maximum	74.98%	81.07%	76.79%	58.13%	17.64%	21.0%	21.6%	65.9%

1. S Talbot voluntarily waived the entire 2019 annual incentive which would have otherwise resulted in a Total Remuneration earned in 2019 of €2.104 million. Annual Incentive earned in 2019 was 33.4% of maximum.

Directors shareholdings

As at 31 December 2022 the Executive Directors share ownership against the guidelines was as follows:

Executive Directors	Shares held as at 31 December 2022	% of base salary based on market value as at 31 December 2022	Shareholding guideline
S Talbot	398,889	430%	250%
M Garvey	148,423	289%	200%

- The market values have been estimated using the official closing price of a Glanbia plc share on 30 December 2022 (being the last day of trading on the Euronext Dublin before year end 31 December 2022) of €11.92.

Other disclosures

Dilution

Share awards granted under the 2008 LTIP, 2018 LTIP and the Annual Deferred Incentive are satisfied through the funding of employee benefit trusts which acquire shares in the market. The Company's employee benefit trusts held 1,711,322 shares at 31 December 2022.

Payments to past Directors and payments for loss of office

There were no payments to past directors and no payment for loss of office.

Change in remuneration of Directors compared to employees

The table below shows the percentage change in total remuneration using the single figure methodology for the years ended 4 January 2020, 2 January 2021, 1 January 2022 and 31 December 2022 for the Directors of the Company and the average of all permanent employees of the Group on a full-time equivalent basis. For the purpose of this disclosure the Group is defined as all employees of wholly-owned entities in US and Ireland who are deemed to be most representative of the global workforce.

		2019-2022[1]						
		Total remuneration 2022, €'000	Total remuneration 2021, €'000	Total remuneration 2020, €'000	Total remuneration 2019, €'000	Change in total remuneration % 2021 to 2022	Change in total remuneration % 2020 to 2021	Change in total remuneration % 2019 to 2020
Executive Directors								
S Talbot	Earned	5,990	3,497	2,310	2,104	71.3%	51.4%	9.8%[1]
	Paid	5,990	3,497	2,310	1,577	71.3%	51.4%	46.5%[1]
M Garvey	Earned	2,779	1,822	1,238	1,165	52.5%	47.2%	6.3%[2]
	Paid	2,779	1,822	1,238	1,103	52.5%	47.2%	12.2%[2]
Non-Executive Directors								
D Gaynor		335	325	150	95	3.1%	116.7%	57.9%
P Ahern		43	43	43	43	0%	0%	0%
R Brennan		90	85	–	–	5.9%	–	–
P Coveney[3]		23	85	85	85	-72.9%	0%	0%
P Duffy		100	71	–	–	40.8%	–	–
V Gorman[4]		15	43	43	43	0%	0%	0%
B Hayes		43	43	43	43	0%	0%	0%
I Haaijer[2]		38	–	–	–	–	–	–
J Lodge		103	93	14	–	10.8%	564.3%	0%
JG Murphy		43	43	56	60	0%	-23.2%	-6.7%
J Murphy		43	43	10	–	0%	330.0%	–
P Murphy		43	43	45	60	0%	-23.2%	-6.7%
D O'Connor		103	95	95	95	8.4%	0%	0%
K Underhill[2]		50	–	–	–	–	–	–
Average remuneration on full-time equivalent basis Employees of the Group[5]		91	84	81	75	8%	4%	8%

1. For supporting notes regarding 2020 and 2021 remuneration reference should be made to the 2020 and 2021 Remuneration Reports.
2. Ilona Haaijer and Kim Underhill were appointed as Independent Non-Executive Directors effective 1 August 2022.
3. Patrick Coveney retired from the Board 30 March 2022.
4. Vincent Gorman retired from the Board 5 May 2022.
5. Average remuneration has been determined based on the workforce of wholly-owned entities in Ireland and the US which is most representative of the global workforce

Group Managing Director to all-employee pay ratio

Whilst not a reporting requirement, a voluntary disclosure on Group Managing Director pay ratio is set out below. The disclosure is based on the workforce of wholly-owned entities in Ireland and the US which is most representative of the global workforce. Total remuneration has been determined using the 'single total figure' methodology as it provides a like-for-like comparison between the Group Managing Director and other employees. All elements of remuneration were calculated on a full-time and full-year equivalent basis and no adjustments or assumptions were made by the Committee.

The Remuneration Committee notes that the median pay ratio has increased since last year, which is largely driven by the nature of the Group Managing Director's remuneration structure as a result of the new Policy as explained in the Annual Statement of the Remuneration Committee Chair rather than changes in the wider workforce. As expected by shareholders a greater proportion of the remuneration awarded to the Group Managing Director is performance based and therefore at risk. As a result, where performance is strong the total remuneration of the Group Managing Director increases at a proportionately greater rate compared to the wider workforce, with the reverse being true when performance is not as strong.

The Remuneration Committee is satisfied that the pay ratio is appropriate relative to the performance achieved and is consistent with Glanbia's reward and progression policies. The Remuneration Committee is committed to ensuring that remuneration structures below Board level are appropriate and enable the business to attract, retain, incentivise and reward our people – see page 128 for further details on our below Board level remuneration arrangements.

Financial Year		P25 (Lower Quartile)	P50 (Median)	P75 (Upper Quartile)	Chief Executive
2019	Total Remuneration Ratio	41	28	18	1,577 [1]
2020	Total Remuneration Ratio	57	41	26	2,310
2021	Total Remuneration Ratio	86	62	39	3,497
2022	Total Remuneration (€'000)	50	66	93	5,990
	Total Remuneration Ratio	119	91	64	-
	Base Salary (€'000)	40	50	70	1,106

1. In 2019 S Talbot was paid Total Remuneration of €1.577 million but earned €2.104 million. S Talbot voluntarily waived the entire 2019 annual incentive, 33.4% of maximum.

Implementation of policy in 2023

Salary, pension and benefits

The base salaries of the Group Managing Director and Group Finance Director are increased by 3.4% to €1,144,002 and €633,015 respectively, effective 1 January 2023. These increases are below the average increase for our overall workforce.

There is no change to benefits from 2022 except for pension. As of 1 January 2023 the Group Managing Director receives a cash payment in lieu of pension of 12% of salary and the Group Finance Director receives a defined pension contribution of 12% of salary.

2023 Annual Incentive

The Annual Incentive opportunity for the Group Managing Director and Group Finance Director in 2023 is 250% and 200% of salary respectively.

The Annual Incentive is based on the following measures:

Measure	Weighting
Adjusted EPS	50%
Group Operating Cash flow	20%
Strategic objectives	20%
ESG	10%

The ESG measures in the 2023 annual incentive will focus on increasing female representation which aligns with our DE&I strategy. For 2023, the key DE&I measures will impact the behaviours which contribute to the ultimate outcome: 1) measuring the female hiring rates for management roles; and 2) measuring the retention/voluntary turnover of females in management positions. These measures are being measured on a Group-wide basis and also by business unit as the measures apply to the Executive Directors, Group Operating Executive and the business unit leadership teams.

The Remuneration Committee believes that the targets set for 2023 reflect the internal planning and are appropriately stretching relative to prior years given the current commercial circumstances and ensuring there continues to be a strong link between pay and performance at all times and incentivise exceptional performance from management. Targets and performance against them will be disclosed in our 2023 Remuneration Report.

2023 LTIP share awards

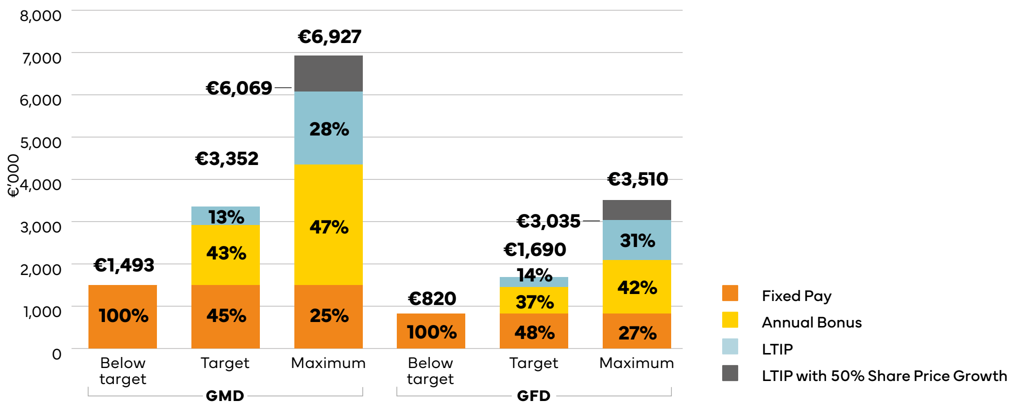
The 2023 share awards will be made under our new Policy at 150% of salary for both the Group Managing Director and Group Finance Director.

Executive Directors	Weighting	Vesting 0%	Vesting 25% (Threshold)	Vesting 100% (Maximum)
Group adjusted EPS Three-year adjusted EPS CAGR	40%	<5%	5%	10%
Group ROCE	40%	<10%	10%	13%
ESG – Scope 1 & 2 (Reduction vs 2022 base year)	10%	<26%	26%	31%
ESG – Water (Reduction vs 2021 base year)	5%	<8%	8%	11%
ESG – Packaging (% of packaging that is recyclable)	5%	<75%	75%	87%

Remuneration Committee Report continued

Application of Remuneration Policy for 2023

The chart below shows how the composition of each of the Executive Directors packages varies at different levels of performance under the operation of the Remuneration Policy for 2023. The assumptions noted for "target" performance are provided for illustration purposes only.



	Threshold	Target	Maximum 1. Assuming constant share price; and 2. Assuming 50% increase in share price
Fixed pay	Fixed pay, being base salary, pension allowances for the 2023 financial year and other benefits taken from the single total figure for the prior year		
Annual Incentives	Nil	125% of salary for the Group Managing Director 100% of salary for the Group Finance Director	250% of salary for the Group Managing Director 200% of salary for the Group Finance Director
Long-term incentives	Nil	25% vesting of share awards 37.5% of salary for Group Managing Director and Group Finance Director	100% vesting of share awards 150% of salary for Group Managing Director and Group Finance Director

Non-Executive Director fees

Non-Executive Director fees are increased for FY 2023 by 3.4% being the same percentage increase applied to the Executive Directors.

A summary of the fee levels is provided below:

Role	2023 €	2022 €
Group Chairman	346,390	335,000
Non-Executive Director Base Fee	93,060	90,000
Senior Independent Director/Committee Chairs	12,925	12,500
Non-Executive Directors nominated by the Society	43,945	42,500
Intercontinental travel allowance for US-based Non-Executive Directors	30,000	30,000

Directors' Remuneration Report results at 2022 AGM

Resolution to receive and consider the Directors' Remuneration Report for the year ended 1 January 2022

For	%	Against	%	Total excluding withheld	%	Withheld	%	Total including withheld	%
170,387,084	90.05%	18,830,248	9.95%	189,217,332	100.00%	88,460	0.00%	189,305,792	100.00%

Directors' Remuneration Policy results at 2022 AGM

Resolution to receive and consider the Directors' Remuneration Policy 2022-2024

For	%	Against	%	Total excluding withheld	%	Withheld	%	Total including withheld	%
166,421,089	87.91%	22,883,020	12.09%	189,304,109	100.00%	2,438	0.00%	189,306,547	100.00%

Directors' remuneration and interests in shares in Glanbia plc

Tables A to G on the following pages give details of the Directors' remuneration and interests in shares in Glanbia plc held by Directors and the Group Secretary and Head of Investor Relations, and their connected persons as at 31 December 2022. There have been no changes in the interests listed in Tables B to G between 31 December 2022 and 23 February 2023 (being the latest practicable date prior to the signing of the Financial Statements). The official closing share price on 30 December 2022 (last day of trading for the 2022 financial year) was €11.92 and the range during the year was €9.98 to €13.00. The average price for the year was €11.53.

Table A: 2022 Directors remuneration

The salary, fees and other benefits pursuant to the remuneration package of each Director during the year were:

	Date of Directorship appointment/retirement	Salary €'000	Fees €'000	Pension contribution[1] €'000	Other benefits[2] €'000	Annual Incentive paid in cash[3] €'000	Annual Incentive deferred into shares[4] €'000	Long-Term Incentive[5] €'000	2022 Total €'000	2021 Total[6] €'000
Executive Directors										
S Talbot		1,106	–	–	567	1,220	1,220	1,877	5,990	3,459
M Garvey		612	–	153	93	545	545	831	2,779	1,806
2022		**1,718**	**–**	**153**	**660**	**1,765**	**1,765**	**2,708**	**8,769**	**–**
2021		1,672	–	149	490	1,254	1,196	504	–	5,265
Former Executive Directors										
H McGuire[7]	Stepped down 24 April 2019	–	–	–	–	–	–	–	–	232
B Phelan[7]	Stepped down 24 April 2019	–	–	–	–	–	–	–	–	339
2022		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2021		–	–	–	–	–	–	571	–	571
2022		**1,718**	**–**	**153**	**660**	**1,765**	**1,765**	**2,708**	**8,769**	**–**
2021		1,672	–	149	490	1,254	1,196	1,075	–	5,836
Non-Executive Directors										
D Gaynor		–	335	–	–	–	–	–	335	325
P Ahern		–	43	–	–	–	–	–	43	43
R Brennan	App 1 January 2021	–	90	–	–	–	–	–	90	85
P Coveney	Ret 30 March 2022	–	23	–	–	–	–	–	23	85
P Duffy	App 1 March 2021	–	100	–	–	–	–	–	100	71
V Gorman		–	15	–	–	–	–	–	15	43
I Haaijer	App 1 August 2022	–	38	–	–	–	–	–	38	–
B Hayes		–	43	–	–	–	–	–	43	43
Mn Keane	Ret 6 May 2021	–	–	–	–	–	–	–	–	15
J Lodge		–	103	–	–	–	–	–	103	93
JG Murphy		–	43	–	–	–	–	–	43	43
J Murphy		–	43	–	–	–	–	–	43	43
P Murphy		–	43	–	–	–	–	–	43	43
D O'Connor		–	103	–	–	–	–	–	103	95
K Underhill	App 1 August 2022	–	50	–	–	–	–	–	50	–
2022		**–**	**1,072**	**–**	**–**	**–**	**–**	**–**	**1,072**	**–**
2021		–	1,027	–	–	–	–	–	–	1,027
Total 2022		**1,718**	**1,072**	**153**	**660**	**1,765**	**1,765**	**2,708**	**9,841**	**–**
Total 2021		1,672	1,027	149	490	1,254	1,196	1,075	–	6,863

1. M Garvey participates in the Glanbia defined contribution plan with a contribution of 25% to 2022.
2. Other benefits include company car or equivalent, medical/life assurance, tax equalisation payment to M Garvey in respect of DC pension contribution in Ireland, taxable cash in lieu of pension payments of 26.5% of salary to S Talbot and an accommodation allowance of €100,000 for S Talbot. Having elected to forego annual revaluation of her accrued pension (which applies to active members of the pension scheme), S Talbot received a cash pension amount of €97,805 in 2022.
3. This reflects the proportion of the gross Annual Incentive (50% of total Annual Incentive) payable in cash to Executive Directors in respect of performance for full year 2022.
4. This reflects the proportion of the gross Annual Incentive (50% of total Annual Incentive) which will be invested in shares. Following the deduction of appropriate taxation and social security 30% will be retained for two years and 20% will be retained for three years.
5. This reflects the value of the 2020 share awards which will vest on 23 March 2023, earliest, the performance period for which ended on 31 December 2022. The gross value is calculated using the official closing price of a Glanbia plc share on 30 December 2022 (being the last day of trading on the Euronext Dublin for the 2022 financial year) of €11.92. 2020 vested share awards will be held for a 2 year period from the date of vest.
6. 2021 Total Remuneration has been restated to update the value of the 2019 share awards to the value on the date of vest, 25 May 2022. The restated gross value is calculated using the official opening share price on the date of vest of €11.10. 2019 vested share awards will be held for a 2 year period to May 2024.
7. H McGuire and B Phelan stepped down as Executive Directors on 24 April 2019. The vest value of share awards granted while Executive Directors in 2019, in respect of performance periods ending in 2021 respectively, are included in the table above. These have been restated to update the value of the 2019 share awards to the value on the date of vest, 25 May 2022. The restated gross value is calculated using the official opening share price on the date of vest of €11.10. 2019 vested share awards will be held for a 2 year period to May 2024.

Details of Directors' long-term awards expected to vest in respect of performance to 31 December 2022 are set out on page 132.

The defined pension benefit of the Executive Directors during the year was as follows:

	Transfer value of increase in accrued pension €' 000	Annual pension accrued in 2022 in excess of inflation €' 000	Total annual accrued pension at 31 December 2022 €' 000
S Talbot	–	–	159
2022	**–**	**–**	**159**
2021	–	–	159

Table B: Directors and Secretary's interests in ordinary shares in Glanbia plc

	Notes	As at 31 December 2022 Ordinary Shares	As at 2 January 2022 Ordinary Shares*
Directors			
D Gaynor		10,000	10,000
S Talbot	1	398,889	335,235
P Ahern		18,832	14,091
R Brennan		4,000	–
P Duffy		6,930	6,930
M Garvey	1	148,423	119,490
I Haaijer	2	–	–
B Hayes		43,696	39,151
J Lodge		5,000	5,000
JG Murphy		11,849	7,283
J Murphy		1,870	1,292
P Murphy		15,687	11,506
D O'Connor		7,680	7,680
K Underhill	2	–	–
		672,856	**557,658**
Group Secretary and Head of Investor Relations			
L Hennigan	3	9,421	7,128

* or at date of original appointment to the Board if appointed during financial year.

1. Executive Director.
2. Appointed 1 August 2022.
3. Appointed 4 April 2022

Note: The ordinary shares held in trust for the Directors and Secretary disclosed in Table C below are included in the total number of ordinary shares held by the Directors and Secretary above.

The Directors and Secretary did not use their shares as security during 2022 or up to 23 February 2023, being the latest practicable date prior to the signing of the Financial Statements.

Table C: Director and Secretary interests in ordinary shares in Glanbia plc subject to restriction

	2018 LTIP[2]	2018 LTIP[3]	2018 LTIP[4]	2021 Annual Deferred Incentive[5]	Total[1]
Executive Directors					
S Talbot	17,437	–	16,832	38,822	73,091
M Garvey	8,205	–	7,451	21,482	37,138
Group Secretary and Head of Investor Relations					
L Hennigan	–	2,255	–	–	2,255

1. The above ordinary shares are held on trust for the Directors and Group Secretary and Head of Investor Relations by the Glanbia plc Section 128D Employee Benefit Trust and are included in the total number of ordinary shares held in trust by the Directors and Secretary disclosed in Table B.
2. Subject to restriction on sale until 18 May 2023.
3. Subject to restriction on sale until 25 May 2023.
4. Subject to restriction on sale until 25 May 2024.
5. Subject to restriction on sale until 28 March 2024.

Table D: Summary of Directors interests in Glanbia plc 2018 LTIP

	As at 31 December 2022 2018 LTIP Share awards	As at 2 January 2022 2018 LTIP Share awards
Executive Directors		
S Talbot	612,553	618,492
M Garvey	286,630	273,787

Table E: Directors' interests in 2018 LTIP

	Date of Grant	As at 2 January 2022	Granted during the year	Vested during the year	Lapsed during the year	As at 31 December 2022	Market price at date of award €	Earliest date for vesting	Expiry date	Notes
Executive Directors										
S Talbot										
	21-Mar-19	145,752	–	31,482	114,270	–	17.73	21-Mar-22	21-Mar-23	1
	23-Mar-20	238,976	–	–	–	238,976	8.24	23-Mar-23	23-Mar-24	2
	16-Mar-21	233,764	–	–	–	233,764	11.57	16-Mar-24	16-Mar-25	3
	11-May-22	–	139,813	–	–	139,813	11.82	11-May-25	11-May-26	4
Total:		**618,492**	**139,813**	**31,482**	**114,270**	**612,553**				
M Garvey										
	21-Mar-19	64,520	–	13,936	50,584	–	17.73	21-Mar-22	21-Mar-23	1
	23-Mar-20	105,787	–	–	–	105,787	8.24	23-Mar-23	23-Mar-24	2
	16-Mar-21	103,480	–	–	–	103,480	11.57	16-Mar-24	16-Mar-25	3
	11-May-22	–	77,363	–	–	77,363	11.82	11-May-25	11-May-26	4
Total:		**273,787**	**77,363**	**13,936**	**50,584**	**286,630**				

1. Share awards granted on 21 March 2019 were subject to performance conditions measured over the three financial years ended 1 January 2022. The awards vested on 25 May 2022 and the percentage of the awards vested are shown on page 140.
   Directors were permitted to sell sufficient shares to satisfy any tax or social security deductions arising on the acquisition of the shares. The balance of the shares are restricted from sale for two years and are held on trust for the Directors by the trustee of the Glanbia plc Section 128D Employment Benefit Trust.
   The total number of shares subject to restriction are included in the total number of ordinary shares disclosed in Table B on page 138.
2. Share awards granted on 23 March 2020 were subject to performance conditions measured over the three financial years ended 31 December 2022.
   The outcome of these performance conditions and the number of share awards expected to vest to Executive Directors during 2023 are set out on pages 132 and 140. The vested share award, net of relevant taxation and social security deductions, will be restricted from sale for two years and held on trust for them by the trustee of the Glanbia plc section 128D Employee Benefit Trust.
3. The performance period in respect of the 2018 LTIP awards made in 2021 is the three financial years ending 2023.
4. The performance period in respect of the 2018 LTIP awards made in 2022 is the three financial years ending 2024.

The performance conditions attached to the awards granted in 2021 and 2022 are detailed in the section entitled 'Long-Term Incentive Share Awards 2021 and 2022' on page 132.

Table F: Executive Directors' annual deferred incentive paid

	Value of Annual Incentive converted into shares €[1]	Date of conversion/ acquisition of shares	Acquisition price per share at date of conversion	Number of shares acquired
Executive Directors				
S Talbot				
2021 Annual Deferred Incentive	€770,000	28-Mar-22	€10.61872	72,469
M Garvey				
2021 Annual Deferred Incentive	€426,000	28-Mar-22	€10.61872	40,100

1. Numbers are rounded to the nearest thousand.
2. Directors were permitted to sell sufficient shares to satisfy any tax or social security deductions arising on the acquisition of the shares. The balance of the shares are restricted from sale for two years and are held in trust for the Directors by the trustee of the Glanbia plc Section 128D Employee Benefit Trust.
3. The total number of shares subject to restriction are included in the total number of ordinary shares disclosed in Table B on page 138.

Table G: Value of awards expected to vest in 2023 and awards vested in 2022

	Number of shares awarded expected to vest in 2023	Percentage Outcome %	Estimated Market Value €[1]	Number of shares vested in 2022	Percentage Outcomes %	Market Value on Date of Vest[2]
Executive Directors						
S Talbot	157,486	65.9%	1,877,233	31,482	21.6%	349,450
M Garvey	69,714	65.9%	830,991	13,936	21.6%	154,690

1. This reflects the value of long term incentive share awards expected to vest in 2023 with a three year performance period ended in 2022. The market values have been estimated using the official closing price of a Glanbia plc share on 30 December 2022 (being the last day of trading on the Euronext Dublin before year end 31 December 2022) of €11.92.
2. This reflects the value of long term incentive share awards vested in 2022 with a three year performance period ended in 2021. These have been valued at the market value of the shares on the date of vesting €11.10 per share (official opening price).

Statutory information and Forward-looking statement

Principal activities, strategy and business model

Glanbia plc is a global nutrition group, headquartered in Ireland, with a direct presence in 33 countries worldwide.

The Group's business model and strategy are summarised in the Strategic Report on pages 1 to 77.

The Group Chairman's statement on page 6, the Group Managing Director's review on page 8, the Operations review on pages 26 to 43 and the Group Finance Director's review on pages 44 to 49 contain a review of the development and performance of the Group's business during the year, of the state of affairs of the business at 31 December 2022, of recent events and of likely future developments. Information in respect of events since the year end is included in these sections and in Note 36 to the Financial Statements.

As set out on page 47, the Group reported a profit for the period of €256.8 million after exceptionals. Comprehensive reviews of the financial and operating performance of the Group during 2022 are set out in the Group Finance Director's review on pages 44 to 49 and in the Operations review on pages 26 to 43. Key Performance Indicators are set out on pages 18 and 19. The treasury policy and the financial risk management objectives of the Group are set out in detail in Note 30 to the Financial Statements. Our approach to our people, diversity equity and inclusion, and our stakeholders are discussed on pages 20 to 22 and sustainability is discussed on pages 50 to 66 and 110 to 113.

Non-Financial Reporting Statement

The Group complies with the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017, S.I. No. 360 of 2017 (as amended). The table on page 66 is designed to help stakeholders navigate to the relevant sections in this Annual Report to understand the Group's approach to these non-financial risks. Many of our policies can be viewed on www.glanbia.com.

Process for appointment/retirement of Directors

In addition to the Companies Act 2014, the constitution of the Company contains provisions regarding the appointment and retirement of Directors. At each Annual General Meeting (AGM) the constitution of the Company provides that each Director who has been in office at the conclusion of each of the three preceding AGMs, and who has not been appointed or reappointed at either of the two most recently held of those three meetings, shall retire from office; however in accordance with the UK Corporate Governance Code 2018 (the "Code"), all of the Directors are subject to annual re-election. Each of the Directors will retire at the 2023 AGM and, being eligible, with the exception of Patsy Ahern and John Murphy, who will retire following the 2023 AGM, offer themselves for election or re-election. The constitution of the Company also allows the election and re-election of Independent Directors, where applicable, to be conducted in accordance with the election provisions for Independent Non-Executive Directors in the Euronext Dublin Listing Rules and the United Kingdom Financial Conduct Authority ("FCA") Listing Rules.

No person, other than a Director retiring by rotation, shall be appointed a Director at any general meeting unless they are recommended by the Directors or, not less than seven nor more than 42 days before the date appointed for the meeting notice, executed by a member qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment. If a Director is also a director of Tirlán Co-operative Society Limited (formerly Glanbia Co-operative Society Limited) (the "Society"), the constitution of the Company provides that their appointment as a Director shall terminate automatically in the event of them ceasing to be a director of the Society. The constitution of the Company also contains provisions regarding the automatic retirement of a Director in certain other limited circumstances.

Annual General Meeting

The Company's 2023 AGM will be held on 4 May 2023 at 11.00 a.m. at Lyrath Estate, Kilkenny, R95 F685, Ireland. Full details of the 2023 AGM, together with explanations of the resolutions to be proposed, will be contained in the Notice of the 2023 AGM. The record date for the 2023 AGM will be determined in accordance with section 1087G and 1105 of the Companies Act 2014.

Powers of the Directors

The Directors are responsible for the management of the business of the Company and the Group and may exercise all powers of the Company subject to applicable legislation and regulation and the constitution of the Company. At the 2022 AGM, the Directors were given the power to issue new shares up to a nominal amount of €4,173,258.54. This power will expire on the earlier of the close of business on the date of the 2023 AGM or 4 August 2023. Accordingly, a resolution will be proposed at the 2023 AGM to renew the Company's authority to issue new shares.

At the 2022 AGM, the Directors were also given the power to:

i. dis-apply the strict statutory pre-emption provisions in the event of a rights issue or other pre-emptive issue or in any other issue up to an aggregate amount equal to 5% of the nominal value of the Company's issued share capital. This 5% limit includes any treasury shares re-issued by the Company while this authority remains operable; and
ii. dis-apply the strict statutory pre-emption provisions for an additional 5% for specific transactions. The resolution gave the Directors an additional power to allot shares on a non-pre-emptive basis and for cash up to a further 5% of the issued share capital in connection with an acquisition or a specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six month period and is disclosed in the announcement of the issue. The 5% limit includes any treasury shares reissued by the Company while this authority remains operable.

These powers will expire on the date of the 2023 AGM or 4 August 2023, whichever is earlier. Accordingly, resolutions will be proposed at the 2023 AGM to renew these authorities.

Statutory information and Forward-looking statement continued

At the 2022 AGM, the Directors were also given the power to buy back a maximum number of 28,044,569 ordinary shares at a minimum price of €0.06 each. The maximum price was an amount equal to 105% of the average of the middle market quotations of the Company's ordinary shares as derived from the Euronext Dublin Daily Official List for the five business days immediately preceding the day on which such ordinary shares are contracted to be purchased. This power will expire at the earlier of the conclusion of the 2023 AGM or 4 August 2023 and a resolution will be proposed at the 2023 AGM to renew this power. A special resolution will be proposed at the 2023 AGM to renew the Company's authority to acquire its own shares. At the 2022 AGM, shareholders also authorised the maximum and minimum prices at which the Company may reissue off-market such shares as it may purchase. This authority will expire at the earlier of the conclusion of the 2023 AGM or 4 August 2023 (whichever is earlier) and a resolution will be proposed at the 2023 AGM to renew this authority.

Research and development

The Group is fully committed to ongoing technological innovation in all sectors of its business, providing integrated customer-focused product development by leveraging our global technology capabilities and expertise. Expenditure on research and development amounted to €20.4 million in 2022 (2021: €18.5 million) as disclosed in Note 5 to the Financial Statements.

Dividends

An interim dividend of 12.93 cent per share was paid on 7 October 2022 (an aggregate of €35.4 million) to shareholders on the share register at the close of business on 26 August 2022. The Directors propose a final dividend of 19.28 cent per share which based on the issued share capital at 23 February 2023 (being the latest practicable date prior to the signing of the Financial Statements) would equate to (an aggregate of €52.5 million) bringing the total dividend in respect of 2022 to 32.21 cent per share (an aggregate of €87.9 million). Subject to shareholder approval, the final dividend will be paid on 5 May 2023 to shareholders on the share register on 24 March 2023. The foregoing amounts paid are net of dividends waived by the Group's Employee Trusts.

Total dividends paid during 2022 amounted to an aggregate of €84.4 million (being a final dividend of 17.53 cent per share paid on 6 May 2022 (an aggregate of €49.0 million) and an interim dividend of 12.93 cent per share paid on 7 October 2022 (an aggregate of €35.4 million). The foregoing amounts paid are net of dividends waived by the Group's Employee Trusts.

All dividend payments will be made by direct credit transfer into a nominated bank or financial institution. If a shareholder has not provided their account details prior to the payment of the dividend, a shareholder will be sent the normal tax voucher advising a shareholder of the amount of their dividend and that the amount is being held because their direct credit transfer instructions had not been received in time. A shareholder's dividends will not accrue interest while they are held. Payment will be transferred to a shareholder's account as soon as possible on receipt of their direct credit transfer instructions.

For the past number of years, dividends have been paid in sterling to shareholders whose address, according to the Company's share register, is in the UK (unless they have elected otherwise). On 15 March 2021 this structure changed and a default currency of euro is applied to all new shareholders who come on to the Company's share register, regardless of their registered address. Where an existing shareholder holds shares in certificated (i.e. paper) form and has previously received sterling because their registered address is in the UK or because they have previously elected to receive sterling, they will continue to receive sterling unless they elect otherwise. All other shareholders will from 15 March 2021 automatically be paid in euro unless a sterling currency election is made (including those shareholders who hold their shares in uncertificated (i.e. dematerialised) form).

Shareholders holding their shares via the central securities depository operated by Euroclear Bank or CREST will receive dividends electronically via such systems. To avail of these facilities, shareholders should follow the applicable rules and guidelines issued by the operators of those systems from time to time.

Irish Dividend Withholding Tax (DWT) must be deducted from dividends paid by an Irish resident company, unless a shareholder is entitled to an exemption and has submitted a properly completed exemption form to the Company's Registrar. DWT is deducted at the standard rate of Income Tax (25%). Non-resident shareholders located in countries with a double tax treaty with Ireland and certain Irish companies, trusts, pension schemes, investment undertakings and charities may be entitled to claim exemption from DWT. Copies of the exemption form may be obtained from the Company's Registrar. Shareholders should note that DWT will be deducted from dividends in cases where a properly completed form has not been received by the market deadline for the dividend. Individuals who are resident in Ireland for tax purposes are not entitled to an exemption. If shares are held via Euroclear Bank or CREST, the owners of the shares will need to contact the intermediary through whom the shares are held to ascertain arrangements for tax relief to be applied at source.

Political donations

The Electoral Act, 1997 (as amended) requires companies to disclose all political donations over €200 in aggregate made during the financial year. The Directors, on enquiry, have satisfied themselves that no payment or other donations in excess of this amount have been made by the Group.

Issued share capital

At 31 December 2022 the authorised share capital of the Company was 350,000,000 ordinary shares of €0.06 each and the issued share capital was 272,287,360 (2021: 287,169,345) ordinary shares of €0.06 each, of which 27.74% was held by the Society. All the Company's shares are fully paid up and quoted on Euronext Dublin and the London Stock Exchange. The Company purchased 14,881,985 shares during the year as part of the share buyback programme.

Details of the Company's share capital and shares under share award at 31 December 2022 are given in Notes 22 and 9, respectively, to the Financial Statements.

Share buyback

During 2022, the Company repurchased a total of 14,881,985 ordinary shares, returning a total of circa €173.5 million in cash to shareholders, which includes the placement as outlined below.

Month	Total number of share buyback purchases	Average price paid per share
January	4,038,664	12.31
February	1,821,876	12.46
March	1,931,209	10.92
April	2,789,121	10.73
June	339,874	10.43
July	1,344,039	10.90
August	1,127,997	12.11
September	1,489,205	12.19
Total 2022	**14,881,985**	**11.65**

On 20 January 2022, the Society completed the sale of approximately 5.75 million ordinary shares in the Company (the "Shares"), representing around 2 percent of the Company's issued share capital, for a total consideration of approximately €70 million (the "Equity Placement"). Concurrently with the Equity Placement, the Society placed €250 million senior secured bonds and certain subscribers to these bonds placed existing shares (the "Delta Shares") together with the Equity Placement (the "Placement"). The price per Share in the Placement was €12.25. Pursuant to the Company's existing authority to purchase its own shares, the Company participated in the Placement via the Group's broker J&E Davy and purchased 2,527,152 shares (representing around 0.9 percent of the Company's existing issued share capital), at a price of €12.25 per Share (the "Buyback") (an aggregate of circa €31 million). The Shares purchased in the buyback were cancelled. The purchase of shares from the Society as part of the buyback constituted a related party transaction for the Company under the Euronext Listing Rules ("Euronext LR") and the FCA Listing Rules ("FCA LR"). Pursuant to paragraph 11.1.15 (2)(a) of the Euronext LR and paragraph 11.1.10 (2)(b) of the FCA LR, Davy Corporate Finance confirmed that the terms of the buyback with the related party, were fair and reasonable as far as the shareholders of the Company were concerned. The Company's participation in the Placement was incremental to €50 million 2021 Buyback Programme announced on 8 December 2021. The figures in the Table above for January include this purchase.

Rights and obligations of ordinary shares

On a show of hands at a general meeting, every holder of ordinary shares present in person or by proxy and entitled to vote shall have one vote. On a poll, every shareholder present in person or by proxy, shall have one vote for every ordinary share held. In accordance with the provisions of the constitution of the Company, holders of ordinary shares are entitled to a dividend where declared or paid out of profits available for such purposes. On a return of capital on a winding up, holders of ordinary shares are entitled to participate.

Restrictions on transfer of shares/votes

With the exception of restrictions on transfer of shares under the Group's share schemes, (while the shares are subject to such schemes), there are no restrictions on the voting rights attaching to the Company's ordinary shares (except as outlined below) or the transfer of securities in the Company.

Certain restrictions on transfers of shares may from time to time be imposed by the Group's share dealing rules and/or the Market Abuse Regulation (EU) No 596/2014. Directors and certain employees are required to seek the Company's approval to deal in its shares. Additionally, members of the Group Operating Executive are required to hold a proportion of the value of their base salary in shares. These shares may not normally be transferred during the individuals' period in office. Where participants in a Group share scheme operated by the Group are the beneficial owners of shares but not the registered owner, the voting rights are normally exercised by the registered owner at the direction of the participants.

Article 2 of the constitution of the Company provides that any ordinary shares acquired by any person who is/was an employee of the Group or any associate or joint venture (provided such person is neither a Director of the Company nor a director of the Society) shall be non-voting shares if such acquisition would, if not for this restriction on voting rights, cause such person to be deemed to have acquired indirect control of the Company or to have to make an offer under Rule 9 of the Irish Takeover Panel Act 1997, Takeover Rules 2022.

Statutory information and Forward-looking statement continued

Under the constitution of the Company, the Directors have the power to impose restrictions on the exercise of rights attaching to share(s) where the holder of the share(s) fails to disclose the identity of any person who may have an interest in those shares. No person holds securities in the Company carrying special rights with regard to control of the Company. The Company is not aware of any agreements between holders of securities that may result in restrictions in the transfer of securities or voting rights.

Exercise of rights of shares in employee share schemes

As detailed in Note 23(e) to the Financial Statements at 31 December 2022, 1,711,322 ordinary shares were held in employee benefit trusts for the purpose of the Company's employee share schemes.

The Group's employee benefit trusts have waived dividends due to them in respect of unallocated shares save a nominal amount.

The Trustees of the Group's employee trusts do not seek to exercise voting rights on shares held in the employee trusts other than on the direction of the underlying beneficiaries. No voting rights are exercised in relation to shares unallocated to individual beneficiaries.

Rights under the Shareholders' Rights (Directive 2007/36/EC) Regulations 2009

Shareholder(s) have the right to ask questions related to items on the agenda of a general meeting and to receive answers, subject to certain qualifications. Shareholder(s) holding 3% of the issued share capital of the Company, representing at least 3% of its total voting rights, have the right to put items on the agenda and to table draft resolutions at AGMs. The request must be received by the Company at least 42 days before the relevant meeting. Further details of shareholders' rights under the Shareholders' Rights (Directive 2007/36/EC) Regulations 2009 will be contained in the Notice of the 2023 AGM.

Restrictions on voting deadlines

The notice of any general meeting shall specify the deadline for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be proposed at the general meeting. The number of proxy votes for, against or withheld in respect of each resolution is published on the Group's website after the meeting.

Constitution of the Company

The Company's constitution details the rights attaching to the shares; the method by which the Company may purchase or reissue its shares, the provisions which apply to the holding of shares and voting at general meetings and the rules relating to the Directors, including their appointment, retirement, election, re-election, duties and powers. A copy of the Company's constitution can be obtained from the Group's website: www.glanbia.com.

Unless expressly specified to the contrary in the constitution of the Company, the Company's constitution may be amended by special resolution of the Company's shareholders.

Change of control provisions

The Group has certain debt facilities which may require repayment in the event that a change in control occurs with respect to the Group.

There are also a number of agreements that take effect, alter or terminate upon a change of control of the Group, which include the Group's Glanbia Cheese joint ventures with Leprino Foods Company. If a third party were to acquire control of the Group, Leprino Foods Company could elect to terminate its joint ventures with the Group and, if this were to occur, the Group could then be required to sell its shareholding in the joint ventures to Leprino Foods Company at a price equal to its fair value.

In addition, the Company's employee share plans contain change of control provisions which can allow for the acceleration of the exercisability of share options and the vesting of share awards in the event of a change of control.

The Board is satisfied that no change of control has occurred in respect of these agreements.

Substantial interests

The Company has been advised of the following notifiable interests in its ordinary share capital as at 31 December 2022 and 23 February 2023 (being the latest practicable date prior to the signing of the Financial Statements):

Shareholder	No. of ordinary shares as at 31 December 2022	% of issued share capital as at 31 December 2022	No. of ordinary shares as at 23 Feb 2023	% of issued share capital as at 23 Feb 2023
Tirlán Co-operative Society Limited	75,537,305	27.74%	75,537,305	27.74%
Black Creek Investment Management Inc.[1]	10,721,341	3.94%	8,054,877	2.96%
Franklin Mutual Advisors, LLC	11,130,742	4.09%	11,130,742	4.09%

1 Black Creek Investment Management Inc. ("Black Creek") is an investment management company. The shares are beneficially owned by 16 separate funds and clients which Black Creek advises regarding their investment portfolios. Shares held directly are by funds for which Black Creek also acts as investment fund manager. None of the funds or clients by itself reaches or exceeds the 3% threshold. The funds and clients give a proxy to Black Creek who can exercise the voting rights for the shares in its own discretion.

Contracts of significance

On 5 May 2021, the Company and the Society entered into an amended and restated relationship agreement, which was originally entered into in accordance with Euronext LR 6.1.7/FCA LR 9.2.2AD, effective as of 23 February 2021 (the "Relationship Agreement"). Under the Relationship Agreement, in 2022, the number of Directors nominated by the Society reduced from six to five in a board comprising of 14 members, with seven Independent Non-Executive Directors and two Executive Directors. In 2023, the number of Directors nominated by the Society will further reduce to three, the size of the Board will reduce to 13 and the number of Independent Non-Executive Directors will increase from seven to eight. Two Directors nominated by the Society will retire immediately following the 2023 AGM. When the Society's holding in the Company fell below 30% on 13 September 2022, the provisions of the Relationship Agreement terminated with the exception of the above provisions providing for the right of the Society to appoint Non-Executive Directors.

In connection with disposal by the Company of its interest in Glanbia Ireland DAC ("Tirlán"), certain agreements were entered into by the Company and the Society, the principal terms and conditions of which were included in the circular sent to shareholders on 1 February 2022 in respect of the Extraordinary General Meeting held on 25 February 2022 and is available to view on www.glanbia.com/egm.
These agreements include:

- Share Subscription and Redemption Agreement between the Company, the Society, Tirlán and Glanbia Financial Services Unlimited Company dated 7 December 2021;
- the Services Amendment Agreement between the Company, Tirlán and Glanbia Management Services Limited dated 7 December 2021; and
- Pensions Agreement between Glanbia, the Society, Glanbia Foods Ireland Limited and Tirlán dated 7 December 2021 in respect of pension matters arising in the context of the Proposed Transaction.

On 2 July 2017, the Company entered into a shareholders agreement with the Society in respect of Tirlán. This agreement terminated on completion of the disposal of the Company's interest in Tirlán to the Society.

Information required to be disclosed by LR 6.1.77, Euronext Dublin Listing Rules/FCA LR 9.8.4 R

For the purposes of Euronext LR 6.1.77/LR 9.8.4 R, the information required to be disclosed by Euronext LR 6.1.77/FCA LR 9.8.4 R can be found in the following locations:

Section	Topic	Location
(1)	Interest capitalised and related tax relief	Financial Statements, Note 10
(2)	Publication of unaudited financial information	Not applicable
(3)	Small related party transactions	Page 143
(4)	Details of long-term incentive schemes	Remuneration Committee Report
(5)	Waiver of emoluments by a director	Not applicable
(6)	Waiver of future emoluments by a director	Not applicable
(7)	Non pre-emptive issues of equity for cash	Not applicable
(8)	Item (7) in relation to major subsidiary undertakings	Not applicable
(9)	Parent participation in a placing by a listed subsidiary	Not applicable
(10)	Contracts of significance	Page 145
(11)	Provision of services by a controlling shareholder	Not applicable
(12)	Shareholder waivers of dividends	Page 144
(13)	Shareholder waivers of future dividends	Page 144
(14)	Agreement with controlling shareholders and independence provisions/undertakings	Not applicable

All the information cross-referenced above is hereby incorporated by reference into this Directors' Report.

Forward-looking statements

The Group has made forward-looking statements in this Annual Report that are based on management's beliefs and assumptions and on information currently available to management. Forward-looking statements include, but are not limited to, information concerning the Group's possible or assumed future results of operations, business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, the effects of competition and the effects of future legislation or regulations. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words 'believe,' 'develop,' 'ensure', 'expect', 'arrive,' 'achieve,' 'anticipate,' 'maintain,' 'grow,' 'aim,' 'deliver,' 'sustain,' 'should', 'should be', 'will be' or the negative of these terms or similar expressions. Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. You should not place undue reliance on any forward-looking statements. The risk factors included at pages 72-77 of this Annual Report could cause the Group's results to differ materially from those expressed in forward-looking statements. There may be other risks and uncertainties that the Group is unable to predict at this time or that the Group currently does not expect to have a material adverse effect on its business. These forward-looking statements are made as of the date of this Annual Report. The Group expressly disclaims any obligation to update these forward-looking statements other than as required by law. The forward-looking statements in this Annual Report do not constitute reports or statements published in compliance with any of Regulations 4 to 9 and 26 of the Transparency (Directive 2004/109/EC) Regulations 2007 or any equivalent provisions of the Disclosure and Transparency Rules of the FCA. As an Irish-incorporated company, the Strategic Report does not constitute a strategic report for the purposes of the UK Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, and the Remuneration Committee report does not constitute a remuneration report for the purposes of the UK Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations.

Statutory information and Forward-looking statement continued

Subsidiary and associated undertakings/branches outside the State
A list of the principal subsidiary and associated undertakings and their activities including details of any branches of the Group outside the State is included in Note 37 to the Financial Statements.

Consolidated disclosures pursuant to Article 8 Taxonomy Regulation
The below disclosure required by Article 8 of the EU Taxonomy Regulation forms part of the Group's Non-Financial Reporting Directive Statement.

Article 8 Taxonomy Regulation

The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving climate neutrality by 2050 in line with EU goals as the Taxonomy is a classification system for environmentally sustainable economic activities.

In the following section, in line with regulatory guidance, only the wholly owned business is considered. This therefore excludes joint venture and associates activities from our evaluation of turnover, capital expenditure ("Capex") and operating expenditure ("Opex") for the reporting period 2022, which are associated with economic activities that qualify as environmentally sustainable (Taxonomy-aligned economic activities). This assessment is related to the first two environmental objectives (climate change mitigation and climate change adaptation) in accordance with Article 8 of the Taxonomy Regulation and Art. 2 of the Art. 8 Delegated Act, (Disclosures Delegated Act).

Glanbia activities

Following consideration of the EU Taxonomy Compass, and after a thorough review involving all relevant divisions and functions, including carrying out detailed workshops with the business unit (BU) operational and finance senior leadership teams, reviewing the economic activities description and NACE code definitions as referenced within the EU Taxonomy Climate Delegated Act, the Group classified each business activity as either:

- Taxonomy non-eligible: An economic activity that is not described in the Climate Delegated Act;
- Taxonomy-eligible but not environmentally sustainable: An economic activity which is described in Annex I or Annex II of the Climate Delegated Act and does not meet the requirements associated with a Taxonomy-aligned economic activity; or
- Taxonomy-aligned: Taxonomy-eligible and meets the defined Technical Screening Criteria consisting of substantially contributing to at least one environmental objective and Doing no significant harm to any of the other environmental objectives; and is carried out in compliance with 'Minimum Safeguards'.

The assessment was completed by reviewing the Climate Delegated Act Annex I as our business practices are currently focused toward pursuing the environmental objective of climate change mitigation and to contribute substantially to the stabilisation of greenhouse gas emissions by avoiding or reducing them or by enhancing greenhouse gas removals. As we allocated our business activities only to one environmental objective, we avoided double counting between different environmental objectives.

Outlook on our potential for Taxonomy-eligibility and alignment
In August 2021 the Platform on Sustainable Finance released a report containing draft criteria for activities that are considered for the upcoming delegated act on the other four environmental objectives (sustainable use and protection of water and marine resource; transition to a circular economy; pollution prevention and control; protection and restoration of biodiversity and ecosystem). In March 2022, the Platform on Sustainable Finances' Technical working Group released their recommendations to the Commission after feedback was received on their draft report where the manufacturer of food products and beverage was mentioned as an indicator to establish priority activities regarding the objective of protection and restoration of biodiversity and ecosystems and the transition to a circular economy.

Therefore, we expect to be able to report at least some of our core business activities as Taxonomy-eligible and aligned in the future. We disclose this additional detail voluntarily as we believe that this information is helpful for users of our consolidated non-financial statement to gain a better understanding of our business activities.

Key Performance Indicators (KPIs)

The KPIs include turnover, Capex and Opex calculations. For the reporting period 2022, the KPIs have been disclosed in relation to Taxonomy-eligible but not environmentally sustainable and Taxonomy-aligned economic activities.

Please refer to the disclosure tables included below setting out our KPIs. We also assessed activities against the Complementary Climate Delegated Act and have not completed templates 1 to 5 as none of the activities listed in this Act are applicable to Glanbia.

Turnover KPI
Glanbia has not identified Taxonomy-eligible economic activities in relation to turnover generated during 2022, reflecting the fact that Glanbia's core activities of food manufacturing and processing are not listed activities within the Climate Delegated Act. We also undertook a deeper review of turnover with cross functional support from our finance and operational senior leadership team to evaluate if there was any revenue generated outside of our core economic activities that would meet the activity description. No eligible turnover was identified during this review.

In line with last year, with no eligible turnover (numerator) and using a base of our total turnover (denominator) as reported in our Consolidated Income Statement, we established the proportion of eligible turnover to be zero and consequently alignment is also deemed to be zero.

Capex and Opex KPI

Explanation on the numerator of the Capex KPI and the Opex KPI

As Glanbia has not identified Taxonomy-eligible economic activities in relation to turnover, we do not record Capex/Opex related to assets or processes that are associated with Taxonomy-eligible economic activities in the numerator of the Capex KPI and the Opex KPI. Furthermore, there are no Capex plans to upgrade a Taxonomy-eligible economic activity to become Taxonomy-aligned or to expand a Taxonomy-aligned economic activity.

Only "category c" Capex and Opex as defined within the Disclosures Delegated Act can therefore qualify as Taxonomy-eligible, i.e. Capex/Opex related to the purchase of output from Taxonomy-eligible economic activities and individual measures enabling certain target activities (our non-eligible activities) to become low-carbon or to lead to greenhouse gas reductions (Sect. 1.1.2.2. (c) of Annex I to the Disclosures Delegated Act).

Capex

Overall based on the review exercise carried out, 6.8% of the Group's capital expenditure during the year met the eligibility criteria as defined within the Climate Delegated Act.

- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles and 6.6 freight transport services by road – refer to motor vehicle additions within Note 15 of the Accounts, Leasing (€1.9m), which accounts for 21% of the eligible Capex spend.
- 7.2 Renovation of existing buildings which accounts for 50% of the eligible capital expenditure identified, amounting to €4.4m, relates to the business sustaining expenditure on sites and building costs associated with laboratory upgrades, related costs included within the additions line in Note 14 of the Accounts.
- 7.7 Acquisition and ownership of buildings, which accounts for 29% of the eligible capital expenditure identified, amounting to €2.5m, relates to the buildings acquired as part of the Sterling Technology acquisition, included within the acquisition line in Note 14 of the accounts.

In conjunction with our engineering senior leadership team the capital expenditure which was deemed eligible was then assessed against the technical screening criteria of substantial contribution and do no significant harm. Following this assessment it was concluded that none of this eligible Capex met the alignment criteria.

Double counting in the allocation in the numerator was avoided across economic activities by only allocating amounts to one activity.

For Glanbia the material capital additions this year relate to a number of key projects to support delivery of our strategy. Within the 'Property, plant and equipment', Note 14 of the Accounts, total additions amounted to €33.5m. Outside of the costs noted above, a number of key capital projects were completed to support production efficiency and related strategy commitments. The significant additions relate to plant upgrades within the GN facilities, including upgrading elements of sites waste and water processing systems, and equipment costs associated with expanding our laboratory and operational capabilities. Within the 'Intangible asset' in Note 16 of the Accounts, total additions amounted to €37.0m. This includes costs associated with the development of GPN's direct-to-consumer platform, improving reporting capabilities, which included SAP integration projects and capitalised research and development costs associated with Glanbia's product development.

While these capital expenditure projects are integral to Glanbia's commercial strategy and operations as a food manufacturing and processing business, following evaluation against the Taxonomy criteria this capital expenditure did not meet the activity description as outlined within the Climate Delegated Act and was therefore deemed non-eligible.

Opex

The analysis of Opex led to the amount analysed being considered insignificant. The ratio of total Opex (as defined by the Taxonomy ("Taxonomy Opex")) over 'total operating costs' (as noted in Note 5 of the Accounts) is circa. 1%, predominantly consisting of costs related to the manufacture and sale of nutritional food and ingredient products. Therefore Taxonomy Opex is not a significant expense in our business model. As a result, the low representativeness of Taxonomy Opex, combined with the fact that the Group's activities are not eligible to date, leads the Group to be exempted from the detailed calculation of the Taxonomy Opex KPI. The Taxonomy Opex denominator is disclosed in the Opex table on page 154 and the calculation of the denominator is set out in the Accounting policy below.

Accounting policy

The specification of the KPIs is determined in accordance with Annex I of the Disclosures Delegated Act. We determine the Taxonomy-eligible but not environmentally sustainable and the Taxonomy-aligned KPIs in accordance with the legal requirements and describe our accounting policy in this regard as follows:

Turnover

The denominator used for the turnover KPI is based on the total revenue recognised pursuant to International Accounting Standard (IAS) 1, paragraph 82 (a) as reported in the Consolidated Income Statement on page 162. In determining the KPI for turnover, the proportion that is Taxonomy-aligned (numerator) and Taxonomy-eligible but not environmentally sustainable (numerator) is each divided by the denominator.

With regard to the numerator, we have not identified any Taxonomy-eligible activities as already outlined and as a result the numerator value equals zero for both KPIs (Taxonomy-aligned turnover, Taxonomy-eligible but not environmentally sustainable).

Refer to Note 2 of the Accounts 'Summary of significant accounting policies' on page 169 which outlines the Group's revenue recognition policy. Refer to Note 5 of the Accounts 'Operating profit' and the 'Revenue' line for the denominator value, the denominator includes total revenue recognised pursuant to International Accounting Standard (IAS) 1, paragraph 82(a).

Capital expenditure
Total Capex consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes additions to fixed assets (IAS 16), intangible assets (IAS 38) and right-of-use assets (IFRS 16). Additions resulting from business combinations are also included. Goodwill is not included in Total Capex as it is not defined in Annex I of the Disclosures Delegated Act.

In determining the KPI for capex, the proportion that is Taxonomy-aligned (numerator) and Taxonomy-eligible but not environmentally sustainable (numerator) is each divided by the denominator.

With regard to the numerator, as outlined within the Glanbia activities section, we identified €8.8m of eligible activities relating to leased motor vehicles, building and renovation costs associated with maintaining plant facilities and investment in laboratory building facilities, and buildings associated with the Sterling Technology acquisition, none of this capex meet the alignment criteria. Consequently in relation to Taxonomy-aligned capex KPI, the numerator value is zero. Whereas the Taxonomy-eligible but not environmentally sustainable capex KPI, numerator value is €8.8m.

Refer to Note 2 of the Accounts 'Summary of significant accounting policies on pages 172-174, which outlines our property plant and equipment, leasing and intangible assets accounting policies. Refer to Note 14 'Property, plant and equipment', Note 15 'Leasing' and Note 16 'Intangible assets' of the Accounts (acquisitions and additions line within the respective notes) for the denominator value. The Capex denominator consists of all IAS 16, IFRS 16 and IAS 38 additions and acquisitions as described above.

Operating expenditure
Total Opex (denominator) consists of direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment. This includes:

- Research and development expenditure recognised as an expense during the reporting period in our income statement. Refer to note 5 of the Accounts 'Operating profit', 'Research and development costs' amount. In line with our consolidated financial statements (IAS 38.126), this includes all non-capitalised expenditure that is directly attributable to research or development activities.
- The volume of non-capitalised leases was determined in accordance with IFRS 16 and includes expenses for short-term leases and low-value leases. Refer to 15 of the Accounts 'Leasing'. Even though low-value leases are not explicitly mentioned in the Disclosures Delegated Act, we have interpreted the legislation as to include these leases.
- Maintenance and repair and other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment were determined based on the income statement general ledger accounts categorised as repairs and maintenance.

The denominator does not include expenditures relating to the day-to-day operation of property, plant and equipment such as raw materials, cost of employees operating the machine, electricity or fluids that are necessary to operate the property, plant and equipment.

Direct costs for training and other human resources adaptation needs are excluded from the denominator and the numerator. This is because Annex I to the Disclosures Delegated Act lists these costs only for the numerator. In determining the KPI for opex, the proportion that is Taxonomy-aligned (numerator) and Taxonomy-eligible but not environmentally sustainable (numerator) is each divided by the denominator.

Statutory information and Forward-looking statement continued

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022.

Economic activities[1]	Code(s)[2]	Absolute turnover[3] €'m	Proportion of turnover[4] %	Substantial contribution criteria: Climate change mitigation[5] %	Climate change adaptation[6] %	Water and marine resources[7] %	Circular economy[8] %	Pollution[9] %	Biodiversity and ecosystems[10] %
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Activity 1		-	0%	0%	0%	n/a	n/a	n/a	n/a
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**-**	**0%**	**0%**	**0%**	**n/a**	**n/a**	**n/a**	**n/a**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Activity 1		-	0%						
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**-**	**0%**						
Total (A.1 + A.2)		-	0%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities (B)		**5,642.4**	**100%**						
Total (A + B)		**5,642.4**	**100%**						

DNSH criteria ('Does Not Significantly Harm')										
Climate change mitigation[11]	Climate change adaptation[12]	Water and marine resources[13]	Circular economy[14]	Pollution[15]	Biodiversity and ecosystems[16]	Minimum safeguards[17]	Taxonomy-aligned proportion of turnover, year N[18]	Taxonomy-aligned proportion of turnover, year N-1[19]	Category (enabling activity)[20]	Category (transitional activity)[21]
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	n/a	n/a	n/a
n/a	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**-**	**n/a**	**n/a**	**n/a**
							-	**n/a**	**n/a**	**n/a**
							-	n/a	n/a	n/a

Proportion of Capex from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022.

				Substantial contribution criteria					
Economic activities[1]	Code(s)[2]	Absolute CapEx[3] €'m	Proportion of CapEx[4] %	Climate change mitigation[5] %	Climate change adaptation[6] %	Water and marine resources[7] %	Circular economy[8] %	Pollution[9] %	Biodiversity and ecosystems[10] %
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Activity 1		-	0%	0%	0%	n/a	n/a	n/a	n/a
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**-**	**0%**	**0%**	**0%**	**n/a**	**n/a**	**n/a**	**n/a**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	0.5	0.4%						
Freight transport services by road	6.6	1.4	1.1%						
Renovation of existing buildings	7.2	4.4	3.4%						
Acquisition and ownership of buildings	7.7	2.5	1.9%						
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**8.8**	**6.8%**						
Total (A.1 + A.2)									
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Capex of Taxonomy-non-eligible activities (B)		**120.6**	**93.2%**						
Total (A + B)		**129.4**	**100%**						

DNSH criteria ('Does Not Significantly Harm')										
Climate change mitigation[11]	Climate change adaptation[12]	Water and marine resources[13]	Circular economy[14]	Pollution[15]	Biodiversity and ecosystems[16]	Minimum safeguards[17]	Taxonomy-aligned proportion of CapEx, year N[18]	Taxonomy-aligned proportion of CapEx, year N-1[19]	Category (enabling activity)[20]	Category (transitional activity)[21]
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	n/a	n/a	n/a
n/a	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**-**	**n/a**	**n/a**	**n/a**
							-	**n/a**	**n/a**	**n/a**
							-	n/a	n/a	n/a

Statutory information and Forward-looking statement continued

Proportion of Opex from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

				Substantial contribution criteria					
		Absolute Opex [3]	Proportion of Opex [4]	Climate change mitigation [5]	Climate change adaptation [6]	Water and marine resources [7]	Circular economy [8]	Pollution [9]	Biodiversity and ecosystems [10]
Economic activities [1]	Code(s) [2]	€'m	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Activity 1		-	0%	0%	0%	n/a	n/a	n/a	n/a
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**-**	**0%**	**0%**	**0%**	**n/a**	**n/a**	**n/a**	**n/a**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Activity 1		-	0%						
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**-**	**0%**						
Total (A.1 + A.2)		-	0%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Opex of Taxonomy-non-eligible activities (B)		**53.8**	**100%**						
Total (A + B)		**53.8**	**100%**						

DNSH criteria ('Does Not Significantly Harm')										
Climate change mitigation[11]	Climate change adaptation[12]	Water and marine resources[13]	Circular economy[14]	Pollution[15]	Biodiversity and ecosystems[16]	Minimum safeguards[17]	Taxonomy–aligned proportion of Opex, year N[18]	Taxonomy-aligned proportion of Opex, year N-1[19]	Category (enabling activity)[20]	Category (transitional activity)[21]
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	n/a	n/a	n/a
n/a	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**-**	**n/a**	**n/a**	**n/a**
							-	**n/a**	**n/a**	**n/a**
							-	n/a	n/a	n/a

Statutory information and Forward-looking statement continued

Location of Taskforce for Climate-related Financial Disclosures (TCFD) aligned disclosures within the Annual Report

Governance: Disclose the Company's governance around climate-related risks and opportunities		See page(s)
a) Describe the Board's oversight of climate-related risks and opportunities	ESG Committee Report Audit Committee Report Corporate Governance Report Group Chairman's Statement Within TCFD report	110-113 103-109 80-81, 101-102 7 62
b) Describe management's role in identifying, assessing and managing climate-related risks and opportunities	Group Managing Director's Review Risk management Within TCFD report	9 67-70 62

Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the Company's business, strategy and financial planning where material		See page(s)
a) Describe the climate-related risks and opportunities that the organisation has identified over the short, medium and long term	Identifying our material impacts Principal risks and uncertainties Within TCFD report	55 72-73 64
b) Describe the impact of climate-related risk and opportunities on the Company's business, strategy and financial planning	Within TCFD report	62-65
c) Describe the resilience of the organisation's strategy considering different climate-related scenarios, including a two-degree or lower scenario	Within TCFD report	63, 65

Risk management: Disclose how the Company identifies, assesses and manages climate-related risks and opportunities		See page(s)
a) Describe the Company's process for identifying and assessing climate-related risks and opportunities	Risk management Within TCFD report	67-70 63
b) Describe the Company's process for managing climate-related risks and opportunities	Risk management Principal risks and uncertainties Within TCFD report	67-70 72-73 63
c) Describe how these processes are integrated into the overall risk management programme	Risk management Principal risks and uncertainties Within TCFD report	69-70 72-73 63

Metrics and targets: Disclose the metrics and targets used to assess and manage climate-related risks and opportunities		See page(s)
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Environment section Within TCFD report	56-59 65
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Environment section	56-57
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Environment section Within TCFD Report	56-59 65

Directors' Responsibility Statement

The Directors are responsible for preparing the Annual Report and the Group and Company Financial Statements in accordance with applicable law and regulations. Irish company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors are required to prepare the Group Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Article 4 of the IAS Regulation and elected to prepare the Company Financial Statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) as applied in accordance with the provisions of the Companies Act 2014. Under Irish law the Directors shall not approve the Group and Company Financial Statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position, of the Group and Company respectively, as at the end of the financial year and of the profit or loss of the Group for the financial year and otherwise comply with the Companies Act 2014.

In preparing these Group and Company Financial Statements the Directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the Financial Statements comply with IFRS as adopted by the European Union and ensure the Financial Statements contain the information required by the Companies Act 2014 and as regards the Company Financial Statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) as applied in accordance with the provisions of the Companies Act 2014; and
- prepare the Financial Statements on a going concern basis, unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are also required by the Transparency Directive (Directive 2004/109/EC) Regulations 2007, the Central Bank (Investment Market Conduct) Rules 2019, the Companies Act 2014, the Listing Rules issued by Euronext Dublin and the Disclosure and Transparency Rules of the UK Financial Conduct Authority to prepare a Directors' Report and reports relating to Directors' remuneration and corporate governance and the Directors are required to include a management report containing, amongst other things, a fair review of the development and performance of the Group's business and of its position and a description of the principal risks and uncertainties facing the Group.

The Directors are responsible for keeping adequate accounting records that are sufficient to:
- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy;
- enable the Directors to ensure that the Group and Company Financial Statements and the Directors' Report comply with the Companies Act 2014, and as regards the Group Financial Statements Article 4 of the IAS Regulation; and
- enable the Group and Company Financial Statements to be audited.

The Directors are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of certain corporate and financial information included on the Group's website (www.glanbia.com). Legislation in Ireland concerning the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names and functions are listed on pages 83-87 (current Directors) confirms that he/she considers that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the position, performance, business model and strategy of the Company and the undertakings included in the consolidation taken as whole. Each of the Current Directors also confirms that to the best of each person's knowledge and belief:
- the Group Financial Statements prepared in accordance with IFRS as adopted by the European Union and the Company Financial Statements prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and as applied in accordance with the provision of the Companies Act 2014 give a true and fair view of the assets, liabilities and financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Directors' Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Directors' Report

The Directors' Report for the purpose of the Transparency Directive (Directive 2004/109/EC) Regulations 2007, the Central Bank (Investment Market Conduct) Rules 2019, the Companies Act 2014, the Listing Rules issued by Euronext Dublin and the Disclosure and Transparency Rules of the UK Financial Conduct Authority consists of pages 1-157.

On behalf of the Board

Donard Gaynor | **Siobhán Talbot** | **Mark Garvey**

Directors
28 February, 2023

Financial Statements

Independent auditor's report to the members of Glanbia plc

Report on the audit of the European Single Electronic Format financial statements

Opinion on the financial statements of Glanbia plc (the 'Company')

In our opinion the Group and Company financial statements:
- give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 31 December 2022 and of the profit of the Group for the financial period then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The financial statements we have audited comprise:

The Group financial statements:
- the Group income statement;
- the Group statement of comprehensive income;
- the Group balance sheet;
- the Group statement of changes in equity;
- the Group statement of cash flows; and
- the related notes 1 to 37, including a summary of significant accounting policies as set out in note 2.

The Company financial statements:
- the Company balance sheet;
- the Company statement of changes in equity;
- the related notes 1 to 11, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in the preparation of the Group financial statements is the Companies Act 2014 and International Financial Reporting Standards (IFRS) as adopted by the European Union ("the relevant financial reporting framework").

The relevant financial reporting framework that has been applied in the preparation of the Company financial statements is the Companies Act 2014 and FRS 101 "Reduced Disclosure Framework" issued by the Financial Reporting Council ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the *"Auditor's responsibilities for the audit of the financial statements"* section of our report.

We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current period were: • *Impairment of goodwill and other intangible assets;* • *Provisions for uncertain tax positions;* • *Revenue recognition; and* • *Exceptional items.*
Materiality	The Group's materiality in the current period was €12.5m which was determined on the basis of profit before tax excluding exceptional items. The materiality that we used for the Company was €6.9m which was determined based on net assets.
Scoping	We focused our Group audit scope primarily on the audit work in 51 components. 6 of these were subject to a full audit, whilst the remaining 45 were subject to audits of specified balances where the extent of our testing was based on our assessment of the associated risks of material misstatement, and the materiality of the component's operations to the Group. Analytical review procedures were performed by the Group audit team on all other components within the Group.
Significant changes in our approach	There have been no significant changes in our audit approach in the current financial period.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group and Company's ability to continue to adopt the going concern basis of accounting included:

- We evaluated the design and determined the implementation of the relevant controls in place for the directors' review of the budgets and forecasts for at least a period of 12 months from the date of signing of the Annual Report and Financial Statements, including reviewing their challenge of these;
- We evaluated the Group and Company's financing arrangements, including the agreements in respect of the undrawn committed bank facilities in place within the Group;
- We challenged the directors' assumptions and the basis for their evaluation and the inclusion of sensitivities incorporated in the budgets and forecasts related to macro-economic factors such as international conflicts, any potential supply-chain disruption, labour challenges and inflationary pressures on future trading;
- We performed a look back analysis of the historical accuracy of forecasts prepared by management;
- We considered throughout the audit any contradictory information to the directors' confirmation that the Group and Company is a going concern, including evaluating whether the assumptions are realistic, achievable and consistent with the external and internal environment; and
- We evaluated the completeness and accuracy of the disclosures made on pages 70 and 240 by reference to the understanding we have obtained of the Group's and Company's financial performance during 2022, our assessment of the directors' projections and our reading of the Group's and Company's financing agreements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code and the Irish Corporate Governance Annex, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of goodwill and other intangible assets

Key audit matter description	The Group's goodwill and other intangible assets of €1,452m, which are held across 8 (2021: 10) individual Cash Generating Units (CGUs), represent approximately 38% of the Group's total assets at period end. As a result of the finalisation of the Group's re-organisation of the Performance Nutrition ("GPN") business, the Group has determined, based on the interdependency of cash inflows, that there are 4 (2021: 7) distinct CGUs in GPN, namely Americas, International, DTC (Body & Fit) and DTC (LevlUp). There has been one acquisition in 2022 within Glanbia Nutritionals ("GN") which has increased its CGUs from 3 to 4. As a result of these changes the number of significant CGUs in the Group has decreased from 10 to 8. In carrying out their impairment review, significant judgement is required by the directors in identifying indicators of impairment, and estimation is required in determining the recoverable amount of the Group's CGUs. There is a significant fraud risk, pinpointed to 5 CGUs, that the net present value of future cashflows within the CGUs will not be sufficient to recover the Group's carrying value of each CGU including goodwill and other intangible assets including those with indefinite lives, leading to an impairment charge that has not been recognised in the financial statements. The recoverable amount used in the impairment assessment is determined based on value in use calculations which rely on directors' assumptions and estimates of future trading performance. These assumptions and estimates may be impacted by new risks and uncertainties arising from international conflicts, and other macro-economic factors such as supply chain disruption, labour challenges, inflationary and recessionary pressures, resulting in reduced headroom and potentially impairment in the carrying value of goodwill and other intangible assets. Due to the high degree of auditor judgement and increased audit effort, including the need to involve our fair value specialists, we have identified this as a key audit matter. The key assumptions utilised by the directors in the impairment reviews are discount rates, cash flow projections and long-term growth rates. Refer also to page 108 (Audit Committee Report), page 181 (Intangible assets accounting policy), note 3 (Critical accounting estimates and judgements) and note 16 to the financial statements.
How the scope of our audit responded to the key audit matter	We evaluated the design and determined the implementation of relevant controls in respect of the impairment review process and the budgeting process upon which the Group's discounted cash flow model is based. In conjunction with our valuation specialists, we evaluated the Group's impairment review methodology applied by the directors in preparing the value in use calculations. We evaluated and challenged the judgements applied in determining the CGUs, particularly in relation to the transformation project across the GPN segment that resulted in a change to the composition of the CGUs within GPN. We performed a retrospective review of assumptions used in prior period value in use calculations and compared these to actual outturn. We understood and challenged the underlying key assumptions within the Group's impairment model, including assessing for any indicators of management bias, by developing an independent view of the discount rates and long-term growth rates where, in conjunction with our valuation specialists, we benchmarked the rates used by the directors against market data and comparable organisations. We obtained and challenged cash flow projections by comparing them to historic growth rates and the Group's strategic plans. We challenged and assessed for any indicators of management bias in the Group's forecasts with reference to recent performance and macro-economic factors such as international conflicts, supply chain disruption, labour challenges, inflationary and recessionary pressures and trend analysis including comparing recent historic CGU performance to budgets. We evaluated the directors' sensitivity analysis and performed our own sensitivity analysis on the key assumptions used. Where we noted any significant reduction in headroom for a CGU since the prior period, we gained an understanding of the reasons giving rise to the reduction and performed additional procedures to substantiate these reasons. We held discussions with the business unit controllers to understand the changes being implemented at the site level to achieve the targets set in the strategic plans. We evaluated the completeness and accuracy of the disclosures in relation to goodwill and other intangible assets for compliance with the relevant financial reporting framework.

Key observations	While we note that specific actions are required by the Group to achieve the forecasts outlined in the Group's strategic plans, particularly in light of increasing inflationary pressures, over the short and medium term, we concurred with management's conclusions from their annual impairment review, that there was no impairment of goodwill or indefinite life intangible assets.

Provisions for uncertain tax positions

Key audit matter description	The Group operates across numerous multinational jurisdictions, the most significant of which are Ireland and the US, and are subject to periodic challenge by local tax authorities on a range of tax matters during the normal course of business including transfer pricing, Group financing arrangements and transaction-related tax matters. The directors apply significant judgement in assessing current and deferred tax risks and exposures in relation to the interpretation of local and international tax laws, rates and treaties relating to worldwide provisions for uncertain tax positions. As a result, there is a significant risk that tax authorities could have different interpretations to those of the directors, and that the directors' judgements are reflective of management bias, resulting in potential misstatement of tax provisions. Due to the high degree of auditor judgement and increased audit effort, including the need to involve our tax specialists, we have identified this as a key audit matter. Refer also to page 108 (Audit Committee Report), Page 179 (Income taxes accounting policy), note 3 (Critical accounting estimates and judgements) and notes 11 and 26 to the financial statements.
How the scope of our audit responded to the key audit matter	To obtain evidence over the appropriateness of the directors' assumptions in determining provisions for uncertain tax positions, we obtained an understanding of the Group's tax strategy, tax operating models and correspondence with various tax authorities during the financial period. We evaluated the design and determined the implementation of the relevant controls in respect of the tax computation process and tax risk management process. We also reviewed the directors' assessment of related tax risks and exposures across the Group for the identification of uncertain tax positions. We engaged our Irish and International tax specialists as part of our audit team, including US tax specialists, to analyse and challenge the appropriateness of the assumptions made by the directors in determining the current and deferred tax provisions and any movements in those provisions on an annual basis. We challenged and evaluated directors' assumptions and estimates, including any indicators of management bias within these, including external advice obtained, in respect of tax risks and related provisions. We focused particularly on the directors' judgements made in relation to transfer pricing models, interpretations of relevant tax laws, new and amended Group financing arrangements and the directors' assessment of likely outcomes for uncertain tax positions in key jurisdictions where the Group has significant trading operations. We inspected relevant correspondence between the Group and various tax authorities. We evaluated the completeness and accuracy of current and deferred tax disclosures for compliance with the relevant financial reporting framework.
Key observations	We note that there is inherent uncertainty and unpredictability in relation to the above tax matters, however, based on the audit work performed as outlined above, we have concluded the Directors' judgement and measurement of uncertain tax positions to be within an acceptable range of estimates.

Independent auditor's report to the members of Glanbia plc continued

Revenue recognition

Key audit matter description	The Group sells products to customers under a variety of contractual terms. The Group's revenue arrangements are predominantly straightforward and require little judgement to be exercised. However, in the Performance Nutrition (GPN) segment, discounts, rebates and other promotional arrangements are a feature and revenue must be recognised net of these selling arrangements. At the period end, management estimates the level of discounts, rebates and other promotional arrangements to be applied to its sales contracts. Judgement is required to determine the level of accruals required to settle these arrangements with customers post period-end, which impacts the amount of revenue recognised in the period. We have therefore pinpointed the significant presumed risk of fraud, including management bias, in revenue recognition to period-end accrued rebates relating to selling arrangements, and the corresponding debit adjustment to revenue as a risk exists that revenue could be misstated either intentionally to achieve performance targets, or as a result of error. Due to the judgements made by management in respect of discounts, rebates and other promotional arrangements, this required extensive audit effort, therefore we have considered this as a key audit matter. Refer also to page 108 (Audit Committee Report), and page 177 (Revenue recognition accounting policy).
How the scope of our audit responded to the key audit matter	We obtained an understanding of the various revenue contracts and selling arrangements in place with customers across all segments of the Group, and of the relevant internal controls and IT systems in place over the revenue processes to determine if revenue was appropriately recognised to reflect the terms of contracts with customers. We focused specifically on the GPN segment as these selling arrangements are a significant feature of the GPN business. We evaluated the design and determined the implementation of relevant controls in respect of discounts, rebates and promotional arrangements applied to revenue contracts. Operating effectiveness testing was performed, and controls were relied upon. We discussed key contractual arrangements with management and obtained relevant documentation, including documentation in respect of discounts, rebates and other promotional arrangements. On a sample basis, we recalculated period-end accruals based on underlying contracts with customers and assessed whether there was any evidence of management bias in key judgements made by management. We also performed retrospective look-back analysis over changes to prior period estimates to challenge the assumptions made, including assessing the amounts recorded for evidence of management bias.
Key observations	We have no observations that impact on our audit in respect of the amounts and disclosures related to revenue recognition.

Exceptional items

Key audit matter description	As described in note 2 (summary of significant accounting polices) and note 6 (Exceptional items) the Group, in accordance with its stated accounting policy, classified a number of significant items of income and expense totalling a gain of €21.4m as exceptional items. These exceptional items primarily relate to impairment of non-core assets held for sale, portfolio related re-organisation costs, pension related costs, remeasurements of contingent consideration and call option, exceptional gain from disposal of Glanbia Ireland and the related tax impact of these exceptional items. Earnings before interest, tax and amortisation (EBITA) is disclosed throughout the Annual Report and Financial Statements on a pre-exceptional basis and is one of the Group's key performance indicators. The classification of items as exceptional affects adjusted earnings per share and is inherently judgemental. As a result, there is a risk that items are not consistently classified as exceptional items in line with the Group's accounting policy, or are not adequately disclosed. Because of the significant audit effort and judgement made by the directors in respect of the classification of exceptional items, we have identified this as a key audit matter. Refer also to page 108 (Audit Committee Report), and page 177 (Exceptional Items accounting policy).

How the scope of our audit responded to the key audit matter	We obtained an understanding of the process the directors undertook to identify and present exceptional items within the Annual Report and Financial Statements. For each of these exceptional items, we audited the underlying transactions giving rise to the charge or credit recognised. We challenged the nature and classification of transactions as exceptional items in accordance with the Group's accounting policy, whilst also challenging whether the accounting policy for exceptional items is appropriate and has been applied consistently with previous periods. We evaluated the completeness and accuracy of the presentation and disclosures of exceptional items in the Group's financial statements against requirements under the relevant financial reporting framework.
Key observations	We have no observations that impact on our audit in respect of the amounts and disclosures related to exceptional items.

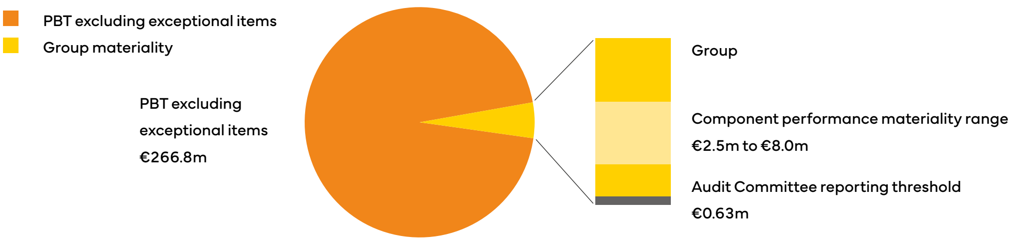
Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Materiality	€12.5m (2021: €11.5m)	€6.9m (2021: €4.6m)
Basis for determining materiality	**5% of profit before tax ("PBT") excluding exceptional items**	**1% of net assets**
Rationale for the benchmark applied	We have considered PBT excluding exceptional items to be the critical component for determining materiality because it is the most important measure for the users of the Group's financial statements and the impact of exceptionals is excluded to avoid distortion of the critical component on an annual basis.	As a non-trading company, the Company does not generate significant revenues but instead incurs costs, thus net assets are of most relevance to the users of the Company financial statements.



We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Company financial statements
Performance materiality	€10.0m – 80% of Group materiality	€5.5m – 80% of Company materiality.
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: a. Our cumulative knowledge of the Group and Company's control environment and the quality of the control environment and our ability to rely on controls; and b. the nature, volume and size of misstatements (corrected and/or uncorrected) in the previous audit.	

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of €0.63m (2021: €0.575m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

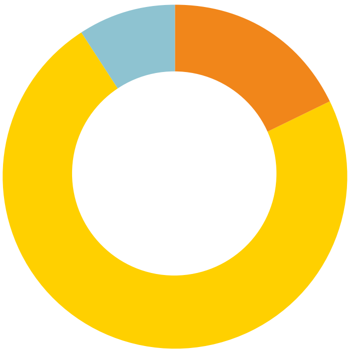
An overview of the scope of our audit

We determined the scope of our Group audit by obtaining an understanding of the Group and its environment, including disposals and acquisitions that occurred during the financial period, Group-wide internal financial controls, and assessing the risks of material misstatement at the Group level. Based on that assessment, we focused our Group audit scope primarily on the audit work in 51 components. 6 of these were subject to a full audit, whilst the remaining 45 were subject to specified audit procedures where the extent of our testing was based on our assessment of the associated risks of material misstatement and of the materiality of the component's operations to the Group. Analytical review procedures were performed by the Group audit team on all other components within the Group.

The above components were selected based on the level of coverage achieved on revenue and net assets, the qualitative and risk considerations of these components and to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified. Our audit work for all components was executed at levels of materiality applicable to each individual component which were lower than Group materiality and ranged from €2.5m to €8.0m.

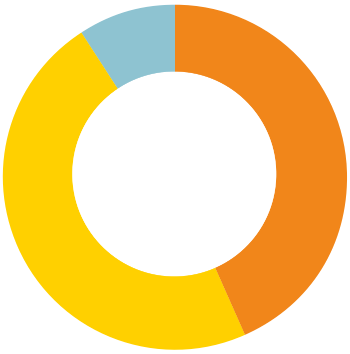
At the Group level, we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to a full audit or specified audit procedures.

Revenue % tested



- Full audit 18%
- Specified audit balances 73%
- Analytic procedures 9%

Net Assets % tested



- Full audit 43%
- Specified audit balances 47%
- Analytic procedures 10%

The Group audit team, adopting a hybrid approach, held planning discussions in person and/or virtually with all significant components during the period and visited a number of locations in the US and Ireland as part of our audit planning.

In addition to our planning meetings, we sent detailed instructions to our component audit teams, included them in our team briefings, discussed their risk assessment, attended client planning and closing meetings, and, for significant risks and judgemental areas, reviewed their audit working papers.

The impact of climate change on our audit

In planning our audit, we considered the potential impacts of climate change on the Group and Company's business and its financial statements.

The Group has set out in the Strategic Report on pages 56 to 59 its commitment to achieving reductions in Scope 1 and Scope 2 greenhouse gas emissions (GHGs) and also reductions in Scope 3 GHGs by 2030 as well as its commitment to a number of other shorter-term targets.

As a part of our audit, we have incorporated climate change into our risk assessment, including enquiries of management, to understand how the impact of these commitments made by the Group in respect of climate change may impact the financial statements and our audit. There was no impact of this work on our key audit matters.

We have read the disclosures of climate related information in the Annual Report and Financial Statements and considered whether it is materially consistent with the financial statements and our audit knowledge.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, legal counsel, Company Secretary and the Audit Committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, valuations, pensions and IT, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the areas of 'Impairment of goodwill and other intangible assets', 'Provisions for uncertain tax positions' and 'Revenue recognition'. In common with all audits under ISAs (Ireland), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group and Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Irish Companies Act, UK Corporate Governance Code, Irish Corporate Governance Annex, Irish and UK Listing Rules, pensions legislation, and tax legislation in Ireland and the United States.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group and Company's ability to operate or to avoid a material penalty. These included food safety and environmental regulations that the Group operates under.

Audit response to risks identified
As a result of performing the above, we identified 'Impairment of goodwill and other intangible assets', 'Provisions for uncertain tax positions' and 'Revenue recognition' as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains these matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax authorities; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements
Opinion on other matters prescribed by the Companies Act 2014
Based solely on the work undertaken in the course of the audit, we report that:
- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The Company balance sheet is in agreement with the accounting records.
- In our opinion the information given in those parts of the directors' report as specified for our review is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Corporate Governance Statement required by the Companies Act 2014
We report, in relation to information given in the Corporate Governance Statement on pages 80 to 102 that:
- In our opinion, based on the work undertaken during the course of the audit, the information given in the Corporate Governance Statement pursuant to subsections 2(c) and (d) of section 1373 of the Companies Act 2014 is consistent with the Company's statutory financial statements in respect of the financial period concerned and such information has been prepared in accordance with the Companies Act 2014. Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information.
- In our opinion, based on the work undertaken during the course of the audit, the Corporate Governance Statement contains the information required by Regulation 6(2) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and Groups) Regulations 2017 (as amended); and
- In our opinion, based on the work undertaken during the course of the audit, the information required pursuant to section 1373(2) (a),(b),(e) and (f) of the Companies Act 2014 is contained in the Corporate Governance Statement.

Corporate Governance Statement
The Listing Rules and ISAs (Ireland) require us to review the directors' statement in relation to going concern, longer-term viability and the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code and Irish Corporate Governance Annex specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:
- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 70 and page 240;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on pages 70 to 71;
- the directors' statement on fair, balanced and understandable set out on page 101;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and an explanation of how they are being managed or mitigated set out on pages 72 to 77;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 68 to 71; and
- the section describing the work of the audit committee set out on pages 103 to 109.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Group and Company and its environment obtained in the course of the audit, we have not identified material misstatements in those parts of the directors' report as specified for our review.

The Companies Act 2014 requires us to report to you if, in our opinion, the company has not provided the information required by Regulation 5(2) to 5(7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and Groups) Regulations 2017 (as amended) for the financial period ended 31 December 2022. We have nothing to report in this regard.

The Companies Act 2014 also requires us to report to you if, in our opinion, the company has not provided the information required by Section 1110N in relation to its remuneration report. We have nothing to report in this regard.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

The Listing Rules of the Euronext Dublin require us to review six specified elements of disclosures in the report to shareholders by the Board of Directors' remuneration committee. We have nothing to report in this regard.

Other matters which we are required to address

We were appointed by Glanbia plc on 27 April 2016 to audit the financial statements for the financial period ended 31 December 2016 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is seven years, covering the financial periods from 31 December 2016 to 31 December 2022.

The non-audit services prohibited by IAASA's Ethical Standard were not provided and we remained independent of the Company in conducting the audit.

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISA (Ireland) 260.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Emer O'Shaughnessy
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

28 February 2023

Notes: An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial statements since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area. Legislation in Ireland governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

Group income statement
for the financial year ended 31 December 2022

	Notes	2022 Pre-exceptional €'m	2022 Exceptional €'m (note 6)	2022 Total €'m	2021 Pre-exceptional €'m	2021 Exceptional €'m (note 6)	2021 Total €'m
Continuing operations							
Revenue	4/5	**5,642.4**	**–**	**5,642.4**	4,196.9	–	4,196.9
Operating profit before intangible asset amortisation and impairment (earnings before interest, tax and amortisation (EBITA))	5	**347.1**	**(21.9)**	**325.2**	270.6	(48.4)	222.2
Intangible asset amortisation and impairment	5	**(75.0)**	**(26.5)**	**(101.5)**	(63.9)	–	(63.9)
Operating profit	5	**272.1**	**(48.4)**	**223.7**	206.7	(48.4)	158.3
Finance income	10	**1.8**	**7.3**	**9.1**	2.0	–	2.0
Finance costs	10	**(22.5)**	**(0.6)**	**(23.1)**	(19.5)	–	(19.5)
Share of results of joint ventures accounted for using the equity method	17	**15.4**	**0.2**	**15.6**	19.2	(2.0)	17.2
Profit before taxation		**266.8**	**(41.5)**	**225.3**	208.4	(50.4)	158.0
Income taxes	11	**(31.4)**	**5.7**	**(25.7)**	(24.6)	7.6	(17.0)
Profit from continuing operations		**235.4**	**(35.8)**	**199.6**	183.8	(42.8)	141.0
Discontinued operations							
Profit after tax from discontinued operations	33	**–**	**57.2**	**57.2**	25.7	0.7	26.4
Profit for the year		**235.4**	**21.4**	**256.8**	209.5	(42.1)	167.4
Attributable to:							
Equity holders of the Company	24			**257.6**			167.0
Non-controlling interests				**(0.8)**			0.4
				256.8			167.4
Earnings Per Share from continuing operations attributable to the equity holders of the Company							
Basic Earnings Per Share (cent)	12			**72.67**			48.47
Diluted Earnings Per Share (cent)	12			**71.76**			48.30
Earnings Per Share attributable to the equity holders of the Company							
Basic Earnings Per Share (cent)	12			**93.42**			57.57
Diluted Earnings Per Share (cent)	12			**92.24**			57.37

Group statement of comprehensive income
for the financial year ended 31 December 2022

	Notes	2022 €'m	2021 €'m
Profit for the year		**256.8**	167.4
Other comprehensive income			
Items that will not be reclassified subsequently to the Group income statement:			
Remeasurements on defined benefit plans, net of deferred tax		**12.1**	(0.5)
Revaluation of equity investments at FVOCI, net of deferred tax	23	**0.4**	(0.2)
Share of other comprehensive income of joint ventures accounted for using the equity method, net of deferred tax	17	**0.5**	1.7
Share of other comprehensive income of discontinued operations, net of deferred tax	17	**–**	4.3
Items that may be reclassified subsequently to the Group income statement:			
Currency translation differences	23	**79.9**	126.7
Currency translation difference arising on net investment hedge	23	**(5.4)**	(6.7)
Gain on cash flow hedges, net of deferred tax	23(c)	**2.6**	2.7
Share of other comprehensive income of joint ventures accounted for using the equity method, net of deferred tax	17	**15.6**	6.2
Share of other comprehensive income of discontinued operations, net of deferred tax	17	**–**	1.1
Other comprehensive income for the year, net of tax		**105.7**	135.3
Total comprehensive income for the year		**362.5**	302.7
Attributable to:			
Equity holders of the Company		**363.3**	302.3
Non-controlling interests		**(0.8)**	0.4
Total comprehensive income for the year		**362.5**	302.7

Group balance sheet
as at 31 December 2022

	Notes	31 December 2022 €'m	1 January 2022 €'m
ASSETS			
Non-current assets			
Property, plant and equipment	14	**478.9**	485.2
Right-of-use assets	15	**94.4**	99.9
Intangible assets	16	**1,452.1**	1,375.4
Interests in joint ventures	17	**211.2**	184.8
Other financial assets	18	**2.1**	1.9
Loans to joint ventures	35	**61.5**	42.5
Deferred tax assets	26	**4.7**	4.7
Other receivables		**0.3**	0.8
Derivative financial instruments	29(a)	**–**	0.5
Retirement benefit assets	8	**3.0**	2.9
		2,308.2	2,198.6
Current assets			
Inventories	20	**703.7**	593.6
Trade and other receivables	19	**379.5**	359.4
Current tax receivable		**12.9**	8.8
Derivative financial instruments	29(a)	**2.9**	2.2
Cash and cash equivalents (excluding bank overdrafts)	21	**438.6**	231.0
		1,537.6	1,195.0
Assets held for sale	33	**14.3**	234.0
		1,551.9	1,429.0
Total assets		**3,860.1**	3,627.6
EQUITY			
Issued capital and reserves attributable to equity holders of the Company			
Share capital and share premium	22	**104.1**	105.0
Other reserves	23	**359.3**	245.5
Retained earnings	24	**1,397.7**	1,381.7
		1,861.1	1,732.2
Non-controlling interests		**7.3**	8.1
Total equity		**1,868.4**	1,740.3
LIABILITIES			
Non-current liabilities			
Borrowings	25	**639.8**	697.2
Lease liabilities	15	**97.0**	105.0
Other payables	28	**–**	32.6
Retirement benefit obligations	8	**1.4**	17.1
Deferred tax liabilities	26	**129.7**	144.4
Provisions	27	**3.8**	3.6
		871.7	999.9
Current liabilities			
Trade and other payables	28	**774.8**	669.3
Borrowings	25	**258.2**	136.5
Lease liabilities	15	**17.8**	14.5
Current tax liabilities		**50.7**	53.0
Derivative financial instruments	29(a)	**1.0**	1.2
Provisions	27	**11.2**	12.9
		1,113.7	887.4
Liabilities held for sale	33	**6.3**	–
		1,120.0	887.4
Total liabilities		**1,991.7**	1,887.3
Total equity and liabilities		**3,860.1**	3,627.6

On behalf of the Board

Donard Gaynor **Siobhán Talbot** **Mark Garvey**
Directors
28 February 2023

Group statement of changes in equity
for the financial year ended 31 December 2022

	Attributable to equity holders of the Company					
	Share capital and share premium €'m (note 22)	Other reserves €'m (note 23)	Retained earnings €'m (note 24)	Total €'m	Non-controlling interests €'m	Total €'m
Balance at 2 January 2022	**105.0**	**245.5**	**1,381.7**	**1,732.2**	**8.1**	**1,740.3**
Profit for the year	**–**	**–**	**257.6**	**257.6**	**(0.8)**	**256.8**
Other comprehensive income	**–**	**93.1**	**12.6**	**105.7**	**–**	**105.7**
Total comprehensive income for the year	**–**	**93.1**	**270.2**	**363.3**	**(0.8)**	**362.5**
Dividends	**–**	**–**	**(84.4)**	**(84.4)**	**–**	**(84.4)**
Purchase of own shares	**–**	**(196.9)**	**–**	**(196.9)**	**–**	**(196.9)**
Cancellation of own shares	**(0.9)**	**174.4**	**(173.5)**	**–**	**–**	**–**
Cost of share-based payments	**–**	**18.8**	**–**	**18.8**	**–**	**18.8**
Transfer on exercise, vesting or expiry of share-based payments	**–**	**(1.9)**	**1.9**	**–**	**–**	**–**
Deferred tax on share-based payments	**–**	**–**	**0.5**	**0.5**	**–**	**0.5**
Sale of shares held by a subsidiary	**–**	**–**	**1.3**	**1.3**	**–**	**1.3**
Remeasurement of put option liability (note 29(b))	**–**	**24.8**	**–**	**24.8**	**–**	**24.8**
Transfer to Group income statement	**–**	**1.5**	**–**	**1.5**	**–**	**1.5**
Balance at 31 December 2022	**104.1**	**359.3**	**1,397.7**	**1,861.1**	**7.3**	**1,868.4**
Balance at 3 January 2021	105.3	126.0	1,380.5	1,611.8	–	1,611.8
Profit for the year	–	–	167.0	167.0	0.4	167.4
Other comprehensive income	–	129.8	5.5	135.3	–	135.3
Total comprehensive income for the year	–	129.8	172.5	302.3	0.4	302.7
Dividends	–	–	(80.5)	(80.5)	–	(80.5)
Purchase of own shares	–	(94.0)	–	(94.0)	–	(94.0)
Issuance of shares	0.2	–	–	0.2	–	0.2
Cancellation of own shares	(0.5)	91.8	(91.3)	–	–	–
Cost of share-based payments	–	15.9	–	15.9	–	15.9
Transfer on exercise, vesting or expiry of share-based payments	–	0.8	(0.8)	–	–	–
Deferred tax on share-based payments	–	–	1.3	1.3	–	1.3
Non-controlling interests on acquisition of subsidiary	–	–	–	–	7.7	7.7
Recognition and remeasurement of put option liability	–	(24.8)	–	(24.8)	–	(24.8)
Balance at 1 January 2022	105.0	245.5	1,381.7	1,732.2	8.1	1,740.3

Group statement of cash flows
for the financial year ended 31 December 2022

	Notes	2022 €'m	2021 €'m
Cash flows from operating activities			
Cash generated from operating activities before exceptional items	32(a)	**393.0**	358.0
Cash outflow related to exceptional items		**(13.3)**	(55.9)
Interest received		**1.5**	2.1
Interest paid (including interest expense on lease liabilities)		**(23.2)**	(18.8)
Tax paid		**(59.7)**	(34.3)
Net cash inflow from operating activities		**298.3**	251.1
Cash flows from investing activities			
Payment for acquisition of subsidiaries		**(54.9)**	(95.0)
Purchase of property, plant and equipment		**(31.9)**	(49.0)
Purchase of intangible assets	16	**(37.0)**	(28.5)
Interest paid in relation to property, plant and equipment	10	**–**	(0.5)
Proceeds from sale of property, plant and equipment		**3.4**	1.5
Dividends received from related parties*		**14.5**	33.9
Loans advanced to joint ventures	35	**(47.0)**	(10.7)
Proceeds on repayment of loans advanced to Glanbia Ireland DAC	35	**28.8**	–
Proceeds from disposal/redemption of FVOCI financial assets	18	**0.4**	1.1
Proceeds on sale of shares held by subsidiary		**1.4**	–
Payments for FVOCI financial assets		**–**	(0.1)
Proceeds from disposal of Glanbia Ireland DAC (exceptional)	33	**307.0**	–
Cash outflow related to exceptional items	33	**(8.0)**	–
Net cash inflow/(outflow) from investing activities		**176.7**	(147.3)
Cash flows from financing activities			
Purchase of own shares	23	**(196.9)**	(94.0)
Drawdown of borrowings	25/32(c)	**688.4**	458.5
Repayment of borrowings	25/32(c)	**(780.8)**	(383.4)
Payment of lease liabilities	32(c)	**(16.5)**	(19.1)
Dividends paid to Company shareholders	13/24	**(84.4)**	(80.5)
Proceeds from issue of shares	22	**–**	0.2
Net cash outflow from financing activities		**(390.2)**	(118.3)
Net increase/(decrease) in cash and cash equivalents		**84.8**	(14.5)
Cash and cash equivalents at the beginning of the year		**94.5**	91.6
Cash and cash equivalents acquired on acquisition	25/34	**0.9**	4.4
Effects of exchange rate changes on cash and cash equivalents		**0.2**	13.0
Cash and cash equivalents at the end of the year	21	**180.4**	94.5

* €12.2 million in 2021 related to discontinued operations and represented the net cash inflow from investing activities from discontinued operations.

Notes to the financial statements
for the financial year ended 31 December 2022

1. General information

Glanbia plc (the "Company") and its subsidiaries (together the "Group") is a leading global nutrition group with geographical presence in regions that include Americas, Europe and Asia Pacific. The Company is a public limited company incorporated and domiciled in Ireland, the number under which it is registered is 129933. The address of its registered office is Glanbia House, Kilkenny, Ireland, R95 E866. The Company is the ultimate parent of the Group and its shares are quoted on the Euronext Dublin and London Stock Exchange.

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 28 February 2023.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented by the Group and joint ventures unless otherwise stated.

Basis of preparation

The consolidated financial statements have been prepared in accordance with EU adopted International Financial Reporting Standards ("IFRS"), IFRIC interpretations and those parts of the Companies Act 2014, applicable to companies reporting under IFRS. IFRS as adopted by the European Union ("EU") comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"). The consolidated financial statements comply with Article 4 of the EU IAS Regulation. IFRS adopted by the EU differs in certain respects from IFRS issued by the IASB. References to IFRS hereafter refer to IFRS adopted by the EU.

The consolidated financial statements have been prepared under the historical cost convention as modified by use of fair values for certain other financial assets, contingent consideration, put option liability, and derivative financial instruments.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of estimates, judgements and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from these estimates. See note 3.

Amounts are stated in euro millions (€'m) unless otherwise stated. These financial statements are prepared for the 52-week period ended 31 December 2022. Comparatives are for the 52-week period ended 1 January 2022. The balance sheets for 2022 and 2021 have been drawn up as at 31 December 2022 and 1 January 2022 respectively.

The Going Concern Statement on page 70 forms part of the Group financial statements.

Impact of climate related matters

The Group has considered the impact of climate change on the financial statements including the impairment of financial and non-financial assets, the useful lives of those assets, and provisions, particularly in the context of the potential transition and physical risks identified and assessed within Taskforce for Climate-related Financial Disclosure (TCFD) report and the associated mitigation plans in place, refer to pages 62 to 65. The assessment concludes that climate change is not expected to have a significant impact on the viability of the Group in the current year, and includes the following specific considerations:

- The Group has carried out a climate-related risk and opportunity (CRO) assessment during 2022 to assess the potential impact of these risks and opportunities for the Group. This assessment did not indicate obsolete production methods, site locations or products, hence management do not determine any significant impact on the business, including operating or capital expenditure requirements, at this point in time.
- The impact of transition and physical risks identified and the potential impact on the carrying value of fixed assets and intangible assets were specifically considered in the context of the estimated time horizon impact and output from the financial quantification exercise carried out on each of the climate-related risks assessed. The conclusion was that there was no significant impact to the carrying value of these assets as recorded in the group balance sheet at 31 December 2022.
- The Group considered our environmental commitments, including our carbon emission reduction targets, and the proposed scope 1 and 2 transition plan to 2030 (refer to page 56 for details) and concluded that there was no significant provision requirements related to these commitments or plans required at 31 December 2022.

Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Company and to the non-controlling interests ("NCI"). Inter-company assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

2. Summary of significant accounting policies continued

Interests in joint ventures

Interests in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Interests in joint ventures are accounted for using the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost. The Group's share of joint ventures post acquisition profits or losses after tax are recognised in the 'Share of results of joint ventures accounted for using the equity method' in the Group income statement. The Group's share of joint ventures post acquisition movement in reserves is recognised in the Group statement of comprehensive income.

The cumulative post acquisition movements are adjusted against the carrying amount of the investment less any impairment in value. Where indicators of impairment arise, the carrying amount of the joint venture is tested for impairment by comparing its recoverable amount against its carrying value.

Unrealised gains arising from transactions with joint ventures are eliminated to the extent of the Group's interest in the entity. Unrealised losses are similarly eliminated to the extent that they do not provide evidence of impairment of a transferred asset.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses unless the Group has incurred obligations or made payments on behalf of the joint venture.

When the Group ceases to have joint control, any retained interest in the entity is re-measured to its fair value at the date when joint control is lost with the change in carrying amount recognised in the income statement. This may mean that amounts previously recognised in other comprehensive income are classified to the Group income statement.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's subsidiaries and joint ventures are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in euro.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges or net investment hedges.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Currency translation differences on monetary assets and liabilities are taken to the income statement, except when deferred in equity in the currency translation reserve as (i) qualifying cash flow hedges or (ii) exchange gains or losses on long-term intra-group loans and on net investment hedges.

Subsidiaries and joint ventures

The income statement and balance sheet of subsidiaries and joint ventures that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities at each reporting date are translated at the closing rate at the reporting date of the balance sheet;
- income and expenses in the income statement and statement of comprehensive income are translated at average exchange rates for the year when they are a reasonable approximation of the cumulative effect of the rates on transaction dates; and
- all resulting exchange differences are recognised in other comprehensive income.

Resulting exchange differences are taken to a separate currency reserve within equity. When a foreign entity is disposed of outside the Group, such exchange differences are recognised in the income statement as part of the gain or loss on disposal.

The principal exchange rates used for the translation of results and balance sheets into euro are as follows:

	2022		2021	
1 euro =	Average	Year end	Average	Year end
US dollar	**1.0534**	1.0666	**1.1826**	1.1326
Pound sterling	**0.8527**	0.8869	**0.8596**	0.8403

Business combinations

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are denominated in the functional currency of the foreign entity, recorded at the exchange rate at the date of the transaction and subsequently retranslated at the applicable closing rates.

Revenue recognition

The Group manufactures and sells performance nutrition and lifestyle nutrition products, cheese and dairy, and non-dairy nutritional and functional ingredients. In general, there is one performance obligation relating to the sale of products in a contract with a customer. Performance obligations are met at the point in time when control of the products has transferred to the customer, which is dependent on the contractual terms with each customer. In most cases, control transfers to the customer when the products are dispatched or delivered to the customer. Delivery occurs when the products have been delivered to the specific location. The Group is deemed to be a principal in an arrangement when it controls the promised goods before transferring them to a customer, and accordingly recognises revenue on a gross basis.

Rebates and discounts are provided for based on agreements or contracts with customers, agreed promotional arrangements and accumulated experience using the most likely method. Judgement is exercised by management in the determination of quantum and likelihood of rebates and discounts based on experience and historical trading patterns. Rebates and discounts are recorded in the same period as the original revenue.

Generally, payment of the transaction price is due within credit terms that are consistent with industry practices, with no element of financing. Thus, the Group does not adjust any of the transaction prices for the time value of money as a practical expedient as the Group does not expect to have any contracts where the period between the transfer of the promised products to the customer and payment by the customer exceeds one year.

Income statement format

Exceptional items

The Group has adopted an income statement format that seeks to highlight significant items within the Group results for the year. Such items may include impairment of assets, including significant adjustments arising from the re-assessment of asset lives, adjustments to contingent consideration, significant acquisition integration costs, restructuring costs including termination benefits, profit or loss on disposal or termination of operations, significant reorganisation programmes that may span over a reporting period(s), significant acquisition costs, litigation settlements, legislative changes, gains or losses on defined benefit pension plan restructuring, external events including disasters relating to weather, pandemics, wars and other acts of God and natural disasters, and profit or loss on disposal of investments. Judgement is used by the Group in assessing the particular items which by virtue of their scale and/or nature should be disclosed in the income statement and notes as exceptional items.

Earnings before interest, tax and amortisation

The Group believes that Earnings before interest, tax and amortisation ("EBITA") is a relevant performance measure and has therefore disclosed this amount in the Group income statement. EBITA is stated before considering the share of results of joint ventures accounted for using the equity method.

Segment reporting

The segments reported in note 4 reflect the Group's organisation structure and the nature of the information reported to the Chief Operating Decision Maker ("CODM") who is identified as the Group Operating Executive.

In identifying the Group's operating segments, management considered the following principal factors:
- the Group's organisational structure, namely Glanbia Performance Nutrition, Glanbia Nutritionals and joint ventures
- how financial information is reported to the CODM
- existence of managers responsible for the components
- the nature of the component business activities; refer to note 4 for details
- the degree of similarity of products and services, and production processes

Finance income, finance costs and income taxes are not allocated to segments, as this type of activity is driven by central treasury and taxation functions which manage the cash and tax position of the Group. Unallocated assets and liabilities primarily include tax, cash and cash equivalents, other financial assets, financial liabilities and derivatives. Inter-segment revenue is determined on an arm's-length basis. Where a material dependency or concentration on an individual customer would warrant disclosure, this is disclosed in note 4.

Finance income

Finance income is recognised in the income statement as it accrues using the effective interest rate method and includes net gains on hedging instruments that are recognised in the income statement, and changes in fair value of call options and contingent consideration.

Finance costs

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method, net losses on hedging instruments that are recognised in the income statement, facility fees, the unwinding of discounts on provisions, the interest expense component of lease liabilities, and changes in fair value of call options and contingent consideration.

General and specific finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other finance costs are expensed in the income statement in the period in which they are incurred.

2. Summary of significant accounting policies continued

Pension obligations

The Group operates various pension plans. The plans are funded through payments to trustee-administered funds. The Group has both defined contribution and defined benefit plans.

Defined contribution pension

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as an employee benefit expense in the income statement when they are due.

Defined benefit pension obligation

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. The fair value of plan assets is based on market price information and in the case of quoted securities in active markets it is the published bid price.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Remeasurements are not reclassified to the income statement in subsequent periods.

A curtailment arises when the Group significantly reduces the number of employees or employee entitlements covered by a plan. A past service cost may be either a loss (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or a gain (when benefits are withdrawn or changed so that the present value of the defined benefit obligation decreases).

A settlement occurs when an entity enters into a transaction that eliminates all further legal or constructive obligation for part or all of the benefits provided under a defined benefit plan (other than a payment of benefits to, or on behalf of, employees in accordance with the terms of the plan and included in the actuarial assumptions). The gain or loss on a settlement is the difference between:
(a) the present value of the defined benefit obligation being settled, as determined on the date of settlement; and
(b) the settlement price, including any plan assets transferred and any payments made directly by the entity in connection with the settlement.

The deferred tax impact of pension plan obligations is disclosed separately within deferred tax assets.

Share-based payments

The Group operates a number of equity settled share-based compensation plans which include share option and share award schemes which are open to Executive Directors and certain senior managers.

The charge to the income statement in respect of share-based payments is based on the fair value of the equity instruments granted and is spread over the performance period.

Awards under the 2018 Long-term incentive plan (2018 LTIP)

The fair value of the awards is calculated using discounted cash flows or the Monte Carlo simulation technique where the awards contain both market and non-market vesting conditions. Where applicable, the market vesting condition is total shareholder return ("TSR") and, accordingly, the fair value assigned to the related equity instruments is adjusted so as to reflect the anticipated likelihood at the grant date of achieving the market-based vesting condition. There are no revisions to the fair value at subsequent reporting dates for changes in TSR estimates.

Awards under the 2019 Restricted share plan (2019 RSP)

The fair value of the awards is calculated using the discounted cash flow method. The awards typically contain only non-market vesting and service conditions.

Awards under the Annual incentive deferred into shares scheme (AIDIS)

The fair value of shares awarded is determined in line with the Group's Annual Incentive Scheme rules and equates with the cash value of the portion of the annual incentive that will be settled by way of shares. The expense is recognised immediately in the income statement with a corresponding entry to equity.

In respect of 2018 LTIP and 2019 RSP, non-market vesting and service conditions are included in assumptions about the number of awards that are expected to vest. At each reporting date, the Group revises its estimates of the number of awards that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement with a corresponding adjustment to equity. The non-market based charge to the income statement is reversed where awards do not vest because non-market performance conditions have not been met or where, subject to the rules of the scheme, an employee in receipt of share awards leaves service before the end of the vesting period.

When the awards are exercised, the Company reissues shares from own shares and the fair value of the awards exercised is reclassified from the share-based payment reserve to retained earnings.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (i) when the Group can no longer withdraw the offer of those benefits; and (ii) when the entity recognises costs for a restructuring that is within the scope of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and involves the payment of termination benefits.

Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity, respectively.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of in-house tax experts, professional firms and previous experience of the Group. Further detail on estimates and judgements are set out in note 3.

Current tax

Current tax is calculated on the basis of tax laws enacted or substantively enacted at the Group balance sheet date in countries where the Group operates and generates taxable income, taking into account adjustments relating to prior years.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is determined using tax rates and laws enacted or substantively enacted by the reporting date. Deferred tax is provided on a non-discounted basis, using the balance sheet liability method, providing for temporary differences on the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax liabilities are not recognised to the extent they arise from the initial recognition of goodwill not having full tax basis.

The carrying amount of a deferred tax asset or liability may change for reasons other than a change in the temporary difference itself. Such changes might arise as a result of a change in tax rates or laws, a reassessment of the recoverability of a deferred tax asset or a change in the expected manner of recovery of an asset or the expected manner of a settlement of a liability. The impact of these changes is recognised in the income statement or in other comprehensive income depending on where the original deferred tax balance was recognised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and joint ventures except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Earnings Per Share

Earnings Per Share ("EPS") represents the profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the period excluding own shares.

Adjusted EPS is calculated on the net profit attributable to the owners of the Company before exceptional items and intangible asset amortisation and impairment (excluding software amortisation), net of related tax, divided by the weighted average number of ordinary shares in issue during the period excluding own shares. Full details on the calculation and reconciliation to IFRS reported numbers are included in the Glossary section.

2. Summary of significant accounting policies continued

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Property, plant and equipment

Cost

Property, plant and equipment ("PP&E") is stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs, for example the costs of major renovation, are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the income statement. Borrowing costs directly attributable to the construction of property, plant and equipment which take a substantial period of time to get ready for its intended use are capitalised as part of the cost of the assets.

Depreciation

Depreciation is calculated on the straight-line method to write off the cost less residual value of each asset over its estimated useful life at the following rates:

	%
Land	Nil
Buildings	2.5–5
Plant and equipment	4–33
Motor vehicles	20–25

Land and assets under construction are not depreciated. Residual values and useful lives are reviewed and adjusted if appropriate at each reporting date.

Impairment

Carrying amounts of items of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement. Following the recognition of an impairment loss, the depreciation charge applicable to the asset is adjusted prospectively in order to systematically allocate the revised carrying amount, net of any residual value over the remaining useful life.

Leases

Right-of-use assets

The Group recognises right-of-use assets ("ROU assets") at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the initial amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are generally depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate ("IBR") at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

For leases of plant and equipment, and motor vehicles for which the Group is a lessee, it has elected not to separate lease and non-lease components, and instead account for these as a single lease component.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Impairment
Carrying amounts of items of right-of-use assets reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Intangible assets

Goodwill
Goodwill is initially recognised at cost being the excess of the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquired entity over the net identifiable assets of the acquired subsidiary or joint venture at the date of acquisition. Goodwill on acquisition of subsidiaries is included within intangible assets. Goodwill associated with the acquisition of joint ventures is not recognised separately and included within the interest in joint ventures under the equity method of accounting.

Following initial recognition goodwill is carried at cost less accumulated impairment losses, if applicable. Goodwill impairments are not reversed. Goodwill is not amortised but is subject to impairment testing on an annual basis and at any time during the year if an indicator of impairment is considered to exist. The annual goodwill impairment tests are undertaken at a consistent time in each annual period.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Research and development costs
Research expenditure is recognised as an expense in the income statement as incurred.

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility and costs can be measured reliably. Development costs are amortised using the straight-line method over their estimated useful lives. The useful life is typically three years.

Brands, customer relationships, recipes, know-how and other intangibles
Brands, customer relationships, recipes, know-how and other intangibles acquired as part of a business combination are stated at their fair value at the date control is achieved.

Indefinite life brands are carried at cost less accumulated impairment losses, if applicable. Indefinite life brands are not amortised on an annual basis but are tested annually for impairment. Indefinite life intangible assets are those for which there is no foreseeable limit to their expected useful life. The classification of intangible assets as indefinite is assessed annually.

Definite life brands, customer relationships, recipes, know-how and other intangibles are amortised using the straight-line method over their useful life as follows:

	Years
Brands	3–40
Customer relationships	5–15
Recipes, know-how and other intangibles	2–15

The useful life used to amortise definite life brands, customer relationships, recipes, know-how and other intangibles relates to the future performance of the assets acquired and management's judgement of the period over which the economic benefit will be derived from the assets.

The carrying values of definite life brands, customer relationships, recipes, know-how and other intangibles are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or circumstances indicate that the carrying values may not be recoverable.

Computer software
Computer software is stated at cost less accumulated amortisation and impairment losses. Costs incurred on the acquisition of computer software are capitalised, as are costs directly associated with developing computer software programmes for internal use, if they meet the recognition criteria of IAS 38 'Intangible Assets'. Computer software costs recognised as assets are amortised using the straight-line method over their estimated useful lives, which is normally between five and 10 years.

Impairment of intangible assets
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2. Summary of significant accounting policies continued

For the purposes of impairment testing, assets are grouped at the lowest level for which there are separately identifiable cash inflows (cash generating units ("CGUs")). An impairment is recognised in the income statement for the amount by which the carrying value of the CGU exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Value in use is determined as the discounted future cash flows of the CGU.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost includes all expenditure incurred in the normal course of business in bringing the products to their present location and condition. Cost is determined by the first-in, first-out (FIFO) method or by weighted average cost. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal capacity). Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges which relate to purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less all estimated costs of completion and selling expenses. Allowance is made, where necessary, for aged, slow moving, obsolete and defective inventories.

Trade and other receivables, loans to joint ventures and financial assets at amortised cost

Trade and other receivables, loans to joint ventures and financial assets at amortised cost are classified and measured at amortised cost as they are held to collect contractual cash flows which comprise solely payments of principal and interest, where applicable. They are recognised initially at fair value plus transaction costs, except trade receivables that do not contain significant financing components which are recognised at transaction price. They are subsequently measured at amortised cost using the effective interest method less expected credit loss allowance.

The Group recognises an allowance for expected credit losses ("ECL") for financial assets not held at fair value through profit or loss. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition or where there has been a credit impaired event, a lifetime expected loss allowance is recognised, irrespective of the timing of the default.

The Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for all trade receivables. A loss allowance for the amount of receivables that is subject to credit risk is estimated based on expected credit losses. To measure ECL, historical loss rates are calculated based on historical credit loss experience. The loss allowance based on historical loss rates is adjusted where appropriate to reflect current information and forward-looking information on macroeconomic factors, including the trading environment of countries in which the Group sells its goods, which affect the ability of the debtors to settle the receivables.

The above financial assets are written off when there is no reasonable expectation of recovery such as a debtor failing to engage in a repayment plan with the Group.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and deposits held on call with banks. For the purposes of the Group statement of cash flows, cash and cash equivalents consists of cash and cash equivalents net of bank overdrafts as bank overdrafts are repayable on demand and they form an integral part of cash management.

Investments in equity instruments

The Group classifies and measures its investments in equity instruments at fair value. Changes in their fair value are recognised in the income statement unless management has elected to present fair value gains and losses in OCI on an investment by investment basis. When an election is made for an investment, there is no subsequent reclassification of fair value gains and losses related to the investment to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss when the Group's right to receive payments is established.

Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Borrowings

Borrowings are recognised initially at fair value and subsequently stated at amortised cost.

Trade and other payables
Trade and other payables, other than put options over non-controlling interests, are recognised initially at their fair value and subsequently measured at amortised cost which approximates to fair value given the short-term nature of these liabilities. These amounts represent liabilities for goods and services provided to the Group prior to, or at the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30–90 days of recognition depending on the terms negotiated with suppliers.

Put option liability over non-controlling interests
A put option that is held by non-controlling interests in a subsidiary is one where the holder of the put option can require the Group to acquire the non-controlling interests' shareholding in the subsidiary at a future date. The Group assesses whether the non-controlling interests continue to have a present ownership interest in the shares subject to the put option. Present ownership interest can be evidenced by non-controlling interests continuing to have a right to the receipt of dividends, or benefiting from increases in net assets while holding a voting entitlement to the shares subject to the put option.

If it is considered that the put option holders continue to have a present ownership interest, the Group recognises non-controlling interests in the subsidiary, including subsequent updates to reflect its share of profit and losses, dividends and other changes. A put option liability is initially recognised based on an estimate of the fair value of the consideration to acquire the non-controlling interests shares that are subject to the put option with a corresponding debit to equity. Changes in the estimated fair value of the liability, which is re-evaluated at each year end, are recognised within equity.

If the non-controlling interests do not have present ownership rights from the put option, the transaction is accounted for as if the Group had acquired the non-controlling interests at the date of entering into the put option.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and recognition of a new liability.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the income statement.

Offsetting
Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Provisions, contingent liabilities and contingent assets
Provisions are recognised on the balance sheet when the Group has a constructive or legal obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured using management's best estimate of the present value of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to passage of time is recognised as an interest expense.

Provisions arising on business combinations are only recognised to the extent that they have qualified for recognition in the financial statements of the acquiree prior to acquisition.

A contingent liability is not recognised but is disclosed where the existence of the obligation will only be confirmed by future events or where it is not probable that an outflow of resources will be required to settle the obligation or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

Call options over non-controlling interests
If the Group has a call option over the shares held by non-controlling interests in a subsidiary where the Group can require the non-controlling interests to sell its shareholding in the subsidiary at a future date, the call option is recognised as a derivative asset on its inception. Changes in the fair value of the derivative asset are recognised in the income statement.

2. Summary of significant accounting policies continued

Derivative financial instruments

Derivatives are initially recorded at fair value and subsequently remeasured at their fair value at the reporting date. Derivative contracts are recognised on the trade date, other than 'regular way' contracts for which settlement date accounting is applied.

The fair value of any foreign currency contracts or any commodities contract is estimated by discounting the difference between the contractual forward price and the current forward price, using the market interest rate at the measurement date, for a time period equal to the residual maturity of the contract. The fair value of any interest rate swap is estimated by discounting future cash flows under the swap, using the market interest rates, at the measurement date, for time periods equal to the residual maturity of the contracted cash flows.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised in the income statement. The Group adopts the hedge accounting model in IFRS 9.

The Group designates certain derivatives as either: (i) hedges of the fair value of recognised assets or liabilities or an unrecognised firm commitment (fair value hedge); or (ii) hedges of a cash flow risk associated with the cash flows of recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and half yearly, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 29. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in OCI. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Where option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument. Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the hedging reserve within equity. The changes in the time value of the options that relate to the hedged item are recognised within OCI in the cost of hedging reserve within equity.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), the amounts accumulated in equity are included within the initial cost of the asset. The recycled gain or loss relating to the effective portion of interest rate swaps hedging variable interest rates on borrowings is recognised in the income statement within 'finance costs'. The recycled gain or loss relating to the effective portion of foreign exchange contracts is recognised in the income statement. The recycled gain or loss relating to the time value and the effective portion of the intrinsic value of commodity option contracts are included within the initial cost of an asset.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in OCI and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to the income statement when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to the income statement.

Net investment hedge

Net investment hedges, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument (for instance foreign currency borrowings) relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the income statement.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of: the amount determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments; and the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 'Revenue from Contracts with Customers'.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Share capital

Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Repurchase of the Company's own equity instruments is recognised and deducted from equity with a transfer between the own shares reserve and retained earnings when they are cancelled. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Own shares

Where the Employee Share Trust and/or the Employee Share Scheme Trust (on behalf of the Company) purchases the Company's equity share capital, under the 2008 and 2018 Long-term incentive plan, the 2019 Restricted share plan and the Annual incentive deferred into shares scheme, the consideration paid is deducted from distributable reserves and classified as own shares until they are re-issued. Where such shares are re-issued, they are re-issued on a first-in, first-out basis and the proceeds on re-issue of own shares are transferred from own shares to retained earnings.

Dividends

Dividends on ordinary shares to the Company's shareholders are recognised as a liability of the Company when approved by the Company's shareholders. Interim dividends are recognised when paid.

Proposed dividends that are approved after the balance sheet date are not recognised as a liability but are disclosed in the dividends note.

Business combinations

The Group uses the acquisition method of accounting to account for business combinations. The acquisition date is defined as the date the Group gained control of the entity. The cost of the acquisition is measured at the aggregate of the fair value of the consideration given.

Upon acquisition, the Group assesses the assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date except for deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements which are recognised and measured in accordance with IAS 12 'Income Taxes' and IAS 19 'Employee Benefits' respectively. The fair value of the assets and liabilities are based on valuations using assumptions deemed by management to be appropriate. Professional valuers are engaged when it is deemed appropriate to do so.

Goodwill represents the excess of the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquired entity over the net identifiable assets acquired. If this is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the valuation of the fair value of assets acquired and liabilities assumed is still in progress. Those provisional amounts are adjusted during the measurement period of one year from the date control is achieved when additional information is obtained about facts and circumstances which would have affected the amounts recognised as of that date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in the income statement.

Acquisition related costs are expensed as incurred in the income statement.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

2. Summary of significant accounting policies continued

Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of the carrying value and the fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than continued use. This condition is regarded as satisfied only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year of the date of classification.

When the Group is committed to a sale plan involving disposal of a joint venture, the interest in the joint venture that will be disposed of is classified as held for sale when the criteria described above are met. The Group then ceases to apply the equity method of accounting in relation to the portion that is classified as held for sale.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operation, is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Group income statement. In addition, the comparative Group income statement and Group statement of comprehensive income are re-presented as if the operation had been discontinued from the start of the comparative year.

Additional disclosures are provided in Note 33. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

Adoption of amended standards

The following changes to IFRS became effective for the Group during the financial year but did not result in material changes to the Group's financial statements:
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020
- Reference to the Conceptual Framework – Amendments to IFRS 3

New and amended standards that are not yet effective

The Group has not applied new standards and amendments to existing standards that have been issued but are not yet effective. The most significant of which are as follows:

Disclosure of Accounting Policies – Amendments to IAS 1 (EU effective date: on or after 1 January 2023)

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. The Group does not expect the adoption of the amendments to have a material impact on the financial statements.

Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (IASB effective date: on or after 1 January 2024)

The amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The Group is currently evaluating the impact of the amendments on future periods.

Other changes to IFRS have been issued but are not yet effective for the Group. However, they are either not expected to have a material impact on the Group or they are not currently relevant for the Group.

3. Critical accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates may not equal the related actual results. Revisions to estimates are recognised prospectively.

The most significant judgements and key sources of estimation uncertainty identified in the preparation of these financial statements are set out in this note. With the exception of retirement benefit obligations which are subject to market conditions, it is not expected that there will be a material adjustment to the carrying value of assets and liabilities of the other outlined areas.

Judgements

Exceptional items

The Group considers that items of income or expense which are significant by virtue of their scale and/or nature should be disclosed separately if the Group financial statements are to fairly present the financial performance and financial position of the Group. Determining which transactions are to be considered exceptional in nature is often a subjective matter. However, circumstances that the Group believes would give rise to exceptional items for separate disclosure are outlined in the accounting policy on exceptional items in note 2. Exceptional items are included on the income statement line item to which they relate. In addition, for clarity, separate disclosure is made of all items in one column on the face of the Group income statement.

Interests in joint ventures

The Group holds 51% of the share capital of Glanbia Cheese Limited but this entity is considered to be a joint venture as the Group does not have control of the company as along with its joint venture partner Leprino Foods Company, it has equal representation on the Board of Directors who directs the relevant activities of the business. Decisions about the relevant activities require unanimous consent of the Group and the joint venture partner. The Group controls 50% of the voting rights and is entitled to appoint 50% of the total number of Directors to the Board.

Estimates

Retirement benefit obligations

The Group operates a number of defined benefit pension plans both in Ireland and the UK. The rates of contributions payable, the pension cost and the Group's total obligation in respect of defined benefit plans is calculated and determined by independent qualified actuaries and updated at least annually. Refer to note 8 for the amounts associated with the Irish and UK plans.

The size of the obligation and cost of the benefits are sensitive to actuarial assumptions. These include demographic assumptions covering mortality and longevity, and economic assumptions including price inflation, benefit and salary increases together with the discount rate used. The Group disclose the UK defined benefit pension plan details separately from the Irish plans to identify the impact of a change in UK assumptions on the Group's defined benefit pension plans.

The discount rate is a highly sensitive input to the calculation of scheme liabilities. Sensitivity analysis has been completed to assess the impact of a change in the discount rate used and other principal actuarial assumptions. Refer to note 8 for the sensitivity analysis.

Impairment reviews of goodwill and indefinite life intangibles

The Group tests annually whether goodwill and indefinite life intangibles have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of CGUs have been determined based on value in use calculations. These calculations require the use of estimates.

Goodwill and intangible assets in respect of CGUs within the Glanbia Performance Nutrition and Glanbia Nutritionals operating segments are tested for impairment using projected cash flows over a three year period. In cases where management have strategic plans beyond three years these numbers are also used in the projections. Discount rates are based on the Group weighted average cost of capital adjusted for company risk factors and specific country risk. A terminal value assuming 2% growth into perpetuity is also applied. Refer to note 16 for the sensitivity analysis on the key assumptions used for calculating value in use of the CGUs.

Additional information in relation to impairment reviews is disclosed in note 16.

Income taxes

The Group is subject to income tax in numerous jurisdictions. Significant estimation is required in determining the worldwide provision for income taxes. There are many transactions during the ordinary course of business for which the ultimate tax determination is uncertain and the applicable tax legislation is open to differing interpretations. The Group takes external professional advice to help minimise this risk. It recognises liabilities for anticipated tax authority reviews based on estimates of whether additional taxes will be due, having regard to all information available on the tax matter. The Group engages with local tax experts to support the judgements made where there is significant uncertainty about the position taken.

In determining any liability for amounts expected to be paid to tax authorities, the Group has regard to the tax status of the entities involved, the external professional advice received, the status of negotiations and correspondence with the relevant tax authorities, the best estimate of the amount expected to become payable, past practices of the tax authorities and any precedents in the relevant jurisdiction. Where the final outcome of these tax matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits may be utilised. The Group estimates the most probable amount of future taxable profits using assumptions consistent with those employed in impairment calculations and taking into consideration applicable tax legislation in the relevant jurisdiction.

Income taxes and deferred taxes are disclosed in notes 11 and 26 respectively.

4. Segment information

In accordance with IFRS 8 'Operating Segments', the Group has identified Glanbia Performance Nutrition and Glanbia Nutritionals as reportable segments as at 31 December 2022. Glanbia Performance Nutrition manufactures and sells sports nutrition and lifestyle nutrition products through a variety of channels including specialty retail, online, Food, Drug, Mass, Club (FDMC), and gyms in a variety of formats, including powders, Ready-to-Eat (bars and snacking foods) and Ready-to-Drink beverages. Glanbia Nutritionals manufactures and sells cheese, dairy and non-dairy nutritional and functional ingredients, and vitamin and mineral premixes targeting the increased market focus on health and nutrition.

Glanbia Ireland is no longer reported as a segment following its disposal on 1 April 2022 (note 33). In accordance with IFRS 8 Operating Segments, the prior period pre-exceptional segment results were restated to exclude Glanbia Ireland and the segment assets associated with Glanbia Ireland are included within "All other segments and unallocated" for the comparative period.

All other segments and unallocated include both the results of joint ventures who manufacture and sell cheese and dairy ingredients and unallocated corporate costs. These investees did not meet the quantitative thresholds for reportable segments in 2022 or 2021. Amounts stated for joint ventures represents the Group's share.

These segments align with the Group's internal financial reporting system and the way in which the CODM assesses performance and allocates the Group's resources. Each segment is reviewed in its totality by the CODM. The CODM assesses the trading performance of operating segments based on a measure of earnings before interest, tax, amortisation and exceptional items. Given that net finance costs and income tax are managed on a centralised basis, these items are not allocated between operating segments for the purposes of the information presented to the CODM and are accordingly omitted from the detailed segmental analysis below.

	2022				2021			
	Glanbia Performance Nutrition €'m	Glanbia Nutritionals €'m	All other segments and unallocated €'m	Total €'m	Glanbia Performance Nutrition €'m	Glanbia Nutritionals €'m	All other segments and unallocated €'m	Total €'m
Segment results (pre-exceptional)								
Total gross segment revenue	**1,625.8**	**4,123.1**	**–**	**5,748.9**	1,303.3	2,955.5	–	4,258.8
Inter-segment revenue	**(0.1)**	**(106.4)**	**–**	**(106.5)**	(0.2)	(61.7)	–	(61.9)
Revenue	**1,625.7**	**4,016.7**	**–**	**5,642.4**	1,303.1	2,893.8	–	4,196.9
Operating profit before intangible asset amortisation and impairment (EBITA)	**182.1**	**165.0**	**–**	**347.1**	145.1	125.5	–	270.6
Share of results of joint ventures accounted for using the equity method	**–**	**–**	**15.4**	**15.4**	–	–	19.2	19.2
Profit after tax from discontinued operations	**–**	**–**	**–**	**–**	–	–	25.7	25.7
Segment assets and liabilities								
Segment assets	**1,818.2**	**1,264.3**	**777.6**	**3,860.1**	1,741.3	1,138.9	747.4	3,627.6
Segment liabilities	**433.1**	**471.9**	**1,086.7**	**1,991.7**	441.4	446.7	999.2	1,887.3
Other segment information (pre-exceptional)								
Depreciation of PP&E and ROU assets	**22.9**	**44.6**	**–**	**67.5**	23.4	39.6	(1.4)	61.6
Amortisation of intangible assets	**53.0**	**22.0**	**–**	**75.0**	45.7	18.2	–	63.9
Capital expenditure – additions	**20.3**	**44.5**	**16.0**	**80.8**	54.9	36.5	9.4	100.8
Capital expenditure – business combinations	**–**	**71.1**	**–**	**71.1**	49.7	44.3	–	94.0

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. Revenue of approximately €1,076.3 million (2021: €736.3 million) and €829.4 million (2021: €543.3 million) is derived from two external customers respectively within the Glanbia Nutritionals segment.

Pre-exceptional segment operating profit before intangible asset amortisation and impairment (EBITA) is reconciled to reported profit before tax and profit after tax in the Group income statement.

Geographical information

Revenue from external customers, and non-current assets, other than financial instruments, deferred tax assets, and retirement benefit assets attributable to the country of domicile and all foreign countries of operation for which revenue/non-current assets exceed 10% of total Group revenue/non-current assets are set out on the following page.

Revenue from external customers in the table below and in the disaggregation of revenue by primary geographical markets table below is allocated to geographical areas based on the place of delivery or collection of the products sold as agreed with customers as opposed to the end use market where the product may be consumed.

	2022		2021	
	Revenue €'m	**Non-current assets €'m**	Revenue €'m	Non-current assets €'m
Ireland (country of domicile)	**11.0**	**767.3**	7.7	713.1
US	**4,613.4**	**1,234.3**	3,390.2	1,201.9
Other				
– North America (excluding US)	**96.4**	**6.0**	79.9	5.2
– Europe (excluding Ireland)	**432.6**	**218.1**	372.6	214.7
– Asia Pacific	**374.5**	**11.2**	265.6	11.2
– LATAM	**69.2**	**–**	43.9	–
– Rest of World	**45.3**	**–**	37.0	–
	5,642.4	**2,236.9**	4,196.9	2,146.1

Disaggregation of revenue

Revenue is disaggregated based on the Group's internal reporting structures, the primary geographical markets in which the Group operates, the timing of revenue recognition, and channel mix as set out in the following tables.

	2022			2021		
	Glanbia Performance Nutrition €'m	**Glanbia Nutritionals €'m**	**Total €'m**	Glanbia Performance Nutrition €'m	Glanbia Nutritionals €'m	Total €'m
Internal reporting structures						
Nutritional Solutions	**–**	**1,126.6**	**1,126.6**	–	877.4	877.4
US Cheese	**–**	**2,890.1**	**2,890.1**	–	2,016.4	2,016.4
GPN Americas	**1,098.0**	**–**	**1,098.0**	872.3	–	872.3
GPN International (including Direct-to-Consumer)	**527.7**	**–**	**527.7**	430.8	–	430.8
	1,625.7	**4,016.7**	**5,642.4**	1,303.1	2,893.8	4,196.9
Primary geographical markets						
North America	**1,100.8**	**3,609.0**	**4,709.8**	881.7	2,588.4	3,470.1
Europe	**317.8**	**125.8**	**443.6**	265.4	114.9	380.3
Asia Pacific	**161.7**	**212.8**	**374.5**	119.5	146.1	265.6
LATAM	**13.8**	**55.4**	**69.2**	9.7	34.2	43.9
Rest of World	**31.6**	**13.7**	**45.3**	26.8	10.2	37.0
	1,625.7	**4,016.7**	**5,642.4**	1,303.1	2,893.8	4,196.9
Timing of revenue recognition						
Products transferred at point in time	**1,625.7**	**4,016.7**	**5,642.4**	1,303.1	2,893.8	4,196.9
Products transferred over time	**–**	**–**	**–**	–	–	–
	1,625.7	**4,016.7**	**5,642.4**	1,303.1	2,893.8	4,196.9

Channel mix for Glanbia Performance Nutrition	**2022 €'m**	2021 €'m
Distributor	**367.0**	287.7
Food, Drug, Mass, Club (FDMC)	**575.6**	440.0
Online	**482.3**	398.6
Specialty	**200.8**	176.8
	1,625.7	1,303.1

The disaggregation of revenue by channel mix is most relevant for Glanbia Performance Nutrition.

Notes to the financial statements continued

5. Operating profit

	Notes	2022 Pre-exceptional €'m	2022 Exceptional €'m	2022 Total €'m	2021 Pre-exceptional €'m	2021 Exceptional €'m	2021 Total €'m
Revenue		**5,642.4**	**–**	**5,642.4**	4,196.9	–	4,196.9
Cost of goods sold		**(4,671.3)**	**(16.6)**	**(4,687.9)**	(3,359.9)	(6.4)	(3,366.3)
Gross profit		**971.1**	**(16.6)**	**954.5**	837.0	(6.4)	830.6
Selling and distribution expenses		**(415.4)**	**(0.1)**	**(415.5)**	(379.7)	(0.3)	(380.0)
Administration expenses		**(208.2)**	**(4.7)**	**(212.9)**	(185.9)	(41.7)	(227.6)
Net impairment losses on financial assets		**(0.4)**	**(0.5)**	**(0.9)**	(0.8)	–	(0.8)
Operating profit before intangible asset amortisation and impairment (EBITA)		**347.1**	**(21.9)**	**325.2**	270.6	(48.4)	222.2
Intangible asset amortisation and impairment	16	**(75.0)**	**(26.5)**	**(101.5)**	(63.9)	–	(63.9)
Operating profit		**272.1**	**(48.4)**	**223.7**	206.7	(48.4)	158.3

Operating profit is stated after (charging)/crediting:

	Notes	2022 Pre-exceptional €'m	2022 Exceptional €'m	2022 Total €'m	2021 Pre-exceptional €'m	2021 Exceptional €'m	2021 Total €'m
Cost of inventories recognised as an expense in cost of goods sold	20	**(4,227.2)**	**(4.2)**	**(4,231.4)**	(2,979.3)	–	(2,979.3)
Employee benefit expense	7	**(464.5)**	**(0.4)**	**(464.9)**	(405.7)	(31.5)	(437.2)
Depreciation of property, plant and equipment	14	**(48.7)**	**–**	**(48.7)**	(44.9)	–	(44.9)
(Impairment)/reversal of impairment of property, plant and equipment	14	**–**	**(9.5)**	**(9.5)**	1.4	(4.9)	(3.5)
(Loss)/profit on disposal of property, plant and equipment	32(a)	**(0.4)**	**–**	**(0.4)**	0.1	–	0.1
Depreciation of right-of-use assets	15	**(18.8)**	**–**	**(18.8)**	(18.1)	–	(18.1)
Impairment of right-of-use assets	15	**–**	**(2.6)**	**(2.6)**	–	(0.7)	(0.7)
Amortisation of intangible assets	16	**(75.0)**	**–**	**(75.0)**	(63.9)	–	(63.9)
Impairment of intangible assets	16	**–**	**(26.5)**	**(26.5)**	–	–	–
Research and development costs		**(20.4)**	**–**	**(20.4)**	(18.5)	–	(18.5)
Lease rentals		**(4.1)**	**–**	**(4.1)**	(2.3)	–	(2.3)
Net impairment losses on financial assets		**(0.4)**	**(0.5)**	**(0.9)**	(0.8)	–	(0.8)
Auditor's remuneration		**(1.9)**	**–**	**(1.9)**	(1.6)	–	(1.6)
Net foreign exchange gain/(loss)		**0.2**	**–**	**0.2**	(1.5)	–	(1.5)

The following table discloses the fees paid or payable to Deloitte Ireland LLP, the Group auditor, and to other statutory audit firms in the Deloitte network:

	Statutory auditor 2022 €'m	Statutory auditor 2021 €'m	Other statutory auditor network firms 2022 €'m	Other statutory auditor network firms 2021 €'m
The audit of the Group financial statements	**1.1**	0.8	**0.8**	0.8
Other assurance services	**–**	–	**–**	–
Tax advisory services	**–**	–	**–**	–
Other non-audit services	**–**	–	**–**	–
	1.1	0.8	**0.8**	0.8

In addition to the above, Deloitte Ireland LLP and Deloitte network member firms received fees of €0.2 million (2021: €0.3 million) in respect of the audit of the Group's joint ventures.

6. Exceptional items

The nature of the total exceptional items is as follows:

	Notes	2022 €'m	2021 €'m
Pension related costs	(a)	**1.7**	30.3
Organisation redesign costs	(b)	**–**	18.1
Portfolio related re-organisation costs	(c)	**2.9**	–
Non-core assets held for sale	(d)	**43.8**	–
Total		**48.4**	48.4
Remeasurements of contingent consideration and call option	(e)	**(6.7)**	–
Share of results of joint ventures accounted for using the equity method	(a)	**(0.2)**	2.0
Exceptional tax credit	11	**(5.7)**	(7.6)
Total exceptional charge from continuing operations		**35.8**	42.8
Exceptional gain after tax from discontinued operations	(f)	**(57.2)**	(0.7)
Total exceptional (gain)/charge after tax for the year	32(a)	**(21.4)**	42.1

Details of the exceptional items are as follows:

(a) **Pension related costs** relate to the restructure of legacy defined benefit pension schemes associated with the Group and joint ventures, which included initiating a process for the ultimate buyout and wind up of these schemes and a further simplification of schemes that remain. Costs incurred relate to the estimated cost of the settlement loss as a result of acquiring bulk purchase annuity policies to mirror and offset movements in known liabilities of the schemes ('buy-in' transaction), as well as related advisory and execution costs, net of gains from risk reduction activities. The restructuring effort has progressed well during 2022, effectively managing the volatile financial market conditions in the UK during 2022, with final wind up of schemes planned for completion in 2023.

(b) Prior year **organisation redesign costs** related to a fundamental reorganisation of the GPN segment to drive greater efficiencies, improve margin and deliver top line growth. The investment phase of this programme is now complete, with no further costs incurred during the period.

(c) **Portfolio related re-organisation costs** relate to indirect one off costs as a result of recent and planned portfolio changes. Following divestment decisions related to non-core businesses, the Group launched a programme to realign Group-wide support functions and optimise structures of the remaining portfolio, to more efficiently support business operations and growth. This programme will continue into 2023 with realisation of benefits from 2024 onwards. Costs incurred to date relate to advisory fees and people related costs.

(d) **Non-core assets held for sale** relate to fair value adjustments to reduce the carrying value of certain assets to recoverable value. The assets relate to a small US based bottling facility (Aseptic Solutions) which, following the completion of a strategic portfolio review, were determined to be non-core and a decision was made to divest the business, resulting in the designation as held-for-sale at year end. Discussions are ongoing and a sale is expected to conclude by the end of H1, 2023.

(e) **Remeasurements of contingent consideration and call option** relate to contingent payments and call option associated with the 2021 LevlUp acquisition that have now reduced following an assessment of conditions that give rise to the additional payments.

(f) **Exceptional gain after tax from discontinued operations** relates to the gain arising on the divestment of the Group's interest in Glanbia Ireland, following its classification as a discontinued operation in 2021. The 2021 gain includes one off gains on the settlement of forward contracts, net of one off reorganisation costs within this joint venture.

7. Employment

The aggregate payroll costs of employees (including Executive Directors) in the Group were:

	Notes	2022 €'m	2021 €'m
Wages and salaries		**384.1**	341.1
Social security costs		**33.5**	28.6
Pension costs – defined contribution plans	8	**13.0**	11.6
Pension costs – defined benefit plans	8	**2.2**	30.8
Other compensation costs			
– Private health insurance		**27.5**	21.8
– Cost of share-based payments	9	**18.8**	15.9
– Company car allowance		**2.2**	2.1
		481.3	451.9

Included within the aggregate payroll costs are exceptional items of €0.4 million (2021: €31.5 million) which include redundancy costs of nil (2021: €1.9 million). Capitalised labour costs of €16.4 million (2021: €14.7 million) are included within the aggregate payroll costs while the remaining post-exceptional cost of €464.9 million (2021: €437.2 million) are recognised as an expense (note 5).

The Directors' remuneration information is shown on tables A to G on pages 137 to 140 in the Remuneration Committee Report.

The average number of employees, excluding the Group's joint ventures, is analysed into the following reportable segments:

	2022	2021
Glanbia Performance Nutrition	**1,996**	2,032
Glanbia Nutritionals	**3,010**	2,685
	5,006	4,717

8. Retirement benefit obligations

Defined contribution pension plans

The Group has a number of defined contribution pension plans in operation. €13.0 million (2021: €11.6 million) was recognised in the Group income statement during the year (note 7).

Defined benefit pension plans

Recognition in the Group balance sheet:

	2022 €'m	2021 €'m
Non-current assets – Surplus on defined benefit pension plan	**3.0**	2.9
Non-current liabilities – Deficit on defined benefit pension plan	**(1.4)**	(17.1)
Net defined benefit pension plans asset/(liability)	**1.6**	(14.2)

The Group operates two defined benefit pension plans in the Republic of Ireland ("Ireland") and two defined benefit pension plans in the United Kingdom ("UK"). The defined benefit pension plans in Ireland and the UK are administered by independent Boards of Trustees through separate trustee controlled funds. These Boards are responsible for the management and governance of the pension plans including compliance with all relevant laws and regulations. Each of the Group's defined benefit pension plans operate under their respective regulatory frameworks and minimum funding requirements in Ireland and the statutory funding objective in the UK. The UK pension plans comprise solely of pensioners and deferred pensioners.

The defined benefit pension plans provide retirement and death benefits for the Group's employees. The majority of the defined benefit pension plans are career average pension plans, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their average salary over their period of employment.

The contributions paid to the defined benefit pension plans are in accordance with the schedule of contributions agreed between the Group and the Trustees of the relevant plans as recommended in the actuarial valuation reports or in subsequent actuarial advice. The contributions are partly funded by the employees, where they are required to contribute a fixed percentage of pensionable salary, and partly by the Group. The latest actuarial valuation reports for these plans, which are not available for public inspection, are dated between 30 June 2018 and 1 January 2022.

In the prior year, the Trustee Boards of the UK pension plans completed a buy-in transaction whereby the assets of the plans were invested in a bulk purchase annuity policy with a UK pension insurance specialist.

It is the intention of the Trustee Boards that the plans will move to a full buy-out as soon as practical, following which the insurance company will become responsible for the UK pension plan obligations. On completion of the buy-out, the defined benefit assets (comprising the annuity policy) and matching defined benefit obligations will be derecognised from the Group balance sheet.

The majority of the net UK pension liabilities at the end of the reporting period relates primarily to Guaranteed Minimum Pension equalisation ("GMPe") of the other UK pension plan. These GMPe liabilities will require an additional contribution from the Group prior to the completion of the buy-out as described above and will result in the recognition of a charge/gain in the income statement. During 2022 there was an additional contribution from the Group of €1.8 million in respect of these GMPe liabilities for one of the UK pension plans which resulted in a charge to the income statement of €0.2 million.

Additionally in the prior year, the Trustee Boards of the Irish pension plans undertook and concluded an enhanced transfer value exercise with an associated €10.7 million of scheme payment and €1.5 million of contribution to fund the enhanced transfer values.

Notes to the financial statements continued

8. Retirement benefit obligations continued

The amounts recognised in the Group balance sheet and the movements in the net defined benefit obligations over the year are as follows:

	Present value of obligation			Fair value of plan assets			Net (liability)/ asset
2022	**ROI €'m**	**UK €'m**	**Total €'m**	**ROI €'m**	**UK €'m**	**Total €'m**	**€'m**
At the beginning of the year	**(128.2)**	**(133.3)**	**(261.5)**	**118.7**	**128.6**	**247.3**	**(14.2)**
Current service cost	**(1.8)**	**–**	**(1.8)**	**–**	**–**	**–**	**(1.8)**
Interest (expense)/income	**(1.4)**	**(2.4)**	**(3.8)**	**1.3**	**2.3**	**3.6**	**(0.2)**
Settlement loss*	**–**	**–**	**–**	**–**	**(0.2)**	**(0.2)**	**(0.2)**
Recognised in profit or loss	**(3.2)**	**(2.4)**	**(5.6)**	**1.3**	**2.1**	**3.4**	**(2.2)**
Remeasurements							
– Return of plan assets in excess of interest income	**–**	**–**	**–**	**(25.2)**	**(39.7)**	**(64.9)**	**(64.9)**
– Loss from experience adjustments	**(0.1)**	**(4.5)**	**(4.6)**	**–**	**–**	**–**	**(4.6)**
– Gain from changes in financial assumptions	**39.2**	**45.5**	**84.7**	**–**	**–**	**–**	**84.7**
Effect of irrecoverable plan surplus	**–**	**–**	**–**	**(1.7)**	**–**	**(1.7)**	**(1.7)**
Recognised in OCI	**39.1**	**41.0**	**80.1**	**(26.9)**	**(39.7)**	**(66.6)**	**13.5**
Exchange differences	**–**	**6.9**	**6.9**	**–**	**(6.7)**	**(6.7)**	**0.2**
Contributions paid by the employer	**–**	**–**	**–**	**2.1**	**2.2**	**4.3**	**4.3**
Contributions paid by the employee	**(0.3)**	**–**	**(0.3)**	**0.3**	**–**	**0.3**	**–**
Benefits paid	**4.1**	**7.3**	**11.4**	**(4.1)**	**(7.3)**	**(11.4)**	**–**
At the end of the year	**(88.5)**	**(80.5)**	**(169.0)**	**91.4**	**79.2**	**170.6**	**1.6**

2021	ROI €'m	UK €'m	Total €'m	ROI €'m	UK €'m	Total €'m	€'m
At the beginning of the year	(146.3)	(112.4)	(258.7)	125.1	104.3	229.4	(29.3)
Current service cost	(1.9)	–	(1.9)	–	–	–	(1.9)
Interest (expense)/income	(1.0)	(2.1)	(3.1)	0.9	2.1	3.0	(0.1)
Settlement gain/(loss)*	2.9	–	2.9	–	(31.7)	(31.7)	(28.8)
Recognised in profit or loss	–	(2.1)	(2.1)	0.9	(29.6)	(28.7)	(30.8)
Remeasurements							
– Return of plan assets in excess of interest income	–	–	–	2.9	(1.0)	1.9	1.9
– Loss from experience adjustments	(1.5)	(0.2)	(1.7)	–	–	–	(1.7)
– Loss from changes in demographic assumptions	(0.7)	–	(0.7)	–	–	–	(0.7)
– Gain/(loss) from changes in financial assumptions	3.7	(3.2)	0.5	–	–	–	0.5
Recognised in OCI	1.5	(3.4)	(1.9)	2.9	(1.0)	1.9	–
Exchange differences	–	(8.4)	(8.4)	–	8.0	8.0	(0.4)
Contributions paid by the employer	–	–	–	6.4	39.8	46.2	46.2
Contributions paid by the employee	(0.3)	–	(0.3)	0.3	–	0.3	–
Benefits paid	16.9	5.1	22.0	(16.9)	(5.1)	(22.0)	–
Net assets attributed to the Group**	–	(12.1)	(12.1)	–	12.2	12.2	0.1
At the end of the year	(128.2)	(133.3)	(261.5)	118.7	128.6	247.3	(14.2)

* Included in pension related costs (note 6).

** Prior to the buy-in transaction, Glanbia Cheese Limited, a joint venture of the Group, and the Group were employers of the UK pension plans. As part of the buy-in transaction, liabilities and assets of Glanbia Cheese Limited related to the pension plans were attributed to the Group.

The net (liability)/asset disclosed above relates to funded plans.

During the current financial year the Group recognised an amount of the total surplus on one of the plans based on the economic benefits that the Group could gain from a reduction in future contributions.

The fair value of plan assets at the end of the reporting period are as follows:

	2022				2021			
	Quoted €'m	Unquoted €'m	Total €'m	%	Quoted €'m	Unquoted €'m	Total €'m	%
Equities								
– Consumer	**2.9**	**–**	**2.9**	**2**	6.0	–	6.0	3
– Financials	**2.4**	**–**	**2.4**	**1**	5.1	–	5.1	2
– Information technology	**1.9**	**–**	**1.9**	**1**	5.0	–	5.0	2
– Other	**7.5**	**–**	**7.5**	**4**	13.5	–	13.5	5
Corporate bonds								
– Investment grade	**7.3**	**–**	**7.3**	**4**	9.4	–	9.4	4
Government bonds and gilts	**45.3**	**–**	**45.3**	**27**	44.5	–	44.5	18
Property	**–**	**2.3**	**2.3**	**1**	–	2.2	2.2	1
Cash	**1.4**	**0.5**	**1.9**	**1**	3.2	1.0	4.2	2
Investment funds	**7.9**	**–**	**7.9**	**5**	14.4	–	14.4	6
Insured assets	**–**	**78.7**	**78.7**	**46**	–	127.3	127.3	51
Other	**2.5**	**10.0**	**12.5**	**8**	2.5	13.2	15.7	6
	79.1	**91.5**	**170.6**	**100**	103.6	143.7	247.3	100

The plan assets at the end of the reporting period do not include any equities held in the Group, nor does the Group use or occupy any of the plan assets.

Principal risks in the defined benefit pension plans

The principal risks associated with the bulk of the UK pension plans are mitigated by the bulk annuity policy. Accordingly the Group is exposed to a number of risks on the Irish pension plans and the residual GMPe component of the UK pension plan(s). The most significant of those risks are detailed below:

Investment risk

The pension liabilities are discounted using market yields on high-quality corporate bonds. If the return on plan assets is below this rate, it will create a plan deficit. Currently, the pension plans hold investments in primarily insured assets and government bonds and gilts. The Trustees conduct investment reviews to take advice on asset allocation, taking into account asset valuations, liability durations, funding measurements and an achievement of an appropriate return on assets.

Interest rate risk

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings. A change in the net defined benefit obligation as a result of changes in the discount rate leads to volatility in the Group balance sheet, Group income statement and Group statement of comprehensive income. It also impacts the funding requirements for the plans.

Inflation risk

A significant proportion of the benefits under the plans are linked to inflation, be it consumer price inflation or retail price inflation, which in most cases are subject to a cap on annual increases. Although there are caps in force on inflation increases and the plans' assets are expected to provide a good hedge against inflation over the long term, higher inflation will lead to higher liabilities.

Longevity risk

The present value of the defined benefit obligation is calculated by reference to the best estimate of the life expectancy of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the defined benefit obligation.

8. Retirement benefit obligations continued

Principal assumptions used in the defined benefit pension plans

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2022		2021	
	ROI	UK	ROI	UK
Discount rate	**3.70%**	**5.00%**	1.10%	1.90%
Inflation rate	**2.50%**	**2.65%–3.30%**	2.10%	2.80%–3.40%
Future salary increases*	**3.50%**	**0.00%**	3.10%	0.00%
Future pension increases	**0.00%**	**2.65%–3.15%**	0.00%	2.75%–3.25%
Mortality rates (years)				
– Male – reaching 65 years of age in 20 years' time	**24.2**	**22.2**	24.1	22.1
– Female – reaching 65 years of age in 20 years' time	**26.3**	**24.5**	26.2	24.5
– Male – currently aged 65 years old	**21.9**	**21.2**	21.8	21.1
– Female – currently aged 65 years old	**24.3**	**23.3**	24.2	23.2

* The ROI defined benefit pension plans are on a career average structure therefore this assumption does not have a material impact. The UK defined benefit pension plans comprise solely pensioners and deferred pensioners.

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Sensitivity analysis for principal assumptions used to measure plan liabilities

There are inherent uncertainties surrounding the financial assumptions adopted in calculating the actuarial valuation of the Group's defined benefit pension plans. The following table analyses, for the Group's pension plans, the estimated impact on the plan liabilities resulting from changes to key actuarial assumptions, with all other assumptions remaining constant.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated. The impact on the plan liabilities has been calculated using the projected unit credit method, which is the same as that applied in calculating the defined benefit obligation recognised in the Group balance sheet.

There have been no changes from the previous year in the methods used in preparing the sensitivity analysis. A 0.50% movement in the discount and inflation rate has been assumed for the current year to reflect the increased volatility in the markets at the end of 2022.

		ROI		UK	
Assumption	Change in assumption	Increase €'m	Decrease €'m	Increase €'m	Decrease €'m
2022					
Discount rate	0.50% movement	**(5.3)**	**5.8**	**(1.7)**	**1.8**
Inflation rate	0.50% movement	**1.3**	**(1.2)**	**1.2**	**(1.3)**
Mortality rate	1 year movement	**2.3**	**(2.3)**	**1.2**	**(1.3)**
Future salary increases*					
Future pension increases**					
2021					
Discount rate	0.25% movement	(5.3)	5.5	(4.8)	5.1
Inflation rate	0.25% movement	1.5	(1.5)	3.8	(3.7)
Mortality rate	1 year movement	4.2	(4.2)	6.3	(6.4)
Future salary increases*					
Future pension increases**					

	2022		2021	
	ROI	UK	ROI	UK
Expected contributions to the defined benefit plans for the coming year (€'m)	**3.2**	**–**	2.1	–
Weighted average duration of the defined benefit plans (years)***	**14**	**12**	17	15

* The majority of the defined benefit plans are career average plans. As a result, future salary increases will not have a material impact on the plan liabilities.
** There are no future pension increases agreed in the material defined benefit pension plans.
*** The reduction in the weighted average duration is primarily due to an increase in the discount rates used for the purposes of the actuarial valuations.

9. Share-based payment expense

The Group operates various equity settled share-based payment arrangements which are described in this note. Further details of the plans are available in the Remuneration Committee Report on pages 120 to 140.

The total cost recognised in the Group income statement is analysed as follows:

	Notes	2022 €'m	2021 €'m
The 2018 Long-term incentive plan (2018 LTIP)		**13.7**	10.5
The 2019 Restricted Share Plan (2019 RSP)		**1.5**	2.8
The annual incentive deferred into shares scheme (AIDIS)		**3.6**	2.6
	7/32(a)	**18.8**	15.9

2018 LTIP

For awards granted from 2022 to participants other than the Executive Directors and members of the Group Operating Executive ("GOE"), 50% of the awards vest over a three year period based on the vesting conditions as described below. The remaining 50% vest annually and evenly over three consecutive years following the grant based on service condition and personal objectives. For awards granted to Executive Directors and members of the GOE, and previously granted awards, the awards vest over a three-year period based on vesting conditions as detailed below.

The extent of vesting for awards granted from 2022 is determined based on a combination of performance metrices that comprised of Group adjusted Earnings Per Share ("EPS"), Group Return on Capital Employed ("ROCE"), Environmental, Social and Governance ("ESG"), and a service condition. For previously granted awards, the extent of vesting for awards is determined based on Group adjusted EPS, Group ROCE, relative Total Shareholder Return ("TSR") performance against the STOXX Europe 600 Food & Beverage index, business segment EBITA and ROCE where applicable, a service condition, personal objectives, and ESG for the 2021 share awards where applicable.

Vesting is determined on a straight line basis between threshold and maximum. There is a requirement to hold shares received pursuant to the vesting of LTIP awards for a minimum period of two years post-vesting for members of the GOE (and one year otherwise for awards granted before 2022).

The maximum annual award level is 150% (2021: 250%) of base salary. Awards lapse/expire by the fourth anniversary of the date of a grant.

2019 RSP

This scheme was introduced in 2019 to provide share awards to certain employees. The maximum award level is 150% (2021: 250%) of base salary. The extent of vesting for awards outstanding is generally determined based on a service condition and personal objectives.

AIDIS

This scheme is an annual performance related incentive scheme for Executive Directors and members of the GOE. The fair value of AIDIS was calculated as €3.6 million in 2022 (2021: €2.6 million) and equates to the cash value of the portion of the annual incentive that will be settled by way of shares. The number of shares received is determined by the share price on the date of vest.

Effective 2022, the Executive Directors and members of the GOE are required to hold 60% of the shares received (net of any applicable taxes and social security) for a period of two years and three years for the balance post vesting (2021: two years for 100% of the shares received).

Notes to the financial statements continued

9. Share-based payment expense continued

Details of awards granted under 2018 LTIP and 2019 RSP are as follows:

	2022		2021	
	2018 LTIP	**2019 RSP**	**2018 LTIP**	**2019 RSP**
At the beginning of the year	**4,033,767**	**371,834**	3,522,382	503,072
Granted	**1,703,218**	**179,868**	1,649,825	104,818
Vested	**(315,578)**	**(195,122)**	(296,153)	(187,025)
Lapsed	**(825,748)**	**(76,590)**	(842,287)	(49,031)
At the end of the year	**4,595,659**	**279,990**	4,033,767	371,834
Weighted average fair value of awards granted	**€11.12**	**€11.36**	€10.94	€13.29

The assumptions used in the valuation of the awards granted under 2018 LTIP and 2019 RSP included:

	2022 awards		2021 awards	
	2018 LTIP	**2019 RSP**	**2018 LTIP**	**2019 RSP**
Year of earliest vesting date	**2023**	**2023–2024**	2024	2022–2023
Share price at date of award	**€11.82**	**€10.45-€12.52**	€11.57	€11.57–€14.90
Risk-free interest rate	**–**	**–**	(0.73%)	–
Expected volatility*	**–**	**–**	37.5%	–
Expected dividend yield	**2.25%**	**2.62%–2.63%**	1.1%	2.12%–2.30%
Fair value – TSR component	**–**	**–**	€7.68	–
Fair value – non-market performance component	**€11.12**	**–**	€11.19	–

* Expected volatility was determined by calculating the historical volatility of the Company's share price over a period equivalent to the expected life of the award.

10. Finance income and costs

	Notes	2022 €'m	2021 €'m
Finance income			
Interest income on loans to joint ventures		**1.1**	1.4
Interest income on deposits		**0.4**	0.1
Interest income on swaps		**0.2**	–
Remeasurements of call option		**0.1**	0.5
Remeasurements of contingent consideration	6	**7.3**	–
Total finance income		**9.1**	2.0
Finance costs			
Bank borrowing costs		**(7.0)**	(3.8)
Facility fees		**(1.7)**	(2.0)
Finance cost of private placement debt		**(9.7)**	(10.8)
Interest expense on swaps		**–**	(0.2)
Interest expense on lease liabilities	15	**(2.6)**	(2.5)
Remeasurements of call option	6	**(0.6)**	–
Remeasurements of contingent consideration		**(1.5)**	(0.2)
Total finance costs		**(23.1)**	(19.5)
Net finance costs		**(14.0)**	(17.5)

Capitalised borrowing costs of nil (2021: €0.5 million) on qualifying assets are not included in net finance costs (note 14). Interest is capitalised at the Group's average interest rate for the period of 2.3% (2021: 3.0%). Where relevant, tax deduction for capitalised interest was taken in accordance with Sec 81(3), TCA 1997. Tax relief in relation to capitalised interest is nil (2021: €0.1 million).

11. Income taxes

	Notes	2022 €'m	2021 €'m
Current tax			
Irish current tax charge		**19.8**	9.4
Adjustments in respect of prior years		**(1.2)**	–
Irish current tax for the year		**18.6**	9.4
Foreign current tax charge		**28.4**	28.4
Adjustments in respect of prior years		**2.0**	(0.4)
Foreign current tax for the year		**30.4**	28.0
Total current tax		**49.0**	37.4
Deferred tax			
Deferred tax – current year		**(23.8)**	(20.2)
Adjustments in respect of prior years		**0.5**	(0.2)
Total deferred tax	26	**(23.3)**	(20.4)
Tax charge		**25.7**	17.0

The tax credit on exceptional items included in the above amounts is as follows:

	Notes	2022 €'m	2021 €'m
Current tax credit on exceptional items		**(0.6)**	(3.1)
Deferred tax credit on exceptional items		**(5.1)**	(4.5)
Total tax credit on exceptional items for the year	6	**(5.7)**	(7.6)

The tax credit on exceptional items has been disclosed separately above as it relates to costs and income which have been presented as exceptional.

The tax on the Group's profit before tax differs from the theoretical amount that would arise applying the corporation tax rate in Ireland, as follows:

	2022 €'m	2021 €'m
Profit before tax	**225.3**	158.0
Income tax calculated at Irish rate of 12.5% (2021: 12.5%)	**28.2**	19.8
Earnings at non-standard Irish tax rate	**1.3**	0.2
Difference due to overseas tax rates (capital and trading)	**0.2**	2.2
Adjustment to tax charge in respect of previous periods	**1.3**	(0.6)
Tax on share of results of joint ventures accounted for using the equity method included in profit before tax	**(2.0)**	(2.1)
Other reconciling items	**(3.3)**	(2.5)
Total tax charge	**25.7**	17.0

Details of deferred tax charged or credited directly to other comprehensive income during the year are outlined in note 26.

Factors that may affect future tax charges and other disclosure requirements

The total tax charge in future periods will be affected by any changes to the applicable tax rates in force in jurisdictions in which the Group operates and other relevant changes in tax legislation. The total tax charge of the Group may also be influenced by the effects of corporate development activity and the resolution of uncertain tax positions where the final outcome of those matters is different than the amounts recorded (note 3).

Notes to the financial statements continued

12. Earnings Per Share

Basic

Basic Earnings Per Share is calculated by dividing profit after tax attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as own shares (note 23). The weighted average number of ordinary shares in issue used in the calculation of Basic Earnings Per Share is 275,760,676 (2021: 290,059,376).

Diluted

Diluted Earnings Per Share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all potential dilutive ordinary shares. Share awards are the Company's only potential dilutive ordinary shares. The share awards, which are performance based, are treated as contingently issuable shares, because their issue is contingent upon satisfaction of specified performance conditions, as well as the passage of time. Contingently issuable shares are included in the calculation of Diluted Earnings Per Share to the extent that conditions governing exercisability have been satisfied, as if the end of the reporting period were the end of the vesting period.

	2022			2021		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
Profit after tax attributable to equity holders of the Company (€'m)	**200.4**	**57.2**	**257.6**	140.6	26.4	167.0
Basic Earnings Per Share (cent)	**72.67**	**20.75**	**93.42**	48.47	9.10	57.57
Diluted Earnings Per Share (cent)	**71.76**	**20.48**	**92.24**	48.30	9.07	57.37

	2022	2021
Weighted average number of ordinary shares in issue	**275,760,676**	290,059,376
Shares deemed to be issued for no consideration in respect of share awards	**3,505,766**	1,048,035
Weighted average number of shares used in the calculation of Diluted Earnings Per Share	**279,266,442**	291,107,411

13. Dividends

The dividends paid and recommended on ordinary share capital are as follows:

	Notes	**2022 €'m**	2021 €'m
Equity dividends to shareholders			
Final – paid 17.53c per ordinary share (2021: 15.94c)		**49.1**	46.5
Interim – paid 12.93c per ordinary share (2021: 11.75c)		**35.4**	34.2
Total		**84.5**	80.7
Reconciliation to Group statement of cash flows and Group statement of changes in equity			
Dividends to shareholders		**84.5**	80.7
Waived dividends in relation to own shares		**(0.1)**	(0.2)
Total dividends paid to equity holders of the Company	24	**84.4**	80.5
Equity dividends recommended			
Final 2022 – proposed 19.28c per ordinary share (2021: 17.53c)	36	**52.5**	50.3

The amount of dividends recommended is based on the number of issued shares at year end (note 22). The actual amount will be based on the number of issued shares on the record date (note 36).

14. Property, plant and equipment

	Notes	Land and buildings €'m	Plant and equipment €'m	Motor Vehicles €'m	Total €'m
Year ended 31 December 2022					
Opening carrying amount		**221.9**	**263.1**	**0.2**	**485.2**
Exchange differences		**10.8**	**14.9**	**0.1**	**25.8**
Acquisitions	34	**2.6**	**3.3**	**–**	**5.9**
Additions		**3.0**	**30.5**	**–**	**33.5**
Depreciation charge	5/32(a)	**(10.7)**	**(37.8)**	**(0.2)**	**(48.7)**
Impairment	5	**(0.1)**	**(9.4)**	**–**	**(9.5)**
Assets classified as held for sale	33	**(0.1)**	**(9.4)**	**–**	**(9.5)**
Disposal of assets		**(3.1)**	**(0.7)**	**–**	**(3.8)**
Closing carrying amount		**224.3**	**254.5**	**0.1**	**478.9**
At 31 December 2022					
Cost		**347.4**	**646.6**	**2.8**	**996.8**
Accumulated depreciation and impairment		**(123.1)**	**(392.1)**	**(2.7)**	**(517.9)**
Carrying amount		**224.3**	**254.5**	**0.1**	**478.9**
Year ended 1 January 2022					
Opening carrying amount		188.5	244.5	0.3	433.3
Exchange differences		14.0	19.4	–	33.4
Acquisitions		13.5	5.6	–	19.1
Additions		17.7	31.5	0.1	49.3
Depreciation charge	5/32(a)	(10.6)	(34.1)	(0.2)	(44.9)
Impairment	5	(1.1)	(2.4)	–	(3.5)
Disposal of assets		(0.1)	(1.4)	–	(1.5)
Closing carrying amount		221.9	263.1	0.2	485.2
At 1 January 2022					
Cost		329.1	634.3	2.9	966.3
Accumulated depreciation and impairment		(107.2)	(371.2)	(2.7)	(481.1)
Carrying amount		221.9	263.1	0.2	485.2

Included in the closing cost at 31 December 2022 is an amount of €43.3 million (2021: €60.8 million) incurred in respect of assets under construction. Included in the cost of additions for 2022 is €0.6 million (2021: €1.0 million) incurred in respect of staff costs capitalised into assets. Included in the cost of additions for 2022 is nil (2021: €0.5 million) incurred in respect of borrowing cost capitalised into assets.

Notes to the financial statements continued

15. Leasing

The movement in right-of-use assets during the year is as follows:

	Notes	Land and buildings €'m	Plant and equipment €'m	Motor vehicles €'m	Total €'m
Year ended 31 December 2022					
Opening carrying amount		**93.8**	**2.5**	**3.6**	**99.9**
Exchange differences		**5.1**	**–**	**0.2**	**5.3**
Acquisitions	34	**0.2**	**0.4**	**–**	**0.6**
Additions		**2.8**	**5.6**	**1.9**	**10.3**
Disposals		**(0.7)**	**(1.3)**	**(0.1)**	**(2.1)**
Impairment	5	**(2.4)**	**(0.2)**	**–**	**(2.6)**
Remeasurements		**4.4**	**–**	**–**	**4.4**
Assets classified as held for sale	33	**(2.4)**	**(0.2)**	**–**	**(2.6)**
Depreciation charge	5/32(a)	**(14.7)**	**(1.9)**	**(2.2)**	**(18.8)**
Closing carrying amount		**86.1**	**4.9**	**3.4**	**94.4**
At 31 December 2022					
Cost		**118.4**	**8.2**	**8.2**	**134.8**
Accumulated depreciation and impairment		**(32.3)**	**(3.3)**	**(4.8)**	**(40.4)**
Carrying amount		**86.1**	**4.9**	**3.4**	**94.4**
Year ended 1 January 2022					
Opening carrying amount		84.0	3.4	3.1	90.5
Exchange differences		6.2	0.2	0.2	6.6
Acquisitions		0.7	0.4	–	1.1
Additions		19.7	1.2	2.1	23.0
Disposals		(2.5)	–	–	(2.5)
Impairment	5	(0.7)	–	–	(0.7)
Depreciation charge	5/32(a)	(13.6)	(2.7)	(1.8)	(18.1)
Closing carrying amount		93.8	2.5	3.6	99.9
At 1 January 2022					
Cost		119.2	5.4	6.4	131.0
Accumulated depreciation and impairment		(25.4)	(2.9)	(2.8)	(31.1)
Carrying amount		93.8	2.5	3.6	99.9

Amounts recognised in the Group income statement included the following:

	Notes	2022 €'m	2021 €'m
Depreciation charge of right-of-use assets	5	**18.8**	18.1
Impairment of right-of-use assets	5	**2.6**	0.7
Interest expense on lease liabilities	10	**2.6**	2.5
Expense relating to short-term leases		**3.6**	1.9
Expense relating to variable lease payments not included in lease liabilities		**0.5**	0.4

There was no income from subleasing and gains/losses on sale and leaseback transactions. The total cash outflow for lease payments during the year was €22.2 million (2021: €22.9 million). At 31 December 2022, the Group was committed to €0.6 million (2021: €0.9 million) for short-term leases.

Certain building leases contain extension options exercisable by the Group. As at 31 December 2022, undiscounted potential future lease payments of €75.9 million (2021: €70.8 million) have not been included in lease liabilities because it is not reasonably certain that the extension options, €67.3 million (2021: €66.2 million) of which relate to periods more than five years from the reporting date, will be availed of. The undiscounted future lease payments relating to leases that have not yet commenced which the Group is committed as at 31 December 2022 and 1 January 2022 were not material. The effect of excluding future cash outflows arising from variable lease payments, termination options, and residual value guarantees from lease liabilities is not material for the Group.

Lease liabilities shown in the Group balance sheet are as follows:

	Notes	2022 €'m	2021 €'m
Current		**17.8**	14.5
Non-current		**97.0**	105.0
Total	30(c)/32(c)	**114.8**	119.5

Refer to note 30(b) for a maturity analysis of the lease liabilities arising from the Group's leasing activities.

16. Intangible assets

	Notes	Goodwill €'m	Brands and other intangibles €'m	Software costs €'m	Development costs €'m	Total €'m
Year ended 31 December 2022						
Opening carrying amount		**629.1**	**654.0**	**70.1**	**22.2**	**1,375.4**
Exchange differences		**34.6**	**39.8**	**1.2**	**1.3**	**76.9**
Acquisitions		**22.5**	**42.1**	**–**	**–**	**64.6**
Additions		**–**	**–**	**25.4**	**11.6**	**37.0**
Impairment	5	**(17.9)**	**(8.3)**	**(0.3)**	**–**	**(26.5)**
Disposals		**–**	**–**	**–**	**(0.3)**	**(0.3)**
Amortisation	4/5/32(a)	**–**	**(46.2)**	**(16.4)**	**(12.4)**	**(75.0)**
Closing carrying amount		**668.3**	**681.4**	**80.0**	**22.4**	**1,452.1**
At 31 December 2022						
Cost		**686.0**	**1,053.3**	**166.7**	**59.4**	**1,965.4**
Accumulated amortisation and impairment		**(17.7)**	**(371.9)**	**(86.7)**	**(37.0)**	**(513.3)**
Carrying amount		**668.3**	**681.4**	**80.0**	**22.4**	**1,452.1**
Year ended 1 January 2022						
Opening carrying amount		548.4	609.7	64.6	20.6	1,243.3
Exchange differences		42.6	47.8	1.6	1.7	93.7
Acquisitions		38.1	35.7	–	–	73.8
Additions		–	–	18.4	10.1	28.5
Amortisation	4/5/32(a)	–	(39.2)	(14.5)	(10.2)	(63.9)
Closing carrying amount		629.1	654.0	70.1	22.2	1,375.4
At 1 January 2022						
Cost		629.1	954.1	139.1	45.6	1,767.9
Accumulated amortisation and impairment		–	(300.1)	(69.0)	(23.4)	(392.5)
Carrying amount		629.1	654.0	70.1	22.2	1,375.4

The average remaining amortisation period for software costs is 5.5 years (2021: 4.8 years) and development costs is 1.9 years (2021: 2.1 years).

Approximately €10.6 million (2021: €11.2 million) of software additions during the year were internally generated which included €9.5 million (2021: €7.3 million) of staff costs capitalised. €11.6 million of development cost additions during the year (2021: €10.1 million) were internally generated which included €6.3 million (2021: €6.4 million) of staff costs capitalised.

Notes to the financial statements continued

16. Intangible assets continued

Brands and other intangibles

	Notes	Brands €'m	Customer relationships €'m	Recipes, Know-how and other €'m	Total €'m
Year ended 31 December 2022					
Opening carrying amount		**452.3**	**170.5**	**31.2**	**654.0**
Exchange differences		**26.3**	**11.3**	**2.2**	**39.8**
Acquisitions	34	**1.6**	**30.5**	**10.0**	**42.1**
Reclassification		**(6.7)**	**–**	**6.7**	**–**
Impairment		**–**	**–**	**(8.3)**	**(8.3)**
Amortisation		**(13.1)**	**(29.9)**	**(3.2)**	**(46.2)**
Closing carrying amount		**460.4**	**182.4**	**38.6**	**681.4**
At 31 December 2022					
Cost		**547.9**	**443.2**	**62.2**	**1,053.3**
Accumulated amortisation and impairment		**(87.5)**	**(260.8)**	**(23.6)**	**(371.9)**
Carrying amount		**460.4**	**182.4**	**38.6**	**681.4**
Year ended 1 January 2022					
Opening carrying amount		417.6	170.8	21.3	609.7
Exchange differences		32.7	13.1	2.0	47.8
Acquisitions		14.0	11.5	10.2	35.7
Amortisation		(12.0)	(24.9)	(2.3)	(39.2)
Closing carrying amount		452.3	170.5	31.2	654.0
At 1 January 2022					
Cost		529.7	388.4	36.0	954.1
Accumulated amortisation and impairment		(77.4)	(217.9)	(4.8)	(300.1)
Carrying amount		452.3	170.5	31.2	654.0

Individually material intangible assets with definite useful lives

	2022		2021	
	Carrying amount €'m	Average remaining amortisation period Years	Carrying amount €'m	Average remaining amortisation period Years
Brands				
Glanbia Performance Nutrition – BSN	**41.9**	**28**	40.9	29
Glanbia Performance Nutrition – Isopure	**53.9**	**32**	52.3	33
Glanbia Performance Nutrition – think!	**66.4**	**33**	64.4	34
Glanbia Performance Nutrition – Amazing Grass	**32.7**	**34**	31.7	35
Glanbia Performance Nutrition – Body & Fit	**10.4**	**34**	10.7	35
Glanbia Performance Nutrition – SlimFast North America	**95.2**	**36**	92.5	37
Glanbia Performance Nutrition – SlimFast International	**19.7**	**36**	19.0	37
Glanbia Performance Nutrition – LevlUp	**12.9**	**19**	13.6	20
Customer relationships				
Glanbia Performance Nutrition – Optimum Nutrition	**3.7**	**–**	8.6	1
Glanbia Performance Nutrition – BSN	**8.2**	**3**	10.3	4
Glanbia Performance Nutrition – Isopure	**11.5**	**5**	13.1	6
Glanbia Performance Nutrition – think!	**32.3**	**6**	35.9	7
Glanbia Performance Nutrition – Amazing Grass	**23.1**	**9**	24.2	10
Glanbia Performance Nutrition – SlimFast North America	**35.4**	**11**	36.8	12
Glanbia Performance Nutrition – SlimFast International	**13.8**	**11**	14.2	12
Glanbia Nutritionals – Sterling Technology	**29.7**	**14**	–	–

Management reviewed the amortisation period and amortisation method for the intangible assets with definite useful lives at the reporting date. Management noted no difference in the expected useful life of the brands and customer relationship assets from the original estimates and noted no change in the expected pattern of consumption of the future economic benefits of the assets.

Individually material indefinite life intangible assets

Carrying amount	2022 €'m	2021 €'m
Brands		
Glanbia Performance Nutrition – Optimum Nutrition	**115.0**	108.3

The movement in the carrying amount of the asset is in relation to exchange differences arising on translation at year end.

As at the reporting date management reviewed the events and circumstances supporting the indefinite useful life assessment. The brand is long established, continues to have a strong market presence with high customer recognition and there are no material legal, contractual or other factors that limit its useful life. In addition, the likelihood that market based factors could truncate the brand's life is relatively remote because of the size, diversification and market share of the brand. It was determined that this asset will continue to contribute indefinitely to the cash flows of the Group.

Impairment tests for goodwill and indefinite life intangibles

Goodwill and indefinite life intangibles acquired in business combinations are allocated to the Group's cash generating units ("CGUs") that are expected to benefit from the business acquisition, rather than where the assets are owned. The CGUs represent the lowest level within the Group at which the associated goodwill and indefinite life intangibles are monitored for internal management purposes and are not larger than the operating segments determined in accordance with IFRS 8 'Operating Segments'. CGUs are kept under review to ensure that they reflect changing interdependencies of cash inflows within the Group and how management monitors operations.

Cash generating units

The fundamental reorganisation of the GPN segment which commenced in 2019 is now complete. This global transformation project aimed to realign operating and supply chain structures in support of individual businesses, sharpen focus on brands and optimise routes-to-market across non-US markets to drive greater efficiencies, improve margin and deliver top line growth. The project led to the formation of distinct lines of business within the GPN segment and the CGUs as disclosed in the prior year comparative information section below. The completion of the reorganisation in the GPN segment led to the establishment of an Americas division which consisted of previous lines of business: North America Performance Nutrition, and North America Lifestyle. As cash inflows within the Americas division are largely interdependent and mirrors how management monitor operations following the reorganisation, Americas represent a single CGU within the GPN business unit.

For the purposes of impairment testing as at 31 December 2022, the CGUs to which significant amounts of goodwill and indefinite life intangibles have been allocated and the associated discount rates are set out below:

	2022		
	Goodwill €'m	Indefinite life intangibles €'m	Discount rate
Americas	**386.6**	**106.0**	**7.93%**
International	**60.8**	**9.0**	**9.73%**
Direct-to-Consumer (Body & Fit)	**28.5**	**–**	**8.40%**
Direct-to-Consumer (LevlUp)	**27.4**	**–**	**7.76%**
Nutritional Solutions	**130.2**	**–**	**8.20%**
Other CGUs without individually significant goodwill	**34.8**	**–**	**7.93%–8.68%**
Carrying amount	**668.3**	**115.0**	

The new Americas CGU comprises the former CGUs indicated with an asterisk in the table on the following page. Accordingly the goodwill and indefinite life intangibles of the latter are allocated to the former.

Notes to the financial statements continued

16. Intangible assets continued

Prior year comparative information

The CGUs to which significant amounts of goodwill and indefinite life intangibles have been allocated and the associated discount rates used for impairment testing as at 1 January 2022 are set out below:

	2021		
	Goodwill €'m	Indefinite life intangibles €'m	Discount rate
North America Performance Nutrition*	136.0	99.8	8.61%
North America Lifestyle			
– SlimFast North America*	108.7	–	8.61%
– think!*	82.2	–	8.61%
– Amazing Grass*	37.5	–	8.61%
International	53.1	8.5	12.54%
Direct-to-Consumer (Body & Fit)	28.5	–	10.12%
Direct-to-Consumer (LevlUp)	27.4	–	9.11%
Nutritional Solutions	139.6	–	9.06%
Other CGUs without individually significant goodwill	16.1	–	8.61%–12.77%
Carrying amount	629.1	108.3	

Key assumptions

The recoverable amount of goodwill and indefinite life intangibles allocated to a CGU is determined based on a value in use computation. The key assumptions for calculating value in use of the CGUs are discount rates, growth rates and cash flows as described below.

As disclosed in note 2, specific consideration was given to the potential impact of the transition and physical risks associated with climate change identified in our goodwill impairment assessment, including the estimated time horizon impact and output from the financial quantification exercise carried out on each of the climate-related risks assessed, concluding that there was no significant impact on the goodwill impairment assessment in the current year.

Discount rates

Refer to the table within this section for the pre-tax discount rates that are applied to the cash flow projections in the value in use computations. The pre-tax discount rates are based on the Group's weighted average cost of capital, calculated using the Capital Asset Pricing Model adjusted for the Group's specific beta coefficient together with a country risk premium to take account of the countries from where the CGU derives its cash flows.

Growth rates

A terminal value of 2% growth into perpetuity was used to extrapolate cash flows beyond the budget and strategic plan period. This growth rate does not exceed the long-term average growth rate for the industries in which each CGU operates. The application of the terminal value has taken account of the Group's position, playing in large and growing markets which centre around nutrition and healthy lifestyles.

Cash flows

The cash flow projections are based on three years of cash flows being, the 2023 budget formally approved by, and the strategic plan for 2024 and 2025 as presented to, the Board of Directors. In cases where management have strategic plans beyond 2025 these numbers are also used in the projections. Due to management's plan as part of the Direct-to-Consumer business model to reinvest the profits of the business for a number of years to drive revenue growth and build the brand for potential expansion into other markets, the cash flows of the CGU relating to Direct-to-Consumer are over a five year period from 2023 to 2027. These cash flows have been used in the impairment calculations.

In preparing the 2023 budget and strategic plan, management considered the Group's history of earnings, past experience, and cash flow generation. Management also considered external sources of information pertaining to estimated growth of the relevant market, customer and consumer behaviours, competitor activity and developing trends in the industry in which the CGU operates in. Business sustaining capital expenditure and working capital requirements are estimated by assigning values to the investment required to support the estimated future profitability taking into account historic investment patterns and past experience. The cash flow projections exclude the impact of future development and acquisition activity.

During 2022, fair value adjustments of €26.5 million reduced the carrying value of certain assets of a small US based bottling facility to their recoverable value. The amounts were included as an exceptional item (note 6). There were no impairments relating to intangible assets in 2021.

Sensitivity analysis

The key assumptions underlying the impairment reviews are set out above. Sensitivity analysis has been conducted in respect of each of the CGUs using the following sensitivity assumptions: 1% increase in the discount rate; 10% decrease in EBITDA growth; and nil terminal value growth. There were no CGU impairments as a result of the applied sensitivity analysis in 2022.

17. Interests in joint ventures

The Group's interests in joint ventures at the end of the reporting period is as follows:

	Notes	2022 €'m	2021 €'m
MWC-Southwest Holdings LLC	(a)	**158.4**	134.6
Glanbia Cheese Limited	(b)	**46.9**	36.2
Glanbia Cheese EU Limited	(c)	**5.9**	14.0
Interests in joint ventures		**211.2**	184.8

The joint ventures have share capital, consisting solely of ordinary shares, membership interests or membership units and preference shares. Decisions about the relevant activities of the joint ventures require unanimous consent of the Group and the respective joint venture partners.

(a) MWC-Southwest Holdings LLC was established in 2018 to hold 100% of the ownership interest in Southwest Cheese Company, LLC ("Southwest Cheese") and MWC (Michigan) LLC ("MWC"). Consequently, the Group owns 50% of MWC-Southwest Holdings LLC and its two subsidiaries. The Group controls 50% of the voting rights and is entitled to appoint 50% of the total number of Directors to the Board. Southwest Cheese and MWC are large scale manufacturers of premium quality block cheese and whey protein ingredients for consumer foods markets internationally.

(b) Glanbia Cheese Limited is a leading European mozzarella producer. Its customers include most of the leading pizza and pasta chains, food service operators, industrial food manufacturers, wholesalers and retailers across Europe and internationally. The two plants (Magheralin and Llangefni) are strategically located in productive agricultural heartland which helps to ensure a secure and consistent supply of high-quality milk. The Group holds 51% of the share capital of Glanbia Cheese Limited but this entity is considered to be a joint venture as the Group does not have control of the company as along with its joint partner Leprino Foods Company it has equal representation on the Board of Directors, who direct the relevant activities of the business. The Group controls 50% of the voting rights and is entitled to appoint 50% of the total number of Directors to the Board.

(c) Glanbia Cheese EU Limited is a mozzarella cheese producer which was established in 2018 and is a joint venture with Leprino Foods Company with each party owning 50% of the share capital of the company. The Group controls 50% of the voting rights and is entitled to appoint 50% of the total number of Directors to the Board. The operations of the joint venture were fully commissioned in Q4, 2022.

Refer to note 37 for further details of the joint ventures.

The movement in the interests in joint ventures recognised in the Group balance sheet is as follows:

	Notes	2022 €'m	2021 €'m
At the beginning of the year		**184.8**	395.9
Share of profit after tax (post-exceptional)			
– continuing operations		**15.6**	17.2
– discontinued operations		**–**	26.4
Share of OCI – remeasurements on defined benefit plan, net of deferred tax			
– continuing operations	24	**0.5**	1.7
– discontinued operations	24	**–**	4.3
Share of OCI – fair value movement on cash flow hedges, net of deferred tax			
– continuing operations		**15.6**	6.2
– discontinued operations		**–**	1.1
Dividends received	35	**(14.4)**	(33.9)
Income tax movement		**2.8**	(13.8)
Transferred to assets held for sale	33	**–**	(234.0)
Exchange differences		**6.3**	13.7
At the end of the year		**211.2**	184.8

Notes to the financial statements continued

17. Interests in joint ventures continued

Summarised financial information for joint ventures accounted for using the equity method

Set out below is the summarised financial information for the Group's joint ventures which are accounted for using the equity method. The information below reflects the amounts presented in the financial statements of the joint ventures reconciled to the carrying value of the Group's investments in joint ventures.

2022	Notes	Glanbia Cheese Limited €'m	Glanbia Cheese EU Limited €'m	MWC-Southwest Holdings LLC €'m	Total
Summarised balance sheet (100%):					
Non-current assets		41.3	154.4	737.8	933.5
Current assets					
Cash and cash equivalents		49.9	4.7	14.2	68.8
Other current assets		78.9	33.9	281.6	394.4
		128.8	38.6	295.8	463.2
Non-current liabilities					
Borrowings		–	–	(476.3)	(476.3)
Other non-current liabilities		(4.2)	(165.6)	(7.9)	(177.7)
		(4.2)	(165.6)	(484.2)	(654.0)
Current liabilities					
Bank overdrafts and loans		–	–	(9.4)	(9.4)
Other current liabilities		(79.1)	(15.6)	(223.3)	(318.0)
		(79.1)	(15.6)	(232.7)	(327.4)
Net assets (100%)		86.8	11.8	316.7	415.3
Net assets attributable to equity holders of the Company		86.8	11.8	316.7	415.3
Reconciliation to carrying amount:					
Group's share of net assets		43.4	5.9	158.4	207.7
Dividend income receivable		3.5	–	–	3.5
Carrying amount		46.9	5.9	158.4	211.2
Summarised income statement (100%):					
Revenue		498.6	42.3	2,112.1	2,653.0
Depreciation		(5.2)	(1.2)	(39.9)	(46.3)
Amortisation		(0.1)	–	(2.3)	(2.4)
Interest income/(expense)		0.4	(4.0)	(22.2)	(25.8)
Tax		(8.0)	5.3	(6.0)	(8.7)
Exceptional items net of tax		0.3	–	–	0.3
Profit/(loss) after tax		24.3	(16.2)	15.7	23.8
Other comprehensive income		0.1	–	33.4	33.5
Total comprehensive income		24.4	(16.2)	49.1	57.3
Profit/(loss) after tax attributable to equity holders of the Company		24.3	(16.2)	15.7	23.8
Total comprehensive income attributable to equity holders of the Company		24.4	(16.2)	49.1	57.3
Reconciliation to the Group's share of total comprehensive income:					
Group's share of total comprehensive income		12.2	(8.1)	24.6	28.7
Adjustment in respect of unrealised profit on sales to the Group		–	–	0.2	0.2
Dividends receivable by the Group		3.5	–	–	3.5
Group's share of total comprehensive income		15.7	(8.1)	24.8	32.4
Dividends received by Group	35	2.6	–	11.8	14.4

2021	Notes	Glanbia Cheese Limited €'m	Glanbia Cheese EU Limited €'m	MWC-Southwest Holdings LLC €'m	Total
Summarised balance sheet (100%):					
Non-current assets		42.9	150.5	705.6	899.0
Current assets					
Cash and cash equivalents		31.2	10.0	52.5	93.7
Other current assets		55.2	17.5	243.7	316.4
		86.4	27.5	296.2	410.1
Non-current liabilities					
Borrowings		–	–	(492.6)	(492.6)
Other non-current liabilities		(3.6)	(69.1)	(22.3)	(95.0)
		(3.6)	(69.1)	(514.9)	(587.6)
Current liabilities					
Bank overdrafts and loans		–	(62.1)	–	(62.1)
Other current liabilities		(58.4)	(18.8)	(217.2)	(294.4)
		(58.4)	(80.9)	(217.2)	(356.5)
Net assets (100%)		67.3	28.0	269.7	365.0
Net assets attributable to equity holders of the Company		67.3	28.0	269.7	365.0
Reconciliation to carrying amount:					
Group's share of net assets		33.6	14.0	134.9	182.5
Adjustment in respect of unrealised profit on sales to the Group		–	–	(0.3)	(0.3)
Dividend income receivable		2.6	–	–	2.6
Carrying amount		36.2	14.0	134.6	184.8
Summarised income statement (100%):					
Revenue		369.7	27.4	1,421.6	1,818.7
Depreciation		(5.2)	–	(28.1)	(33.3)
Amortisation		(0.2)	–	(1.2)	(1.4)
Interest expense		–	(1.3)	(10.4)	(11.7)
Tax		(5.3)	(0.7)	(14.4)	(20.4)
Exceptional items net of tax		(3.9)	–	–	(3.9)
Profit/(loss) after tax		8.4	(16.9)	38.3	29.8
Other comprehensive income		3.5	–	14.1	17.6
Total comprehensive income		11.9	(16.9)	52.4	47.4
Profit/(loss) after tax attributable to equity holders of the Company		8.4	(16.9)	38.3	29.8
Total comprehensive income attributable to equity holders of the Company		11.9	(16.9)	52.4	47.4
Reconciliation to the Group's share of total comprehensive income:					
Group's share of total comprehensive income		6.0	(8.5)	26.2	23.7
Adjustment in respect of unrealised profit on sales to the Group		–	–	(0.3)	(0.3)
Dividends receivable by the Group		2.6	–	–	2.6
Group's share of total comprehensive income		8.6	(8.5)	25.9	26.0
Dividends received by Group		11.1	–	10.6	21.7

18. Other financial assets

Other financial assets comprise the following:

	Notes	2022 €'m	2021 €'m
Financial assets at amortised cost			
Ornua Co-operative Limited*	29(b)/30(c)	–	0.2
Equity instruments designated at FVOCI			
The BDO Development Capital Fund		**1.3**	1.1
Others		**0.8**	0.6
Other financial assets		**2.1**	1.9

* This is a loan note receivable from Ornua Co-operative Limited.

Other financial assets are classified as non-current assets, unless they are expected to be realised within 12 months of the reporting date or unless they will need to be sold to raise operating capital.

The movement in other financial assets is as follows:

		2022 €'m	2021 €'m
At the beginning of the year		**1.9**	3.2
Disposals/redemption		**(0.4)**	(1.1)
Fair value adjustment	23	**0.6**	(0.3)
Additions		–	0.1
At the end of the year		**2.1**	1.9

19. Trade and other receivables

		2022 €'m	2021 €'m
Current			
Trade receivables		**344.3**	327.2
Less: loss allowance	30(b)	**(13.0)**	(12.0)
Trade receivables – net		**331.3**	315.2
Receivables from joint ventures		**0.8**	5.4
Receivables from other related parties		**5.0**	0.4
Interest receivable on loans to joint ventures		–	0.1
Value added tax		**1.8**	4.4
Prepayments		**19.5**	15.8
Other receivables		**21.1**	18.1
		379.5	359.4

See note 32(b) for analysis of the movement in trade and other receivables. Information in relation to the fair value estimation process and the Group's credit risk is included in notes 29(b) and 30(b) respectively.

The currency profile of trade and other receivables is as follows:

	euro €'m	US dollar €'m	Pound sterling €'m	Australian dollar €'m	Other €'m	Total €'m
At 31 December 2022	36.4	297.0	24.9	3.9	17.3	379.5
At 1 January 2022	34.4	288.9	20.4	2.5	13.2	359.4

Principal currencies in "other" include Canadian dollar, Indian Rupee and Chinese renminbi (2021: Indian Rupee and Chinese renminbi).

20. Inventories

	2022 €'m	2021 €'m
Raw materials	**258.5**	200.3
Work in progress	**14.4**	15.4
Finished goods	**396.2**	338.2
Consumables	**34.6**	39.7
	703.7	593.6

Recognition in the Group income statement:

	Notes	2022 €'m	2021 €'m
Cost of inventories recognised as an expense in Cost of Goods Sold	5	**4,231.4**	2,979.3
Write down of inventory to net realisable value during the year		**27.8**	12.2
Previous write downs of inventories reversed during the year*		**(10.0)**	(6.1)
		17.8	6.1

* Previous write downs have been reversed as a result of increased sales prices in certain markets.

21. Cash and cash equivalents

	Notes	2022 €'m	2021 €'m
Cash at bank and in hand		**432.4**	224.2
Short term bank deposits		**6.2**	6.8
Cash and cash equivalents in the Group balance sheet		**438.6**	231.0
Bank overdrafts used for cash management purposes	25	**(258.2)**	(136.5)
Cash and cash equivalents in the Group statement of cash flows	25	**180.4**	94.5

22. Share capital and share premium

	Number of shares (thousands)	Ordinary shares €'m	Share premium €'m	Total €'m
At 2 January 2022	**287,169**	**17.2**	**87.8**	**105.0**
Cancellation of own shares	**(14,882)**	**(0.9)**	**–**	**(0.9)**
At 31 December 2022	**272,287**	**16.3**	**87.8**	**104.1**
At 3 January 2021	294,402	17.7	87.6	105.3
Issuance of shares	40	–	0.2	0.2
Cancellation of own shares	(7,273)	(0.5)	–	(0.5)
At 1 January 2022	287,169	17.2	87.8	105.0

The total authorised number of ordinary shares is 350 million shares (2021: 350 million shares) with a par value of €0.06 per share (2021: €0.06 per share). All issued shares are fully paid, carry one vote per share and a right to dividends. The rights and obligations of the ordinary shares and the restrictions on the transfer of shares and voting rights are provided in Other Statutory Information.

During 2022, 14.9 million (2021: 7.3 million) ordinary shares were cancelled on the share buyback programme (note 23(e)). The amount paid to repurchase these shares was initially recognised in the own shares reserve and was transferred to retained earnings on cancellation.

During the prior year 40,000 share options under the legacy 2002 LTIP plan were exercised. Consequently, the number of share options outstanding and exercisable under the 2002 LTIP plan was nil at the end of the reporting period.

Notes to the financial statements continued

23. Other reserves

	Capital and merger reserve €'m note (a)	Currency reserve €'m note (b)	Hedging reserve €'m note (c)	Put option liability reserve €'m note (d)	Own shares €'m note (e)	Share-based payment reserve €'m note (f)	Other €'m note (g)	Total €'m
Balance at 2 January 2022	**116.5**	**151.9**	**(10.6)**	**(24.8)**	**(6.4)**	**19.3**	**(0.4)**	**245.5**
Currency translation differences	–	**79.9**	–	–	–	–	–	**79.9**
Net investment hedge	–	**(5.4)**	–	–	–	–	–	**(5.4)**
Revaluation – gross	–	–	**27.3**	–	–	–	**0.6**	**27.9**
Reclassification to profit or loss – gross	–	–	**(3.2)**	–	–	–	–	**(3.2)**
Deferred tax	–	–	**(5.9)**	–	–	–	**(0.2)**	**(6.1)**
Net change in OCI	–	**74.5**	**18.2**	–	–	–	**0.4**	**93.1**
Purchase of own shares	–	–	–	–	**(196.9)**	–	–	**(196.9)**
Cancellation of own shares	**0.9**	–	–	–	**173.5**	–	–	**174.4**
Cost of share-based payments	–	–	–	–	–	**18.8**	–	**18.8**
Transfer on exercise, vesting or expiry of share-based payments	–	–	–	–	**9.1**	**(11.0)**	–	**(1.9)**
Remeasurement of put option liability	–	–	–	**24.8**	–	–	–	**24.8**
Transfer to Group income statement*	–	–	**1.5**	–	–	–	–	**1.5**
Balance at 31 December 2022	**117.4**	**226.4**	**9.1**	**–**	**(20.7)**	**27.1**	**–**	**359.3**
Balance at 3 January 2021	116.0	31.9	(20.6)	–	(11.4)	10.3	(0.2)	126.0
Currency translation differences	–	126.7	–	–	–	–	–	126.7
Net investment hedge	–	(6.7)	–	–	–	–	–	(6.7)
Revaluation – gross	–	–	11.1	–	–	–	(0.3)	10.8
Reclassification to profit or loss – gross	–	–	1.6	–	–	–	–	1.6
Deferred tax	–	–	(2.7)	–	–	–	0.1	(2.6)
Net change in OCI	–	120.0	10.0	–	–	–	(0.2)	129.8
Purchase of own shares	–	–	–	–	(94.0)	–	–	(94.0)
Cancellation of own shares	0.5	–	–	–	91.3	–	–	91.8
Cost of share-based payments	–	–	–	–	–	15.9	–	15.9
Transfer on exercise, vesting or expiry of share-based payments	–	–	–	–	7.7	(6.9)	–	0.8
Recognition of put option liability	–	–	–	(23.2)	–	–	–	(23.2)
Remeasurement of put option liability	–	–	–	(1.6)	–	–	–	(1.6)
Balance at 1 January 2022	116.5	151.9	(10.6)	(24.8)	(6.4)	19.3	(0.4)	245.5

* On disposal of discontinued operation.

(a) Capital and merger reserve

The reserve includes capital reserve of €4.3 million (2021: €3.4 million) and merger reserve of €113.1 million (2021: €113.1 million) at the reporting date.

The capital reserve comprises of a capital redemption reserve and a capital reserve which arose on the re-nominalisation of the Company's share capital on conversion to the euro. The reserve also includes €0.9 million (2021: €0.5 million) undenominated share capital that arose on the cancellation of own shares during the year.

The merger reserve arose on the merger of Waterford Foods plc now named Waterford Foods DAC and Avonmore Foods plc now named Glanbia plc in 1997. The merger reserve adjustment represents the difference between the nominal value of the issued share capital of Waterford Foods DAC and the fair value of the shares issued by Glanbia plc.

	€'m
Share premium representing excess of fair value over nominal value of ordinary shares issued in connection with the merger of Avonmore Foods plc and Waterford Foods plc	**355.3**
Merger reserve adjustment	**(327.2)**
Share premium and other reserves relating to nominal value of shares in Waterford Foods plc	**85.0**
At the beginning and end of the current and prior year	**113.1**

(b) Currency reserve

The currency reserve reflects the foreign exchange gains and losses arising from the translation of the net investment in foreign operations and on borrowings designated as hedges of the net investment which are taken to equity. The movement in US dollar foreign exchange rates from 1.1326 as at 1 January 2022 to 1.0666 as at 31 December 2022 is the primary driver of the movement in the currency reserve in the year. When an entity is disposed of the accumulated foreign currency gains and losses are recycled to the income statement.

(c) Hedging reserve

The hedging reserve reflects the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges. Amounts accumulated in the hedging reserve are recycled to the income statement in the periods when the hedged item affects income or expense, or are included in the initial cost of a hedged non-financial item, depending on the hedged item. The hedging reserve also reflects the Group's share of the effective portion of changes in the fair value of derivatives that are entered into by the Group's joint ventures (note 29(a)).

The movements on the hedging reserve for the years ended 31 December 2022 and 1 January 2022 are as follows:

	Joint ventures €'m	Group €'m	Total €'m
Balance at 2 January 2022	**(10.3)**	**(0.3)**	**(10.6)**
Revaluation – gross			
– Foreign exchange contracts – (loss)/gain in year (currency risk)	**(0.6)**	**0.9**	**0.3**
– Commodity contracts – gain in year (commodity price risk)	**1.3**	**–**	**1.3**
– Interest rate swaps – gain in year (interest rate risk)	**21.7**	**4.0**	**25.7**
Recognised in OCI	**22.4**	**4.9**	**27.3**
Reclassification to profit or loss – gross			
– Foreign exchange contracts – loss/(gain) in year (currency risk)	**0.1**	**(1.9)**	**(1.8)**
– Commodity contracts – gain in year (commodity price risk)	**(1.4)**	**–**	**(1.4)**
Reclassified from OCI to profit or loss	**(1.3)**	**(1.9)**	**(3.2)**
Deferred tax	**(5.5)**	**(0.4)**	**(5.9)**
Net change in OCI	**15.6**	**2.6**	**18.2**
Transfer to Group Income Statement	**1.5**	**–**	**1.5**
Balance at 31 December 2022	**6.8**	**2.3**	**9.1**
Balance at 3 January 2021	(17.6)	(3.0)	(20.6)
Revaluation – gross			
– Foreign exchange contracts – (loss)/gain in year (currency risk)	(1.1)	1.2	0.1
– Commodity contracts – gain in year (commodity price risk)	0.1	–	0.1
– Interest rate swaps – gain in year (interest rate risk)	9.6	1.3	10.9
Recognised in OCI	8.6	2.5	11.1
Reclassification to profit or loss – gross			
– Foreign exchange contracts – loss in year (currency risk)	0.7	0.6	1.3
– Commodity contracts – loss in year (commodity price risk)	0.3	–	0.3
Reclassified from OCI to profit or loss	1.0	0.6	1.6
Deferred tax	(2.3)	(0.4)	(2.7)
Net change in OCI	7.3	2.7	10.0
Balance at 1 January 2022	(10.3)	(0.3)	(10.6)

(d) Put option liability reserve

This reserve records the initial estimate of the fair value of the consideration to acquire the NCI shares that are subject to the put option and subsequent remeasurements of the estimated liability (note 29(b)).

23. Other reserves continued

(e) Own shares reserve

The own shares reserve reflects the ordinary shares of Glanbia plc which are held in trust.

An Employee Share Trust was established in May 2002 to operate initially in connection with the Company's Saving Related Share Option Scheme and subsequently for the vesting of shares under the 2018 LTIP and 2019 RSP (note 9). The Trustee of the Employee Share Trust is Computershare Trustees (Jersey) Limited, a Jersey based trustee services company. The dividend rights in respect of these shares have been waived, save 0.001 cent per share. An Employee Share Scheme Trust was established in April 2013 to operate in connection with the Company's AIDIS. The Trustee of the Employee Share Scheme Trust is Glanbia Management Services Limited. The dividend rights in respect of shares which have not vested have been waived.

From 2020 to 2022, the Group launched and completed several share buyback programmes. During 2022, the Group repurchased 14.9 million (2021: 7.3 million) ordinary shares under the programmes which were subsequently cancelled (note 22).

The movement in own shares reserve is as follows:

	2022			2021		
	Value €'m	**Nominal value €'m**	**Number of Shares**	Value €'m	Nominal value €'m	Number of Shares
At the beginning of the year	**6.4**	**0.1**	**412,493**	11.4	0.1	692,698
Purchased by Employee Share (Scheme) Trust	**23.4**	**0.1**	**2,049,210**	2.7	–	207,886
Purchased under share buyback	**173.5**	**0.9**	**14,881,985**	91.3	0.5	7,272,432
Allocated under Employee Share (Scheme) Trust	**(9.1)**	**(0.1)**	**(750,381)**	(7.7)	–	(488,091)
Cancelled under share buyback	**(173.5)**	**(0.9)**	**(14,881,985)**	(91.3)	(0.5)	(7,272,432)
At the end of the year	**20.7**	**0.1**	**1,711,322**	6.4	0.1	412,493

The shares purchased during the year and those held in trust are allocated to employees under the various share-based schemes. Shares purchased under the share buyback programmes were cancelled. The shares acquired during the year represented an insignificant amount of the total share capital at the beginning and end of the year. Shares purchased are deemed to be own shares in accordance with IAS 32 'Financial Instruments'. The own shares at 31 December 2022 restrict distributable profits by €20.7 million (2021: €6.4 million) and had a market value of €20.3 million (2021: €5.1 million).

(f) Share-based payment reserve

The share-based payment reserve reflects the equity settled share-based payment plans in operation by the Group (note 9).

(g) Other

The reserve includes FVOCI reserve of nil (2021: €(0.4) million) at the reporting date. Unrealised gains and losses arising from changes in the fair value of equity instruments measured at FVOCI are recognised in the FVOCI reserve. On derecognition of such an equity instrument, the accumulated balances associated with the instrument is reclassified to retained earnings.

24. Retained earnings

	Notes	**2022 €'m**	2021 €'m
At the beginning of the year		**1,381.7**	1,380.5
Profit for the year attributable to equity holders of the Company		**257.6**	167.0
Other comprehensive income			
– Remeasurements on defined benefit plans	8	**13.5**	–
– Deferred tax on remeasurements on defined benefit plans	26	**(1.4)**	(0.5)
– Share of remeasurements on defined benefit plans from joint ventures, net of deferred tax	17	**0.5**	1.7
– Share of remeasurements on defined benefit plans from discontinued operations, net of deferred tax	17	**–**	4.3
		12.6	5.5
Dividends	13	**(84.4)**	(80.5)
Cancellation of own shares	23(e)	**(173.5)**	(91.3)
Transfer on exercise, vesting or expiry of share-based payments	23	**1.9**	(0.8)
Deferred tax on share-based payments	26	**0.5**	1.3
Sale of shares held by a subsidiary		**1.3**	–
At the end of the year		**1,397.7**	1,381.7

25. Borrowings

	Notes	2022 €'m	2021 €'m
Non-current			
Bank borrowings		**288.2**	366.1
Private placement debt		**351.6**	331.1
	29(b)	**639.8**	697.2
Current			
Bank overdrafts	21	**258.2**	136.5
Total borrowings	30(c)	**898.0**	833.7

At the year-end, the Group had multi-currency committed term facilities of €1,215.3 million (2021: €1,160.4 million) of which €575.5 million (2021: €463.2 million) were undrawn.

The maturity profile of borrowings, and undrawn committed and uncommitted facilities is as follows:

	2022			2021		
	Borrowings €'m	Undrawn committed facilities €'m	Undrawn uncommitted facilities €'m	Borrowings €'m	Undrawn committed facilities €'m	Undrawn uncommitted facilities €'m
Less than 1 year	**258.2**	**–**	**15.4**	136.5	–	15.9
Between 1 and 2 years	**–**	**–**	**–**	–	–	–
Between 2 and 5 years	**288.2**	**575.5**	**–**	366.1	463.2	–
More than 5 years	**351.6**	**–**	**–**	331.1	–	–
	898.0	**575.5**	**15.4**	833.7	463.2	15.9

The weighted average maturity of committed facilities is 5.8 years (2021: 3.9 years).

Bank borrowings

The Group has committed unsecured bank facilities maturing in 2027. They are borrowed at fixed and floating interest rates. At 31 December 2022, €158.4 million of bank borrowings denominated in USD are at fixed nominal interest rate of 1.24% (2021: €149.2 million at 1.24%). The remaining bank borrowings are subject to interest rate changes, taking account of contractual repricing dates. Nominal interest rates of these borrowings range primarily from 3.24%–4.73% (2021: 0.25% – 1.91%). The floating interest rates are set at commercial rates based on a margin over EURIBOR and Canadian dollar interest rates for periods of up to six months.

Private placement debt

At 31 December 2022, €164.0 million of private placement debt matures in December 2031, bears interest at a fixed 2.75% nominal interest rate and is denominated in USD. €93.8 million of private placement debt facility matures in March 2028, bears interest at a fixed 2.49% nominal interest rate and is denominated in USD and a further €93.8 million matures in March 2031, bears interest at a fixed 2.82% nominal interest rate and is denominated in USD.

Bank overdrafts

Bank overdraft interest rates are variable and range from 2.13%–5.20% (2021: 0.23% – 1.25%). At 31 December 2022, the Group had undrawn uncommitted bank overdraft facilities of €10.6 million (2021: €11.0 million).

Guarantees

Financial liabilities are guaranteed by Glanbia plc. The Group has complied with the financial covenants of its borrowing facilities during 2022 and 2021 (note 30(a)).

Notes to the financial statements continued

25. Borrowings continued

Net debt is a non-IFRS measure which we provide to investors as we believe they find it useful. It is also used to calculate leverage under the Group's financing arrangements, as defined within covenants. Refer to the Financing Key Performance Indicators section in the Glossary for more details. Net debt comprises the following:

	Notes	2022 €'m	2021 €'m
Private placement debt		**351.6**	331.1
Bank borrowings		**158.4**	149.2
Not subject to interest rate changes*		**510.0**	480.3
Bank borrowings		**129.8**	216.9
Cash and cash equivalents net of bank overdrafts	21	**(180.4)**	(94.5)
Subject to interest rate changes*		**(50.6)**	122.4
Net debt	30(a)	**459.4**	602.7

* Taking into account contractual repricing dates at the reporting date.

The movement in net debt is as follows:

	Notes	Cash and short-term bank deposits €'m (note 21)	Overdrafts €'m (note 21)	Borrowings €'m	Private placement debt €'m	Total €'m
At 2 January 2022		**(231.0)**	**136.5**	**366.1**	**331.1**	**602.7**
Drawdown of borrowings	32(c)	**–**	**–**	**688.4**	**–**	**688.4**
Repayment of borrowings	32(c)	**–**	**–**	**(780.8)**	**–**	**(780.8)**
Net change in cash and cash equivalents		**(203.7)**	**118.9**	**–**	**–**	**(84.8)**
Acquisitions	34	**(0.9)**	**–**	**–**	**–**	**(0.9)**
Exchange differences		**(3.0)**	**2.8**	**14.5**	**20.5**	**34.8**
At 31 December 2022		**(438.6)**	**258.2**	**288.2**	**351.6**	**459.4**
At 3 January 2021		(164.3)	72.7	315.8	269.7	493.9
Drawdown of borrowings	32(c)	–	–	290.9	167.6	458.5
Repayment of borrowings	32(c)	–	–	(252.7)	(130.7)	(383.4)
Net change in cash and cash equivalents		(46.6)	61.1	–	–	14.5
Acquisitions		(4.4)	–	–	–	(4.4)
Exchange differences		(15.7)	2.7	12.1	24.5	23.6
At 1 January 2022		(231.0)	136.5	366.1	331.1	602.7

The currency profile of net debt is as follows:

	euro €'m	US dollar €'m	Pound sterling €'m	Canadian dollar €'m	Other €'m	Total €'m
At 31 December 2022						
Borrowings	**(177.3)**	**(687.3)**	**(22.3)**	**(5.2)**	**(5.9)**	**(898.0)**
Cash and cash equivalents (note 21)	**79.1**	**289.2**	**22.2**	**4.0**	**44.1**	**438.6**
	(98.2)	**(398.1)**	**(0.1)**	**(1.2)**	**38.2**	**(459.4)**
At 1 January 2022						
Borrowings	(251.3)	(566.0)	(9.2)	(6.9)	(0.3)	(833.7)
Cash and cash equivalents (note 21)	55.6	119.4	18.7	5.4	31.9	231.0
	(195.7)	(446.6)	9.5	(1.5)	31.6	(602.7)

Principal currencies in "other" include Australian Dollar and New Zealand Dollar (2021: Danish Krone and Swedish Krona).

26. Deferred taxes

Recognition in the Group balance sheet:

	2022 Deferred tax assets €'m	2022 Deferred tax liabilities €'m	2022 Net €'m	2021 Deferred tax assets €'m	2021 Deferred tax liabilities €'m	2021 Net €'m
Deferred tax assets/(liabilities) before set off	**44.6**	**(169.6)**	**(125.0)**	38.2	(177.9)	(139.7)
Set off of deferred tax	**(39.9)**	**39.9**	**–**	(33.5)	33.5	–
Deferred tax assets/(liabilities) after set off	**4.7**	**(129.7)**	**(125.0)**	4.7	(144.4)	(139.7)

The movement in the net deferred tax liability recognised in the Group balance sheet is as follows:

	Notes	2022 €'m	2021 €'m
At the beginning of the year		**(139.7)**	(144.1)
Income statement credit	11	**23.3**	20.4
Deferred tax credit to other comprehensive income			
– on remeasurement of defined benefit plans	24	**(1.4)**	(0.5)
– on disposal/redemption of FVOCI financial assets	23	**(0.2)**	(0.1)
– on fair value movements	23(c)	**(0.4)**	(0.4)
Deferred tax credit/(charge) to equity			
– on share-based payments	24	**0.5**	1.3
– on acquisition of subsidiaries		**–**	(6.9)
Exchange differences		**(7.1)**	(9.4)
At the end of the year		**(125.0)**	(139.7)

The movement in deferred tax assets during the year is as follows:

	Retirement benefit obligations €'m	Other employee obligations €'m	Tax losses €'m	Other €'m	Total €'m
At 2 January 2022	**4.8**	**16.1**	**4.5**	**12.8**	**38.2**
(Charge)/credit to income statement	**(0.5)**	**(0.5)**	**(0.2)**	**6.8**	**5.6**
Charge to other comprehensive income	**(1.4)**	**–**	**–**	**(0.2)**	**(1.6)**
Credit to equity	**–**	**0.5**	**–**	**–**	**0.5**
Exchange differences	**0.3**	**1.2**	**(0.2)**	**0.6**	**1.9**
At 31 December 2022	**3.2**	**17.3**	**4.1**	**20.0**	**44.6**
At 3 January 2021	5.5	8.8	3.0	12.4	29.7
(Charge)/credit to income statement	(0.7)	5.1	1.4	(0.4)	5.4
Charge to other comprehensive income	(0.5)	–	–	(0.1)	(0.6)
Credit to equity	–	1.3	–	–	1.3
Exchange differences	0.5	0.9	0.1	0.9	2.4
At 1 January 2022	4.8	16.1	4.5	12.8	38.2

26. Deferred taxes continued

The movement in deferred tax liabilities during the year is as follows:

	Accelerated tax depreciation €'m	Fair value gain €'m	Development costs and other intangibles €'m	Other €'m	Total €'m
At 2 January 2022	**(62.8)**	**–**	**(79.0)**	**(36.1)**	**(177.9)**
Credit/(charge) to income statement	**1.1**	**(0.6)**	**9.1**	**8.1**	**17.7**
Charge to other comprehensive income	**–**	**(0.4)**	**–**	**–**	**(0.4)**
Exchange differences	**(3.8)**	**–**	**(4.4)**	**(0.8)**	**(9.0)**
At 31 December 2022	**(65.5)**	**(1.0)**	**(74.3)**	**(28.8)**	**(169.6)**
At 3 January 2021	(60.7)	0.4	(79.8)	(33.7)	(173.8)
Credit/(charge) to income statement	2.8	–	13.8	(1.6)	15.0
Charge to other comprehensive income	–	(0.4)	–	–	(0.4)
Acquisition of subsidiaries and intellectual properties	–	–	(6.9)	–	(6.9)
Exchange differences	(4.9)	–	(6.1)	(0.8)	(11.8)
At 1 January 2022	(62.8)	–	(79.0)	(36.1)	(177.9)

A deferred tax asset has been recognised on the basis that the realisation of the related tax benefit through future taxable profits is probable. This includes deferred tax assets which are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable.

At the balance sheet date, the Group has unused tax losses of €127.0 million (2021: €129.3 million) available for offset against future profits. A deferred tax asset has been recognised in respect of €4.1 million (2021: €4.5 million) of such losses. No deferred tax asset has been recognised in respect of the remaining €122.9 million (2021: €124.8 million) as it is not considered probable that there will be future taxable profits available. Unrecognised tax losses include €46.3 million (2021: €48.9 million) of capital losses. All tax losses may be carried forward indefinitely.

No deferred tax liability has been recognised on temporary differences of €41.1 million (2021: €47.5 million) relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. Temporary differences arising in connection with interests in joint ventures are insignificant.

27. Provisions

	Restructuring €'m note (a)	Property and lease commitments €'m note (b)	Legal and operational €'m note (c)	Total €'m
Balance at 2 January 2022 – non-current	**–**	**3.6**	**–**	**3.6**
Balance at 2 January 2022 – current	**2.3**	**2.5**	**8.1**	**12.9**
Amount provided for in the year	**0.1**	**0.7**	**0.9**	**1.7**
Utilised in the year	**(2.3)**	**(0.5)**	**(0.1)**	**(2.9)**
Unused amounts reversed in the year	**(0.2)**	**(0.2)**	**(0.3)**	**(0.7)**
Exchange differences	**0.1**	**0.2**	**0.1**	**0.4**
Balance at 31 December 2022	**–**	**6.3**	**8.7**	**15.0**
Non-current	**–**	**3.8**	**–**	**3.8**
Current	**–**	**2.5**	**8.7**	**11.2**
	–	**6.3**	**8.7**	**15.0**

(a) The restructuring provision related mainly to a redundancy provision arising from the completed strategic review within the Glanbia Performance Nutrition segment. This was settled in full during 2022.

(b) The property and lease commitments provision relates to property remediation works and is based on the estimated cost of reinstating a property to its original condition. Due to the nature of the remediation works there is some uncertainty around the amount and timing of payments.

(c) The legal and operational provision relates to certain legal claims, insurance claims and other items. Due to the nature of these items, there is some uncertainty around the amount and timing of payments.

See note 32(b) for analysis of the movement in provisions.

28. Trade and other payables

	Notes	2022 €'m	2021 €'m
Current			
Trade payables		**360.9**	309.0
Amounts due to joint ventures		**144.6**	133.5
Amounts due to other related parties		**9.4**	–
Social security costs		**7.1**	6.9
Accrued expenses		**227.5**	219.9
Contingent consideration	29(b)/30(c)/34	**25.3**	–
		774.8	669.3
Non-current			
Put option liability	29(b)/30(c)	**–**	24.8
Contingent consideration	29(b)/30(c)	**–**	7.3
Other payables		**–**	0.5
		–	32.6
Total		**774.8**	701.9

See note 32(b) for analysis of the movement in current trade and other payables. See note 29(b) for information on the Group's fair value estimation process.

29. Derivatives and fair value of financial instruments

(a) Derivatives

	Notes	2022 Assets €'m	2022 Liabilities €'m	2021 Assets €'m	2021 Liabilities €'m
Cross currency swaps – fair value through income statement		**–**	**(0.7)**	1.4	–
Foreign exchange contracts – cash flow hedges (currency risk)		**0.1**	**(0.3)**	0.8	–
Interest rate swaps – cash flow hedges (interest rate risk)		**2.8**	**–**	–	(1.2)
Call option over non-controlling interests		**–**	**–**	0.5	–
		2.9	**(1.0)**	2.7	(1.2)
Non-current		**–**	**–**	0.5	(1.2)
Current		**2.9**	**(1.0)**	2.2	–
	30(d)	**2.9**	**(1.0)**	2.7	(1.2)

Derivatives recognised at fair value through income statement

Included in cross currency swaps is a pound sterling euro cross currency swap with a notional amount of £28.0 million and €32.0 million and a US dollar euro cross currency swap with notional amounts of US$79.7 million and €75.0 million accounted for at fair value. The translation loss included in the income statement in respect of these swaps is €0.7 million.

At 1 January 2022, there was a pound sterling euro cross currency swap with a notional amount of £60.0 and €70.2 million and a US dollar euro cross currency swap with notional amounts of US$20.0 million and €17.7 million. The translation gain included in the 2021 income statement in respect of these swaps was €1.4 million.

Hedge accounting

The Group enters into hedge relationships when there is an economic relationship between the hedged item and the hedging instrument. When the critical terms of the hedged item and hedging instrument are closely aligned for the prospective assessment of effectiveness, a qualitative assessment is performed. In instances where changes occur to the hedged item which result in the critical terms being no longer closely aligned, the Group uses the hypothetical derivative method to assess the ineffectiveness. A hedge ratio of one to one is established as the quantities of the hedged item and the hedging instrument used to hedge that hedged item are the same. Potential sources of ineffectiveness may include the timing and amounts of cash flows, and changes in credit risk of the hedging instruments or hedged items.

Derivative assets and liabilities designated as cash flow hedges

Foreign exchange contracts

The Group may use foreign exchange contracts to hedge its future cash flow risk from movements in foreign exchange rates on foreign denominated sales or purchases. Such contracts are generally designated as cash flow hedges. Weighted average hedged rate of foreign exchange contracts (including forward points) as at 31 December 2022 is 1 euro = 1.0479 US dollar (2021: 1 euro = 1.1900 US dollar).

29. Derivatives and fair value of financial instruments continued

The notional principal amounts of the outstanding foreign exchange contracts as at 31 December 2022 were €13.0 million (2021: €14.9 million). All outstanding foreign exchange contracts will mature and be released to the income statement within 12 months of the reporting date (2021: within 12 months of the reporting date).

Interest rate swaps

The Group may use floating to fixed interest rate swaps to hedge against its future cash flow risk from its exposure to variable rates on its long-term borrowings with floating rates. The notional principal amounts of the outstanding EURIBOR linked interest rate swaps designated as cash flow hedges as at 31 December 2022 were €120.0 million (2021: €120.0 million). Weighted average hedged rate of interest rate swaps as at 31 December 2022 is 0.20% (2021: 0.20%). All outstanding interest rate swaps mature in 2023.

Commodity contracts

The Group may use commodity contracts to hedge its future cash flow risk from movement in milk prices. There were no outstanding commodity contracts as at 31 December 2022 (2021: nil). All commodity contracts that were entered into during the period, if any, had expired as at the end of the reporting period.

Gain recognised in other comprehensive income	Notes	**2022 €'m**	2021 €'m
Foreign exchange contracts	23(c)	**0.9**	1.2
Interest rate swaps	23(c)	**4.0**	1.3
		4.9	2.5
(Gain)/loss transferred from cash flow hedge reserve to the Group income statement			
Foreign exchange contracts	23(c)	**(1.9)**	0.6

The transferred amounts relating to foreign exchange contracts are recorded in the line item "Administration expenses" in the income statement.

No material ineffectiveness were recognised in respect of the cash flow hedges in 2022 (2021: nil). If ineffectiveness had been recognised, it would have been recorded in "Administration expenses" in the income statement.

Refer to note 23(c) for the balances in the cash flow hedge reserve. The maturity profile of the cash flows of the derivative financial instruments is included in note 30(b).

Derivatives entered into by joint ventures

The Group's joint ventures enter into interest rate swaps, commodity contracts (gas, butter, whey and skim milk powder) and foreign exchange contracts. The Group's share of the movement in the derivative financial instruments designated as cash flow hedges is recognised in other comprehensive income and against the carrying value of the interest in joint ventures.

The movement recognised in other comprehensive income on interest rate swaps (note 23(c)) represents the Group's share of the movement in the interest rate swaps entered into by joint ventures. All movements are recognised against the carrying value of the interest in joint ventures until repayment of the related bank borrowings.

Net investment hedge

A portion of the Group's US dollar denominated borrowings (refer to note 25) with a nominal amount of US$98.5 million (2021: US$98.5 million) is designated as a hedge of a portion of the net investment in the Group's US dollar net assets amounting to US$98.5 million (2021: US$98.5 million). Therefore, hedge ratio is 1:1.

	Notes	**2022 €'m**	2021 €'m
Carrying value of net investment hedge		**92.4**	87.0
Loss recognised in other comprehensive income	23	**(5.4)**	(6.7)

The borrowings of US$98.5 million is translated at year end exchange rate of 1 euro = 1.0666 US dollar (2021: 1 euro = 1.1326 US dollar) to arrive at carrying amount of €92.4 million (2021: €87.0 million). €16.0 million (2021: €10.6 million) of the currency reserve (refer to note 23) relates to the net investment hedge. There was no ineffectiveness recognised in the income statement during the year (2021: nil). If ineffectiveness had been recognised, it would have been recorded in "Administration expenses" in the income statement.

(b) Fair value of financial instruments

Fair value of financial instruments measured at amortised cost

Except as detailed in the following table the Group deemed that the carrying amounts of financial instruments measured at amortised cost approximate their fair value due to their short term nature:

	Notes	Carrying amount 2022 €'m	Fair value 2022 €'m	Carrying amount 2021 €'m	Fair value 2021 €'m
Financial assets					
– Non-current financial asset at amortised cost – Ornua Co-Operative Limited	18	**–**	**–**	0.2	0.2
– Non-current loans to joint ventures	35	**61.5**	**61.5**	42.5	42.6
Financial liabilities					
– Non-current borrowings	25	**639.8**	**567.2**	697.2	673.2

Fair value is estimated by discounting future contractual cash flows using current market interest rates from observable interest rates at the end of the reporting period that are available to the Group for similar financial instruments (classified as level 2 in the fair value hierarchy).

Group's fair valuation process

The Group's finance department includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including Level 3 fair values. The valuation team reports directly to the Group Finance Director who in turn reports to the Audit Committee. Discussions of valuation processes and results are held between the Group Finance Director and the Audit Committee. Changes in Level 2 and Level 3 fair values are analysed at each reporting date. As part of this discussion, the valuation team presents a report that explains the reasons for fair value movements.

In accordance with IFRS 13 'Fair Value Measurements', the Group has disclosed the fair value of instruments by the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Fair value of financial instruments carried at fair value

The following table shows the fair values of financial instruments measured at fair value:

	Notes	Fair value hierarchy	2022 €'m	2021 €'m
Assets				
Equity instrument designated at FVOCI – BDO Development Capital Fund	(a)	Level 2	**1.3**	1.1
Foreign exchange contracts – cash flow hedges	(b)	Level 2	**0.1**	0.8
Interest rate swaps – cash flow hedges	(c)	Level 2	**2.8**	–
Cross currency swaps – fair value through income statement	(d)	Level 2	**–**	1.4
Call option over non-controlling interests	(f)	Level 3	**–**	0.5
Liabilities				
Foreign exchange contracts – cash flow hedges	(b)	Level 2	**(0.3)**	–
Cross currency swaps – fair value through income statement	(d)	Level 2	**(0.7)**	–
Contingent consideration		Level 3	**(25.3)**[(e)]	(7.3)[(f)]
Interest rate swaps – cash flow hedges	(c)	Level 2	**–**	(1.2)
Put option liability	(f)	Level 3	**–**	(24.8)

(a) The investment in BDO Development Capital Fund (note 18) is fair valued by reference to the latest quarterly report available to the limited partners.
(b) Fair value is estimated by discounting the difference between the contractual forward exchange rates and the current forward exchange rates (from observable forward exchange rates at the end of the reporting period). The effect of discounting was insignificant in 2022 and 2021.
(c) Fair value is estimated by discounting the difference between the contractual interest rate swap rates and the current interest rate swap rates (from observable interest rate swap rates at the end of the reporting period). The effect of discounting was insignificant in 2022 and 2021.
(d) Fair value is determined by reference to the current foreign exchange rates at the end of the reporting period.
(e) Refer to note 34 for a description of how the fair value of the contingent consideration relating to the Sterling acquisition is estimated.
(f) The call option over non-controlling interests, contingent consideration and put option liability relate to the LevlUp acquisition in 2021. The fair value of the call option is determined by discounting the excess of the estimated market value of the shareholding which is subject to call option over the actual call option exercise price. The fair values of the contingent consideration and put option liability are estimated by calculating the present value of the future expected payments discounted using a risk-adjusted discount rate.

29. Derivatives and fair value of financial instruments continued

There were no transfers in either direction between Level 1 and Level 2 in 2022 and 2021. The movement in carrying amounts associated with Level 3 financial instruments are as follows:

	Call option over NCI €'m (note 29)	Put option liability €'m (note 28)	Contingent consideration €'m (note 28)
At 2 January 2022	**0.5**	**(24.8)**	**(7.3)**
Additions through business combination (note 34)	**–**	**–**	**(23.1)**
Remeasurements	**(0.5)**	**24.8**	**5.8**
Exchange translation adjustments	**–**	**–**	**(0.7)**
At 31 December 2022	**–**	**–**	**(25.3)**
At 3 January 2021	–	–	(17.4)
Additions through business combination	0.4	(23.2)	(7.1)
Remeasurements	0.1	(1.6)	(0.6)
Settlements	–	–	19.3
Additions through business combination	–	–	(1.5)
At 1 January 2022	0.5	(24.8)	(7.3)

30. Capital and financial risk management

(a) Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern while maximising the returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the overall cost of capital. Total capital is calculated based on equity as shown in the balance sheet and net debt as follows:

	Notes	2022 €'m	2021 €'m
Equity		**1,868.4**	1,740.3
Net debt	25	**459.4**	602.7
Total capital		**2,327.8**	2,343.0

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to increase or reduce debt or buy back shares. Any material adjustments to the capital structure are approved by the Board of Directors. From time to time, the Group purchases its own shares on the market. These shares are primarily intended to be used for issuing shares under the Group's long-term and short-term incentive plans. Buy decisions are made on a specific transaction basis by the Employee Benefit Trusts. From 2020 to 2022, the Group also launched and completed several share buyback programmes. Any shares repurchased in the buyback programmes were cancelled.

The Group's key financing arrangements are: net debt: adjusted EBITDA and adjusted EBIT: adjusted net finance cost ratios, as defined within covenants.

At 31 December 2022, the Group's net debt: adjusted EBITDA ratio was 1.12 times (2021: 1.71 times), which is deemed by management to be prudent and within the Group's financing covenants. Net debt: adjusted EBITDA is calculated as net debt at the end of the period divided by adjusted EBITDA. Net debt is calculated as current and non-current borrowings less cash and cash equivalents. Adjusted EBITDA is calculated in accordance with lenders' facility agreements definitions which adjust pre-exceptional EBITDA for items such as dividends received from joint ventures, acquisitions or disposals and to reverse the net impact on EBITDA as a result of adopting IFRS 16 'Leases'.

At 31 December 2022 the Group's adjusted EBIT: adjusted net finance cost was 17.0 times (2021: 15.1 times) which is within the Group's financing covenants. Adjusted EBIT: adjusted net finance cost is calculated as earnings before interest and tax adjusted for the IFRS 16 'Leases' impact on operating profit plus dividends received from joint ventures divided by adjusted net finance cost. Adjusted net finance cost comprises finance costs less finance income per the Group income statement plus borrowing costs capitalised into assets and excludes finance income/costs on remeasurements of call options and contingent consideration and interest expense on lease liabilities.

The Group's capital position and information on the capital monitoring ratios are included in the monthly report issued to the Board of Directors. The Group has no externally imposed capital requirements. No changes were made in the objectives, policies or processes for capital management during 2022 and 2021.

(b) Financial risk management

The conduct of its ordinary business operations necessitates the Group holding financial instruments. The Group has exposure to the following risks arising from financial instruments: market risk comprising of currency risk, interest rate risk, price risk, liquidity risk and cash flow risk, and credit risk.

The Group does not enter into any financial instruments that give rise to a speculative position. The Group finances its operations by a mixture of retained profits, medium-term committed borrowings and undrawn uncommitted borrowings. The Group borrows in the major global debt markets in a range of currencies at both fixed and floating rates of interest, using derivatives where appropriate to generate the desired effective currency profile and interest rate basis. Risk management, other than credit risk management, is carried out by a central treasury department ("Group Treasury") under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's business units. The Board of Directors provides written principles for overall risk management, as well as, written policies covering specific areas such as foreign exchange risk, interest rate risk, price risk, liquidity and cash flow risk, and credit risk, use of derivative and non-derivative financial instruments, and investment of excess liquidity.

There has been no significant change during the financial year or since the end of the year to the types of financial risks faced by the Group or the Group's approach to the management of those risks.

Currency risk

Although the Group is based in Ireland with the euro as the functional currency of Glanbia plc, it has significant geographic investment and operating exposures outside the eurozone, primarily in the US. As a result, currency movements, particularly movements in the euro/US dollar exchange rate, can significantly affect the Group's euro balance sheet and income statement. Group Treasury monitors and manages these currency exposures on a continuous basis, using approved hedging strategies and appropriate currency derivative instruments.

Sensitivity analysis

The following table demonstrates the sensitivity of profit before tax and total equity to movements in the euro/US dollar exchange rate with all other variables held constant.

+/-5% change in euro/US dollar exchange rate	2022 €'m	2021 €'m
Impact on profit before tax*	**-/+12.0**	-/+10.5
Impact on total equity**	**-/+70.2**	-/+60.9

* The impact on profit before tax is based on changing the euro/US dollar exchange rate used in calculating profit before tax for the period.
** The impact on total equity is calculated by changing the euro/US dollar exchange rate used in measuring the closing balance sheet.

The Group is exposed to transactional foreign currency risk that arises from sales or purchases by an operating unit in currencies other than the operating unit's functional currency. Group companies are required to manage their foreign exchange risk against their functional currency and spot and forward exchange contracts are primarily used to hedge foreign exchange risk exposure on foreign currency denominated sales and purchases.

The notional principal amounts of the outstanding foreign exchange contracts as at 31 December 2022 were €13.0 million (2021: €14.9 million), which substantially covers the operating units currency exposure. Refer to note 29(a) for further details of the foreign exchange contracts.

Interest rate risk

The Group's objective is to minimise the impact of interest rate volatility on interest costs. This is achieved by determining a long-term strategy against a number of policy guidelines, which focus on (i) the amount of floating rate indebtedness anticipated over such a period and (ii) the consequent sensitivity of interest costs to interest rate movements on this indebtedness and the resultant impact on reported profitability. The Group borrows at both fixed and floating rates of interest and can use interest rate swaps to manage the Group's resulting exposure to interest rate fluctuations.

The Group's main interest rate risk arises from long-term borrowings with floating rates, due to the borrowings being periodically contractually repriced within 12 months from the reporting date. These borrowings expose the Group to cash flow interest rate risk.

The Group policy is to maintain no more than one third of its projected debt exposure on a floating rate basis over any succeeding 12 month period with further minimum guidelines over the succeeding 24 and 36 month periods. The Group, on a continuous basis, monitors the level of fixed rate cover dependent on prevailing fixed market rates, projected debt and market informed interest rate outlook. Occasionally, the Group manages its cash flow interest rate risk by using floating to fixed interest rate swaps. Such interest rate swaps have the effect of converting borrowings from floating rates to fixed rates. Under these interest rate swaps, the Group agrees with other parties to exchange at specified intervals, the difference between fixed interest rate amounts and floating interest rate amounts calculated by reference to the agreed notional amounts.

30. Capital and financial risk management continued

The exposure of the Group's borrowings subject to interest rate changes taking into account contractual repricing dates at the end of the reporting period is €129.8 million (2021: €216.9 million) (note 25). The Group does not hedge 100% of its floating rate loans, therefore the amount hedged is a proportion of the outstanding loans up to the notional amount of the swaps. See note 29(a) for the floating to fixed interest rate swaps entered into by the Group to hedge against this exposure.

The Group enters into interest rate swaps that have similar critical terms as the hedged item. As all critical terms matched during the year, there is an economic relationship between the interest rate swaps (hedging instruments) and floating rate borrowings (hedged items).

Sensitivity analysis

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

The table below demonstrates the sensitivity of profit before tax and total equity if market interest rates had been 1% higher or lower with all other variables held constant:

+/-1% change in market interest rates*	2022 €'m	2021 €'m
Impact on profit before tax	**-/+0.1**	-/+0.2
Impact on total equity	**-/+0.1**	-/+0.2

*Each incremental +/-1% change in market interest rates at 2022 year end would impact profit before tax and total equity by -/+€0.1m.

Price risk

Equity price risk

The Group's objective is to minimise the price risk the Group is exposed to because of equity instruments held by the Group (note 18). These equity instruments are classified in the Group balance sheet as FVOCI. To manage its price risk arising from these equity securities, the Group does not maintain a significant balance with any one equity. Diversification of the equity instruments held by the Group must be done in accordance with the limits set by the Group. The impact of a 5% increase or decrease in equity indices across the eurozone countries would not have any material impact on Group profit before tax or total equity.

Commodity price risk

Commodity price risk in the Group arises primarily from price fluctuations of commodities. The Group's objective is to minimise commodity price risk through entering into commodity options and future contracts for instance and the use of appropriate hedging strategies. The Group enters into forward purchase and forward sale agreements in the normal course of business. Certain of these contracts are deemed to be 'own use' as they were entered into in accordance with the Group's expected purchase, sale or usage requirements. The impact of a 5% increase or decrease in commodity prices (milk, cheese and gas) would not have any material impact on Group profit before tax or total equity.

Liquidity and cash flow risk

The Group's objective is to ensure that the Group does not encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

In order to preserve the continuity of funding, the Group's policy is that, at a minimum, committed facilities should be available at all times to meet the full extent of its anticipated finance requirements, arising in the ordinary course of business, during the succeeding 12 month period. Refer to note 25 for details of the Group's committed facilities.

When appropriate, surplus funds in the Group are transferred to Group Treasury through different methods including the repayment of borrowings, deposits and dividends. These are then lent to Group companies, contributed as equity to fund Group operations, used to repay external debt or invested externally. The Group does not use off-balance sheet special purpose entities as a source of liquidity or for other financing purposes.

The Group uses cash flow forecasts to constantly monitor the funding requirements of the Group. Compliance with the Group's financial covenants is monitored continually based on statutory and management accounts and financial projections. All covenants have been complied with in 2022 and 2021.

There is no significant concentration of liquidity risk.

Further analysis of the Group's debt covenants is included in the Group Finance Director's Review. For further details regarding the Group's borrowing facilities see note 25.

The table on the following page analyses the Group's non-derivative and derivative financial liabilities, for which the contractual maturities are essential for an understanding of the timing of the cash flows, into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year €'m	Between 1 and 2 years €'m	Between 2 and 5 years €'m	More than 5 years €'m	Total €'m
At 31 December 2022					
Non-derivative financial liabilities					
Trade payables	**360.9**	**–**	**–**	**–**	**360.9**
Amounts due to joint ventures	**144.6**	**–**	**–**	**–**	**144.6**
Amounts due to other related parties	**9.4**	**–**	**–**	**–**	**9.4**
Contingent consideration	**25.8**	**–**	**–**	**–**	**25.8**
Lease liabilities	**19.8**	**18.7**	**39.4**	**48.7**	**126.6**
Interest-bearing borrowings	**258.2**	**–**	**288.2**	**351.6**	**898.0**
Projected interest payments on interest-bearing borrowings	**15.5**	**21.5**	**63.8**	**28.5**	**129.3**
	834.2	**40.2**	**391.4**	**428.8**	**1,694.6**
Derivative financial liabilities	**1.0**	**–**	**–**	**–**	**1.0**
At 1 January 2022					
Non-derivative financial liabilities					
Trade payables	309.0	–	–	–	309.0
Amounts due to joint ventures	133.5	–	–	–	133.5
Put option liability	–	–	36.3	–	36.3
Contingent consideration	–	8.3	–	–	8.3
Lease liabilities	16.8	17.6	41.8	57.2	133.4
Interest-bearing borrowings	136.5	–	366.1	331.1	833.7
Projected interest payments on interest-bearing borrowings	15.4	15.4	26.8	34.2	91.8
	611.2	41.3	471.0	422.5	1,546.0
Derivative financial liabilities	–	1.2	–	–	1.2

Credit risk

The Group's objective is to minimise credit risk which is managed on a Group basis. Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial transaction fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, credit exposures to customers, including outstanding receivables and committed transactions, and loans to joint ventures. Other financial assets (note 18) are not material and accordingly, loss allowance of ECL is not material.

Financial assets subject to credit risk are written off when there is no reasonable expectation of recovery such as debtor failing to engage in a repayment plan with a company. Subsequent recoveries of amounts written off are recognised in the Group income statement. The Group does not expect any significant counterparty to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each asset.

Cash and cash equivalents

In the international movement and placement of funds and execution of financial transactions, the risk of counterparty default is managed by the Group's policies requiring exposure to independently rated parties with long-term credit ratings of at least A3 (Moody's) or A– (Standard & Poor's). In the movement and placement of funds and execution of financial transactions in Ireland, the Group's policies accept exposure to independently rated parties with long-term credit ratings of at least Baa3 (Moody's) or BBB– (Standard & Poor's). The Group's cash and cash equivalents (note 21) at 31 December 2022 and 1 January 2022 were held within financial institutions which complied with Group policy. Accordingly, the Group considers its cash and cash equivalents to be of low credit risk and does not expect any expected credit loss in relation to them.

Trade receivables

The Group's credit risk management policy requires that, where possible, all debt is insured with an external credit insurance underwriter. The Group's authorisation review includes external credit agency reports, the trading and financial history and position of the customer, the business case, the country in which the customer operates and any other available information. The utilisation of credit limits is actively managed and reviewed formally on an annual basis. Where the extension of credit is not appropriate, payment in advance is required. No goods are dispatched on credit until the credit controller has authorised the application confirming all necessary procedures have been complied with. Outstanding customer balances are regularly monitored and a review for indicators of impairment (evidence of financial difficulty of the customer, payment default, breach of contract etc.) is carried out at each reporting date.

Goods are sold primarily subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. Where required, the Group holds appropriate security or liens in respect of trade and other receivables. The Group does not hold any significant security or liens at the end of the year.

See note 19 for the carrying amount of the Group's trade and other receivables.

30. Capital and financial risk management continued

At the end of the reporting period, the Group derecognised €37.5 million of certain trade receivables related to one customer through the use of a limited receivables sale programme (2021: €31.3 million). This programme was entered into to partially mitigate but not fully offset an increase in credit terms relating to these trade receivables. Under this programme, the Group has the option to sell certain trade receivable invoices to a third party financial institution. This third party may accept this offer for sale by way of a non-recourse payment to the Group (for face value of the receivables net of transaction fees), upon which the Group no longer retains any risks and rewards in the receivables sold, resulting in the derecognition of these receivables from the Group balance sheet. The proceeds from these sales of receivables are included in cash from operating activities in the Group statement of cash flows. The fair value of the receivables equals to its amortised cost as they are transferred at the face value of the trade receivable invoices.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, historical loss rates of operating units are calculated based on their recent historical credit loss experience and applied to the operating units trade receivables at the reporting date. The loss allowance is estimated based on historical loss rates and adjusted where appropriate to reflect current information and forward-looking information on macroeconomic factors which affect the ability of the debtors to settle the receivables. The loss allowance recognised during the year reflects current and forward-looking information including the trading environment in which the Group sells its goods.

The movement in the expected credit loss allowance for trade receivables is as follows:

	Notes	2022 €'m	2021 €'m
At the beginning of the year		**12.0**	11.2
Exchange differences		**0.6**	0.8
Increase in loss allowance recognised during the year		**2.8**	2.6
Receivables written off during the year as uncollectible		**(0.5)**	(1.7)
Unused amounts reversed		**(1.9)**	(0.9)
At the end of the year	19	**13.0**	12.0

The net increase in loss allowance has been included within the income statement.

Trade receivables amounted to €344.3 million at 31 December 2022 (2021: €327.2 million) (note 19). Receivable balances that are neither past due nor impaired amounted to €318.0 million (2021: €299.7 million). Past due information is reported to key management personnel for credit risk management purposes. At 31 December 2022, trade receivables of €26.3 million (2021: €27.5 million) were past due and analysed as follows:

	2022 €'m	2021 €'m
Past due		
Less than 30 days	**13.9**	19.6
1 to 3 months	**6.5**	4.5
4 to 6 months	**3.3**	1.3
Over 6 months	**2.6**	2.1
	26.3	27.5
Less: expected credit loss allowance	**(13.0)**	(12.0)
Total	**13.3**	15.5

Loans to joint ventures

The Group advanced interest bearing loans to its joint ventures for the purposes of funding capital expenditure. See note 35 for details of the loans. The loans receivable are considered to have low credit risk as there is a low risk of default and the joint ventures are expected to meet their contractual cash flow obligations in the near term. The Group considers information such as cash flow forecasts of the joint ventures to determine whether they have the ability to repay the intercompany loans. Management does not expect significant adverse changes in economic and business conditions which would reduce the ability of the joint ventures to repay the loans. Consequently, the Group has determined that the loans are of low credit risk.

Where a loan is considered not to have low credit risk at the reporting date and to assess whether there is a significant increase in credit risk of the loan since initial recognition, the Group considers information such as actual or expected significant adverse changes in economic or business conditions that are expected to cause a significant change in a joint venture's ability to meet its obligations, and significant increases in credit risk on other financial instruments of the joint venture. A loan would be considered to be in default if a joint venture did not make contractual repayments within 90 days after they fell due unless evidenced otherwise. Evidence that a loan is credit-impaired would include information such as significant financial difficulty of the joint venture, or the probability that the joint venture will enter bankruptcy.

In calculating the expected credit loss rates, the Group considers historical loss rate on its loans advanced to the joint ventures, internal credit rating of the joint ventures based on the experience of Group Treasury and recent pricing provided by external credit providers and adjusts for forward-looking macroeconomic data. There were no historical losses for loans advanced to the joint ventures and internal credit rating of the joint ventures is considered to be about investment grade. Expected credit loss allowance is accordingly not material.

(c) Carrying amounts of financial instruments

	Notes	2022 €'m	2021 €'m
Financial assets measured at amortised cost			
Trade receivables and receivables from related parties		**337.1**	321.1
Loans to joint ventures	35	**61.5**	42.5
Ornua Co-operative Limited	18	**–**	0.2
		398.6	363.8
Financial liabilities measured at amortised cost			
Borrowings	25	**(898.0)**	(833.7)
Trade payables and amounts due to related parties		**(514.9)**	(442.5)
Lease liabilities	15	**(114.8)**	(119.5)
		(1,527.7)	(1,395.7)
Financial liabilities measured at FVTPL – contingent consideration	28	**(25.3)**	(7.3)
Investments in equity instruments designated at FVOCI		**2.1**	1.7
Put option liability measured at FV through equity	28	**–**	(24.8)
Net derivative asset		**1.9**	1.5

(d) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the Group balance sheet where the Group has a legally enforceable right to offset recognised amounts which is not conditional on the occurrence of a future event, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting arrangements. The following table sets out the carrying amounts of recognised financial instruments that are subject to these agreements:

	Notes	Gross amounts €'m	Gross amounts set off in the balance sheet €'m	Net amounts presented in the balance sheet €'m
At 31 December 2022				
Derivative financial assets	29(a)	**2.9**	**–**	**2.9**
Derivative financial liabilities	29(a)	**(1.0)**	**–**	**(1.0)**
At 1 January 2022				
Derivative financial assets	29(a)	2.7	–	2.7
Derivative financial liabilities	29(a)	(1.2)	–	(1.2)

31. Contingent liabilities and commitments

Contingent liabilities

Guarantees provided by financial institutions amounting to €7.8 million (2021: €6.9 million) are outstanding at 31 December 2022. The Group does not expect any material loss to arise from these guarantees. The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liability will arise from these contingent liabilities other than those provided for.

Any Irish registered wholly-owned subsidiary of the Company may avail of the exemption from filing its statutory financial statements for the year ended 31 December 2022 as permitted by section 357 of the Companies Act 2014 and if an Irish registered wholly-owned subsidiary of the Company elects to avail of this exemption, there will be in force an irrevocable guarantee from the Company in respect of all commitments entered into by such wholly-owned subsidiary, including amounts shown as liabilities (within the meaning of section 357 (1) (b) of the Companies Act 2014) in such wholly-owned subsidiary's statutory financial statements for the year ended 31 December 2022.

Within the scope of benefitting from the exemption related to the filing of the statutory financial statements for the financial year ended 31 December 2022 of Glanbia Foods B.V., the Company has guaranteed the liabilities ensuing from legal acts performed by this subsidiary from 1 January 2022 in accordance with and to the extent as set out in section 2:403.1(b and f) of the Dutch Civil Code. Therefore Glanbia Foods B.V. is exempt from the obligation to publish its statutory financial statements and its obligations to file statutory financial statements has been fulfilled by means of the publication of the declaration of consent and the declaration of liability.

Within the scope of benefitting from the exemption related to the filing of the statutory financial statements for the financial year ended 31 December 2022 of the Luxembourg subsidiary, Glanbia Luxembourg SA, the Company has guaranteed the liabilities of this subsidiary in respect of any losses or liabilities (as provided by Article 70 (c) of the Luxembourg Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings) for the financial year ended 31 December 2022. This subsidiary avails of the exemption from filing of their statutory financial statements, as permitted by Article 70 of the Luxembourg Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings. It is noted that the two other Luxembourg subsidiaries, Glanbia Luxfin SA and Glanbia Luxinvest SA were liquidated in December 2022.

Commitments

Capital expenditure contracted for at the reporting date but not recognised in the Group financial statements is as follows:

	2022 €'m	2021 €'m
Property, plant and equipment	**8.4**	8.3
Intangible assets	**0.7**	1.5

As at 31 December 2022, the Group has committed to invest €10.0 million cash contributions in Glanbia Cheese EU Limited (2021: €10.0 million). Additionally, there was an undrawn loan facility of €9.5 million as at 31 December 2022 (2021: €1.3 million) which was provided by the Group to the joint venture.

32. Cash flow information

(a) Cash generated from operating activities

	Notes	2022 €'m	2021 €'m
Profit for the year		**256.8**	167.4
Exceptional items	6	**(21.4)**	42.1
Profit after tax from discontinued operations		**–**	(25.7)
Income taxes		**31.4**	24.6
Profit before taxation		**266.8**	208.4
Share of results of joint ventures accounted for using the equity method		**(15.4)**	(19.2)
Finance costs		**22.5**	19.5
Finance income		**(1.8)**	(2.0)
Amortisation of intangible assets	16	**75.0**	63.9
Depreciation of property, plant and equipment	14	**48.7**	44.9
Depreciation of right-of-use assets	15	**18.8**	18.1
Cost of share-based payments	9/23	**18.8**	15.9
Difference between pension charge and cash contributions		**(0.5)**	(6.4)
Net write down of inventories		**13.6**	6.1
Non-cash movement in/on:			
– provisions		**1.0**	8.7
– allowance for impairment of receivables		**0.4**	–
– cross currency swaps		**2.6**	(0.8)
– disposal of leases		**(0.4)**	(0.1)
Reversal of impairment of property, plant and equipment	5	**–**	(1.4)
Loss/(profit) on disposal of property, plant and equipment	5	**0.4**	(0.1)
Operating cash flows before movement in working capital		**450.5**	355.5
Increase in inventories	32(b)	**(101.1)**	(186.1)
Decrease/(increase) in short-term receivables	32(b)	**5.6**	(13.4)
Increase in short-term liabilities	32(b)	**40.9**	207.1
Decrease in provisions	32(b)	**(2.9)**	(5.1)
Cash generated from operating activities before exceptional items		**393.0**	358.0

(b) The movement in working capital is as follows:

2022	Inventories €'m (note 20)	Trade and other receivables €'m (note 19)	Trade and other payables €'m (note 28)	Provisions €'m (note 27)	Total €'m
At 2 January 2022	**593.6**	**359.4**	**(669.3)**	**(16.5)**	**267.2**
Exchange differences	**25.8**	**24.0**	**(43.3)**	**(0.4)**	**6.1**
Arising on acquisition (note 34)	**3.3**	**5.5**	**(2.6)**	**–**	**6.2**
Loans/amounts payable to joint ventures, interest accruals, capital creditors and other non-operating items	**(20.1)**	**(3.8)**	**(18.7)**	**(1.0)**	**(43.6)**
Increase/(decrease) in working capital	**101.1**	**(5.6)**	**(40.9)**	**2.9**	**57.5**
At 31 December 2022	**703.7**	**379.5**	**(774.8)**	**(15.0)**	**293.4**
2021					
At 3 January 2021	377.6	319.2	(441.6)	(11.2)	244.0
Exchange differences	33.1	23.5	(38.4)	(0.7)	17.5
Arising on acquisition	2.9	3.4	(4.4)	–	1.9
Loans/amounts payable to joint ventures, interest accruals, capital creditors and other non-operating items	(6.1)	(0.1)	22.2	(9.7)	6.3
Increase/(decrease) in working capital	186.1	13.4	(207.1)	5.1	(2.5)
At 1 January 2022	593.6	359.4	(669.3)	(16.5)	267.2

Notes to the financial statements continued

32. Cash flow information continued

(c) Changes in liabilities arising from financing activities

	Notes	Borrowings €'m	Private Placement Debt €'m	Lease liabilities €'m	Total €'m
At 2 January 2022		**366.1**	**331.1**	**119.5**	**816.7**
Drawdown of borrowings	25	**688.4**	**–**	**–**	**688.4**
Repayment of borrowings	25	**(780.8)**	**–**	**–**	**(780.8)**
Leases		**–**	**–**	**11.2**	**11.2**
Payment of lease liabilities		**–**	**–**	**(16.5)**	**(16.5)**
Acquisitions	34	**–**	**–**	**0.6**	**0.6**
Exchange differences		**14.5**	**20.5**	**–**	**35.0**
At 31 December 2022		**288.2**	**351.6**	**114.8**	**754.6**
At 3 January 2021		315.8	269.7	110.2	695.7
Drawdown of borrowings	25	290.9	167.6	–	458.5
Repayment of borrowings	25	(252.7)	(130.7)	–	(383.4)
Leases		–	–	27.3	27.3
Payment of lease liabilities		–	–	(19.1)	(19.1)
Acquisitions		–	–	1.1	1.1
Exchange differences		12.1	24.5	–	36.6
1 January 2022		366.1	331.1	119.5	816.7

33. Assets and liabilities held for sale, and discontinued operations

	Notes	2022 €'m	2021 €'m
Property, plant and equipment	14	**9.5**	–
Right-of-use assets	15	**2.6**	–
Inventories		**2.2**	–
Interest in joint venture – Glanbia Ireland	17	**–**	234.0
Assets held for sale		**14.3**	234.0
Lease liabilities		**(6.3)**	–
Liabilities held for sale		**(6.3)**	–

The assets held for sale at 31 December 2022 relate to the non-core assets of a small US based bottling facility (Aseptic Solutions USA Ventures, LLC). Following the completion of a strategic portfolio review, these assets (and related liabilities) which are part of the Glanbia Nutritional segment were determined to be non-core and a decision was made to divest of them, resulting in the designation as held for sale at year end. Discussions are ongoing with a number of interested parties, and a sale is expected to conclude by the end of H1, 2023. The lease liabilities at 31 December 2022 are directly associated with the right-of-use assets classified as held for sale.

An impairment of €14.5 million was recognised as an exceptional charge in the income statement immediately prior to the classification of the assets and liabilities as held for sale. There was no further gain or loss recognised subsequently. Associated cumulative amounts recognised in other comprehensive income associated with the assets and liabilities held for sale as at 31 December 2022 were currency translation gains of €3.9 million.

We do not regard the divestment of the non-core assets and the associated liabilities as discontinued operations as they are not considered to be either a separate major line of business or geographical area of operations.

The assets held for sale at 1 January 2022 related to the interest in Glanbia Ireland. The Company announced its intention to sell its 40% holding in Glanbia Ireland to Tirlán Co-operative Society Limited (formerly Glanbia Co-operative Society Limited) (the "Society") for €307.0 million in November 2021 (the "Transaction"). Members of the Society approved the Transaction on 17 December 2021. Accordingly, in the prior year, the Group has treated the joint venture investment in Glanbia Ireland as an asset held for sale on the Group balance sheet and ceased to apply the equity method of accounting to its interest in Glanbia Ireland from 17 December 2021.

The Transaction was completed on 1 April 2022 for €307.0 million cash following the approval of the independent shareholders of the Company and receipt of regulatory approvals. As part of the terms of the Transaction, the Company paid Glanbia Ireland a contribution of €8.0 million related to pension obligations, separation and rebranding costs and has committed to a maximum additional €1.5 million re-imbursement of rebranding costs in connection with the Transaction. The gain of €57.2 million on disposal of Glanbia Ireland (note 6) is based on the €307.0 million received, less the carrying amount of the asset held for sale of €234.0 million and costs associated with the transaction of €15.8 million.

The profit after tax from discontinued operations included in the Group income statement in the prior year related to the Group's share of profit after tax of Glanbia Ireland and are analysed as follows:

	Notes	2021 €'m
Glanbia Ireland's results (100%)		
Revenue		2,169.9
Expenses		(2,088.3)
Profit before tax		81.6
Tax		(10.3)
Profit after tax		71.3
Profit after tax attributable to equity holders of Glanbia Ireland		69.5
Reconciliation to the Group's share of Glanbia Ireland's profit after tax		
Group's 40% share of profit after tax		27.8
Adjustments*		(1.4)
Group's share of Glanbia Ireland's profit after tax presented as discontinued operations	17	26.4

* Relates to adjustment in respect of unrealised profit on sales to the Group and amortisation of intangible assets recognised on fair value adjustments.

34. Business combinations

On 11 March 2022 Glanbia acquired 100% of the voting shares of Sterling Technology, LLC ("Sterling"), a bioactive ingredient company based in South Dakota, USA. Sterling will complement the existing ingredient technology portfolio of Nutritional Solutions providing bioactive ingredients which are mainly used in the growing immunity and gut-health segments as well as in pet nutrition. The goodwill relates to the acquired workforce, the expectation that the business will give rise to synergies across the Glanbia Nutritionals segment, will generate future sales beyond the existing customer base, as well as the opportunity to expand the business into new markets, where there are no existing customers, and further builds on our offering in immunity solutions in Nutritional Solutions. Goodwill of €22.5 million is expected to be deductible for tax purposes.

Details of the net assets acquired and goodwill arising from the acquisition are as follows:

	Notes	Total €'m
Cash paid		**54.5**
Contingent consideration		**23.1**
Total consideration		**77.6**
Less: fair value of net assets acquired		**(55.1)**
Goodwill	16	**22.5**

The fair value of assets and liabilities arising from the acquisition are as follows:

Property, plant and equipment	14	**5.9**
Right-of-use assets	15	**0.6**
Intangible assets – customer relationships	16	**30.5**
Intangible assets – recipes and know-how	16	**10.0**
Intangible assets – trade names	16	**1.6**
Inventories	32(b)	**3.3**
Trade and other receivables	32(b)	**5.5**
Cash and cash equivalents	25	**0.9**
Trade and other payables	32(b)	**(2.6)**
Lease liabilities	32(c)	**(0.6)**
Fair value of net assets acquired		**55.1**

The contingent consideration arrangement requires the Group to pay the former owners of Sterling an earnout in 2023 if a pre-defined earnings threshold is exceeded within a defined period post acquisition. Under the acquisition agreement, the undiscounted amount of future payments for which the Group may be liable ranges from nil to US$27.5 million (€25.8 million translated at period end exchange rate).

The fair value of the contingent consideration of €25.3 million at period end (note 28) was estimated by calculating the present value of the future expected payments. The main significant unobservable input in the calculation is the forecast EBITDA of Sterling over the relevant period. As it is deemed highly probable that the higher end of the EBITDA range will be met, the Group have assumed that the upper limit of the earnout will be payable. A 10% increase in the forecast EBITDA would not change the fair value of the contingent consideration. A 10% decrease in forecast EBITDA would result in a decrease in fair value of the contingent consideration by €8.4 million.

The fair value of Sterling's trade and other receivables at the acquisition date amounted to €5.5 million. The gross contractual amount for receivables due is €5.8 million, of which €0.3 million is expected to be uncollectible. Acquisition-related costs of €0.2 million incurred primarily on professional fees are included in administrative expenses.

Combined impact of acquisitions

The revenue and profit before taxation and exceptional items of the Group, including the post acquisition impact of the acquisition completed during the year ended 31 December 2022, were as follows:

	2022 Acquisition €'m	Group excluding acquisition €'m	Group including acquisition €'m
Revenue	**22.0**	**5,620.4**	**5,642.4**
Profit before taxation and exceptional items	**5.0**	**261.8**	**266.8**

The revenue and profit before taxation and exceptional items of the Group for the year ended 31 December 2022 determined in accordance with IFRS 3 as though the acquisition date for all business combinations effected during the year had been at the beginning of the year would be as follows:

	Pro-forma 2022 acquisition €'m	Group excluding acquisition €'m	Pro-forma group including acquisition €'m
Revenue	**27.0**	**5,620.4**	**5,647.4**
Profit before taxation and exceptional items	**5.5**	**261.8**	**267.3**

The Group acquired PacMoore Process Technologies, LLC in 2021 for which the fair value of assets and liabilities were determined provisionally. There was no change to goodwill following the finalisation of the fair value of assets and liabilities during the measurement period.

35. Related party transactions

Related parties of the Group include subsidiary undertakings, joint ventures, Tirlán Co-operative Society Limited (formerly Glanbia Co-operative Society Limited) (the "Society")and its subsidiaries ("Tirlán Co-operative Group") and key management personnel. A listing of the principal subsidiaries and joint ventures is provided in note 37.

Tirlán Co-operative Group holds 27.7% (2021: 32.5%) of the issued share capital of the Company. Refer to note 33 for the disposal of Glanbia Ireland, which was a joint venture of the Group up to 1 April 2022, to the Society. From 2 April 2022, Glanbia Ireland became a wholly owned subsidiary of the Society and also an other related party to the Group. Accordingly transactions with Glanbia Ireland before 2 April 2022 (including the prior year) and from 2 April 2022 were included within "Transactions with joint ventures" and "Transactions with Tirlán Co-operative Group" respectively.

Details of related party transactions are as follows:

	2022 €'m	2021 €'m
Transactions with joint ventures [1]		
Dividends received	**14.4**	33.9
Sales of goods	**0.2**	0.7
Sales of services	**21.2**	49.2
Purchase of goods	**2,033.0**	1,430.0
Loans advanced during the year [2]	**47.0**	10.7
Repayment of loans advanced to Glanbia Ireland	**28.8**	–
Transactions with Tirlán Co-operative Group [3]		
Dividends received	**0.1**	0.1
Dividends paid	**26.7**	25.8
Sales of goods	**0.5**	–
Sales of services	**28.5**	2.4
Purchase of services	**0.3**	0.3
Purchase of goods	**78.7**	–

1. The Group trades in the normal course of business with its joint ventures and provides management and administrative services to them.
2. €0.8 million of interest was capitalised during the year (2021: nil).
3. The Group provides management and administrative services to the Society and is headquartered in a premises owned by the Society.

Receivable from and payables to joint ventures and Tirlán Co-operative Group as at the balance sheet date are included as separate line items in notes 19 and 28. The outstanding balances included in receivables and payables at the balance sheet date in respect of transactions with related parties are unsecured, interest free and settlement arises in cash. No guarantees have been given or received in relation to related party receivables and payables. €61.5 million of loans to joint ventures as at 31 December 2022 (2021: €42.5 million) (note 30 (c)) were advanced at arm's length with interest accruing and, in general, paid to the Group at predetermined intervals.

35. Related party transactions continued

Key management personnel

The Board of Directors and Glanbia Operating Executive are deemed to be key management personnel for the purposes of IAS 24 as they are responsible for planning, directing and controlling the activities of the Group. Key management personnel remuneration amounted to:

	2022 €'m	2021 €'m
Salaries and other short-term employee benefits	**9.0**	8.1
Post-employment benefits	**1.1**	0.9
Share-based payment expense	**8.6**	7.3
Non-Executive Directors fees	**1.1**	1.0
	19.8	17.3

Dividends totalling €0.3 million (2021: €0.3 million) were received by key management personnel during the year, based on their personal shareholdings in Glanbia plc. The Group through Employee Benefit Trusts reacquired Company shares from key management personnel; the total number reacquired was 59,484 ordinary shares at an average price of €11.04 per share (2021: 52,506 ordinary shares at an average price of €14.09 per share).

Retirement benefits of €0.3 million (2021: €0.4 million) were accrued in the year to two members of key management (2021: three) under a post retirement defined benefit plan. Total retirement benefits accrued to key management under the post retirement defined benefit plan are €5.1 million (2021: €7.8 million).

36. Events after the reporting period

See note 13 for the final dividend, recommended by the Directors. Subject to shareholder approval, this dividend will be paid on 5 May 2023 to shareholders on the register of members on 24 March 2023, the record date.

Subsequent to the year end, Glanbia has signed a non-binding memorandum of understanding for the sale of the Company's shareholding in Glanbia Cheese and Glanbia Cheese EU joint ventures ("Glanbia Cheese") to Leprino Foods Company. It is expected that Glanbia will receive initial cash proceeds in excess of €160m (including the repayment of shareholder loans), with further contingent consideration of up to €25m dependant on the performance of Glanbia Cheese over the next three years.

Glanbia generates the majority of its earnings and has significant assets and liabilities denominated in US dollar. To reduce the potential for foreign exchange volatility in future reported earnings, the Group has decided to change its presentation currency from Euro to US dollar with effect from 1 January 2023. The impact of change in presentation currency will be provided in advance of the Q1, 2023 trading update.

37. Principal subsidiaries and joint ventures

The information outlined in section (a) below relates only to the principal undertakings in the Group at the reporting date. The Group has availed of the exemption under section 316 of the Companies Act 2014. The information required under section 314 of the Companies Act 2014 (including a full listing of subsidiaries and joint venture undertakings) will be annexed to the Company's Annual Return to be filed in the Companies Registration Office in Ireland. All beneficial interests are in ordinary shares, membership interests or membership units. All Group entities are wholly owned subsidiaries, unless otherwise stated.

(a) Subsidiaries

Incorporated and operating in		Principal activity	Registered office
Ireland	Alanfield Society Limited	Holding society	1
	Avonmore Proteins Designated Activity Company [3]	Financing	1
	Avonmore Skim Milk Products Limited [3]	Holding company	1
	Glanbia Cheesip Limited [1,4]	Research and development	1
	Glanbia Estates Limited	Property and land dealing	1
	Glanbia Finance International Designated Activity Company	Financing	1
	Glanbia Financial Services Unlimited Company	Financing	1
	Glanbia GNPN Holding Limited	Holding company	1
	Glanbia Holdfin Limited	Holding company	1
	Glanbia Investchip Limited	Holding and managing receivables	1
	Glanbia Investment Holding Limited	Holding company	1
	Glanbia Management Services Limited	Management and general business services	1
	Glanbia Nutritionals Limited	Nutritional ingredients	1
	Glanbia Performance Nutrition Limited	Performance nutrition	1
	Glanbia Property Holding Designated Activity Company	Holding company	1
	Glanbia Property Rentals Designated Activity Company [3]	Property lessor	1
	Glanbia Support Services Limited	Holding company	1
	Glassonby Unlimited Company	Financing	1
	Waterford Foods Designated Activity Company	Holding company	1
United States of America	Aseptic Solutions USA Ventures, LLC	Nutritional ingredients	2
	Foodarom USA, Inc.	Flavours solutions	3
	Glanbia Business Services, Inc.	Business services	2
	Glanbia (Delaware), Inc.	Holding company	2
	Glanbia Foods, Inc.	Cheese and nutritional ingredients	4
	Glanbia, Inc.	Holding company	2
	Glanbia Nutritionals (NA), Inc.	Nutritional ingredients	2
	Glanbia Nutritionals, Inc.	Nutritional ingredients	2
	Glanbia Nutritionals Services, LLC	Management services (nutritional ingredients)	2
	Glanbia Performance Nutrition (Manufacturing), Inc.	Performance nutrition	2
	Glanbia Performance Nutrition (NA), Inc.	Performance nutrition	5
	GPN Commercial, LLC	Performance nutrition	2
	GPN Slimfast Commercial, LLC	Weight management solutions	2
	Grass Advantage, LLC	Performance nutrition	2
	KSF Acquisition Corporation	Weight management solutions	2
	Lifeagen Biosciences of Florida, Inc.	Mineral and vitamin supplements	5
	PacMoore Process Technologies, LLC	Nutritional ingredients	2
	Sterling Technology, LLC [6]	Bioactive solutions	2

Incorporated and operating in		Principal activity	Registered office
Britain and Northern Ireland	Glanbia Holdings Limited	Financing	6
	Glanbia Investments (UK) Limited	Holding company	6
	Glanbia Milk Limited	Management services	6
	Glanbia Performance Nutrition (UK) Limited	Performance nutrition	6
	Glanbia Performance Nutrition (UK Sales Division) Limited	Performance nutrition	6
	Glanbia (UK) Limited	Holding company	6
	Waterford Foods International Limited	Holding company	6
Australia	Glanbia Performance Nutrition Pty Ltd	Performance nutrition	7
Brazil	Glanbia Marketing de Produtos de Nutriçâo e Performance do Brasil Ltda [1]	Performance nutrition	8
Canada	Foodarom Group Inc. [1]	Flavours solutions	9
	Glanbia Nutritionals (Canada) Inc. [1]	Nutritional ingredients	9
	Glanbia Performance Nutrition Canada Inc. [1]	Performance nutrition	9
China	Glanbia Nutritionals (Suzhou) Co., Ltd. [1]	Nutritional ingredients	10
	Glanbia Performance Nutrition Trading (Shanghai) Co., Ltd. [1]	Performance nutrition	11
	Glanbia (Shanghai) International Trading Co., Ltd. [1]	Nutritional ingredients	12
Denmark	Nutramino Int. ApS (formerly known as Nutramino Holding ApS) [1,8]	Performance nutrition	13
France	Glanbia Performance Nutrition France SAS [1]	Performance nutrition	14
Germany	Body & Fit Nutrition GmbH [1]	Performance nutrition	15
	Foodarom Germany GmbH [1,5]	Flavours solutions	16
	Glanbia Nutritionals Deutschland GmbH [1]	Nutritional ingredients	16
	Glanbia Performance Nutrition GmbH [1]	Performance nutrition	17
	LevlUp GmbH [1,7]	Performance nutrition	18
India	Glanbia India Private Limited [2]	Nutritional ingredients	19
	Glanbia Performance Nutrition (India) Private Limited [2]	Performance nutrition	20
Italy	Glanbia Nutritionals Italia Srl	Performance nutrition	21
Japan	Glanbia Japan K.K. [1]	Nutritional ingredients	22
Korea (Republic of)	Glanbia Performance Nutrition Korea, LLC [1]	Performance nutrition	23
Malta	Glanbia Maltfin Limited [1]	Financing	24
	Glanbia Maltinvest Limited [1]	Financing	24
Mexico	Glanbia, S.A. de C.V. [1]	Nutritional ingredients	25
Netherlands	Body & Fit Sportsnutrition B.V. [1]	Performance nutrition	26
	Glanbia Foods B.V. [1]	Holding company	27
New Zealand	Glanbia Performance Nutrition (New Zealand) Limited [1]	Performance nutrition	28
Norway	Nutramino NO AS [1]	Performance nutrition	29
Philippines	Glanbia Performance Nutrition Philippines, Inc. [1]	Performance nutrition	30
Portugal	Glanbia Nutritionals (Portugal), Sociedade Unipessoal Lda. [1]	Performance nutrition	31
Russian Federation	LLC Glanbia [1]	Nutritional ingredients	32
Singapore	Glanbia Nutritionals Singapore Pte Limited	Nutritional ingredients	33
	Glanbia Performance Nutrition Singapore Pte. Ltd	Performance nutrition	34
South Africa	Glanbia (Pty) Limited	Nutritional ingredients	35
Sweden	Nutramino AB [1]	Performance nutrition	36
United Arab Emirates	Glanbia Performance Nutrition DMCC [1]	Performance nutrition	37
Uruguay	Glanbia (Uruguay Exports) SA [1]	Nutritional ingredients	38

1. The statutory year end of these subsidiaries is fixed at 31 December each year to comply with statutory requirements.
2. The statutory year end of these subsidiaries is 31 March, which coincides with the tax year in India.
3. The statutory year end of these subsidiaries is 23 December.
4. Glanbia Cheesip Limited had a branch at 1 rue Hildegard von Bingen L–1282 Luxembourg which was closed during 2022.
5. Foodarom Germany GmbH has a branch (now inactive) at Via Santa Valeria 52, Seregno (MB) 20831 Italy.
6. Acquired in 2022.
7. Acquired beneficial 60% interest in 2021.
8. During 2022 Nutramino Int. ApS merged into Nutramino Holding ApS and subsequently Nutramino Holding ApS changed its name to Nutramino Int. ApS.

The Group has no significant restrictions in relation to its ability to access or use the assets and settle the liabilities of its subsidiaries.

(b) Joint ventures

Incorporated and operating in		Principal activity[1]	Registered office
Ireland	Glanbia Cheese EU Limited	Cheese products	1
United States of America	MWC-Southwest Holdings LLC	Holding company of two cheese and nutritional ingredients companies	2
Britain and Northern Ireland	Glanbia Cheese Limited	Cheese products	39

1. Refer to note 17 for further details.

The Group has 50% beneficial interest Glanbia Cheese EU Limited and MWC-Southwest Holdings LLC, and 51% beneficial interest in Glanbia Cheese Limited. The Group's interest in Glanbia Ireland DAC was classified as held for sale as at 1 January 2022 and disposed off during 2022 (note 33). The Group's interests in joint ventures are subject to certain restrictions, however these are not material.

Registered office

1 Glanbia House, Kilkenny, Ireland, R95 E866
2 3411 Silverside Road Tatnall Building 104, Wilmington, New Castle County, DE 19810, United States
3 1925 Lovering Ave, Wilmington, DE 19806, United States
4 950 W Bannock Street 1100, Boise, ID83702, Ada County, United States
5 11380 Prosperity Farms Rd 221E, Palm Beach Gardens FL 33410, United States
6 The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, England and Wales, B4 6AT, United Kingdom
7 Level 10, 68 Pitt Street, Sydney NSW 2000, Australia
8 Rua Funchal, no, 411, 4th floor, suite 43, room 36, Villa Olimpia, São Paula, SP 04551-060, Brazil
9 1700-242 Hargrave Street, Winnipeg MB, R3C 0V1, Canada
10 No. 128 Fangzong Street SIP, Suzhou, Jiangsu Province, PRC 215025, China
11 Unit 01, 03-D, Nominal Floor 6 (Actual Floor 6), Office Building C, No. 610, Xujiahui Road, Huangpu District, Shanghai, China
12 Room 228, 2/F, Building 1, No. 239, Gang'ao Road, Shanghai New Free Trade Zone, China
13 Holbergsgade 14, 2. tv., 1057, København K, Denmark
14 8, Avenue Hoche, 75008, Paris, France
15 Hohenstaufenring 62, 50674, Köln, Germany
16 Gewerbestrasse 3, 78359 Orsingen – Nenzingen, Germany
17 Mainzer Landstraße 41, 60329, Frankfurt am Main, Germany
18 Zeppelinstr. 15, 37983, Gottingen, Germany
19 Ground Floor, No. 12/47, 7th Cross, Swimming Pool Extension, Malleshwaram, Bangalore KA, 560003, India
20 Allied House, Nelson Mandela Marg Pocket 10, Sector B, Vasant Kunj, New Delhi, DL110070, India
21 Via Santa Valeria 52, Seregno (MB), 20831, Italy
22 Level 18 Yebisu Garden Place, Tower 4–20–3, Ebisu Shibuya-ku, Tokyo, Japan
23 #412 Fastfive, VPLEX, 501, Teheran-ro, Gangnam-gu, Seoul, 06168, Republic of Korea
24 Vision Exchange Building, Level 2, Triq it-Territorjals, Zone 1, Central Business District, Birkirkara, CBD 1070, Malta
25 Av. Prolongación Paseo de la Reforma No. 115–1006, Col. Paseo de las Lomas, C.P. 01330, Mexico
26 Mars 10, 8448CP, Heerenveen, Netherlands
27 Herikerbergweg 88, 1101 CM Amsterdam, Netherlands
28 C/–Martelli Mckegg, Level 20, HSBC Tower, 188 Quay Street, Auckland, 1010, New Zealand
29 Fjordalléen 16, Oslo, 0250, Norway
30 146 Yakal Street, San Antonio Village, Makati City 1203, Philippines
31 Miraflores, Torre de Monsanto, Rua Afonso Praça, 30–7o e 8o piso, 1495–061 Miraflores, Portugal
32 6 Vernadskogo prospect, Office 614, 119311, Moscow, Russian Federation
33 Helios, #03-03/04, 11 Biopolis Way, Singapore, 138667, Singapore
34 300 Beach Road, #35-06/07 , The Concourse, 199555, Singapore
35 Stand 893, 7 Forbes Street, Midstream Estate – Windsor Gate, Brakfontein Road, Guateng, South Africa, 2192, South Africa
36 Ostermalinstorg 1, 4 tr, 114 42, Stockholm, Sweden
37 Unit No: 1JLT-Nook-098, One JLT, Plot No: DMCC-EZ1-1AB, Jumeirah Lakes Towers, Dubai, United Arab Emirates
38 Copacabana Street, Block 26 – S 12, Médanos de Solymar City, Canelones, Uruguay
39 4 Royal Mews, Gadbrook Park, Rudheath, Northwich, Cheshire, CW9 7UD, United Kingdom

Company Balance Sheet
as at 31 December 2022

	Notes	31 December 2022 €'m	1 January 2022 €'m
ASSETS			
Non-current assets			
Investment in subsidiaries	2	**581.6**	581.9
Other financial assets	3	**1.6**	1.3
Deferred tax assets		**0.2**	0.6
		583.4	583.8
Current assets			
Trade and other receivables	4	**10.8**	13.9
Cash at bank and in hand		**10.9**	10.2
		21.7	24.1
Joint venture held for sale	7	**–**	95.4
		21.7	119.5
Total assets		**605.1**	703.3
EQUITY			
Issued capital and reserves attributable to equity holders of the Company			
Share capital and share premium	5	**459.4**	460.3
Other reserves		**12.1**	17.3
Retained earnings		**74.8**	94.8
Total equity		**546.3**	572.4
LIABILITIES			
Non-current liabilities			
Bank borrowings		**–**	53.0
Current liabilities			
Bank overdraft		**2.6**	7.5
Provisions		**0.6**	0.6
Trade and other payables	6	**55.6**	69.8
		58.8	77.9
Total liabilities		**58.8**	130.9
Total equity and liabilities		**605.1**	703.3

As permitted by section 304 of the Companies Act 2014, the Company is availing of the exemption from presenting its separate profit and loss account in these financial statements and from filing it with the Registrar of Companies. The profit for the year dealt with in the financial statements of the Company amounts to €236.0 million (2021: €145.9 million).

On behalf of the Board

Donard Gaynor **Siobhán Talbot** **Mark Garvey**
Directors

28 February 2023

Company Statement of Changes in Equity
for the financial year ended 31 December 2022

	Share capital and share premium €'m (note 5)	Other reserves: Capital reserve €'m	Other reserves: Own shares €'m	Other reserves: Share-based payment reserve €'m	Other reserves: FVOCI reserve €'m	Retained earnings €'m	Total Equity €'m
Balance at 2 January 2022	**460.3**	**4.8**	**(6.4)**	**19.3**	**(0.4)**	**94.8**	**572.4**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**236.0**	**236.0**
Other comprehensive income							
– Revaluation – gross	**–**	**–**	**–**	**–**	**0.6**	**–**	**0.6**
– Deferred tax	**–**	**–**	**–**	**–**	**(0.2)**	**–**	**(0.2)**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**0.4**	**236.0**	**236.4**
Dividends	**–**	**–**	**–**	**–**	**–**	**(84.4)**	**(84.4)**
Purchase of own shares	**–**	**–**	**(196.9)**	**–**	**–**	**–**	**(196.9)**
Cancellation of own shares	**(0.9)**	**0.9**	**173.5**	**–**	**–**	**(173.5)**	**–**
Cost of share-based payments	**–**	**–**	**–**	**18.8**	**–**	**–**	**18.8**
Transfer on exercise, vesting or expiry of share-based payments	**–**	**–**	**9.1**	**(11.0)**	**–**	**1.9**	**–**
Total contributions by and distributions to owners	**(0.9)**	**0.9**	**(14.3)**	**7.8**	**–**	**(256.0)**	**(262.5)**
Balance at 31 December 2022	**459.4**	**5.7**	**(20.7)**	**27.1**	**–**	**74.8**	**546.3**
At 3 January 2021	460.6	4.3	(11.4)	10.3	(0.2)	121.5	585.1
Profit for the year	–	–	–	–	–	145.9	145.9
Other comprehensive income							
– Revaluation – gross	–	–	–	–	(0.3)	–	(0.3)
– Deferred tax	–	–	–	–	0.1	–	0.1
Total comprehensive income for the year	–	–	–	–	(0.2)	145.9	145.7
Dividends	–	–	–	–	–	(80.5)	(80.5)
Cost of share-based payments	–	–	–	15.9	–	–	15.9
Transfer on exercise, vesting or expiry of share-based payments	–	–	7.7	(6.9)	–	(0.8)	–
Purchase of own shares	–	–	(94.0)	–	–	–	(94.0)
Cancellation of own shares	(0.5)	0.5	91.3	–	–	(91.3)	–
Issue of shares	0.2	–	–	–	–	–	0.2
Total contributions by and distributions to owners	(0.3)	0.5	5.0	9.0	–	(172.6)	(158.4)
At 1 January 2022	460.3	4.8	(6.4)	19.3	(0.4)	94.8	572.4

Refer to note 23 of the Group financial statements for a description of the individual components in other reserves.

Notes to the Company Financial Statements
for the financial year ended 31 December 2022

1. Accounting policies

Basis of preparation

Glanbia plc (the "Company") is a public limited company incorporated and domiciled in Ireland, the number under which it is registered is 129933. The address of its registered office is Glanbia House, Kilkenny, Ireland, R95 E866.

These financial statements are prepared for the 52-week period ended 31 December 2022. Comparatives are for the 52-week period ended 1 January 2022. The balance sheets for 2022 and 2021 have been drawn up as at 31 December 2022 and 1 January 2022 respectively. The financial statements were approved and authorised for issue by the Board of Directors on 28 February 2023.

The financial statements have been prepared under the historical cost convention, as modified by use of fair values for certain other financial assets, and comply with the Companies Act 2014 and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a Cash Flow Statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRS; and
- disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of the Company and its subsidiaries include the equivalent disclosures, the Company has also availed of the following disclosure exemptions under FRS 101:

- IFRS 2 Share Based Payments in respect of group settled share based payments; and
- certain disclosures required by IFRS 13 Fair Value Measurement and IFRS 7 Financial Instrument Disclosures.

The financial statements have been prepared in euro and presented in millions. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The Company is in a net current liabilities position at 31 December 2022. The Company and its subsidiaries (the "Group") is profit-making and cash generative, having made a profit after tax of €256.8 million and net cash inflow from operating activities was €298.3 million in 2022. The Company made a profit of €236.0 million in 2022 (2021: €145.9 million). The Group expects to continue to be profitable and cash generative for at least 12 months from the date of approval of these financial statements based on approved budgets and strategic plans. The Company has control over its subsidiaries, it can therefore direct its subsidiary entities to distribute or make available funds to the parent company to ensure that the Company can repay its creditors as they fall due. The Directors have a reasonable expectation that these funds will be available within the Group based on current budgets and strategic plans. Accordingly, the financial statements of the Company for the financial year ended 31 December 2022 have been prepared on a going concern basis.

Investments subsidiaries

Investments in subsidiaries are held at cost less, if any, accumulated impairment. The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. When the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount. In the opinion of the Directors the shares in the subsidiaries are worth at least the amounts at which they are stated on the balance sheet.

Other financial assets

The Company classifies and initially measures its investments in equity instruments at fair value and are subsequently adjusted to fair value at each reporting date. If the market for a financial asset is not active or unquoted, the Company establishes fair value using valuation techniques. The investment in BDO Development Capital Fund is fair valued by reference to the latest quarterly report available to the limited partners. Changes in their fair value are recognised in the profit and loss account unless management has elected to present changes in fair value through other comprehensive income ("FVOCI") on an investment by investment basis. When an election is made for an investment, there is no subsequent reclassification of fair value gains and losses related to the investment to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss when the Company's right to receive payments is established.

Financial assets are derecognised when the rights to receive cash flows from financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Trade and other receivables and payables

Receivables and payables are recognised initially at fair value except trade receivables that do not contain significant financing components which are recognised at transaction price. They are subsequently measured at amortised cost using the effective interest method less any allowance for expected credit loss for receivables.

Impairment

The Company applies the simplified approach under IFRS 9 to measure ECL which uses a lifetime expected loss allowance for all trade receivables. A loss allowance for receivables is estimated based on expected credit losses. To measure ECL, historical loss rates are calculated based on historical credit loss experience. The loss allowance based on historical loss rates is adjusted to reflect current information and forward-looking information on macroeconomic factors if there is evidence to suggest these factors will affect the ability of the counterparty to settle the receivables. Trade and other receivables are written off when there is no reasonable expectation of recovery such as a debtor failing to engage in a repayment plan with the Company.

The Company's intercompany receivables at 31 December 2022 amounted to €10.4 million (2021: €13.7 million). There is no material ECL in respect of intercompany receivables as at 31 December 2022 or 1 January 2022.

Cash at bank and in hand

Cash includes cash, in any currency, in hand or deposited with financial institutions repayable without penalty on notice of not more than 24 hours.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than continued use. This condition is regarded as satisfied only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year of the date of classification.

When the Company is committed to a sale plan involving disposal of an investment in a joint venture, the investment in joint venture that will be disposed of is classified as held for sale when the criteria described above are met. The investment in joint venture in Glanbia Ireland DAC was classified as held for sale as at 1 January 2022.

Non-current assets and disposal groups classified as held for sale are measured at the lower of the carrying value and the fair value less costs to sell.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Repurchase of the Company's own equity instruments is recognised and deducted from equity with a transfer between the own shares reserve and retained earnings when they are cancelled. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Own shares

Where the Employee Share Trust and/or the Employee Share Scheme Trust (on behalf of the Company) purchases the Company's equity share capital, under the 2018 Long-term incentive plan, the 2019 Restricted share plan, and the Annual incentive deferred into shares scheme, the consideration paid is deducted from distributable reserves and classified as own shares until they are re-issued. Where such shares are re-issued, they are re-issued on a first-in, first-out basis and the proceeds from the re-issue of own shares are transferred from own shares to retained earnings.

Dividends

Dividends on ordinary shares to the Company's shareholders are recognised as a liability of the Company when approved by the Company's shareholders. Interim dividends are recognised when paid. Proposed dividends that are approved after the balance sheet date are not recognised as a liability but are disclosed in note 13 of the Group financial statements.

Bank borrowings

Bank borrowings are recognised initially at fair value and are subsequently stated at amortised cost.

Foreign currency translation

The functional and presentation currency of the Company is euro. Transactions in foreign currencies are translated at the rates of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into euro at the rates of exchange ruling at the balance sheet date, with a corresponding charge or credit to the profit and loss account.

Notes to the Company Financial Statements continued

1. Accounting policies continued

Dividend income

Dividend income is recognised in the profit and loss account on the date the entity's right to receive payment is established.

Share-based payments

The Company operates equity settled share-based payment arrangements. The arrangements include a long-term incentive plan and a restricted share plan whereby share awards in the Company are granted to Executive Directors and senior management. The Company also operates an annual incentive scheme whereby a portion of the annual incentive will be settled by way of shares. The Company recharges the costs of these plans to its subsidiaries and the balances are settled in cash.

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity, respectively.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Current tax is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date in countries where the Company operates and generates taxable income, taking into account adjustments relating to prior years.

Deferred tax is determined using tax rates and laws enacted or substantively enacted by the reporting date. Deferred tax is provided on a non-discounted basis, using the balance sheet liability method, providing for temporary differences on the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax liabilities are not recognised to the extent they arise from the initial recognition of goodwill not having full tax basis. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Critical accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There were no critical accounting estimates or significant judgements used in the preparation of these financial statements for 2022.

2. Investment in subsidiaries

	2022 €'m	2021 €'m
At the beginning of the year	**581.9**	585.6
Additions	**–**	0.2
Impairment	**–**	(3.9)
Disposals	**(0.3)**	–
At the end of the year	**581.6**	581.9

Details of the Company's principal subsidiaries are set out in note 37 of the Group financial statements. At the reporting date, the carrying amount of the investment in subsidiaries is assessed for impairment when indications of impairment exist. Impairment of nil (2021: €3.9 million) was recognised where the recoverable amount was determined based on the estimated cash flows generated by the underlying assets of the subsidiaries.

3. Other financial assets

	2022 €'m	2021 €'m
At the beginning of the year	**1.3**	2.6
Additions	**0.1**	0.1
Disposals/redemption	**(0.4)**	(1.1)
Fair value adjustment	**0.6**	(0.3)
At the end of the year	**1.6**	1.3

Other financial assets at 31 December 2022 comprised equity instruments designated at FVOCI - €1.3 million and €0.3 million in BDO Development Capital Fund and Farmer Business Development plc respectively. The prior year balance comprised an equity instruments designated at FVOCI (BDO Development Capital Fund) of €1.1 million and a financial asset at amortised cost (a loan note receivable from Ornua Co-operative Limited) of €0.2 million.

4. Trade and other receivables

	2022 €'m	2021 €'m
Amounts owed by subsidiaries	**10.4**	13.7
Amounts owed by Tirlán Co-operative Society Limited	**0.1**	0.2
Prepayments	**0.3**	–
	10.8	13.9

5. Share capital and share premium

At 31 December 2022, share capital and share premium were €16.3 million (2021: €17.2 million) and €443.1 million (2021: €443.1 million) respectively.

The movement in the share capital was due to cancellation of ordinary shares on the share buyback programme (note 22 of the Group financial statements). The difference between the Company and Group share premium is due to the merger of Waterford Foods plc now named Waterford Foods DAC and Avonmore Foods plc now named Glanbia plc since 1997 and €0.2 million of issuance of shares during the prior year. Refer to notes 23(a) and 22 of the Group financial statements respectively.

6. Trade and other payables

	2022 €'m	2021 €'m
Amounts owed to subsidiaries	**41.3**	55.3
Accruals	**14.3**	14.5
	55.6	69.8

7. Joint venture held for sale

The joint venture held for sale at 1 January 2022 related to the interest in Glanbia Ireland. The Company announced its intention to sell its 40% holding in Glanbia Ireland to Tirlán Co-operative Society Limited (formerly Glanbia Co-operative Society Limited) (the "Society") for €307.0 million in November 2021 (the "Transaction"). Members of the Society approved the Transaction on 17 December 2021. Accordingly, in the prior year, the Company treated the joint venture investment in Glanbia Ireland as an asset held for sale as at 1 January 2022.

The Transaction was completed on 1 April 2022 for €307.0 million cash following the approval of the independent shareholders of the Company and receipt of regulatory approvals. As part of the terms of the Transaction, the Company paid Glanbia Ireland a contribution of €8.0 million related to pension obligations, separation and rebranding costs and has committed to a maximum additional €1.5 million re-imbursement of rebranding costs in connection with the Transaction.

8. Contingent liabilities

Any Irish registered wholly-owned subsidiary of the Company may avail of the exemption from filing its statutory financial statements for the year ended 31 December 2022 as permitted by section 357 of the Companies Act 2014 and if an Irish registered wholly-owned subsidiary of the Company elects to avail of this exemption, there will be in force an irrevocable guarantee from the Company in respect of all commitments entered into by such wholly-owned subsidiary, including amounts shown as liabilities (within the meaning of section 357 (1) (b) of the Companies Act 2014) in such wholly-owned subsidiary's statutory financial statements for the year ended 31 December 2022.

Within the scope of benefitting from the exemption related to the filing of the statutory financial statements for the financial year ended 31 December 2022 of Glanbia Foods B.V., the Company has guaranteed the liabilities ensuing from legal acts performed by this subsidiary from 1 January 2022 in accordance with and to the extent as set out in section 2:403.1(b and f) of the Dutch Civil Code. Therefore Glanbia Foods B.V. is exempt from the obligation to publish its statutory financial statements and its obligations to file statutory financial statements has been fulfilled by means of the publication of the declaration of consent and the declaration of liability.

Within the scope of benefitting from the exemption related to the filing of the statutory financial statements for the financial year ended 31 December 2022 of the Luxembourg subsidiary, Glanbia Luxembourg SA, the Company has guaranteed the liabilities of this subsidiary in respect of any losses or liabilities (as provided by Article 70 (c) of the Luxembourg Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings) for the financial year ended on 31 December 2022. This subsidiary avails of the exemption from filing of their statutory financial statements, as permitted by Article 70 of the Luxembourg Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings. It is noted that the two other Luxembourg subsidiaries, Glanbia Luxfin SA and Glanbia Luxinvest SA were liquidated on 5 December 2022.

The Group's financial liabilities are guaranteed by the company. Expected credit loss allowance in relation to these guarantees is not material.

9. Related party transactions

Refer to note 7 for details of the Transaction. During 2022, dividends of €26.7 million (2021: €25.8 million) were paid to the Society and its wholly owned subsidiaries based on their shareholding in the Company. The Company received nil dividends (2021: €12.2 million) from its former joint venture, Glanbia Ireland during 2022. Non-Executive Directors fees of €0.2 million (2021: €0.5 million) were recharged from the Company to the Society during 2022.

10. Statutory information

The following table discloses the fees paid or payable to Deloitte Ireland LLP:

	2022 €'m	2021 €'m
Statutory audit*	–	–
Other assurance services	**1.1**	0.8
Tax advisory services	–	–
Other non-audit services	–	–
	1.1	0.8

* The audit fee for the Company is €40,000 (2021: €38,000) and is payable to Deloitte Ireland LLP, the statutory auditor.

Directors' remuneration is disclosed in the Remuneration Committee Report on pages 120 to 140 and in note 35 of the Group financial statements.

11. Events after the reporting period

Refer to note 36 of the Group financial statements.

Other Information

Glossary
Key Performance Indicators and non-IFRS performance measures

NOT COVERED BY INDEPENDENT AUDITOR'S REPORT

Non-IFRS performance measures

The Group reports certain performance measures that are not defined under IFRS but which represent additional measures used by the Board of Directors and the Glanbia Operating Executive in assessing performance and for reporting both internally and to shareholders and other external users. The Group believes that the presentation of these non-IFRS performance measures provides useful supplemental information which, when viewed in conjunction with our IFRS financial information, provides readers with a more meaningful understanding of the underlying financial and operating performance of the Group.

These non-IFRS performance measures may not be uniformly defined by all companies and accordingly they may not be directly comparable with similarly titled measures and disclosures by other companies. None of these non-IFRS performance measures should be considered as an alternative to financial measures drawn up in accordance with IFRS.

The principal non-IFRS performance measures used by the Group are:

G 1. Constant currency
G 2. Revenue
G 3. EBITA (pre-exceptional)
G 4. EBITA margin % (pre-exceptional)
G 5. EBITDA
G 6. Constant Currency Basic and Adjusted Earnings Per Share ("EPS")
G 7. Net debt
G 8. Financing Key Performance Indicators
G 9. Volume and pricing increase/(decrease)
G 10. Like-for-like revenue increase/(decrease)
G 11. Effective tax rate
G 12. Average interest rate
G 13. Operating cash conversion
G 14. Operating cash flow and free cash flow
G 15. Return on capital employed ("ROCE")
G 16. Total shareholder return ("TSR")
G 17. Dividend payout ratio
G 18. Compound annual growth rate ("CAGR")
G 19. Exceptional items

These principal non-IFRS performance measures are defined below with a reconciliation of these measures to IFRS measures where applicable.

A number of the non-IFRS performance measures below have been re-presented to reflect continuing and discontinued operations in line with the presentation adopted in the Group income statement.

G 1. Constant currency

While the Group reports its results in euro, it generates a significant proportion of its earnings in currencies other than euro, in particular US dollar. Constant currency reporting is used by the Group to eliminate the translational effect of foreign exchange on the Group's results. To arrive at the constant currency year-on-year change, the results for the prior year are retranslated using the average exchange rates for the current year and compared to the current year reported numbers.

The principal average exchange rates used to translate results for 2022 and 2021 are set out below:

1 euro =	2022	2021
US dollar	**1.0534**	1.1826
Pound sterling	**0.8527**	0.8596

G 2. Revenue

Revenue comprises sales of goods and services to external customers net of value added tax, rebates and discounts. Revenue is one of the Group's Key Performance Indicators and is an IFRS performance measure.

G 2.1 Revenue:

	Reference to the Financial Statements/ Glossary	**2022 Reported €'m**	2021 Reported €'m	2021 Retranslated €'m	Constant currency growth %	Like-for-like growth (G 10) %
Nutritional Solutions	Note 4	**1,126.6**	877.4	966.3	16.6%	12.6%
US Cheese	Note 4	**2,890.1**	2,016.4	2,263.9	27.7%	27.7%
Glanbia Nutritionals	Note 4	**4,016.7**	2,893.8	3,230.2	24.3%	23.1%
Americas	Note 4	**1,098.0**	872.3	978.0	12.3%	12.3%
International (including Direct-to-Consumer)	Note 4	**527.7**	430.8	449.0	17.5%	16.3%
Glanbia Performance Nutrition	Note 4	**1,625.7**	1,303.1	1,427.0	13.9%	13.5%
Revenue	Note 5	**5,642.4**	4,196.9	4,657.2	21.2%	20.2%

G 3. EBITA (pre-exceptional)

EBITA (pre-exceptional) is defined as earnings before interest, tax and amortisation. EBITA references throughout the annual report are on a pre-exceptional basis unless otherwise indicated. EBITA (pre-exceptional) is one of the Group's Key Performance Indicators. Business Segment EBITA (pre-exceptional) growth on a constant currency basis is one of the performance conditions in Glanbia's Annual Incentive Plan for Senior Management. Refer to note 5 of the financial statements for the reconciliation of EBITA (pre-exceptional).

G 3.1 EBITA (pre-exceptional):

	Reference to the Financial Statements/ Glossary	**2022 Reported €'m**	2021 Reported €'m	2021 Retranslated €'m	Constant currency growth %
Nutritional Solutions		**128.2**	101.1	113.5	13.0%
US Cheese		**36.8**	24.4	27.6	33.3%
Glanbia Nutritionals	Note 4	**165.0**	125.5	141.1	16.9%
Glanbia Performance Nutrition	Note 4	**182.1**	145.1	164.8	10.5%
EBITA (pre-exceptional)	Note 5	**347.1**	270.6	305.9	13.5%

G 4. EBITA margin % (pre-exceptional)

EBITA margin % (pre-exceptional) is defined as EBITA (pre-exceptional) as a percentage of revenue. Refer to G 2.1 and G 3.1 for reconciliations of revenue and EBITA (pre-exceptional) respectively. EBITA references throughout the annual report are on a pre-exceptional basis unless otherwise indicated.

G 5. EBITDA

EBITDA is defined as earnings before interest, tax, depreciation (net of grant amortisation) and amortisation. EBITDA references throughout the annual report are on a pre-exceptional basis unless otherwise indicated.

	Reference to the Financial Statements/ Glossary	**2022 €'m**	2021 €'m
EBITA (pre-exceptional)	G 3.1	**347.1**	270.6
Depreciation*	Note 5	**67.5**	63.0
EBITDA (pre-exceptional)	G 8.1, G 14	**414.6**	333.6

* Includes depreciation of property, plant and equipment of €48.7 million (2021: €44.9 million) and depreciation of right-of-use assets of €18.8 million (2021: €18.1 million).

Glossary continued

Key Performance Indicators and non-IFRS performance measures continued

G 6. Constant Currency Basic and Adjusted Earnings Per Share ("EPS")

G 6.1 Constant Currency Basic Earnings Per Share ("EPS")

Basic EPS is calculated by dividing profit after tax attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as own shares (see note 23). Basic EPS has also been calculated on a continuing basis (excluding Glanbia Ireland) in line with the presentation of continuing and discontinued operations in the Group income statement.

	Reference to the Financial Statements/Glossary	2022 Reported €'m	2021 Reported €'m	2021 Retranslated €'m
Profit after tax attributable to equity holders of the Company	Group income statement	**257.6**	167.0	197.0
Less: profit after tax attributable to equity holders of the Company – discontinued operations	Group income statement	**(57.2)**	(26.4)	(26.4)
Profit after tax attributable to equity holders of the Company – continuing operations		**200.4**	140.6	170.6
Weighted average number of ordinary shares in issue (thousands)	Note 12	**275,761**	290,059	290,059
Basic Earnings Per Share (cent) – continuing operations	Note 12	**72.67**	48.47	58.82
Basic Earnings Per Share (cent)	Note 12	**93.42**	57.57	67.92
Constant currency change – continuing operations		**23.5%**		
Constant currency change		**37.5%**		

G 6.2 Constant Currency Adjusted Earnings Per Share ("EPS")

Adjusted EPS is defined as the profit after tax attributable to the equity holders of the Company, before exceptional items and intangible asset amortisation and impairment (excluding software amortisation), net of related tax, divided by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as own shares (see note 23). The Group concluded that adjusted EPS is a better measure of underlying performance than Basic EPS as it excludes exceptional items (net of related tax) that are not related to ongoing operational performance and intangible asset amortisation, which allows better comparability of companies that grow by acquisition to those that grow organically. Adjusted EPS has also been calculated on a continuing basis (excluding Glanbia Ireland) in line with the presentation of continuing and discontinued operations in the Group income statement.

Adjusted EPS is one of the Group's Key Performance Indicators. Adjusted EPS growth on a constant currency basis is one of the performance conditions in Glanbia's Annual Incentive Plan and in Glanbia's Long-term Incentive Plan.

	Reference to the Financial Statements/Glossary	2022 Reported €'m	2021 Reported €'m	2021 Retranslated €'m
Profit after tax from continuing operations	Group income statement	**199.6**	141.0	171.0
Exceptional charge – continuing operations	Group income statement	**35.8**	42.8	38.5
Profit after tax from continuing operations (pre-exceptional)	Group income statement	**235.4**	183.8	209.5
Non-controlling interests	Group income statement	**0.8**	(0.4)	(0.4)
Amortisation and impairment of intangible assets (excluding software amortisation) net of related tax of €8.0 million (2021: €7.0 million, 2021 retranslated: €7.8 million) – continuing operations (pre-exceptional)		**50.6**	42.4	47.5
Adjusted net income – continuing operations		**286.8**	225.8	256.6
Profit after tax from discontinued operations	Group income statement	**57.2**	26.4	26.4
Exceptional credit – discontinued operations	Group income statement	**(57.2)**	(0.7)	(0.7)
Profit from discontinued operations (pre-exceptional)	Group income statement	–	25.7	25.7
Amortisation and impairment of intangible assets (excluding software amortisation) net of related tax (2021: €0.2 million) – discontinued operations		–	1.3	1.3
Adjusted net income		**286.8**	252.8	283.6
Weighted average number of ordinary shares in issue (thousands)	Note 12	**275,761**	290,059	290,059
Adjusted Earnings Per Share (cent) – continuing operations		**104.02**	77.84	88.46
Adjusted Earnings Per Share (cent)	G 17	**104.02**	87.15	97.77
Constant currency growth – continuing operations		**17.6%**		
Constant currency growth		**6.4%**		

G 7. Net debt

Net debt is calculated as current and non-current borrowings less cash and cash equivalents.

	Reference to the Financial Statements/ Glossary	2022 €'m	2021 €'m
Cash and cash equivalents	Group balance sheet	**(438.6)**	(231.0)
Current borrowings	Group balance sheet	**258.2**	136.5
Non-current borrowings	Group balance sheet	**639.8**	697.2
Net debt	Note 25, G 14	**459.4**	602.7

G 8. Financing Key Performance Indicators

G 8.1 Net debt: adjusted EBITDA

Net debt: adjusted EBITDA is calculated as net debt at the end of the period divided by adjusted EBITDA. Net debt is calculated as current and non-current borrowings less cash and cash equivalents. Adjusted EBITDA is calculated in accordance with lenders' facility agreements definitions which adjust EBITDA for items such as exceptional items, dividends received from joint ventures, acquisitions or disposals and to reverse the net impact on EBITDA as a result of adopting IFRS 16 "Leases". Adjusted EBITDA is a rolling 12 month measure (a period of 12 consecutive months determined on a rolling basis with a new 12 month period beginning on the first day of each month).

	Reference to the Financial Statements/ Glossary	2022 €'m	2021 €'m
Net debt	G 7	**459.4**	602.7
EBITDA	G 5	**414.6**	333.6
IFRS 16 adjustment		**(19.1)**	(21.6)
Adjustments in accordance with lenders' facility agreements		**16.5**	40.8
Adjusted EBITDA		**412.0**	352.8
Net debt: adjusted EBITDA	Note 30	**1.12**	1.71

G 8.2 Adjusted EBIT: adjusted net finance cost

Adjusted EBIT: adjusted net finance cost is calculated as earnings before interest and tax adjusted for the IFRS 16 "Leases" impact on operating profit plus dividends received from joint ventures divided by adjusted net finance cost. Adjusted net finance cost comprises finance costs less finance income per the Group income statement plus borrowing costs capitalised into assets and excludes finance income/costs on remeasurements of call options and contingent consideration and interest expense on lease liabilities. Adjusted EBIT and adjusted net finance cost are rolling 12 month measures (a period of 12 consecutive months determined on a rolling basis with a new 12 month period beginning on the first day of each month).

	Reference to the Financial Statements/ Glossary	2022 €'m	2021 €'m
Operating profit	Group income statement	**223.7**	158.3
Exceptional charge	Group income statement	**48.4**	48.4
Operating profit (pre-exceptional)	Group income statement	**272.1**	206.7
Dividends received from related parties	Group statement of cash flows	**14.5**	33.9
IFRS 16 adjustment – interest	Note 10	**(2.6)**	(2.5)
Adjusted EBIT		**284.0**	238.1
Adjusted net finance costs	Note 10, Note 14	**16.7**	15.8
Adjusted EBIT: adjusted net finance cost	Note 30	**17.0**	15.1

Glossary continued
Key Performance Indicators and non-IFRS performance measures continued

G 9. Volume and pricing increase/(decrease)
Volume increase/(decrease) represents the impact of sales volumes within the revenue movement year-on-year, excluding volume from acquisitions, on a constant currency basis.

Pricing increase/(decrease) represents the impact of sales pricing (including trade spend) within revenue movement year-on-year, excluding acquisitions, on a constant currency basis.

G 9.1 Reconciliation of volume and pricing increase/(decrease) to constant currency revenue growth:

	Reference to the Financial Statements/ Glossary	Volume increase/ (decrease)	Price increase	Acquisitions	Revenue increase
Nutritional Solutions	G 2.1	(3.5%)	16.1%	4.0%	16.6%
US Cheese	G 2.1	4.3%	23.4%	–	27.7%
Glanbia Nutritionals	G 2.1	1.9%	21.2%	1.2%	24.3%
Glanbia Performance Nutrition	G 2.1	(2.9%)	16.4%	0.4%	13.9%
2022 increase % – continuing operations revenue	G 2.1	**0.5%**	**19.7%**	**1.0%**	**21.2%**

G 10. Like-for-like revenue increase/(decrease)
G 10.1 Glanbia Performance Nutrition ("GPN") like-for-like revenue
GPN like-for-like revenue represents the sales increase/(decrease) year-on-year, excluding the incremental revenue contributions from current year and prior year acquisitions and the impact of a 53rd week (when applicable), on a constant currency basis.

GPN like-for-like branded revenue represents the sales increase/(decrease) year-on-year on branded sales, excluding the incremental revenue contributions from current year and prior year acquisitions and the impact of a 53rd week (when applicable), on a constant currency basis. Like-for-like branded revenue increase/(decrease) is one of the GPN segment's Key Performance Indicators. Like-for-like branded revenue increase/(decrease) is one of the performance conditions in Glanbia's Annual Incentive Plan for GPN Senior Management.

G 10.2 Glanbia Nutritionals like-for-like revenue
This represents the sales increase/(decrease) year-on-year, excluding the incremental revenue contributions from current year and prior year acquisitions and the impact of a 53rd week (when applicable), on a constant currency basis.

G 11. Effective tax rate
The effective tax rate is defined as the pre-exceptional income tax charge divided by the profit before tax less share of results of joint ventures.

	Reference to the Financial Statements/ Glossary	2022 €'m	2021 €'m
Profit before tax – continuing operations	Group income statement	**225.3**	158.0
Exceptional charge	Group income statement	**41.5**	50.4
Profit before tax (pre-exceptional) – continuing operations	Group income statement	**266.8**	208.4
Less share of results of joint ventures (pre-exceptional)	Group income statement	**(15.4)**	(19.2)
		251.4	189.2
Income tax	Group income statement	**25.7**	17.0
Exceptional tax credit	Group income statement	**5.7**	7.6
Income tax (pre-exceptional)	Group income statement	**31.4**	24.6
Effective tax rate		**12.5%**	13.0%

G 12. Average interest rate
The average interest rate is defined as the annualised net finance costs (excluding capitalised borrowing costs, finance income/costs on changes in fair value of call option and contingent consideration and interest expense on lease liabilities) divided by the average net debt during the reporting period.

G 13. Operating cash conversion
Operating cash conversion is defined as Operating Cash Flow ("OCF") divided by pre-exceptional EBITDA. Cash conversion is a measure of the Group's ability to convert adjusted trading profits into cash and is an important metric in the Group's working capital management programme.

G 14. Operating cash flow and free cash flow

Operating cash flow is defined as pre-exceptional EBITDA net of business sustaining capital expenditure and working capital movements, excluding exceptional cash flows.

Operating cash flow is one of the Group's Key Performance Indicators. Operating cash flow is one of the performance conditions in Glanbia's Annual Incentive Plan.

Free cash flow is calculated as the net cash flow in the year before the following items: strategic capital expenditure, dividends paid to Company shareholders, loans/investments in joint ventures, exceptional costs paid, payment for acquisition of subsidiaries, proceeds received on disposals, purchase of own shares under share buyback and currency translation movements.

	Reference to the Financial Statements/Glossary	2022 €'m	2021 €'m
Earnings before interest, tax, depreciation and amortisation (pre-exceptional EBITDA)	G 5	**414.6**	333.6
Movement in working capital (pre-exceptional)	G 14.2	**(39.9)**	16.5
Business sustaining capital expenditure	G 14.4	**(19.4)**	(15.9)
Operating cash flow	G 14.1	**355.3**	334.2
Net interest and tax paid	G 14.3	**(81.4)**	(51.5)
Dividends received from related parties	Group statement of cash flows	**14.5**	33.9
Payments of lease liabilities	Group statement of cash flows	**(16.5)**	(19.1)
Other (outflows) /inflows	G 14.5	**(3.3)**	6.4
Free cash flow		**268.6**	303.9
Strategic capital expenditure	G 14.4	**(49.5)**	(61.6)
Dividends paid to Company shareholders	Group statement of cash flows	**(84.4)**	(80.5)
Purchase of own shares under share buyback	Note 23(e)	**(173.5)**	(91.3)
Loans/investment in joint ventures	G 14.6	**(18.2)**	(10.7)
Exceptional costs paid	G 14.7	**(21.3)**	(55.9)
Proceeds from sale of property, plant and equipment	Group statement of cash flows	**3.4**	1.5
Proceeds from disposal of Glanbia Ireland DAC	Group statement of cash flows	**307.0**	–
Payment for acquisition of subsidiaries	Group statement of cash flows	**(54.9)**	(95.0)
Net cash flow		**177.2**	(89.6)
Exchange translation	Note 25	**(34.8)**	(23.6)
Cash acquired on acquisition	Note 25	**0.9**	4.4
Net debt movement		**143.3**	(108.8)
Opening net debt	Note 25	**(602.7)**	(493.9)
Closing net debt	Note 25, G 7	**(459.4)**	(602.7)

G 14.1 Reconciliation of operating cash flow to the Group statement of cash flows in the Financial Statements:

	Reference to the Financial Statements/Glossary	2022 €'m	2021 €'m
Cash generated from operating activities before exceptional items	Note 32	**393.0**	358.0
Less business sustaining capital expenditure	G 14.4	**(19.4)**	(15.9)
Non-cash items not adjusted in computing operating cash flow:			
Cost of share-based payments	Note 32	**(18.8)**	(15.9)
Difference between pension charge and cash contributions	Note 32	**0.5**	6.4
Reversal of impairment of property, plant and equipment	Note 32	**–**	1.4
Other items		**–**	0.2
Operating cash flow	G 14	**355.3**	334.2

G 14.2 Movement in working capital:

	Reference to the Financial Statements/Glossary	2022 €'m	2021 €'m
Movement in working capital (pre-exceptional)	G 14	**(39.9)**	16.5
Net write down of inventories (pre-exceptional)	Note 32	**(13.6)**	(6.1)
Non-cash movement in allowance for impairment of receivables	Note 32	**(0.4)**	–
Non-cash movement in provisions	Note 32	**(1.0)**	(8.7)
Non-cash movement on cross currency swaps	Note 32	**(2.6)**	0.8
Movement in working capital	Note 32(b)	**(57.5)**	2.5

Key Performance Indicators and non-IFRS performance measures continued

G 14.3 Net interest and tax paid:

	Reference to the Financial Statements/Glossary	2022 €'m	2021 €'m
Interest received	Group statement of cash flows	**1.5**	2.1
Interest paid (including interest expense on lease liabilities)	Group statement of cash flows	**(23.2)**	(18.8)
Tax paid	Group statement of cash flows	**(59.7)**	(34.3)
Interest paid in relation to property, plant and equipment	Group statement of cash flows	**–**	(0.5)
Net interest and tax paid	G 14	**(81.4)**	(51.5)

G 14.4 Capital expenditure:

	Reference to the Financial Statements/Glossary	2022 €'m	2021 €'m
Business sustaining capital expenditure	G 14	**19.4**	15.9
Strategic capital expenditure	G 14	**49.5**	61.6
Total capital expenditure		**68.9**	77.5
Purchase of property, plant and equipment	Group statement of cash flows	**31.9**	49.0
Purchase of intangible assets	Group statement of cash flows	**37.0**	28.5
Total capital expenditure per the Group statement of cash flows		**68.9**	77.5

Business sustaining capital expenditure
The Group defines business sustaining capital expenditure as the expenditure required to maintain/replace existing assets with a high proportion of expired useful life. This expenditure does not attract new customers or create the capacity for a bigger business. It enables the Group to keep operating at current throughput rates but also keep pace with regulatory and environmental changes as well as complying with new requirements from existing customers.

Strategic capital expenditure
The Group defines strategic capital expenditure as the expenditure required to facilitate growth and generate additional returns for the Group. This is generally expansionary expenditure beyond what is necessary to maintain the Group's current competitive position.

G 14.5 Other (outflows)/inflows:

	Reference to the Financial Statements/Glossary	2022 €'m	2021 €'m
Cost of share-based payments	Note 32	**18.8**	15.9
Difference between pension charge and cash contributions	Note 32	**(0.5)**	(6.4)
Loss/(profit) on disposal of property, plant and equipment	Note 32	**0.4**	(0.1)
Proceeds from disposals/redemption of FVOCI financial assets	Group statement of cash flows	**0.4**	1.1
Payments for FVOCI financial assets	Group statement of cash flows	**–**	(0.1)
Proceeds from issue of shares	Group statement of cash flows	**–**	0.2
Purchase of own shares by Employee Share (Scheme) Trust	Note 23 (e)	**(23.4)**	(2.7)
Proceeds of sale of shares held by subsidiary	Group statement of cash flows	**1.4**	–
Non cash movement on disposal of leases	Note 32	**(0.4)**	(0.1)
Reversal of impairment of property, plant and equipment	Note 32	**–**	(1.4)
Total other (outflows)/inflows	G 14	**(3.3)**	6.4

G 14.6 Loans/investments in joint ventures:

	Reference to the Financial Statements/ Glossary	2022 Reported €'m	2021 Reported €'m
Loans advanced to joint ventures	Group statement of cashflows	**(47.0)**	(10.7)
Proceeds on repayments of loans advanced to Glanbia Ireland DAC	Group statement of cashflows	**28.8**	–
Total loans/investments in joint ventures	G 14	**(18.2)**	(10.7)

G 14.7 Exceptional cash paid:

	Reference to the Financial Statements/ Glossary	2022 Reported €'m	2021 Reported €'m
Cash outflow related to exceptional items – operating activities	Group statement of cashflows	**(13.3)**	(55.9)
Cash outflow related to exceptional items – investing activities	Group statement of cashflows	**(8.0)**	–
Total exceptional cash paid	G 14	**(21.3)**	(55.9)

G 15. Return on capital employed ("ROCE")

ROCE is defined as the Group's earnings before interest, and amortisation (net of related tax) plus the Group's share of the results of joint ventures after interest and tax divided by capital employed. Capital employed comprises the sum of the Group's total assets plus cumulative intangible asset amortisation and impairment less current liabilities and deferred tax liabilities excluding all borrowings and lease liabilities, retirement benefit assets, cash and acquisition related contingent consideration and contract options. It is calculated by taking the average of the relevant opening and closing balance sheet amounts. ROCE has also been calculated on a continuing basis (excluding Glanbia Ireland) in line with the presentation of continuing and discontinued operations in the Group income statement.

In years where the Group makes significant acquisitions or disposals, the ROCE calculation is adjusted appropriately, to ensure the acquisition or disposal are equally time apportioned in the numerator and the denominator.

ROCE is one of the Group's Key Performance Indicators (see pages 18 to 19). ROCE is one of the performance conditions in Glanbia's Long-term Incentive Plan. See Remuneration Committee Report on pages 120 to 140 for more information.

	Reference to the Financial Statements/Glossary	2022 €'m	2021 €'m
Operating profit	Group income statement	**223.7**	158.3
Exceptional charge	Group income statement	**48.4**	48.4
Operating profit (pre-exceptional)	Group income statement	**272.1**	206.7
Tax on operating profit		**(34.0)**	(26.9)
Amortisation and impairment of intangible assets net of related tax of €11.5m (2021: €10.0m) (pre-exceptional)		**63.5**	53.9
Share of results of joint ventures accounted for using the equity method	Group income statement	**15.4**	19.2
Return – continuing operations		**317.0**	252.9
Profit after tax from discontinued operations	Group income statement	**57.2**	26.4
Exceptional credit	Group income statement	**(57.2)**	(0.7)
Profit after tax from discontinued operations – pre-exceptional	Group income statement	**–**	25.7
Return		**317.0**	278.6
Total assets	Group balance sheet	**3,860.1**	3,627.6
Current liabilities	Group balance sheet	**(1,113.7)**	(887.4)
Deferred tax liabilities	Group balance sheet	**(129.7)**	(144.4)
Less: cash and cash equivalents	Group balance sheet	**(438.6)**	(231.0)
Less: current financial liabilities (borrowings)	Group balance sheet	**258.2**	136.5
Less: call option over non-controlling interests	Note 29	**–**	(0.5)
Less: acquisition related liabilities	Note 28	**25.3**	–
Less: short term lease liabilities	Group balance sheet	**17.8**	14.5
Less: retirement benefit assets	Group balance sheet	**(3.0)**	(2.9)
Plus: accumulated amortisation	Note 16	**513.3**	392.5
Capital employed before adjustments		**2,989.7**	2,904.9
Adjustment for acquisitions	G 15.1	**49.4**	(12.0)
Adjustment for joint venture held for sale	G 15.2	**(234.0)**	(18.5)
Capital employed after adjustments		**2,805.1**	2,874.4
Average capital employed		**2,855.0**	2,751.7
Adjustment for discontinued operations	G 15.2	**–**	(215.0)
Average capital employed – continuing operations		**2,855.0**	2,536.7
Return on capital employed – continuing operations		**11.1%**	10.0%
Return on capital employed		**11.1%**	10.1%

G 15.1. Adjustment for acquisitions

This adjustment is required to ensure the capital employed of the acquisitions Sterling Technology (2022), LevlUp and PacMoore (2021) are appropriately time apportioned in the denominator.

G 15.2. Adjustment for discontinued operations

This adjustment is required to ensure the capital employed of the joint venture held for sale (Glanbia Ireland) is appropriately time apportioned in the denominator.

The adjustment for discontinued operations removes the average capital employed of Glanbia Ireland to calculate the return on capital employed for continuing operations.

Glossary continued
Key Performance Indicators and non-IFRS performance measures continued

G 16. Total shareholder return ("TSR")
TSR represents the change in the capital value of a listed quoted company over a period, plus dividends reinvested, expressed as a plus or minus percentage of the opening value.

TSR is one of the Group's Key Performance Indicators (see pages 18 to 19). TSR is one of the performance conditions in Glanbia's Long-term Incentive Plan. See Remuneration Committee Report on pages 120 to 140 for more information.

G 17. Dividend payout ratio
Dividend payout ratio is defined as the annual dividend per ordinary share divided by the Adjusted Earnings Per Share. The dividend payout ratio provides an indication of the value returned to shareholders relative to the Group's total earnings.

	Reference to the Financial Statements/Glossary	**2022 € cent**	2021 € cent
Adjusted Earnings Per Share	G 6.2	**104.02**	87.15
Dividend recommended/paid per ordinary share	Note 13	**32.21**	29.28
Dividend payout %		**31.0%**	33.6%

G 18. Compound annual growth rate ("CAGR")
The compound annual growth rate is the annual growth rate over a period of years. It is calculated on the basis that each year's growth is compounded.

G 19. Exceptional items
The Group considers that items of income or expense which are material by virtue of their scale and nature should be disclosed separately if the Group financial statements are to fairly present the financial performance and financial position of the Group. Determining which transactions are to be considered exceptional in nature is often a subjective matter. However, circumstances that the Group believes would give rise to exceptional items for separate disclosure are outlined in the accounting policy on exceptional items in note 2. Exceptional items are included on the income statement line item to which they relate. In addition, for clarity, separate disclosure is made of all items in one column on the face of the Group income statement. Refer to note 6 for an analysis of exceptional items recognised in 2022.

Shareholder Information

Stock exchange listings

The Company's shares are listed on the main market of the Euronext Dublin Stock Exchange as well as having a premium listing on the main market of the London Stock Exchange.

Managing your shareholding

Computershare Investor Services (Ireland) Limited ("Computershare") maintains the Company's register of members. Should a shareholder have any queries in respect of their shareholding, they should contact Computershare directly using the contact details provided below:

Contact details:

Computershare Investor Services (Ireland) Limited, 3100 Lake Drive, Citywest Business Campus, Dublin 24, Ireland. Telephone number 01 247 5349 (within Ireland), +353 1 247 5349 (outside Ireland), or by logging on to: www.investorcentre.com/ie/contactus.

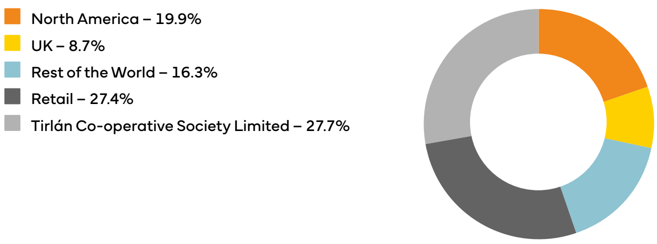
	2022	2021
Share price data	**€**	€
Share price as at financial year end	**11.92**	12.30
Market capitalisation as at financial year end	**3,245.7m**	3,532.2m
Share price movements during the year:		
– high	**13.00**	15.11
– low	**9.98**	9.88

The current share price of Glanbia plc ordinary shares can be accessed at: https://www.glanbia.com/investors/share-price-information/detailed-share-price.

Shareholder analysis

Geographic Location*	Number of shares held	% of total
Institutional		
North America	54,177,805	19.9
UK	23,759,124	8.7
Rest of world	44,114,801	16.3
Retail	74,698,325	27.4
Tirlán Co-operative Society Limited	75,537,305	27.7

* This represents a best estimate of the number of shares held by geographic locations at 31 December 2022.



Share capital

The authorised share capital of the Company at 31 December 2022 was 350,000,000 ordinary shares at €0.06 each. The issued share capital at 31 December 2022 was 272,287,360 ordinary shares of €0.06 each.

Shareholder Information continued

Substantial Shareholdings

The table below details the major shareholdings (3% or more) in the Company's ordinary share capital that has been disclosed to the Company at 31 December 2022 and 23 February 2023 (the latest practicable date prior to the signing of the Financial Statements) in accordance with the requirements of Regulation 14 of the Transparency (Directive 2004/109/EC) Regulations 2007 and Rule 13 of the Central Bank (Investment Market Conduct) Rules 2019.

Shareholder	No. of ordinary shares as at 31 December 2022	% of issued share capital as at 31 December 2022
Tirlán Co-operative Society Limited	75,537,305	27.74%
Franklin Mutual Advisors, LLC	11,130,742	4.09%
Black Creek Investment Management,Inc[1]	10,721,341	3.94%

Shareholder	No. of ordinary shares as at 23 February 2023	% of issued share capital as at 23 February 2023
Tirlán Co-operative Society Limited	75,537,305	27.74%
Franklin Mutual Advisors, LLC	11,130,742	4.09%
Black Creek Investment Management, Inc.[1]	8,054,877	2.96%

1 Black Creek Investment Management Inc. ("Black Creek") is an investment management company. The shares are beneficially owned by 16 separate funds and clients which Black Creek advises regarding their investment portfolios. Shares held directly are by funds for which Black Creek also acts as investment fund manager. None of the funds or clients by itself reaches or exceeds the 3% threshold. The funds and clients give a proxy to Black Creek who can exercise the voting rights for the shares in its own discretion.

Employee share schemes

The Company operates a number of employee share schemes. At 31 December 2022, 1,711,322 ordinary shares were held in employee benefit trusts for the purpose of the Group's employee share schemes. While any shares in the Company are held by the Trustees, the Trustees shall refrain from exercising any voting rights which may attach to the shares save that if the beneficial interest in any share has been vested in any beneficiary the Trustees shall seek and comply with any direction from such beneficiary as to the exercise of voting rights attaching to such shares.

Dividend payments direct to your bank account

An interim dividend of 12.93 cent per share was paid in respect of ordinary shares on 7 October 2022.

Subject to shareholders' approval, a final dividend of 19.28 cent per share will be paid in respect of ordinary shares on 05 May 2023 to shareholders on the register of members on 24 March 2023. All dividend payments will be made by direct credit transfer into a nominated bank or financial institution. If a shareholder has not provided their account details prior to the payment of the dividend, a shareholder will be sent the normal tax voucher advising a shareholder of the amount of their dividend and that the amount is being held because their direct credit transfer instructions had not been received in time. A shareholder's dividends will not accrue interest while they are held. Payment will be transferred to a shareholder's account as soon as possible on receipt of their direct credit transfer instructions. For the past number of years, dividends have been paid in sterling to shareholders whose address, according to the Company's share register, is in the UK (unless they have elected otherwise). On 15 March 2021 this structure changed and a default currency of euro is applied to all new shareholders who come on to the Company's share register, regardless of their registered address. Where an existing shareholder holds shares in certificated (i.e. paper) form and has previously received sterling because their registered address is in the UK or because they have previously elected to receive sterling, they will continue to receive sterling unless they elect otherwise. All other shareholders will from 15 March 2021 automatically be paid in euro unless a sterling currency election is made (including those shareholders who hold their shares in uncertificated (i.e. dematerialised) form).

Shareholders holding their shares via the central securities depository operated by Euroclear Bank or CREST will receive dividends electronically via such systems. To avail of these facilities, shareholders should follow the applicable rules and guidelines issued by the operators of these systems form time to time.

Irish Dividend Withholding Tax (DWT) must be deducted from dividends paid by an Irish resident company, unless a shareholder is entitled to an exemption and has submitted a properly completed exemption form to the Company's Registrar. DWT is deducted at the standard rate of Income Tax (25%). Non-resident shareholders located in countries with a double tax treaty with Ireland and certain Irish companies, trusts, pension schemes, investment undertakings and charities may be entitled to claim exemption from DWT. Copies of the exemption form may be obtained from the Company's Registrar. Shareholders should note that DWT will be deducted from dividends in cases where a properly completed form has not been received by the market deadline for the dividend. Individuals who are resident in Ireland for tax purposes are not entitled to an exemption. If shares are held via Euroclear Bank or CREST, the owners of the shares will need to contact the intermediary through whom the shares are held in order to ascertain arrangements for tax relief to be applied at source.

Electronic copies of current and past annual and half-yearly reports can be downloaded from the Glanbia website. Current and historic share prices, news, updates and presentations may also be obtained. Shareholders may also register to receive future shareholder communications electronically.

Shareholders may visit: https://www.glanbia.com/investors/shareholder-information for up-to-date investor information.

Electronic communications

The Transparency (Directive 2004/109/EC) Regulations 2007 recognises the growing importance of electronic communications. The Group, therefore, provides documentation and communications to all shareholders via our website unless a shareholder has specifically elected to receive a hard copy.

Using electronic communications enables fast receipt of documents, helps the environment by significantly reducing the amount of paper used to communicate with shareholders and reduces associated printing, mailing and distribution costs.

Shareholders who hold their shares in certificated form can also vote online for the next Annual General Meeting ("AGM") via: www.eproxyappointment.com. Holders of CREST Depository Interests ("CDIs") and/or participants of Euroclear Bank SA/NV ("Euroclear Bank") system should refer to the voting arrangements with Euroclear Bank on page 258.

Financial calendar

Announcement of 2022 Full Year Results	01 March 2023
Ex-dividend date	23 March 2023
Record date for dividend	24 March 2023
Expected latest time for return of voting instructions by CDI holders	27 April 2023
Record date for AGM	30 April 2023
Latest time for return of voting instructions by Euroclear Bank participants	02 May 2023
Latest time for return of voting instructions by holders of certificated shares	02 May 2023
AGM	04 May 2023
Dividend payment date	05 May 2023

AGM

The AGM will be held on 04 May 2023. The notice of meeting, together with details of the business to be conducted at the meeting will be available 20 business days before the meeting on: www.glanbia.com/agm

The voting results for the 2023 AGM, including proxy votes and votes withheld will be available on our website shortly after the meeting at the following address: www.glanbia.com/agm

Conditions for participating in a meeting

Every shareholder, irrespective of how many Glanbia plc shares they hold, has the right to attend, speak, ask questions and vote at the AGM. Completion of a proxy form will not affect a shareholder's right to attend, speak, ask questions and vote at the meeting in person.

The quorum for a general meeting of the Company is constituted by two persons entitled to vote upon the business of the meeting, each being a shareholder or a proxy or corporate representative for a shareholder.

The right to participate in the AGM is subject to the registration of the shares prior to the date of the meeting (the record date). For the 2023 AGM the record date is to be determined in accordance with sections 1087G and 1105 of the Companies Act 2014.

Appointment of proxy

Where a shareholder is unable to attend the AGM in person, a proxy (or proxies) may be appointed to attend, speak, ask questions and vote on their behalf. For this purpose a form of proxy is posted to all shareholders. Copies of these documents may be requested by telephoning the Company's Registrar on 01 247 5349 (within Ireland), 00353 1 247 5349 (outside Ireland), or by logging on to www.investorcentre.com/ie/contactus or by writing to the Group Secretary and Head of Investor Relations at Glanbia plc, Glanbia House, Kilkenny, Ireland.

Alternatively, a shareholder may appoint a proxy electronically, by visiting: www.eproxyappointment.com and submitting their proxy details. They will be asked to enter the Control Number, the Shareholder Reference Number ("SRN") and PIN and agree to certain terms and conditions. The Control Number, the SRN and the PIN can be found on the top of the form of proxy.

Shareholder Information continued

How to exercise shareholders' rights

Shareholders have several ways to exercise their right to vote at the AGM:
- by attending the AGM in person; subject to Covid-19 applicable restrictions;
- by submitting a validly completed proxy form appointing the chair of the meeting or another person as a proxy to vote on their behalf;
- by visiting www.eproxyappointment.com and submitting their proxy details;
- via the Broadridge global proxy voting service if you hold CDIs via CREST;
- EB Participants may send electronic voting instructions to Euroclear Bank via SWIFT or to EasyWay Corporate Actions; or
- EB Participants may send a proxy voting instruction to Euroclear Bank to appoint a third party (i.e. other than Euroclear Nominees Limited or the chairman of the meeting) to attend and vote at the AGM.

In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other registered holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members.

The passing of resolutions at a meeting of the Company, other than special resolutions, requires a simple majority. To be passed, a special resolution requires at least 75% of the votes cast to be in favour of the resolution.

Voting Arrangements with Euroclear Bank

If you hold your interests in the Company's ordinary shares through a participant account in the Euroclear Bank System you can either send:
- electronic voting instructions to Euroclear Bank via SWIFT or to EasyWay Corporate Actions; or
- a proxy voting instruction to Euroclear Bank to appoint a third party (other than Euroclear Nominees or the chair of the AGM), subject to any Covid-19 restrictions, to attend and vote at the AGM;

If you hold your interests in the Company's ordinary shares as CDIs through CREST you can either send:
- electronic voting instructions to Euroclear Bank via Broadridge Financial Solutions Limited ("Broadridge"); or
- appoint a proxy via the Broadridge Global Proxy Voting service.

Persons who hold their interests in the Company's ordinary shares as Belgian law rights through the Euroclear Bank System or as CDIs should consult with their stockbroker or other intermediary at the earliest opportunity for further information on the processes and timelines for submitting proxies and voting instructions for the AGM through the respective systems. For voting services offered by custodians holding Irish corporate securities directly with Euroclear Bank, please contact your custodian.

Tabling agenda items

A shareholder, or a group of shareholders acting together, who hold at least 3% of the issued share capital of the Company, has the right to put an item on the agenda of the AGM. In order to exercise this right, written details of the item to be included on the 2023 AGM agenda together with a written explanation why the item is to be included on the agenda and evidence of the shareholding must be received by the Group Secretary at Glanbia plc, Glanbia House, Kilkenny, Ireland or by email to groupsecretary@glanbia.ie no later than 23 March 2023 (i.e. 42 days before the AGM).

An item cannot be included on the AGM agenda unless it is accompanied by the written explanation and received at either of these addresses by this deadline.

Tabling draft resolutions

A shareholder, or a group of shareholders acting together, who hold at least 3% of the issued share capital of the Company, has the right to table a draft resolution for inclusion on the agenda of the 2023 AGM subject to any contrary provision in company law.

In order to exercise this right, the text of the draft resolution and evidence of shareholding must be received no later than 23 March 2023 (i.e. 42 days before the AGM) by post to the Group Secretary and Head of Investor Relations at Glanbia plc, Glanbia House, Kilkenny, Ireland or by email to groupsecretary@glanbia.ie. A resolution cannot be included on the 2023 AGM agenda unless it is received at either of these addresses by this deadline. Furthermore, shareholders are reminded that there are provisions in company law which impose other conditions on the right of shareholders to propose resolutions at the general meeting of a company.

How to ask a question before or at the meeting

The AGM is an opportunity for shareholders to put a question to the Group Chairman during the question and answer session. Before the 2023 AGM, a shareholder may also submit a question in writing by sending a letter and evidence of shareholding at least four business days before the 2023 AGM (i.e. 27 April 2023) to the Group Secretary and Head of Investor Relations, Glanbia plc, Glanbia House, Kilkenny, Ireland or by email to groupsecretary@glanbia.ie.

Dividend rights

The Company may, by ordinary resolution, declare dividends in accordance with the respective rights of shareholders, but no dividend shall exceed the amount recommended by the Directors. The Directors may also declare and pay interim dividends if it appears to them that the interim dividends are justified by the profits of the Company available for distribution.

Distribution on winding up
If the Company shall be wound up and the assets available for distribution among shareholders shall be insufficient to repay the whole of the paid up or credited as paid up share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by shareholders in proportion to the capital paid up or credited as paid up at the commencement of the winding up on the shares held by them respectively. Further if, in a winding up, the assets available for distribution among shareholders shall be more than sufficient to repay the whole of the share capital paid up or credited as paid up at the commencement of the winding up, the excess shall be distributed among shareholders in proportion to the capital at the commencement of the winding up paid up or credited as paid up on the said shares held by them respectively.

Dematerialisation
Under the EU Central Securities Depositories Regulation (EU) 909/2014 ("CSDR"), there is a requirement for all securities in Irish issuers which are admitted to trading or traded on trading venues in the European Economic Area to be represented in book-entry form by 1 January 2025. Book-entry form means an electronic record of ownership such as an entry in an electronic register, without the need for any further document, such as a share certificate, to be issued to a shareholder to evidence share ownership. In accordance with CSDR, from 1 January 2023, all new issues of shares in the Company must be held in book entry form, with all remaining shares to be held in book-entry by 1 January 2025. Therefore, share certificates for shareholders who currently hold their shares in certificated form will remain valid until 1 January 2025.

Contacts

Group Secretary and Registered Office
Group Secretary and Head of Investor Relations
Glanbia plc
Glanbia House
Kilkenny
R95 E866
Ireland

Stockbrokers
Davy Stockbrokers
49 Dawson Street
Dublin 2
Ireland

Morgan Stanley & Co International plc
20 Bank Street
Canary Wharf
Floor 08
London, E14 4AD
United Kingdom

Barclays Bank plc
1 Churchill Place
Canary Wharf
London, E14 5HP
United Kingdom

Auditor
Deloitte Ireland LLP
Deloitte & Touche House
Earlsfort Terrace
Dublin 2
Ireland

Solicitors
Arthur Cox,
10 Earlsfort Terrace
Dublin 2
Ireland

Pinsent Masons
3 Colmore Circus
Birmingham B4 6BH
United Kingdom

Principal Bankers
Allied Irish Banks, plc
The Governor and Company of the Bank of Ireland
Barclays Bank Ireland plc
Danske Bank A/S, Irish Branch
Coöperatieve Rabobank U.A.
Citibank N.A., London Branch
BNP Paribas S.A, Dublin Branch
HSBC Continental Europe

Registrar
Computershare Investor Services (Ireland) Limited,
3100 Lake Drive,
Citywest Business Campus,
Dublin 24,
Ireland.

GLANBIA PLC
Glanbia House
Kilkenny
Ireland
R95 E866
Tel: +353 56 777 2200
Email: ir@glanbia.ie
WWW.GLANBIA.COM