



**CARBERY
SUSTAINABILITY
REPORT
2021**

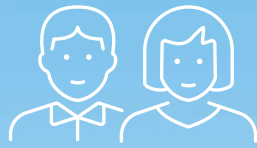


CARBERY

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CARBERY AT A GLANCE



882
GLOBAL
EMPLOYEES



1,230
FARMER
SHAREHOLDERS



12
GLOBAL
FACILITIES



OPERATIONAL HIGHLIGHTS

REVENUE

€535.7m  17%

EBITDA

€50.1m  12%

EBITA

€31.2m  10%

LITRES OF MILK PROCESSED
IN BALLINEEN

612 million

MILK VOLUME

+2.7%

DIVISIONAL BREAKDOWN



DAIRY



NUTRITION



TASTE

OUR MISSION

50 years ago, our purpose was to create a stable and sustainable future for the farmers of West Cork. Today, we retain that commitment, and as a global company, consider a wider set of stakeholders, including our communities, customers, suppliers and the planet.



SUSTAINABILITY

– OUR APPROACH

WHEN CARBERY WAS FOUNDED OVER 50 YEARS AGO, OUR PURPOSE WAS TO CREATE A STABLE AND SUSTAINABLE FUTURE FOR THE FARMERS OF WEST CORK — OUR SHAREHOLDERS. TODAY, WE RETAIN THAT COMMITMENT TO GENERATING LONG-TERM VALUE, AND AS A GLOBAL COMPANY, CONSIDER A WIDER SET OF STAKEHOLDERS — OUR COMMUNITIES, OUR CUSTOMERS, OUR SUPPLIERS, AND THE PLANET.

In a year where farming and the agriculture sector received increasingly ambitious and urgent climate targets, we are proud to outline in this report the many ways in which we as a company, and working together with our farmers, have been protecting and improving our environment.

Sustainability is integrated across our business on three levels:

1. **in Carbery company operations** — by running a sustainable, efficient, responsible and profitable business
2. **for our customers** — by helping to shape a more sustainable food future; and
3. **with our farmer suppliers, communities and wider society** — by sharing benefits where we operate and making a positive contribution.

While reducing climate impact and enhancing and environmental protections are a central pillar of our sustainability strategy, they are not the whole focus. Our sustainability strategy covers Environment, People, Community, Supply Chain and Marketplace. This is in recognition of the fact we need to focus our attention as a global company on the impact we can make beyond just environmental areas. Building a positive and constructive ecosystem means that we consider our employees, our suppliers, our customers and our wider community in every decision that we make.

Our sustainability strategy is also informed by the United Nations Sustainable Development Goals (SDGs), devised in 2015 to achieve a better and more sustainable future for everyone on the planet. By operating responsibly, our business makes a contribution to 8 of the 17 goals.





Aligns with SDGs;

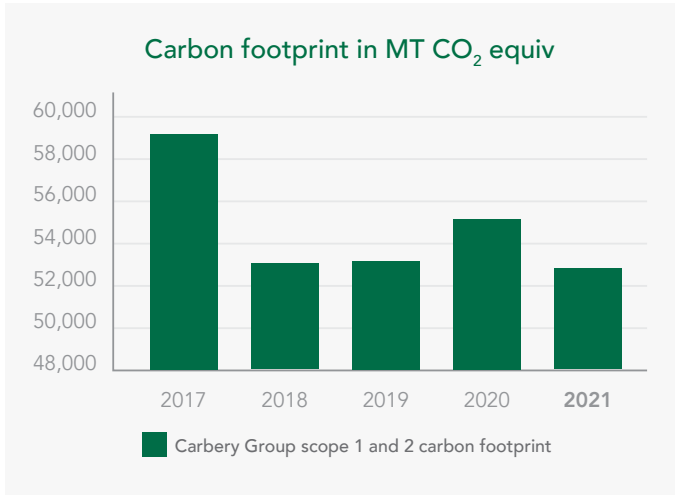
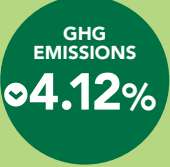


OUR ENVIRONMENT

SUSTAINABILITY AT CARBERY MEANS PROVIDING SUSTAINABLE FOOD AND FLAVOURS IN A RESPONSIBLE MANNER – IN A WAY THAT BALANCES SHORT- AND LONG-TERM INTERESTS, AND THAT INTEGRATES ECONOMIC, ENVIRONMENTAL AND SOCIAL CONSIDERATIONS INTO DECISION-MAKING.

We strive to produce and deliver food responsibly – in a way that respects people, their nutritional requirements and their environment. At the simplest level, this means providing more from less. We apply global standards to manage the environment and how we engage with communities and we work to continuously improve our performance.

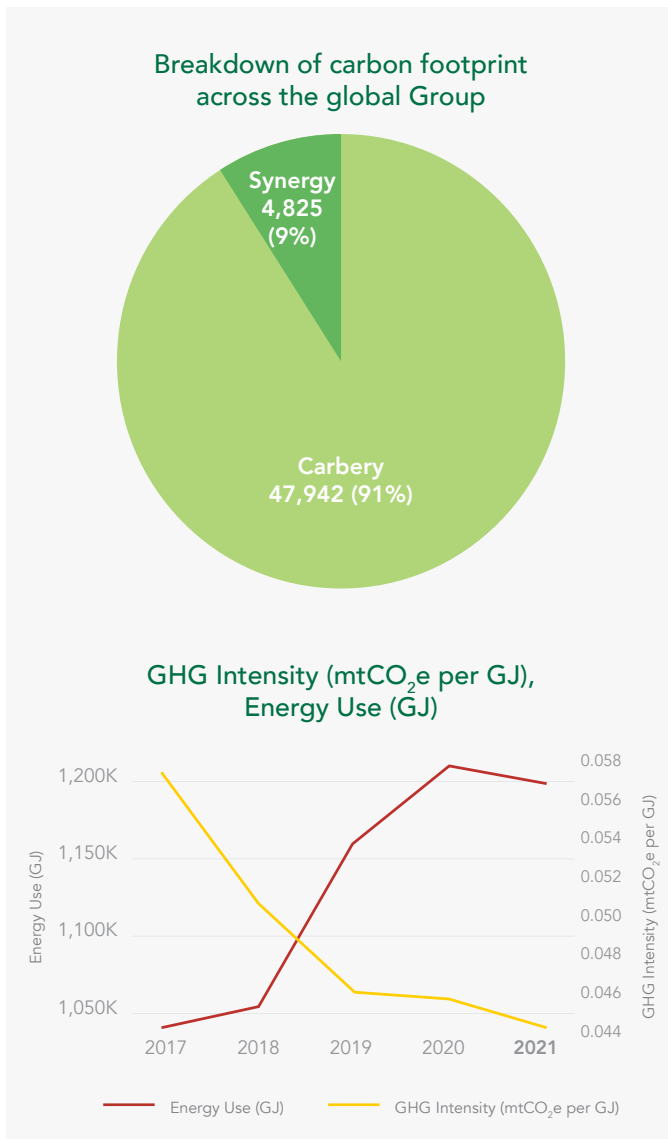
Our target is to be climate neutral across all our manufacturing sites by 2035. This goal to reduce Scope 1 and 2 emissions, is now being expanded by a project started at the end of 2021, which is measuring all of our Scope 3 emissions (including emissions from our suppliers). Measuring the full extent of these will allow us to set Science Based Targets which will bring us closer to achieving our climate neutral goal across our sites, and develop a roadmap for how we can do the same with our farmer suppliers. Our Farm Zero C project which went from strength to strength in 2021 having won funding of €2m, continues to be a key pillar of this.



Note: Throughout this chapter, MT means metric tonnes

KEY ACHIEVEMENTS

Encouragingly, absolute GHG emissions reduced by 4.12% across the Carbery Group in 2021. A major reason for this development was the increase in renewable electricity use across the Group in 2021. Group electricity usage went from 89.7% renewable in 2020 to 92.5% renewable in 2021. The Ballineen facility has been procuring 100% renewable electricity since 2018 and from October 2020, this practice has been replicated at the Synergy UK facility at High Wycombe.



While Group energy use is down 0.93% in 2021, Group GHG intensity is down 3.22% in 2021 due to the move to renewable electricity. At High Wycombe GHG intensity is down 34.85% largely due to the shift from 24% renewable electricity in 2020 to 100% in 2021. Another site that contributed to the reduction in GHG intensity was Hamilton Ohio. Despite a 29% increase in production in 2021, the site managed to reduce its GHG intensity by 14.42% as less electricity was consumed.

DECARBONISATION AMBITION

We aim to be carbon neutral by 2035 across all of our sites through the decarbonisation of our existing energy sources.

Over 80% of Group energy is provided via natural gas. In order for us to decarbonise our manufacturing sites, we will have to source sustainable renewable gas biomethane. Towards the end of 2020 Carbery joined a consortium called 'Project Clover', an industry collaboration which plans on developing an Anaerobic Digester (AD) infrastructure in Ireland. The vision for the project is to reduce carbon emissions from and enhance the sustainability of Irish agriculture through the development of a large scale farm based AD sector, producing biomethane and biofertiliser. This initiative is strongly aligned with National and EU policies for decarbonisation and development of a circular bioeconomy. With the benefit of some grant aid from Gas Networks Ireland, we were also able to initiate a feasibility study into AD options for the West Cork region throughout 2021 to ascertain the potential for biomethane generation for the region.

WE AIM TO BE CARBON NEUTRAL BY 2035 ACROSS ALL OF OUR SITES THROUGH THE DECARBONISATION OF OUR EXISTING ENERGY SOURCES.

SETTING SCIENCE BASED TARGETS

In Q3 2021, we initiated an extensive Scope 3 emissions investigation across the group in conjunction with the Carbon Trust. Scope 3 emissions comprise all emissions generated in our value chain, including emissions from our suppliers' farms, transportation and distribution, business travel, and waste disposal.

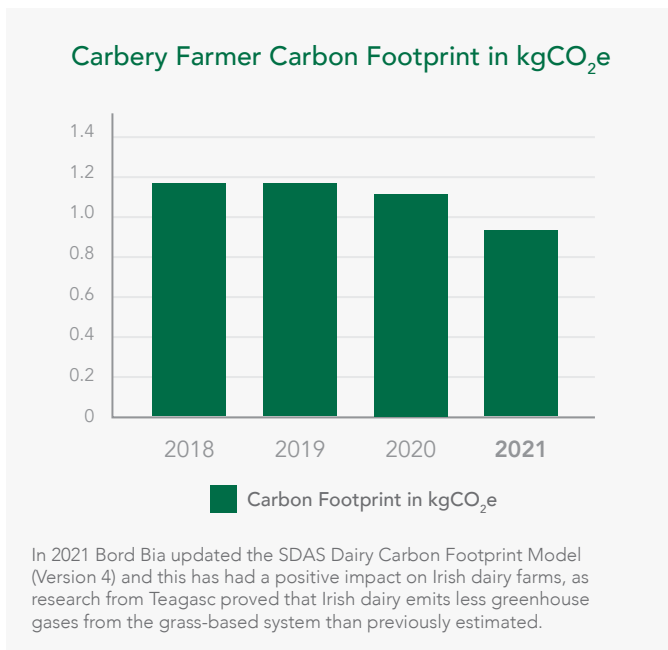
The end result of this project will allow us to set carbon reduction targets for our Scope 1, Scope 2 and Scope 3 emissions throughout 2022, aligned with the latest climate science. Science Based Targets are greenhouse gas emissions reduction targets that are in line with the level of decarbonisation required to meet the goals of the Paris Agreement – to limit global warming to below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

MATERIALITY ANALYSIS

To ensure we prioritise the issues that have the biggest impact on the economy, society and the environment, and elicit the issues that matter most to our stakeholders we conducted a formal materiality analysis in 2020/2021. This materiality analysis was accomplished across the Group and was conducted as a way to provide us with strategic input to guide our sustainability activities. We used the SDGs and the Sustainability Accounting Standards Board (SASB) framework to identify the issues most relevant to our sector. As part of the project, extensive desk research and interviews were conducted to understand the views of dozens of different US and Irish regulators, global peers, customers, and relevant NGOs – as well as our own people.

The output of this work forms the basis of the framework of our sustainability strategy. We are moving more towards an integrated, holistic approach to managing sustainability. Climate action remains a top priority confirming our commitment to continue to play our role in the global response to this issue.

FARM RELATED EMISSIONS

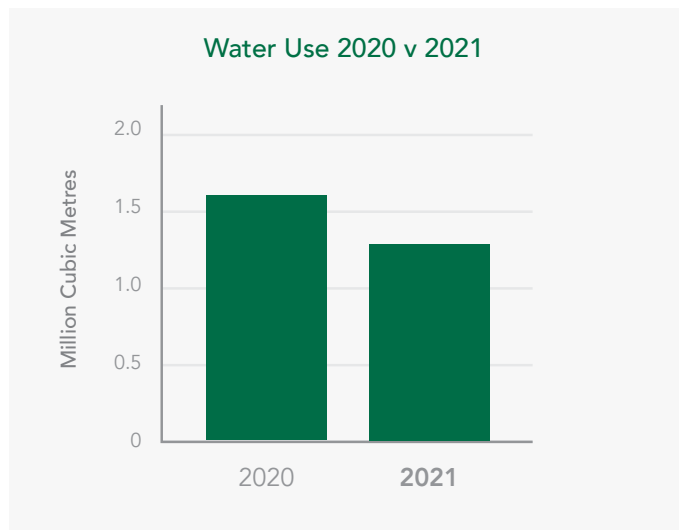


In West Cork we are very privileged to have a climate that lends itself to a grass-based system that enables our cows to spend almost their full lactation out at pasture. When compared internationally, our milk has a relatively low carbon footprint. Carbon Footprint results assembled and calculated by Bord Bia through the Sustainable Dairy Assurance Scheme (SDAS) shows that Carbery farmers have continued to reduce their carbon footprint in 2021. The average carbon footprint of Carbery’s milk suppliers that were audited in 2021 now stands at 0.94kg CO₂ equivalent per litre of milk.



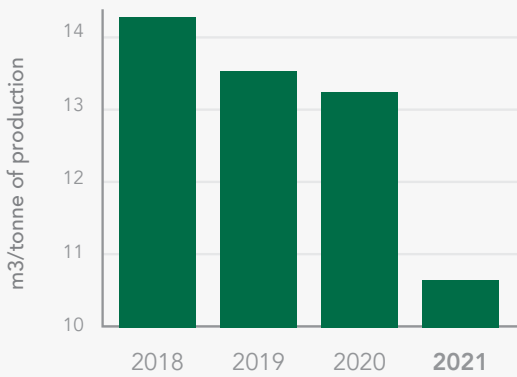
CONSERVING WATER

Conserving water is a major sustainability priority across the Group and concerted efforts to reduce water use were rewarded in 2021. Water use across the Group reduced by 16.7% in 2021. We went from 1.595 million cubic metres in 2020 down to 1.328 million cubic metres as shown below.



The major contributory factor to that reduction occurred at the Ballineen facility where 270,000 cubic metres less water was used in 2021. This is a major achievement and can be traced back to extensive investment in technologies that can recover water such as reverse osmosis and recycling of water from the whey permeate and various condensate streams, thus enabling significant reductions in water abstraction. It’s also down to the efforts of our services and production teams who have placed huge emphasis on water recovery over the past decade and more.

Water Use Intensity across Carbery Group (m3/t)



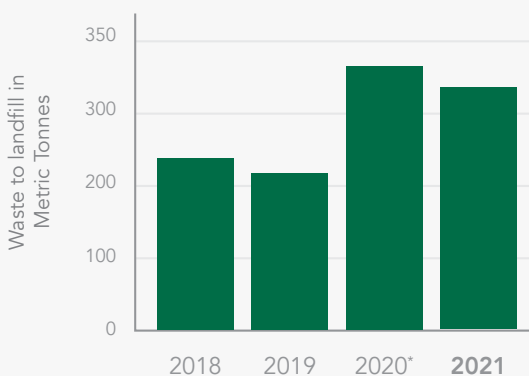
The reduction in water use supports an even better story for water use intensity across the Group, even as production increased in 2021. As can be seen above, water use intensity reduced by 19.2% across the Group in 2021. Since 2018 we have seen a 25.5% reduction in water use intensity across the Group.

All our facilities map water usage and have ambitious plans to recover water where possible so we aim to have even further reduction in water use intensity in the coming years. We envisage continued investment in reverse osmosis and other technologies to ensure we reduce our usage of this precious resource across the Group.

WASTE MANAGEMENT

Our waste to landfill reduced in 2021 v 2020 by 29 tonnes or 8% across the Group. Most of this reduction is driven by reductions at the the Hamilton and Ballineen facilities where major efforts are ongoing to reduce waste to landfill. Our ambition is to be a zero-waste company across all our sites.

Waste to Landfill across the Carbery Group



*our 2020 waste to landfill figure was underreported due to a miscalculation at one site.

CASE STUDY: RESPONSIBLE MANAGEMENT OF PLASTIC – BALLINEEN

Carbery Ballineen joined the Responsible Plastic Management (RPM) Programme in 2020 which was established in response to global plastic pollution. Plastic awareness training was held for employees and in 2021 we formed a plastic forum onsite which began analysing our plastic volumes and completed a workshop with an RPM coach. In addition, Carbery is part of the IBEC Prepared Consumer Foods working group whose primary focus is on reducing plastic packaging.

The reduction at our Ballineen site in waste to landfill of 20% was achieved through a series of activities beginning with waste mapping which was completed with all departments. This was followed with a gap analysis and development of a waste action plan where we added several new recycling receptacles to control rooms, labs and office spaces. All exterior bins were relabelled, and waste awareness training was completed with all departments. Our R&D, office and commercial areas have gone binless by removing under desk bins and utilising central recycling stations in their area.



Our waste management programme was supported further throughout 2021

OUR WASTE TO LANDFILL REDUCED IN 2021 BY 29 TONNES OR 8% ACROSS THE GROUP

PROMOTING BIODIVERSITY

We have a commitment to enhance and improve biodiversity across all our sites globally, and to assist our farmers to protect and enhance biodiversity on their farms.

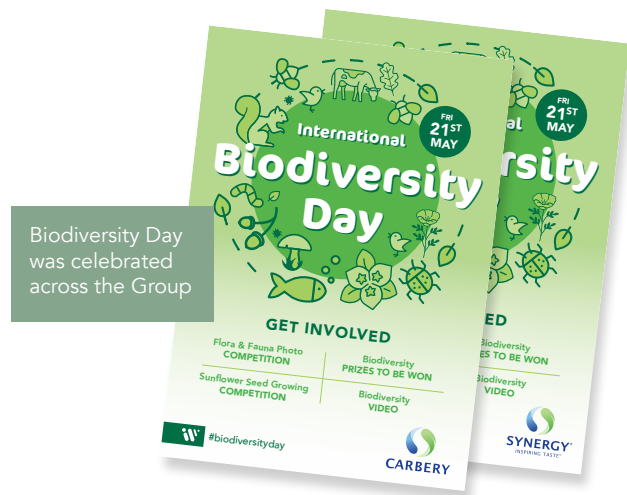
In May we observed World Biodiversity Day across our global sites. Sunflower seeds and bee flower mats were distributed to all employees and a flora & fauna photo competition took place to encourage staff to record biodiversity in their vicinity. Pollinator plants were also donated to schools local to the Carbery plant in Ballineen. The 'No Mow May' initiative was also carried out at the Ballineen site, where a large portion of green areas were allowed grow for several weeks to enhance pollinators.

The third phase of our Carbery Trees initiative was implemented, whereby all of our 1230 farmer suppliers received 50 native trees to plant on their land. The latest phase of the project saw 60,000 trees planted, bringing the total number planted throughout the three phases to 105,000 trees. For the latest phase we were also delighted to receive European Innovation Partnerships (EIP) Agri funding through the Department of Agriculture Food, and the Marine.

We held a field day with the senior cycles of the local schools in Ballineen to look at the biodiversity of the Bandon River. This event was organised in conjunction with the Local Authorities Waters Programme and supported by Enniskeane and Ballineen Tidy Towns. The groups met at the riverside park at Ballineen Bridge and were shown how biodiversity in the river is assessed through kick sampling. A talk on the various flora and fauna that can be found in the local park was given to the school children and their teachers.



'Carbery Bug Hotel' in Ballineen, a staff-initiated project to promote biodiversity



Biodiversity Day was celebrated across the Group

THE GREEN TEAMS

Our Green Teams bring together a group of people passionate about sustainability and the environment that are facilitating change within the global organisation. Each team is formed of representatives from across different business functions who identify and implement specific solutions for improvement to day-to-day operations, engage their site in community outreach, and educate their peers on the benefits of creating a sustainable organisation. Green Teams meet regularly to collaborate locally, and hold biannual brainstorm sessions as a global group.

For example the Green Team in Ballineen completed the National Green Teams Programme. Following this we developed objectives and a calendar of events which included energy, waste and water workshops, a field trip to Farm Zero C, a brainstorming session with our Global Green Teams and sustainable Christmas ideas.

ORIGIN GREEN – GOLD MEMBERSHIP 2021

Carbery achieved Gold Member status in the Origin Green sustainability programme for a second year in a row.

Companies are eligible for Gold Membership where they have demonstrated an overall exceptional performance within a given year. Achieving it is a major external endorsement of our commitment to sustainability as a company. Carbery was among 26 companies to achieve gold membership status in the inaugural year and among 8 companies that managed to retain that status in year two.



FARM ZERO C UPDATE

In June of 2021 the exciting news was announced that Carbery and BiOrbic’s joint project, in collaboration with Teagasc and others, based on Shinagh Farm in Bandon, had won the Science Foundation Ireland Zero Emissions Challenge. The prize? Support of €2million to advance the work underway on the farm to create a model for an economically viable, climate neutral dairy farm, that will be replicable on other farms.

Since then, lots has been happening on the project. Much of the funding won will go towards supporting additional researchers for the project. The work is a collaboration between farmers and academics, and the researchers hired are working on supporting projects and research under the key pillars of the project.

The team has been expanding in 2021. There is now a full time project manager (PM) and farm research technician, both based at Shinagh. The PM is responsible for the day to day management of the project and coordination of all research, visits and activity. The farm researcher implements research and practices at farm level and carries out field work such as soil sampling, clover and multi-species swards assessment and trial work. Other key additions to the team based in MTU are working on the social innovation blueprint.

The key focus areas remain as they were set out at the beginning of the project – Life Cycle Analysis (mapping the total inputs and outputs of the farm to calculate climate impact), Biodiversity, Soil and Soil Carbon, Clover, Multispecies Swards (MSS), Renewables, Animal Diet and Breeding, Biorefining.

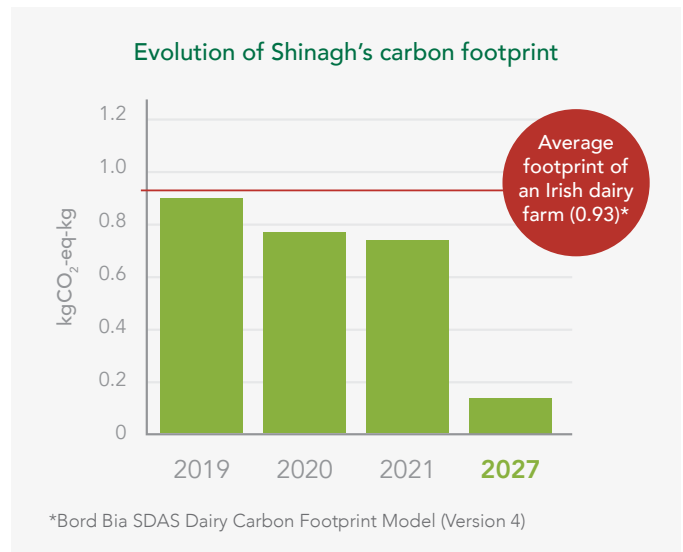
Under these pillars, new approaches and technologies are being trialled. The farm tested an additive to slurry in winter housing, which has the potential to reduce methane emissions from slurry by 90%. Initial results are positive. About 260m of new hedgerows have been planted to improve biodiversity.



The team are working on finalising the details of solar PV panels that will be installed on the farm to reduce reliance on fossil fuels. Soil carbon samples are being taken on the farm to learn more about the potential of grassland and hedgerows to sequester carbon.

The farm team has also planted approximately 10% of Shinagh in MSS swards, to trial how effective and resilient these are in an Irish dairy system. Early results are promising with no negative effects on milk production and similar dry matter yields/ha compared to grass only swards while receiving significantly less nitrogen fertiliser.

A really key part of the project, hand in hand with getting the science right, is sharing what the farm is doing and equipping other farmers with the knowledge and confidence to try some of the more tested measures. To support this, a visitor centre is under construction at Shinagh and information boards containing information for visitors on the pillars of work are being installed.



Members of the FZC team with Minister Simon Harris and Sen Tim Lombard at Shinagh

Throughout 2021, we facilitated several groups of visitors through the project including the West Cork co-op boards, the board of Lakeland Dairies, Monitor Farmers and several local discussion groups. We also welcomed several members of government, including Ministers Simon Harris, Charlie McConalogue, Michael McGrath, local TD Christopher O’Sullivan, Mayor of Cork County Gillian Coughlan, and Senator Tim Lombard.

These visits have driven conversations around promoting the positive message of the project, which is that farmers and the agriculture sector are up for the challenge of lowering emissions, we just need to time to do so.

If you would like to know more about the project visit carbery.com/sustainability/farm-zero-c



OUR COMMUNITY



WE STRIVE TO BE A GOOD NEIGHBOUR. AS WELL AS BOOSTING THE LOCAL ECONOMY BY CREATING EMPLOYMENT AND PURCHASING GOODS AND SERVICES FROM LOCAL SUPPLIERS, WE SEEK TO IMPROVE THE QUALITY OF LIFE FOR PEOPLE IN OUR COMMUNITIES THROUGH PHILANTHROPY. WE SUPPORT A NUMBER OF EDUCATIONAL AND COMMUNITY GROUPS SUCH AS CHARITIES, SCHOOLS AND SPORTING ORGANISATIONS, GIFTING MONEY, TIME, AND PRODUCTS.

40hrs

VOLUNTEER
WORK FOR
FOODCLOUD

9

SCHOOLS
FUNDED IN
MADAGASCAR

One thing that unites all of our people across regions, business functions and culture, is a strong desire to work within our local communities to improve them. Across our global company, our employees support a range of charity initiatives through fundraising, volunteering, and mentoring. Our organisation supports these activities at a corporate level, with direct donations, matching programmes, volunteer hours and other initiatives.

IRELAND

Active Community Awards

Carbery sponsored the Active Community Awards in 2021. These were established by Cork Sports Partnership under its Active Cork Communities Initiative to honour, recognise and celebrate the individuals and groups in our local Cork communities that go above and beyond in their efforts to promote community sport and physical activity opportunities while promoting positive health and wellbeing for all.

Foodcloud

We continued our relationship with Foodcloud as our selected charity partner in 2021. Foodcloud collects and donates surplus food to charities with the aim of reducing food waste. As well as making an annual monetary donation, Carbery commenced volunteer days at the Cork Hub in 2021. Employees from Ballineen completed 40 volunteer hours sorting and preparing donated food products for redistribution to charities in the region.

SCAR 2021

Following cancellation of the event in 2020, Skibbereen Charity Adventure Race was back on the calendar in Autumn 2021. Carbery Group were the main sponsors again and just like previous years a group of employees participated in the race. A new addition for 2021 was the volunteering of Carbery employees as race marshals. To date the event has raised over €200,000 for local charities.



Team Carbery at SCAR in October

Christmas Jumper Day 2021

The Christmas Jumper Day for the Simon Community was held on site and virtually in December 2021 and was generously supported by employees. We particularly appreciated the Simon coordinator who attended virtually to tell us about the important work that they do.



Breast Cancer Coffee Morning

To mark Breast Cancer Awareness Month in October a coffee morning and raffle was held in Ballineen, in addition an online pilates class was shared with employees.



Carbery employees at the fundraiser for Breast Cancer in October



The Hatchery Chicago enables local entrepreneurs to build and grow successful food and beverage businesses

US AND BRAZIL

Community Giving

This year the Sustainability Team partnered with the Employee Events Committee to redefine our monthly events to include volunteering & charities that tie back to our core values, focus on food security and education, and bring in local partners. This is best reflected in the work we do with The Hatchery at the Back-to-School block party in August and the Harvest Fest in October, through engagements with the village of Wauconda, and in locally based volunteer options. For 2022 we are building a charitable giving team that evaluates opportunities to expand our historic philanthropic efforts in Madagascar as well as local to our plants in Wauconda, Hamilton and Chicago.

EUROPE

Throughout 2021 a number of Synergy sites (High Wycombe, Trieste & Wauconda) have arranged litter clear up events, with employees cleaning up areas identified by the local community that require attention. Actively bringing employees and the community together, by taking pride and responsibility for the areas where our sites operate, these events act as a powerful reminder that small steps can contribute to a bigger change.

Greggs Breakfast Club

In 2021 we continued our partnership with The Greggs Foundation and their Breakfast Club programme in the UK. This programme ensures that children have access to the most important meal of the day. Studies have shown that having breakfast has positive effects on an individual child's alertness, attention, and performance. Our contribution funded breakfasts for up to 90 pupils in 2021.



OUR SUPPLY CHAIN



Aligns with SDGs;



WE ARE FOCUSED ON BUILDING VIBRANT, SUSTAINABLE, DIVERSE SUPPLY CHAINS. AS A FOOD COMPANY, SAFETY, QUALITY AND FOOD SECURITY IS AT THE CORE OF EVERYTHING WE DO. ETHICAL SOURCING OF ALL RAW MATERIAL AND TRACEABILITY ARE ABSOLUTELY CENTRAL TO OUR APPROACH.

38

ENVIRONMENTAL SCIENCE DIPLOMA GRADUATES

TREES PLANTED
105K

70

GREENER DAIRY FARMERS PARTICIPANTS

For our Dairy and Nutrition business, our primary product is milk from grass-fed cows, sustainably produced on farms within a 50km radius of our plant. This means ensuring a beneficial, quality and sustainable supply chain from the farms of our farmers shareholders all the way to our consumers and customers. For our Taste business, where our supply chain involves a more diverse group of producers, we want to ensure both the highest quality products and that we are contributing to the prosperity of the communities from which we buy.

AFFILIATIONS

Part of growing our sustainability program is engaging with like-minded sustainable organisations and affiliations. Carbery and Synergy are members of Sedex and Ecovadis, ethical reporting mechanisms which verify our commitments to sustainability. Synergy is also a member of the IOFI-IFRA sustainability charter, an industry wide collaboration to improve sustainability for flavours and fragrances, and the Sustainable Vanilla initiative (SVI), a collaboration to improve transparency and human welfare in the vanilla sector. These platforms are helpful for demonstrating what actions we are currently taking and our commitment to long term sustainable improvement in the industry.



ecovadis

RESPONSIBLE VANILLA SOURCING

In 2020, our materiality assessment determined which of our ingredients are the most critical to the business in terms of volume or value, and which carried the highest risk of being associated with ethical or environmental issues. Vanilla sourcing and care for our vanilla suppliers was reaffirmed as a key area of focus for our global sustainability programme and values-driven supply chain practices.

Synergy procures vanilla beans through sustainable sources that prioritise the well-being and livelihood of vanilla farmers and their families. We work only with suppliers that use traditional curing methods, which promote environmental and economic benefits in the community. By focusing on traditional curing methods, we are helping to extend seasonal employment for farmers and preparers while improving the quality of the vanilla we source.



Synergy work only with vanilla suppliers that use traditional curing methods

OUR DAIRY SUPPLY CHAIN

In a year where emissions from agriculture were under scrutiny, we are extremely proud to showcase the many ways our farmers have been partnering with us to show their commitment to farming in a sustainable and low-impact way. Whether is it water quality, breeding, renewable energy, reseeding, or a range of other approaches, our farmers are investing in their farms constantly to ensure that they are improving the land and their communities for future generations.

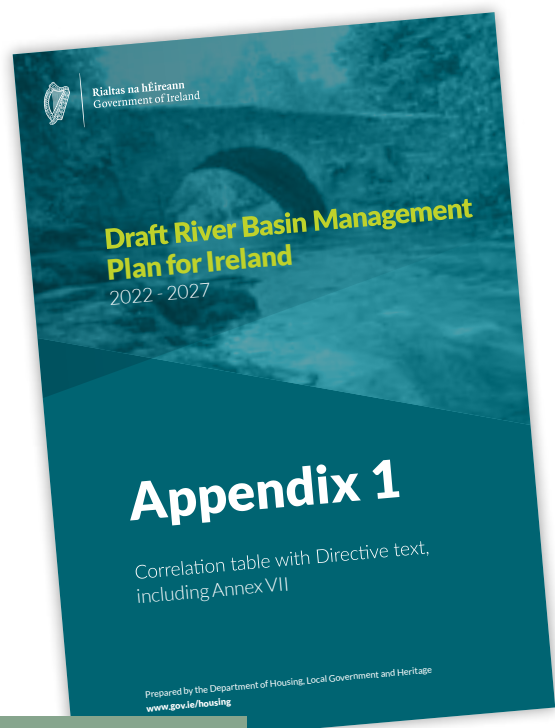
Farmers are passionate about biodiversity, about new technologies and new approaches. We are proud of what we have achieved together so far and excited about what lies ahead in our collaboration to ensure a sustainable future for farming.

PROTECTING OUR WATERWAYS

Agricultural Sustainability Support and Advisory Programme (ASSAP)

Carbery is a founding member of Dairy Sustainability Ireland (DSI), which created the Agricultural Sustainability Support and Advisory Programme (ASSAP). The programme, in its fourth year, offers a free advisory service to farmers to educate and advise them on ways in which they can optimise their farming practices to improve water quality. Despite the constraints of the Covid-19 pandemic, the work of the ASSAP continued in line with government guidelines. Carbery opened the ASSAP programme to all suppliers allowing them to avail of the services which offers a full farm assessment looking at farmyard management, land management, nutrient management and where applicable, riverbank and drain management. Since its inception in 2018, over 160 farms have received at least one visit from Carbery's dedicated ASSAP advisors.

In March 2021, Teagasc in collaboration with the dairy processing co-ops and the Local Authorities Waters Programme held the first Water Quality Week which provided technical information and advice on a range of topics to help farmers understand the risks and minimise the losses associated with waterbodies. Carbery continues to work closely with Teagasc on the programme which has been renewed for 2022 and will see expansion across the country through additional priority areas for action through the River Basin Management Plan.



This plan outlines priority areas for action for water quality

BEST PRACTICE FARMING

Carbery/Teagasc Joint Programme & Signpost Farms Update

In 2021, the Carbery/Teagasc joint programme initiative was renewed for dairy farmers for the next five years. The objective of the monitor farm programme, running since 1998, is to lead and demonstrate the development of carbon efficient and sustainable dairy farming in West Cork. This programme, run in conjunction with the West Cork co-ops (Bandon, Barryroe, Drinagh and Lisavaird) is critical in leading the development of dairy farming in the region.

In addition to the Carbery/Teagasc Monitor Farms programme, the Signpost Programme which is a collaboration between industry and Teagasc, was launched in July 2021 to lead on climate action at the farm gate. The Signpost programme is a multi-annual campaign to lead climate action by all Irish farmers. and aims to achieve early progress in reducing gaseous emissions from Irish agriculture.

10 farms have been selected as part of the Carbery/Teagasc joint programme and 5 of these have also been selected as Signpost Farms. The group averaged 5907 litres/cow and 485 Kg's/milk solids/cow in 2020. The herd EBI average for the group was €138. The aim over the next four years will be to improve these figures along with efficiencies in order to reduce carbon footprint and improve the overall environmental credentials of the group.



Members of the Carbery/Teagasc Joint Programme learning about the Multi-Species Swards sown in Shinagh

REDUCING THE CLIMATE IMPACT OF OUR FARMS

Carbery farmers have continued to reduce their carbon footprint in 2021. The average carbon footprint of Carbery's milk suppliers now stands at 0.94kg CO₂ equivalent.

Carbery Greener Dairy Farms (CGDF) Update

The CGDF programme continued to work with farmers on the objectives of the programme which are to enhance efficiencies and improve environmental sustainability on all participating farms. Including the new monitor farms, there are now 70 farms participating in the programme. Similar to 2020, the Covid-19 pandemic curtailed us from hosting our usual in person events. Instead, a number of events were held virtually covering topics of nitrates and water quality, lowering the environmental footprint of the farm through the incorporation of clover and knowing your carbon footprint: ways to reduce it. The group undertook two field trips to Solohead farm, which is owned by Tipperary Co-operative Creamery, and in partnership with Teagasc, is used for research purposes. Solohead focuses on low input systems of milk production based on grass-white clover swards examining issues such as productivity, grazing management, persistency of clover in swards, nitrate leaching and emissions of nitrous oxide and ammonia.

As part of the CGDF programme, Carbery has collaborated with UCC to develop a diploma in environmental science and social policy for dairy farmers. Through the Carbery Greener Dairy Farms project, farmers were able to complete a diploma where parts of an existing diploma were recognised through the Retrospective Prior Learning (RPL) mechanism. On completion of the remaining 30 credits, farmers qualified for the Diploma in Environmental Science. We are delighted to say that our third group of farmers graduated in November bringing the total number who have completed the diploma to 38.



The 2021 graduates with their diploma in environmental science and social policy for dairy farmers from UCC

ANIMAL HEALTH AND WELFARE

We continued to support Animal Health Ireland (AHI) and our farmer suppliers to prioritise animal health and welfare to ensure the effective control of potential disease on farm. We supported a number of programmes through our involvement in the implementation groups of the national Johnes Control Programme which aims to support farmers in the eradication of Johnes disease on farm and also the coordination of AHI's national CellCheck programme which seeks to ensure top quality milk while also ensuring good animal health and less requirements for antibiotics. Carbery held a number of workshops for farmers in Autumn of 2021 in conjunction with local specialists in the area to deliver workshops on prioritising animal health during the dry cow period.

In 2021, Carbery partnered with Bord Bia to pilot the assessment of animal health and welfare criteria in addition to the existing Bord Bia Sustainable Beef & Lamb Standard (SBLAS) and/or Sustainable Dairy Assurance Standard (SDAS) health and welfare criteria. The pilot aims to establish the level of conformance of Irish farms to specific animal health and welfare criteria increasingly required by international markets and to make recommendations to future Technical Advisory Committees on the types of evidence available, methods for automating verification, and barriers to implementation. The feedback from participating farmers was very positive.

FARMER WELFARE

Carbery 2021 Farmer Webinar

Following on from our 2020 in-person conference, our 2021 event in conjunction with Teagasc moved online to comply with Covid-19. Farmers were given advice on farm safety, health, exercise and wellbeing.

Speakers including Teagasc health and safety expert John McNamara, GAA star and physio Regina Buckley and long distance sea swimmer Steve Redmond, were very well received and gave excellent and timely advice about safety, diet and wellbeing and mindset.

.....Carbery 2021 Farmer Webinar.....

Staying safe, healthy and positive in 2021

 Teagasc Health & Safety Specialist John C. McNamara Farming Safely	 Sports Physio Rena Buckley Health, Exercise, & Nutrition.	 Motivational Speaker Steve Redmond Positive Farming	 Carbery CEO Jason Hawkins Dairy Update
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 **Date:** Wed 20th January 2021
Time: 8-9pm
Zoom link 

The online conference took place during a national lock-down in January

CASE STUDY: MILK QUALITY AWARDS

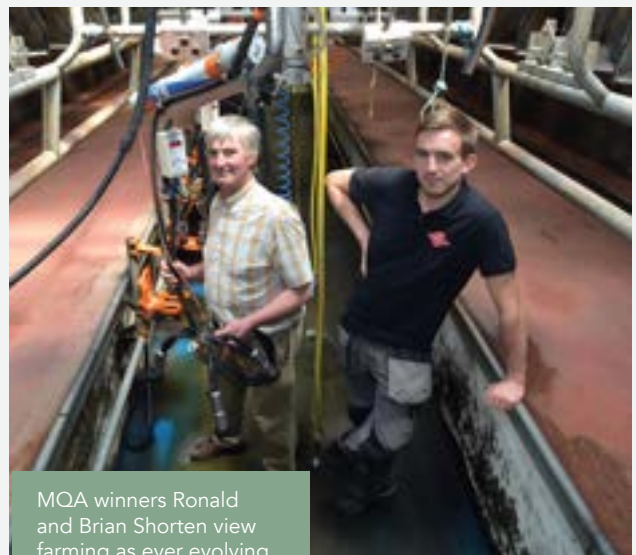
Ronald and Brian Shorten, farming in Woodfield, Clonakilty, were the overall winners of the 17th Carbery Milk Quality and Sustainability Awards. The Shortens are members of Lisavaid Co-op. Ronald and Brian are the third and fourth generation to farm the land, originally purchased by Ronald's grandfather in the 1930s.

The family, consisting of Ronald and Brian, Ronald's wife Betty, and Brian's brothers Mark and Andrew, is farming 120 cows on 173 acres, producing an average of 592kg of milk solids per cow.

Ronald would describe himself as having always adopted new farming approaches since the eighties: "Farming is constantly evolving, and we want to evolve with the science as it changes." Brian focuses on breeding, while Ronald likes to see happy healthy cows, with quality grass in front of them and producing well.

The Shortens also have a focus on sustainability, planting clover and use a trailing shoe for slurry spreading to reduce emissions. They also have newly planted hedgerows. Of this, Ronald says: "Everyone in the farming sector will need to pull together as a team to manage sustainability".

Carbery Group Chairman, Cormac O'Keeffe added "Awards like this one, recognising the commitment, standards and sustainability of how we farm in Ireland and in West Cork, are more important now than ever. We will use the example of our 12 excellent nominees, and indeed all our suppliers, to tell the story of Irish family farming, which is about highest quality milk, grass-fed, healthy cows and looking after the land handed down through families and across generations."



MOA winners Ronald and Brian Shorten view farming as ever evolving and like to keep up with the latest developments

CARBERY MILK QUALITY & SUSTAINABILITY AWARDS



Milk Quality Award winners, Ronald and Brian Shorten (Lisavaid Co-op) of Woodfield, Clonakilty accepting their award at the ceremony in Fernhill House Hotel on the 9th November



'...and the winner is!' Carbery Chairman, Cormac O'Keeffe, announces the winner



THE COMPLETE LIST OF FINALISTS AND WINNERS



Michael (Tony) Hawkes
Keel, Upton

Farming: 150 Acres
Herd Size: 140 Cows
Milk: 493kg of milk solids/cow



Aidan Mulcahy
Mishells, Bandon

Farming: 128 Acres
Herd Size: 107 Cows
Milk: 469kg of milk solids/cow



Michael O'Sullivan
Laragh, Bandon

Farming: 88 Acres
Herd Size: 80 Cows
Milk: 483kg of milk solids/cow



Gerard Harte
Richfordstown, Clonakilty

Farming: 53 Acres
Herd Size: 30 Cows
Milk: 600kg of milk solids/cow



Ivor Anderson
Baurleigh, Bandon

Farming: 180 Acres
Herd Size: 133 Cows
Milk: 426kg of milk solids/cow



Micheál White
Ardgehane, Timoleague

Farming: 33 Acres
Herd Size: 35 Cows
Milk: 457kg of milk solids/cow



John Collins
Caheragh North, Drinagh

Farming: 42 Acres
Herd Size: 45 Cows
Milk: 475kg of milk solids/cow



Elizabeth, David and Ian Warner
Upper Curraghlickey, Drinagh

Farming: 257 Acres
Herd Size: 83 Cows
Milk: 442kg of milk solids/cow



David Kingston
Curraghnaloughra, Drinagh

Farming: 43 Acres
Herd Size: 36 Cows
Milk: 443kg of milk solids/cow



Ronald and Brian Shorten
Woodfield, Clonakilty

Farming: 173 Acres
Herd Size: 120 Cows
Milk: 593kg of milk solids/cow



Vivian and Evan Buttimer
Crohane, Ballinascarthy

Farming: 350 Acres
Herd Size: 170 Cows
Milk: 527kg of milk solids/cow



Conor Murphy
Clonlea, Clonakilty

Farming: 190 Acres
Herd Size: 136 Cows
Milk: 560kg of milk solids/cow



Aligns with
SDG;



OUR PEOPLE



AS WE CONTINUE TO GROW, WE WANT TO ENSURE THAT CARBERY CONTINUES TO BE A PLACE THAT ATTRACTS AND RETAINS THE BEST TALENT, WHERE PEOPLE ARE SUPPORTED TO GROW, AND FEEL THAT THEY CAN DO THEIR BEST WORK.

882
EMPLOYEES

8
COUNTRIES

25
NATIONALITIES

Our strong culture, which encourages working together to support each other, combined with the amazing resilience of our people, ensured that, despite the ongoing challenges posed by Covid, we continued to move forward. Our employees delivered excellent results under challenging circumstances, and the priority of our teams globally was to support and facilitate them to do this.

COVID, YEAR TWO

If 2020 was the year of dealing with the shock of Covid, 2021 was the year where we focused our efforts on working through it, while keeping everyone safe and healthy.

The safety work protocols, response teams, planning measures and communication practices that had been established in 2020 continued to be of top importance, as was the flexibility to dial them up and down as the Covid situation fluctuated globally. It wasn't necessary for our organisation to introduce any pandemic related pay cuts or payment assistance, due to the recovery in food service and demand for our products and the efforts of our employees to meet that demand. We maintained a focus on wellbeing and safety throughout.

AN AGILE RESPONSE FOR AN UNCERTAIN FUTURE

We have a global workforce and although a large percentage of employees have worked offsite since March 2020, we also have manufacturing and production facilities that needed to be staffed, maintained and operated throughout. We commend all of our people, whether based on site or working elsewhere, for their commitment to keeping the company operational and thriving.

Due to this mix of working requirements, the leadership team took the decision to implement an approach to future ways of working that was flexible for employees, but also covered the needs of the business. The *Moving Forward* approach allows each employee to negotiate working arrangements directly with their manager to suit the needs of their role.

TALENT DEVELOPMENT

Our people are key to our performance and ensuring that we continue to support their growth and development is a clear imperative. Throughout 2021, we continued our focus on people development. Learning and development, succession and talent planning, and leadership development continued to be priorities.

The majority of our learning moved to online, delivered through a variety of channels. LinkedIn Learning was introduced for our US team with good success. All managers globally continue to be supported with training and development courses. The learning opportunities covered everything from emotional intelligence, change management, personal leadership and teambuilding and employment law.



Managers in Ireland were supported with the launch of Managers Communication Toolkits, where the core priorities of the organisation are collated and shared monthly to assist them in communicating with their teams.

In Europe and Ireland, leadership teams ran a number of offsite sessions covering a range of topics. Our team in Asia held a number of virtual leadership sessions and participated in a global development session on leadership.

The HR teams also used our internal communications and engagement platform Workvivo to set up dedicated spaces with resources to support and inform managers, as well as provide an online space for discussion and updates.

In the US the HR team ran Connect for Success, a leadership and team building session held offsite in Arizona. Power Hours with managers was also launched – monthly meetings to exchange information, share best practices, communicate change and gather feedback.



CULTURE AND ENGAGEMENT

We undertook a variety of work to support and improve understanding of company culture and engagement. Working from the areas that had been identified as priorities in the Great Place to Work surveys, we focused on improving communications, rolling out a flexible work policy and working directly with teams who wanted to drive greater engagement.

In the UK, the team created Wellness Winners to assist with a focus on wellbeing for employees. They ran yoga and meditation sessions, nutrition talks, a book club and a book swap library and gave tips on growing your own vegetables.

The Employee Event Committee in the US organised a variety of seasonal celebrations including Halloween and Thanksgiving.

The Irish team rolled out a series of three hour healthy shift working sessions for our operators. The feedback was very favourable and attendees were particularly positive about the focus on taking care of mental health.

SUPPORTING THE NEXT GENERATION OF EMPLOYEES

Our connections with academia continued to deepen in 2021, and despite Covid, student and graduate placements continued successfully across the globe in all our functions. Together with the practical experience gained, we provide formal training to support students' ongoing development.

The first recipient of the Carbery Scholarship with UCC was selected and we look forward to supporting this initiative for the next five years.





Aligns with SDG;



OUR MARKETPLACE



IN TODAY'S DYNAMIC AND FAST-MOVING MARKETPLACE, WE HELP OUR CLIENTS STAY AHEAD OF CONSUMER PREFERENCES. WE'RE CONSTANTLY INNOVATING TO MEET GROWING DEMAND FOR HEALTHIER FOODS AND MORE ETHICAL PRODUCTS THAT STILL DELIVER ON ALL-IMPORTANT TASTE.

40%
REDUCTION
IN PLASTIC TO
LANDFILL

14%
CALORIE
REDUCTION IN
BAKED GOODS

As a food producer, we have a pivotal role to play in ensuring that what we produce is meeting the nutritional and health needs of our customers.

We know that consumers are paying more attention to their physical and mental wellbeing and are increasingly open to making changes to their diet and lifestyle.

We are meeting our responsibilities as a food producer as well as our consumer's evolving preferences, through a constant programme of new product development, innovation, and improving and enhancing existing product ranges. We are participants with our academic partners in research programmes that test the health benefits of our products.

DAIRY

Since 2019, Carbery has been working in partnership with a major Irish retailer, to reduce the amount of plastic in the cheese products that we supply to them for retail. This retailer has a commitment in their vision statement and sustainability strategy to reduce the volume of plastic used in their outlets by 50% by 2025.

For safety and quality reasons, options for reducing plastic in cheese packaging can be limited. However, Carbery have worked closely with packaging partners to identify suitable alternatives and, in 2020 and 2021, we invested in reduced plastic packaging for key products. Carbery has reduced plastic to landfill by approx. 40% (23 tonnes) for this retailer across the products we supply to them. We are continuing to work with this retailer and others on packaging and hope to implement further plastic reduction in 2022 and beyond.

OUR NEW PACKAGING USES 15% LESS PLASTIC. HAPPY DAYS!



Social media post for Carbery Cracker highlighting the reduced environmental of our new packaging

NUTRITION

At Carbery we are continuously innovating, creating, and adapting our products to suit all types of consumers. We continue to develop whey protein ingredients that are suitable for use across a wide range of convenient product formats that appeal to ageing adults. Due to its fast absorption rate and high leucine content, whey protein is an ideal protein source for an ageing population to improve physical status and prevent protein malnutrition.

We have several research projects in our innovation pipeline with the objective to positively impact health and well-being, these include:

- Increasing appetite in an ageing population – supporting an improved nutrition status
- Evaluating the role of whey protein to promote positive gut health status
- Supporting long term research on the beneficial effects of whey protein on metabolism
- Whey protein supplementation to support active sports and health and wellness
- Blood glucose management through a healthy diet and exercise
- Boosting immune health and reducing susceptibility to infections through whey protein.



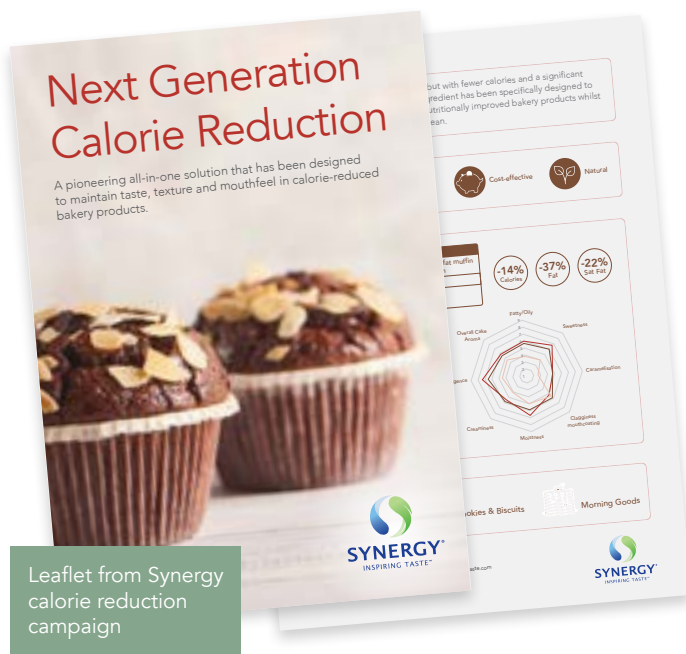
Promoting the benefits of whey protein for active ageing

TASTE

Governments in Europe are putting pressure on the food industry to help consumers move to a healthier weight by reducing the amount of excessive calories in foods. Research shows people in the UK are consuming as many as 300 excess calories per day. Some industry bodies have suggested that recent sugar reduction guidelines do not go far enough and that manufacturers should be taking a more holistic approach by reducing excessive calorie levels in various food categories.

In 2021 Synergy developed a solution that can help bakers achieve up to 14% calorie reduction in a range of popular baked goods without compromising on the taste, texture and mouthfeel that consumers expect from a full fat bakery product.

We make product reformulation simple with an all-in-one solution that has been designed to maintain taste, texture and mouthfeel in calorie-reduced bakery products.



Leaflet from Synergy calorie reduction campaign



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