

GOVERNANCE REPORT

Corporate Governance Report



Philip Toomey
Chairman of the Board

Dear Shareholder,

I am pleased to present the Kerry Group Corporate Governance Report for the year ended 31 December 2020.

The Corporate Governance Report describes how we apply the main Principles of good governance as set out in the 2018 UK Corporate Governance Code and the Irish Annex (the Code). On behalf of the Board I can confirm that for the year under review the Group has complied with all relevant Provisions of the Code other than certain remuneration related Provisions which required structural changes to the existing Remuneration Policy. The required changes have been incorporated into a new Remuneration Policy that will be put to an advisory vote at the 2021 AGM. Further details are outlined in the Remuneration Committee Report on pages 120-122.

Following the declaration of the COVID-19 pandemic, additional Board meetings were held, as the Board focused on the impact of the pandemic and oversaw the Group's response by providing critical guidance and support to Executive Management. Physical Board meetings became impossible due to the imposition of COVID-19 related restrictions with all Board meetings held via video conference from April onwards.

The Board sets the tone and shared values for the way in which the Group operates and recognises the importance of culture to the success of the business model. During 2020, the Board continued to assess and monitor the Group's culture to ensure that it is aligned with the Group's strategy and values and is adequately embedded across the Group.

As a Board, we recognise the benefits of understanding the views of all our stakeholders and we ensure that their interests are regarded in Board discussions and in our decision making. Details of stakeholder engagement activities during the year, including the work of the designated workforce engagement Director, are outlined on pages 98-101.

The Board, in conjunction with the Governance, Nomination and Sustainability Committee, ensures that there are robust plans in place to facilitate Board, executive and senior management succession. During 2020, the Board undertook a formal process to recruit two new non-Executive Directors both of whom bring skills and experience that will strengthen the Board. Details of the non-Executive Director and Committee changes that occurred during the year, are set out in the Governance, Nomination and Sustainability Committee Report on page 116.

I will have served nine years as a Director, including less than three years as Chairman, on 19 February 2021. The Governance, Nomination and Sustainability Committee is aware of the Provisions of the Code in respect of Chairman tenure and is undertaking a formal succession process which is being led by Ms. Joan Garahy as Senior Independent Director. The Board has recommended that I continue as Chairman until the AGM in 2022, to allow appropriate time to identify a successor and to enable an orderly succession to the role.

The Board recognises its role in providing guidance and strategic oversight to the Group in implementing its 2030 sustainability strategy, *Beyond the Horizon* which was officially launched in October 2020. Following the launch, the Board expanded the role of the Nomination Committee to reflect its additional responsibilities of sustainability oversight and approved updated Terms of Reference. The Nomination Committee was renamed the Governance, Nomination and Sustainability Committee.

Diversity at Board level has been a focus for the Governance, Nomination and Sustainability Committee for a number of years and also continues to be a key factor when considering Board refreshment. During 2020, the Governance, Nomination and Sustainability Committee also monitored the progress made against the diversity targets at senior management level to ensure the appropriate level of skills and diversity exists to support the delivery of the Group's strategy and financial targets. Improving and monitoring diversity beyond gender and below Board level will continue to be a key area of focus for the Board and the Executive Management in 2021.

Each year the Board undertakes a formal evaluation of its effectiveness and that of its Committees. In 2020, this was an internal self-assessment which was conducted by the Chairman and the Senior Independent Director. The evaluation concluded that the Board and its Committees are performing effectively. Details of the process and the resulting actions from this review are outlined on page 105.

Details of the Group's activities and the operations of the Board, contained in the following report, outline the manner in which the Group has achieved compliance with the Code through the activities and operations of the Board and its Committees during the year.

Philip Toomey
Chairman of the Board

Board Leadership and Company Purpose

Kerry Group Governance Framework

Kerry Group has a clear Governance Framework with defined responsibilities and accountabilities as outlined in the diagram below. This Governance Framework is designed to safeguard long-term shareholder value and ensure that the Group contributes to wider society.



Board Role and Operations

The Board currently comprises of 13 members, a non-Executive Chairman, Chief Executive Officer, Chief Financial Officer, one other Executive Director, and nine non-Executive Directors.

The Directors are of the opinion that the composition of the Board provides the extensive relevant business experience needed to oversee the effective operation of the Group's activities and that the individual Directors bring a diverse range of skills, knowledge and experience, including financial as well as industry and international experience, necessary to provide effective governance and oversight of the Group.

The Board's role is to promote the long-term sustainable success of the Company generating value for all its stakeholders, including shareholders, employees, customers, suppliers and the communities in which it operates, while developing and monitoring strategy, and managing the risks that face the organisation. It is also responsible for embedding the purpose, instilling the appropriate values and behaviours, together with monitoring and assessing culture throughout the organisation.

The Board oversaw the Group's response to COVID-19 providing critical guidance and support to Executive Management. A COVID-19 Taskforce comprising of key executives, supported by local management teams, co-ordinated the Group's response and were responsible for approving and directing the actions required to help mitigate the many challenges presented by the pandemic. The Board was provided with regular updates on progress, in relation to the health & safety of employees, support for customers and communities, continuity of supply both from suppliers and to customers, and the Group's financial and operational performance.

Details of the COVID-19 Taskforce and the Group's response to the risks posed by the pandemic are outlined in the Risk Management Report on pages 74-75.

The Board has a formal schedule of matters specifically reserved to it for decision as noted below and has delegated other responsibilities to management for day-to-day operations within the context of the Kerry Group Governance Framework as outlined above.

Schedule of Matters Reserved for the Board

- appointments to the Board;
- ensuring compliance with corporate governance, legal, statutory and regulatory requirements;
- approval of the overall Group strategic and operating plans;
- monitoring and reviewing risk management and internal control systems;
- monitoring and assessing culture;
- reviewing and assessing the adequacy of the Group's whistleblowing arrangements;
- approval of acquisitions and divestitures;
- approval of significant capital expenditure;
- approval of Treasury policy including changes to the Group's capital structure;
- approval of dividend policy and dividends;
- approval of annual budgets;
- approval of preliminary results, interim management statements and interim financial statements;
- assessment of the long-term viability of the Group and the going concern assumption; and
- the preparation of, and confirmation that, the annual report and financial statements present a fair, balanced and understandable assessment of the Company's position, performance and prospects.

Information Flow

The Chairman ensures that all Directors have full and timely access to such information as they require to discharge their responsibilities fully and effectively. Board papers are issued to each Director at least one week in advance of Board meetings and include the meeting agenda, minutes of the previous Board meeting and all papers relevant to the agenda. The Chairman, in conjunction with the Company Secretary, has primary responsibility for setting the agenda for each meeting. All Directors continually receive comprehensive reports and documentation on all matters for which they have responsibility to allow them to fully complete their duties as a Director. All Directors participate in discussing strategy, trading updates, financial performance, significant risks and operational activities in addition to the Group's purpose, vision, values and culture. Board meetings are of sufficient duration to ensure that all agenda items and any other material non-agenda items that may arise are adequately addressed. In addition to formal meetings, the Chairman and Chief Executive Officer maintain regular contact with all Directors. The Chairman holds informal meetings or calls with non-Executive Directors without the Executive Directors to discuss issues affecting the Group.

All directors have access to the advice and services of the Company Secretary, who is responsible for advising the Board on all governance matters. In accordance with an agreed procedure, in the furtherance of their duties, each Director has the authority to engage independent professional advice at the Company's expense.

Strategy

During 2020, as part of the annual strategy review, the Board received and considered presentations from Executive Directors on progress to date implementing the strategies for volume growth, margin expansion and return on investment that underpin the Group's five year plan and its associated financial targets.

The Board approved the Group's sustainability strategy *Beyond the Horizon* in October 2020 which underpins the Group's growth strategy. Presentations were also received from the Company's advisors on matters such as the mergers and acquisitions landscape, the 'New Normal' post COVID-19, corporate defence and shareholder activism throughout the year. Through these reviews and ongoing discussions on strategy the Board is confident that Kerry's strategic priorities for growth will continue to be the key drivers of organic growth and acquisition investment in the future.

The Board ensures that the decisions it makes are aligned with the achievement of the Group's strategy and are made in the long-term interest of the Group and its stakeholders. This is particularly the case when deciding how to prioritise the allocation of resources (human and financial capital) across competing research and development activities, acquisition opportunities and major capital expenditure projects.

During the year, the Board also reviewed the business model and how it is executed. The Board is satisfied that the business model is both sustainable in the long-term and optimally structured to enable delivery of the Group's strategy. Details of the Group's strategy are outlined in Strategy and Financial Targets on pages 26-28.

Purpose, Values and Culture

As the world leader in taste and nutrition, our Purpose Inspiring Food, Nourishing Life was approved by the Board in 2019.

The Group's purpose is guided by the Group's new Vision to be our customers' most valued partner, creating a world of sustainable nutrition. The Board is satisfied that the strategies for the Taste & Nutrition and Consumer Foods businesses are aligned to the Group's Purpose which is guided by our Values of Courage, Ownership, Inclusiveness, Open-mindedness and Enterprising Spirit. The Board is also led by the Group's Purpose during its discussions and when making decisions on the matters that are reserved for its consideration. Further details of the Group's purpose and values are outlined on pages 4-5.

The Group's culture is based on a common understanding of our values, underpinned by our practices of Safety First, Quality Always and a robust risk management framework consisting of policies and procedures, including a Code of Conduct which defines business conduct standards for anyone working for, or on behalf of the Group.

The Board recognises the importance of its role in setting the tone of Kerry's culture and embedding it throughout the Group. In addition to the Board, the executives have responsibility to ensure that the policies and behaviours set at Board level are effectively communicated and implemented throughout the Group. The Kerry Way framework articulates the Group's purpose and values and the MyKerry intranet site provides a platform for employees to access the Group's policies.

The Board monitors and assesses the culture of the Group through a number of mechanisms including compliance with Group policies, internal audit, formal and informal channels for employees to raise concerns including the Leader Pulse Check, OurVoice employee engagement survey and the Group's whistleblowing arrangement and feedback from the designated workforce engagement Director. If the Board is concerned or dissatisfied with any behaviors or actions, it seeks assurance from the executives that corrective action is being taken.

Board Activities

The Board's activities during the year included the items set out below:

Strategy

- reviewed the Group's strategic priorities for growth and business model in light of COVID-19;
- reviewed and approved the Group's strategy relating to mergers and acquisitions;
- approved the Group's new vision statement;
- approved the Group's refreshed corporate brand identity; and
- approved the Group's 2030 sustainability strategy *Beyond the Horizon*.

Operational/Commercial

- received regular updates from Executive Directors on how COVID-19 was impacting the Group's operations with a particular focus on employee health & safety;
- approved individual acquisitions and considered the learnings from completed acquisitions; and
- approved significant capital expenditure projects.

Financial

- received reports from the Chief Financial Officer at each meeting in respect of the Group's financial performance including how it was impacted by COVID-19;
- received regular reports from the Chief Financial Officer on Investor Relations activities;
- considered the Group's financial position and liquidity headroom in light of the COVID-19 pandemic;
- approved the Group's Preliminary Results, Annual Report and Accounts, Interim Financial Statements and Interim Management Statements;
- approved the payment of an interim dividend and recommended the payment of a final dividend;
- approved the going concern basis of accounting and the long-term viability statement taking into consideration the impact of COVID-19;
- considered and agreed the treasury policy and approved significant treasury activities during the year including the issuance of €200m of new senior notes; and
- approved the Group Budget for the 2021 financial year.

Internal Controls and Risk Management

- received regular reports from the Chairman of the Audit Committee on its oversight of internal controls, risks and risk management;
- received regular reports from business and functional leaders on the Group's key risks; and
- confirmed the effectiveness of the internal control and risk management framework.

Governance and Stakeholders

- received regular reports from the Chairman of the Governance, Nomination and Sustainability Committee on its activities;
- approved the appointment of Ms. Emer Gilvarry and Mr. Jinlong Wang as non-Executive Directors and changes to the composition of Board Committees;
- conducted an internally facilitated Board evaluation and considered its outcome;
- considered compliance with the 2018 UK Corporate Governance Code;
- approved the Board Diversity Policy;
- confirmed that appropriate arrangements and structures are in place to ensure material compliance with the relevant obligations under Section 225 of the Companies Act 2014;
- confirmed that appropriate structures are in place for the proportionate and independent investigation and follow-up of matters raised through the Group's whistleblowing arrangements;
- approved the Shareholder Circular relating to CSD Migration and the associated changes to the Company's Articles of Association; and
- received updates on a range of corporate governance and regulatory matters from external advisors.

People and Culture

- received regular reports from the Chairperson of the Remuneration Committee on its activities;
- approved the changes to the new Remuneration Policy to be put to an advisory vote at the 2021 AGM;
- reviewed the results of the OurVoice employee engagement survey and the Leader Pulse Checks conducted in 2020;
- received and considered reports from the designated workforce engagement Director on his activities during the year. Details are outlined in Governance in Action on page 101;
- received and considered presentations from the Chief Executive Officer and the Chief Human Resources Officer on talent and succession planning;
- attended the Kerry Global Leadership Forum along with 400 senior managers; and
- monitored and assessed the culture of the Group to ensure it promotes integrity and openness, values diversity and is responsive to the views of shareholders and wider stakeholders.

Stakeholder Engagement

While the Board's primary duty is to act in a way that promotes the long-term success of the Company for the benefit of the shareholders, the Directors also acknowledge the need to have regard to the interests of all other stakeholders in their discussions and decision making. Engagement with stakeholders enables better informed decision making, thereby increasing the likelihood of long-term successful outcomes. Similarly, the Board also recognises the need to maintain a reputation for high standards of business conduct in its actions and decisions. Following the declaration of the COVID-19 pandemic by the World Health Organisation in early 2020, balancing the needs and expectations of our stakeholders has never been more important and challenging. Details of our stakeholder engagement are set out below:

Shareholders



Our Engagement

The Board ensures it has an effective channel of communication with existing and potential shareholders. The Investor Relations team and Executive Management maintain ongoing engagement with the investment community, through a variety of different mediums including investor meetings and conferences, investor events, ongoing investor calls and correspondence. During 2020, meetings were held with over 800 investors and Kerry's management teams participated at 21 investor conferences. Kerry met investors in eight different cities and then engaged virtually from April onwards following the imposition of COVID-19 related restrictions.

In addition, a significant amount of published material including results releases, presentations, share price information and news releases are accessible to all shareholders on the Group's website www.kerrygroup.com.

Shareholder presentations are made at the time of release of the Group's full year and half year results and interim management statements, following which the Chief Executive Officer and Chief Financial Officer provide the Board with an update on feedback received. Regular updates are provided by the Chief Financial Officer to the Board on matters raised by shareholders and analysts as well as updates on the composition of the Group's share register.

The Company's Annual General Meeting (AGM) provides an opportunity for the Directors to deliver presentations and to answer questions of shareholders, both institutional and private. Whilst this was not possible in 2020 due to COVID-19 related restrictions, all shareholders were able to exercise their right to vote through the appointment of a proxy. Shareholders were also invited to join and listen to the business of the meeting via webcast which was accessed through the Company's website. The Company also provided a facility for shareholders to submit questions by email or by post in advance of the AGM.

Material Matters

Matters of importance to shareholders included the impact of COVID-19 on the Group's performance and outlook. Other matters included strategic positioning, competitive landscape, mergers and acquisitions and Kerry's sustainability strategy.

Our Response

When necessary, the Board and Committee Chairs engage with shareholders on specific topics and where relevant provide feedback to the Directors. During the year, the Remuneration Committee Chairperson consulted with a number of large institutional shareholders on the proposed changes to the Remuneration Policy.

All the Committee Chairs attend the AGM in person. While this was not possible in 2020 due to COVID-19 related restrictions, all Committee Chairs were available throughout the year to engage with shareholders.

Employees



Our Engagement

The Group undertakes regular two-way engagement activities with our 26,000+ employees including employee briefings and virtual Town Halls led by business leadership teams, and through the OurVoice employee engagement survey followed by team feedback sessions. During October 2020, 86% of employees participated in the OurVoice employee engagement survey. Interim Leader Pulse Checks were also conducted in March and July with senior management. The leader led Kerry Way workshops, to embed the Group's purpose and refreshed values, which commenced in 2019 were completed in early 2020. Following the declaration of the COVID-19 pandemic, the Group established and maintained a dedicated information portal for all employees on the MyKerry intranet. The Chief Executive Officer, Executive Management and business leaders held virtual briefings and updates with their respective teams as the situation continued to evolve during the year.

Employees (continued)



Our Engagement (continued)

The designated workforce engagement Director Mr. Tom Moran engaged directly with business leadership teams and employees during 2020, initially in person, with subsequent activities moving to a virtual setting from March 2020 onwards. Details of the activities of the designated workforce engagement Director are outlined on page 101.

Board members, through their attendance at the Kerry Global Leadership Forum, held in October 2020, were provided with an opportunity to listen to over 400 senior managers across the organisation, where they discussed matters such as our refreshed brand identity and vision, the 2030 sustainability strategy, leadership competencies, culture and values.

Material Matters

Our annual employee engagement survey reinforced our core strengths in the areas of health & safety, employee wellbeing and customer focus. Areas identified for continued focus during 2021 include the role of senior leaders, simplification of organisational structures and investment in career development opportunities for all employees.

Our Response

The Board provided feedback on the global priorities and plans to address the matters raised by employees as part of the OurVoice employee engagement survey and the Leader Pulse Checks. The Board also received updates from the Chief Executive Officer on the action plans to safeguard the safety and wellbeing of employees during the COVID-19 pandemic.

Details of employee engagement activities are outlined in Our People on pages 14-19 and the Sustainability Review on pages 46-70. The Group's response to employees during the COVID-19 pandemic is outlined above and in the Sustainability Review on page 58.

Customers & Consumers



Our Engagement

Kerry operates a proven customer-centric business model that enables us to work side by side with customers as their co-creation partner. The Group interacts with customers on a daily basis at multiple levels from dedicated relationship and account managers to tailored innovation forums.

In response to the COVID-19 pandemic, the Group supported its customers by ensuring continuity of supply and helping them to innovate their product portfolios to meet changing consumer needs and preferences and the evolving operating environment. The Group engaged with its customers by introducing new innovative processes for virtual collaboration and via its dedicated COVID-19 web page. The Group also shared its COVID-19 safety playbook with customers to ensure their operations were not compromised.

During 2020, the Group conducted a global customer satisfaction survey with its major customers and continued to engage with customers on the Group's sustainability strategy.

Feedback from customer engagement activities was discussed at each Board meeting as part of the business updates provided by the Executive Directors. The Board also considers customer engagement matters as part of the overall Group sustainability strategy.

Material Matters

Matters of importance included the impact of the COVID-19 pandemic on, the end-to-end supply chain, changing consumer needs and preferences and the customers' ability to operate.

Our customers are also responding to the acceleration of key trends in the food and beverage industry, with increased demand for health and immunity enhancement, plant protein options, and products addressing a diverse range of sustainability criteria.

Our Response

The Board approves the Group's significant investment in Research & Development activities and together with management ensures that this resource is focused on those projects that can best meet customers' needs and thereby enable the Group to achieve its strategic objectives in relation to revenue growth, margin expansion, return on investment and enabling food production in a more environmentally sustainable manner. During 2020, the Board approved investments in areas such as developing immunity enhancing products, expanding the Group's Radicle™ portfolio of plant-based food ingredient solutions and developing innovative food delivery solutions. The Board also approved a number of acquisitions during the year which complement the Group's capabilities in areas such as proactive nutrition, taste and food protection solutions to meet the changing needs of customers and consumers. Further details are outlined in Our Business Model on pages 20-21, Strategy and Financial Targets on pages 26-28 and the Sustainability Review on pages 52-55.

As Kerry continues to meet the changing needs of both customers and consumers, the Board approved the 2030 sustainability strategy *Beyond the Horizon* along with a refreshed brand identity, reflecting the evolution of the business. This underpins Kerry's growth strategy as it continues to partner with its customers to create a world of sustainable nutrition.

Suppliers



Our Engagement

Kerry engages with suppliers on a daily basis to manage ongoing operational activities through a dedicated procurement function. In addition, the Group has identified key suppliers with whom we have more strategic relationships.

Material Matters

Matters of importance to our suppliers include service levels, cost reduction programmes, availability of supply and responsible sourcing. During 2020, availability of supply during the COVID-19 pandemic impacted all suppliers. Also, the impact of Brexit on availability and cost of supply received particular attention in our Consumer Foods division.

Our Response

Through the Group's Sustainability Programme, the Board ensures 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.

The Board ensured that as part of the Group's Brexit planning, contingency supply arrangements were put in place to limit any potential disruption in production. Similarly, the Board ensured that effective supply arrangements were put in place as part of the Group's response to COVID-19.

Further details are outlined in the Sustainability Review on pages 55-58.

Community



Our Engagement

Kerry engages with community representative bodies, charities and leading non-governmental organisations in all regions in which it operates. The Group directly supports a range of community projects and encourages employees to participate in local initiatives through paid volunteer hours.

The Board considers our local community engagements as part of the overall Group sustainability strategy.

Material Matters

Matters of importance include the impact of COVID-19 on the wider society, employment and local economic development, and access to nutrition and sustainable food production.

Our Response

As a leader in the food and beverage industry, the Group continued to fulfill its role during the pandemic, ensuring a safe and consistent food supply despite the challenges faced by the industry.

In addition, the Board approved the Group's MyCommunity initiative as part of its response to the COVID-19 pandemic. This initiative includes the provision of financial support, pledging of 26,000 employee volunteer days to assist community programmes, the supply of PPE to frontline workers, the production and donation of hand sanitiser and the delivery of food to vulnerable groups in society.

Details of the Group's MyCommunity initiative and other community activities are outlined in the Sustainability Review on pages 60-61.



Consideration of Stakeholder Views in the Decision Making Process

By understanding the matters of importance to our stakeholders, the Board can consider their needs and concerns in its decision making. The Board ensures that material decisions, which could impact on stakeholder groups, are taken with due regard to their interests.

GOVERNANCE IN ACTION:

Designated Workforce Engagement Director – Activities and Feedback in 2020

A plan for 2020 was developed by the Group Human Resources Team, in conjunction with the designated workforce engagement Director Mr. Tom Moran, to ensure he had the opportunity to engage with or visit each of the Group's regions, meet with a range of employees in their day to day settings and attend a variety of employee events. While some in person events were completed in the first quarter of 2020, due to the COVID-19 pandemic, the plan was revised and moved to a totally virtual plan from March 2020 onwards. Details of the employee engagement activities undertaken by Mr. Tom Moran during 2020 are outlined below.

- visit to Kerry Foods manufacturing site in Coleraine, Northern Ireland;
- participation in our International Women's Day event in Naas, Ireland;
- participation in groupwide webinars hosted by the Chief Executive Officer;
- participation in leadership team meetings in Europe and Russia and LATAM regions;
- attendance at the virtual Kerry Global Leadership Forum. Further details are outlined on page 99;
- attendance at a global Town Hall event hosted by the Research, Development and Application team, for over 1,000 employees globally;
- 1:1 briefings with key leaders showcasing career development, diversity, inclusion and belonging and community activities across the Group;
- ongoing updates with key representatives from the Group Human Resources team to provide a first-hand view of Kerry's response to the COVID-19 pandemic, including measures taken to prioritise the health, safety and wellbeing of all employees whether working at home or continuing to work onsite and the preparations for their future return to the workplace; and
- ongoing updates on the results from the Leader Pulse Checks and the OurVoice employee engagement survey activities.

The global priorities for employee engagement during 2020 were as follows:

- integrating employee engagement as a key organisational measure to drive sustainable and successful business improvement activities;
- maintaining a continued focus on employee engagement activities during the COVID-19 pandemic and providing additional support to senior management in leading teams through uncertain times, managing a more dispersed workforce and dealing with prolonged disruption to day to day working practices;
- providing the right level of organisational support, to prioritise employees' safety, health and wellbeing needs, to partner effectively with customers, and to help our communities during the COVID-19 pandemic; and
- actively fostering diversity, inclusion and belonging in the workplace to ensure all employees felt valued, stayed connected, received relevant and timely updates as matters evolved and were able to connect their own roles and contribute fully to meaningful work aligned to our purpose.

Mr. Tom Moran held regular meetings with the Chief Human Resources Officer and the Group Human Resources Team to provide his feedback from the engagement activities. He also presented regular reports to the Board on the activities undertaken and shared his feedback and findings where applicable.

Mr. Tom Moran is satisfied that the employee engagement process is being successfully operated within the Group and, despite the pandemic constraints, has been very productive. He, and the officers leading the process, have kept the Board informed on its progress and on the views of the workforce.

Annual General Meeting

All Directors attend the AGM and are available to meet with shareholders and answer questions as required. Notice of the AGM, proxy statement and the Annual Report and financial statements are sent to shareholders at least 20 working days before the meeting. A separate resolution is proposed at the AGM on each substantially separate issue including a particular resolution relating to the adoption of the Directors' and Auditors' reports and the financial statements. Details of the proxy votes for and against each resolution, together with details of votes withheld are announced after the result of the votes by hand. These details are published on the Group's website following the conclusion of the AGM. At the AGM held on 30 April 2020, there were no material votes cast against any resolutions.

Whistleblowing Arrangement

The Group's whistleblowing arrangement includes an externally facilitated multi-lingual hotline 'Express a Concern' through which all employees and third parties can raise concerns in confidence about possible wrong doings in financial reporting and other matters, 24 hours a day by phone or online.

All whistleblowing incidents are reviewed by the Head of Internal Audit and formally investigated by the relevant functional heads depending on the nature of the concern raised.

In 2020, the Audit Committee reviewed the whistleblowing incidents and outcomes and provided updates to the Board which enabled the Board to assess the adequacy of the whistleblowing arrangements and to review the reports arising from its operation. The Board is satisfied that the Group's whistleblowing arrangements are operating effectively.

Division of Responsibilities

Chairman and Chief Executive Officer

The roles of the Chairman and Chief Executive Officer are separate and the division of duties between them is formally established, set out in writing and agreed by the Board. The Chairman is responsible for leadership of the Board and ensuring its effectiveness in all respects. The Executive Directors, led by the Chief Executive Officer, are responsible for the management of the Group's business and the implementation of Group strategy and policy.

Senior Independent Director

The principal role of the Senior Independent Director (SID) is to provide a sounding board for the Chairman and to act as an intermediary for other Directors as required. The SID is responsible for the appraisal of the Chairman's performance throughout the year. The SID is also responsible for leading a formal succession process for the role of Chairman. The SID is available to meet shareholders upon request, in particular if they have concerns that cannot be resolved through the Chairman or the Chief Executive Officer.

Non-Executive Directors

The non-Executive Directors' main responsibilities are to review the performance of management and the Group's financial information, assist in strategy development, and ensure that appropriate and effective systems of internal control and risk management are in place. The non-Executive Directors review the relationship with external auditors through the Audit Committee and monitor the remuneration structures and policy through the Remuneration Committee.

The non-Executive Directors provide a valuable breadth of experience and independent judgement to Board discussions.

Company Secretary

Each Director has access to the advice and services of the Company Secretary, whose responsibilities include ensuring that Board procedures are followed, assisting the Chairman in relation to corporate governance matters, ensuring the Company complies with its legal and regulatory obligations and facilitating appropriate quality information flows between the business and the Board.

Commitments

Under the terms of their appointment all Directors agreed to the time commitment schedule which requires them to allocate sufficient time to discharge their responsibilities effectively. This matter is considered by the Governance, Nomination and Sustainability Committee on an ongoing basis in accordance with its Terms of Reference.

All Directors must seek prior approval of the Board in advance of undertaking any additional external appointments. Before approving any additional external appointment, the Board considers the time commitment required for the role. Each proposed external appointment is reviewed independently.

Independence

The Board, as a whole, has assessed the non-Executive Directors' independence and confirmed that, in its opinion, all non-Executive Directors are independent in accordance with the Code. The Board notes that Dr. Hugh Brady and Ms. Joan Garahy serve on the Board of ICON plc. The Board is satisfied that they are able to apply objective and independent judgement to act in the best interest of the Company.

Conflicts of Interest

Under the terms of their appointment all Directors have continuing obligations to update the Chairman as soon as they become aware of a situation that could give rise to a conflict or a potential conflict of interest.

Board Committees

The Board has three Committees, the Audit Committee, the Governance, Nomination and Sustainability Committee and the Remuneration Committee, which support the operation of the Board through their focus on specific areas of governance.

Each Committee is governed by its Terms of Reference, available from the Group's website www.kerrygroup.com or upon request, which sets out how it should operate including its role, membership, authority and duties. Reports on the activities of the individual Committees are presented to the Board by the respective Committee Chairs.

Further details on the duties, operation and activities of all Board Committees can be found in their respective reports on pages 107-149 and these reports form part of the Governance Report.

Meetings and Attendance

The Board meets sufficiently regularly to ensure that all its duties are discharged effectively. All Directors are expected to prepare for and attend meetings of the Board, the Committees of which they are members and the AGM. In the event that a Board member cannot attend or participate in the meeting, the Director may discuss and share opinions on agenda items with the Chairman, Chief Executive Officer, Senior Independent Director or Company Secretary in advance of the meeting.

During the year, additional Board meetings were convened to discuss the Group's response to the COVID-19 pandemic and to consider strategic acquisition opportunities. As a result, a total of 14 meetings were held in 2020, with all meetings held virtually from April onwards due to the imposition of COVID-19 related restrictions and to ensure that the health & safety of our Board and colleagues was protected. Individual attendance at the Board and Committee meetings is set out in the table below.

Directors	Board	Audit Committee	Governance, Nomination and Sustainability Committee	Remuneration Committee
Philip Toomey	14/14	-	6/6	-
Edmond Scanlon*	14/14	-	-	-
Marguerite Larkin*	14/14	-	-	-
Gerry Behan*	14/14	-	-	-
Hugh Brady	14/14	6/6	6/6	-
Gerard Culligan	12/14	-	-	-
Karin Dorrepaal	14/14	-	6/6	6/6
Joan Garahy	14/14	6/6	-	6/6
Emer Gilvarry**	2/2	2/2	-	-
James C. Kenny***	6/6	-	2/2	3/3
Tom Moran****	14/14	4/4	1/1	6/6
Con Murphy	13/14	-	-	-
Christopher Rogers*****	14/14	6/6	-	3/3

* Executive Directors

** Ms. Emer Gilvarry was appointed to the Board on 1 November 2020 and was appointed to the Audit Committee on the same date.

*** Mr. James C. Kenny retired from the Board following the conclusion of the AGM on 30 April 2020.

**** Mr. Tom Moran stepped down from the Audit Committee on 1 November 2020 and was appointed to the Governance, Nomination and Sustainability Committee on the same date.

***** Mr. Christopher Rogers was appointed to the Remuneration Committee on 30 April 2020.

Attendance statistics represent: Total number of meetings attended by the Director/Total number of meetings held during the year which they were eligible to attend.

Composition, Succession and Evaluation

Board Induction and Development

On appointment to the Board, each new non-Executive Director undergoes a full formal induction programme. This induction includes an overview of their duties and responsibilities as a Director, presentations on the Group's operations and results, meetings with Executive Management and an outline of the principal risks and uncertainties facing the Group. Details of the induction programme undertaken by Ms. Emer Gilvarry are outlined in the Governance in Action below.

GOVERNANCE IN ACTION:

New Director Induction

New non-Executive Director Ms. Emer Gilvarry was appointed to the Board on 1 November 2020.

Overview

The Chairman, supported by the Company Secretary, is responsible for ensuring that new Directors have an appropriate induction on joining the Board. Each Director undergoes a full formal induction programme which is tailored to meet their individual requirements.

The purpose of the induction programme is to enable Directors to gain a full understanding of the Group, governance related matters and directors' duties and responsibilities.

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 Chairman, the Senior Independent Director and Remuneration Committee Chairperson, and the Audit Committee Chairman;
- meetings with functional leaders on matters such as board and corporate governance, internal audit, strategy, investor relations, human resources and sustainability;
- meetings with business leaders of the Taste & Nutrition and the Consumer Foods businesses to obtain an overview of each business; and
- meetings with external Auditors and other advisors.

Future Induction Plans

- site visits to see first-hand the Group's operations while engaging with employees and senior management. Timing of these visits has yet to be agreed due to the ongoing COVID-19 pandemic.

Mr. Jinlong Wang who was appointed to the Board with effect from 5 January 2021, will complete a full formal induction programme tailored to his requirements over the coming months.

Throughout the year, the Board as a whole engages in development through a series of consultations with subject matter experts on a range of topics including corporate governance and strategy. Presentations are also made by Executive Directors and senior management on various topics throughout the year in relation to their areas of responsibility.

On an annual basis, an 'off-site' Board meeting is scheduled at a Group location and is combined with a comprehensive schedule of activities over a week long period, to allow non-Executive Directors further develop their understanding of the Group's activities and meet with local senior management and emerging talent. Due to the COVID-19 pandemic, the Board visit scheduled for June 2020 was cancelled.

The Board along with 400 senior managers attended a virtual three day Kerry Global Leadership Forum in October 2020 at which the Group's new vision statement, brand identity and sustainability strategy were unveiled. It also provided the Board with an opportunity to listen to and obtain feedback from senior management across the Group on subject matters such as leadership competencies, culture and values.

As part of their personal development plans, individual non-Executive Directors were also afforded the opportunity to visit a number of the Group's international facilities and operations. In 2020, Mr. Tom Moran, in his role as designated workforce engagement Director, visited two sites in Ireland: Kerry Foods in Coleraine and the Global Technology & Innovation Centre in Naas. Due to the COVID-19 pandemic, all other non-Executive Directors' international site visits were cancelled.

Individual Board members training requirements are reviewed with the Chairman and Company Secretary and training is provided to address these needs.

Board Performance Evaluation

In accordance with provisions of the Code, a performance evaluation of the Board is carried out annually and facilitated externally every third year.

In 2020, the Board conducted an internal self-evaluation of the performance of the Board, Board Committees, the Chairman and individual Directors against a set of pre-defined key criteria. The review was led by the Chairman of the Board and the Senior Independent Director and was facilitated by the Company Secretary. The review was undertaken using Thinking Board, Independent Audit Limited's governance self-assessment process. Independent Audit Limited, based in the UK, is recognised as a leading firm of board reviewers, and has no other connections to the Group.

Topics covered during the Board Performance Evaluation included Board composition and succession planning, board meetings and papers, strategy and business model, mergers and acquisitions, risk management and the response to COVID-19.

The Chairman appraised the performance of each of the non-Executive Directors by meeting each Director individually. The key areas reviewed were independence, contribution and attendance at Board meetings, interaction with Executive Directors, the Company Secretary and senior management, ability to communicate issues of importance and concern, their knowledge and effectiveness at meetings and the overall time and commitment to their role on the Board.

In addition, the Senior Independent Director formally appraised the performance of the Chairman. This appraisal was similar to the non-Executive Director evaluation process which included feedback from all Directors on the Chairman's performance during the year.

In December 2020, the non-Executive Directors met without the presence of the Executive Directors and, led by the Chairman, undertook a formal review of the performance of the individual Executive Directors.

To conclude on the appraisal of the non-Executive Directors, the Chairman and the Executive Directors, results are collated, summarised and presented to the Board. The appraisal process concluded that each Director is performing well and is committed to their role in terms of dedication of time and attendance at meetings.

At the December Board meeting, the Board considered the outcomes of the Board evaluation report (including the Board Committees). Overall, the Board concluded that no area of significant weakness had been identified and that it and its committees operated effectively throughout the period under review. A number of points for improvement were identified and action plans established to address them. The actions identified from the 2020 performance evaluation included recommendations relating to Board composition and succession planning, executive succession planning, structure and content of Board papers and the appropriate time allocation between strategic priorities and other matters at Board meetings.

Progress against recommendations from the previous evaluation were also considered and the Board is satisfied that improvements have been made which have enhanced the operation and effectiveness of both the Board and its Committees.

The Chairman, along with the Company Secretary, will ensure that areas for improvement identified from the 2020 evaluation report and areas for consideration arising from the Directors' appraisal, where identified, will be considered during 2021.

Audit, Risk and Internal Control

Risk Management and Internal Controls

The internal control framework in Kerry Group encompasses the policies, processes, tasks and behaviours, which together facilitate the Group's effective and efficient operation by enabling it to respond appropriately to significant business, operational, financial, compliance and other risks to achieve its business objectives.

The systems which operate in Kerry Group provide reasonable, but not absolute, assurance on:

- the safeguarding of assets against unauthorised use or disposition; and
- the maintenance of proper accounting records and the reliability of the financial information produced.

The Board has delegated certain duties to the Audit Committee in relation to the ongoing monitoring and review of risk management and internal control systems. The work performed by the Audit Committee is described in its report on pages 107-112.

Full details of the risk management systems are described in the Risk Management Report on pages 71-74.

The principal risks and uncertainties facing the Group, including those that could threaten the business model, future performance, solvency or liquidity are described on pages 73-82. Emerging risks are also identified, analysed and managed as part of the same process as the Group's other principal risks as described on page 74. The Directors confirm that they have carried out a robust assessment of these risks and the actions that are in place to mitigate them.

The Directors confirm that they have also reviewed the effectiveness of the systems of risk management and internal control which operated during the period covered by these financial statements and up to the date of this report. Based on the review performed, the Directors concluded that for the year ended 31 December 2020, the Group's systems of risk management and internal control were effective. The procedures adopted comply with the guidance contained in Guidance on Risk Management, Internal Control and Related Financial and Business Reporting as published by the Financial Reporting Council in the UK.

Features of Internal Control in Relation to the Financial Reporting Process

The main features of the internal control and risk management systems of the Group in relation to the financial reporting process include:

- the Board review and approve a detailed annual budget and monitor performance against the budget through periodic Board reporting;
- prior to submission to the Board with a recommendation to approve, the Audit Committee review the Interim Management Statements, the Interim and Annual Consolidated Financial Statements and all formal announcements relating to these statements;
- adherence to the Group Code of Conduct and Group policies published on the Group's intranet ensures the key controls in the internal control system are complied with;
- monthly reporting and financial review meetings are held to review performance at business level ensuring that significant variances between the budget and detailed management accounts are investigated and that remedial action is taken as necessary;
- the Group has a Financial Compliance function to establish compliance policies and monitor compliance across the countries in which the Group operates;
- the Group operates an internal control self-assessment process covering material finance, operational and compliance controls across the Group;
- a well-resourced and appropriately skilled Finance function is in place throughout the Group;
- completion of key account reconciliations at reporting unit and Group level;
- centralised Taxation and Treasury functions and regional Shared Service Centres established to facilitate appropriate segregation of duties;
- the Group Finance Committee has responsibility for raising finance, reviewing foreign currency risk, making decisions on foreign currency and interest rate hedging and managing the Group's relationship with its finance providers;
- the Board, through the Audit Committee, completes an annual assessment of risks and controls;
- appropriate ICT security environment; and
- the Internal Audit function continually reviews the internal controls and systems and makes recommendations for improvement which are reported to the Audit Committee.

Fair, Balanced and Understandable

The Directors have concluded that the Annual Report and Consolidated Financial Statements, taken as a whole, provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy and is fair, balanced and understandable. This assessment was completed by the Audit Committee and the activities undertaken in reaching this conclusion are outlined on page 109.