

Chairman's Statement



At the beginning of a new strategic cycle, Kerry is better positioned than ever and committed to creating long-term value for all stakeholders.

Philip Toomey
Chairman

Overview

Kerry has been at the forefront of our industry through the last decade, continually evolving its portfolio and strategy to remain best placed to meet the latest consumer and customer demands. Delivering consumer-preferred taste, while also improving the nutritional profile of food and beverage products, is where Kerry excels.

The past couple of years has seen the importance of health and sustainability increase amongst consumers, customers and indeed all stakeholders. The collective corporate willingness to work together to do better for people and planet has never been as strong. Kerry is exceptionally well positioned to play a key role in the drive towards a more sustainable food and beverage ecosystem. The impact Kerry is delivering in conjunction with its customers in enhancing the taste, nutrition and sustainability profile of food and beverage products that are consumed every day across the globe is remarkable. This is testament to how Kerry's purpose and vision have been embedded throughout the organisation in recent years.

Significant Strategic Progress

Kerry's evolution and industry-leading capabilities were presented at a virtual Capital Markets Day during the year. The Executive Team outlined Kerry's unique strategic positioning, strong leadership positions and future growth strategies. The Group also presented its updated financial targets for the period 2022 to 2026.

The Group completed a number of important strategic developments during the year as Kerry continues to evolve its portfolio to strengthen its position as a market leading Taste & Nutrition company. The acquisition of Niacet enhances Kerry's leadership position in food protection and preservation. The Group also completed the sale of its Consumer Foods Meats and Meals business, and I would like to take this opportunity on behalf of the Board to thank all of the 4,500 employees who worked in those businesses for their contribution to Kerry over many years.

The Group will continue to pursue organic and acquisitive growth opportunities aligned with the Group's strategic priorities and key growth platforms of Authentic Taste, Plant-based, Food Waste and Health & Bio-Pharma.

Sustainability

In 2020, the Group announced its 2030 sustainability strategy *Beyond the Horizon*, which underpins Kerry's future growth as it continues to partner with its customers across the globe to create a world of sustainable nutrition. At the Capital Markets Day in October, the Group announced a higher carbon reduction target, while also enhancing its diversity, inclusion and belonging commitments.

The Board, through the Governance, Nomination and Sustainability Committee, contributed to, reviewed and approved the significant sustainability developments actioned in 2021. This year for the first time, climate related disclosures, in line with the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD), are outlined on pages 68-74.

The Group will also publish in 2022 its first GRI Sustainability Report alongside the Annual Report which will detail the Group's progress against its sustainability strategy and targets in line with Global Reporting Initiative (GRI) standards.

Details regarding the Group's sustainability strategy, targets, performance, policies and programmes are outlined in the Sustainability Review on pages 50-74 and in the GRI Sustainability Report which is available on the Group's website.

Corporate Governance

The Board is firmly committed to maintaining the highest standards of corporate governance in line with best practice. During 2021, the Board reviewed the Company's corporate governance policies and procedures to monitor compliance with the UK Corporate Governance Code and with latest best practice developments. We also engaged with our stakeholders during the year as we believe listening to their views and needs is fundamental to building a sustainable business. Further details of our stakeholder engagement activities are outlined on pages 99-104.

Each year the Board undertakes a formal evaluation of its effectiveness and that of its committees. In 2021 this was an internal self-assessment which concluded that the Board and its Committees are performing effectively.

Board Changes

Jinlong Wang joined the Board as a non-Executive Director on 5 January 2021 and Joan Garahy retired from the Board following the Company's Annual General Meeting on 29 April 2021. On behalf of the Board, I would like to thank Joan for her contribution and service to the organisation. I am delighted to welcome Michael Kerr and Fiona Dawson who joined the Board as non-Executive Directors on 3 May 2021 and 4 January 2022 respectively. I look forward to both of them making significant contributions to the Board in the years ahead.

Gerard Culligan and Con Murphy will retire from the Board at the conclusion of the 2022 AGM and will not seek re-election. On behalf of the Board, I would like to thank Gerard and Con for their strong contribution over the last five years.

As part of the ongoing Board refreshment process, the Governance, Nomination & Sustainability Committee will continue its search for suitable candidates to join the Board in the context of the Group's diversity commitments.

Purpose and Values

Our Purpose, Inspiring Food, Nourishing Life, and our Values of Courage, Enterprising Spirit, Inclusiveness, Open-mindedness and Ownership guide our actions and behaviours, keeping us on the right path toward achieving a world of sustainable nutrition. During 2021, the Board has continued to ensure that management promote our purpose and values to unite the organisation across diverse cultures and geographies. Staying true to our purpose as the organisation has continued to respond to the COVID-19 pandemic, has shown the extraordinary agility, compassion and resilience of our people, operating in difficult circumstances, to do the right thing for our customers, our shareholders, our communities and the environment, and this will enable us to continue the Group's evolution in the years ahead.

People and Engagement

Central to Kerry's continued success is the hard work and commitment of all our employees. The Board is proud of the response of our employees to the challenges we faced during the COVID-19 pandemic.

The Board also recognises the importance of employee engagement and continues to enhance its employee engagement activities. During 2021, Tom Moran, the designated Workforce Engagement Director, engaged in a detailed programme of activities where he had the opportunity to gauge the engagement levels of our people supporting our business, both in-person within our offices or sites and remotely. Tom has also participated in various employee events across the business, gaining a more in-depth understanding of how Kerry continues to respond to the COVID-19 pandemic and is adapting to new ways of working.

As a result of ongoing restrictions during the year, all events were held virtually and details of these activities are outlined in the Corporate Governance Report on pages 96-108.

Dividend

The Board recommends a final dividend of 66.7 cent per share (an increase of 10.1% on the 2020 final dividend) payable on 6 May 2022 to shareholders registered on the record date of 8 April 2022. Together with the interim dividend of 28.5 cent per share, this brings the total dividend for the year to 95.2 cent, an increase of 10.1% on 2020.

Prospects

The Board remains confident that the Group's business model, strategic priorities and key growth platforms will continue to deliver shareholder value and benefit our other stakeholders in the years to come. Kerry will continue to pursue organic and acquisitive growth opportunities and the Group's balance sheet is well placed to support our objectives. The view of management regarding the business outlook for 2022 is presented in the Chief Executive Officer's Review.

On behalf of the Board, I would like to sincerely thank Edmond and the Executive Management team for their exceptional leadership and thank everyone throughout the organisation for their contribution to the ongoing success of the Group.

Conclusion

Having served ten years on the Board, I will retire as Chairman and as a Director of the Company at the upcoming AGM. I would like to take this opportunity to thank the members of the Board, our employees and all our shareholders for their support during my years on the Board and as Chairman. Finally, I wish my successor Tom Moran the very best as he assumes the Chairmanship of the Board.



Philip Toomey
Chairman
15 February 2022