

## GOVERNANCE REPORT

## Governance, Nomination and Sustainability Committee Report



**Philip Toomey**  
Chairman of the  
Governance, Nomination and  
Sustainability Committee

Dear Shareholder,

On behalf of the Governance, Nomination and Sustainability Committee, I am pleased to present our report for the year ended 31 December 2021. This report sets out the Committee's key activities in 2021 as well as the Committee's priorities for 2022.

The Governance, Nomination and Sustainability Committee is responsible for evaluating the structure, size, composition and successional needs of the Board and its Committees and making recommendations on same, with due regard for Board diversity. The Committee also reviews the results of the annual Board evaluation process as it relates to the Board and Committee performance and composition. Additionally, the Committee is responsible for monitoring Corporate Governance developments and for providing guidance and oversight on the implementation of the Group's sustainability strategy.

Jinlong Wang joined the Board on 5 January 2021. His in-depth understanding of Asian markets has been very insightful in Board discussions relating to growth opportunities in that geographic region. During the year under review, the Committee continued to lead the Board refreshment process ensuring that the composition of the

Board and its Committees has the correct balance of skills, knowledge, experience, diversity and independence. To further progress Board diversity, we engaged with an executive recruitment consulting firm to conduct a search for new independent non-Executive Directors. Potential non-Executive Directors were considered by the Committee and a shortlist were interviewed after assessing their qualifications against the above criteria and their other time commitments. This culminated in the appointment of Michael Kerr and Fiona Dawson to the Board. Michael Kerr was appointed to the Board on 3 May 2021 and joined the Audit Committee on 1 November 2021. He brings to the Board a detailed knowledge of global equity markets, financial knowledge, extensive business leadership skills and insights into the North American market. On the recommendation of the Committee, the Board also approved the appointment of Fiona Dawson as a non-Executive Director effective on 4 January 2022. She brings to the Board a deep knowledge of the consumer food and beverage sector, an understanding of global markets and general management experience on a global scale.

The Committee also recommended changes to the composition of the Board Committees as outlined on page 119. The Committee continues to engage with executive recruitment consulting firms to identify an appropriate pipeline of candidates to join the Board as independent non-Executive Directors in the future.

Joan Garahy did not seek re-election at the 2021 AGM and retired from the Board as Senior Independent Director and as Chair of the Remuneration Committee having served nine years on the Board. She was succeeded as Senior Independent Director by Dr. Hugh Brady and as Chair of the Remuneration Committee by Tom Moran.

I have served ten years as a Director including less than four years as Chairman, and in line with the Provisions of the Code will not seek re-election at the 2022 AGM. A sub-committee of the Board led by Dr. Hugh Brady as Senior Independent Director and supported by independent advisors undertook a formal and extensive succession process which considered internal and external candidates. Following the conclusion of this process, Tom Moran was appointed as Chairman Designate and will assume the role of Chairman on 28 April 2022.

Gerard Culligan and Con Murphy will also 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.

The Committee also reviewed senior management development and succession plans having regard to business growth and geographic expansion and taking account of diversity goals below Board level.

During 2021, the Committee reviewed the Company's corporate governance policy and processes and monitored developments in corporate governance best practice. The Committee also provided guidance and oversight to the Group on the implementation of the 2030 sustainability strategy *Beyond the Horizon*, including monitoring progress against agreed targets and considering the enhanced environmental, social and governance reporting requirements, recognising the importance of consistent and relevant information on sustainability related matters. Furthermore, the Committee also contributed and reviewed the climate related risks and opportunities as well as the broader material topics refresh.

An internal review of the effectiveness of the Board and its Committees was conducted during 2021 and the outcome of this review is that the Board and its Committees consider that they are operating effectively. Further details are outlined on page 107.

The Committee's priorities for 2022 will continue to focus on Board and Committee refreshment, taking account of all skill sets required, diversity (beyond gender) and planned retirements over the coming years. The Committee will ensure that senior management development and succession planning can support the delivery of Group strategy and will also continue to focus on diversity and inclusion in the wider workforce. In addition, the Committee will continue to oversee the implementation of the Group's sustainability strategy.

**Philip Toomey**  
Chairman of the Governance,  
Nomination and Sustainability  
Committee

## Roles and Responsibilities

The main roles and responsibilities of the Committee, which were reviewed and updated during 2021, are set out in written terms of reference which are available from the Group's website [www.kerrygroup.com](http://www.kerrygroup.com) or upon request.

The key responsibilities outlined in the Terms of Reference are included in the following table:

### Primary Responsibilities of the Governance, Nomination and Sustainability Committee

- evaluating the balance of skills, experience, independence, knowledge and diversity of the Board to ensure optimum size and composition;
- ensuring an appropriate nomination process is in place for Board appointments;
- reviewing a candidate's other commitments to ensure that on appointment, a candidate has sufficient time to undertake the role;
- making recommendations to the Board on the appointment and re-appointment of both Executive and non-Executive Directors;
- ensuring a formal induction plan is in place for each new Director on appointment;
- making recommendations to the Board concerning membership of Board Committees in consultation with the Chairs of the Committees;
- ensuring plans and processes are in place for succession planning for Directors, including the Chairman, Senior Independent Director, non-Executive Directors and senior management positions;
- reviewing the Board diversity policy;
- overseeing the conduct of the annual evaluation of the Board and its Committees;
- monitoring and reviewing developments in law, regulation and best practice relating to corporate governance and making recommendations to the Board and Committees on changes or additional actions as appropriate; and
- providing guidance and oversight on the implementation of the Group's sustainability strategy.

## Committee Membership

The Governance, Nomination and Sustainability Committee currently comprises three independent non-Executive Directors; Dr. Hugh Brady, Dr. Karin Dorrepaal, Mr. Tom Moran and is chaired by Mr. Philip Toomey. Biographical details for the members of the Committee are outlined on pages 87-89.

The quorum for Committee meetings is two and only Committee members are entitled to attend. The Governance, Nomination and Sustainability Committee may extend an invitation to other persons to attend meetings or to be present for particular agenda items as required. The Company Secretary acts as Secretary of the Committee.

During 2021, the Committee continued to work with Korn Ferry, executive recruitment consulting firm, to assist with Board refreshment. Korn Ferry acts as the advisor to the Remuneration Committee and has also provided leadership and talent consulting services to the Group during the year through a separate part of the business.

## Committee Meetings

The Committee met five times during the year and attendance at these meetings is outlined on page 106.

## Board Refreshment Policy

On an ongoing basis, the Governance, Nomination and Sustainability Committee reviews and assesses the structure, size, composition, diversity and overall balance of the Board and makes recommendations to the Board with regard to refreshment.

Appointments to the Board are for a three-year period, subject to shareholder approval and annual re-election, after consideration of annual performance evaluation and statutory provisions relating to the removal of a Director. The Board may appoint such Directors for a further term not exceeding three years and may consider an additional term if deemed appropriate.

During the year, the Chairman conducted a rigorous review of all other non-Executive Directors as part of the Board evaluation process, taking into account the need for progressive refreshment of the Board. The Board explains to shareholders, in the papers accompanying the resolutions to elect and re-elect the non-Executive Directors, why it believes the individual should be re-elected based on the results of the formal performance evaluation. Details of Board refreshment activities during the year are outlined on pages 119-120.

## Nomination Process

There is a formal, rigorous and transparent procedure in appointing new Directors to the Board. Details of this process are outlined in the Governance in Action table.

The Committee also makes recommendations to the Board concerning the re-appointment of any non-Executive Director at the conclusion of their specified term and the re-election of all Directors who are the subject of annual rotation. The terms and conditions of appointment of non-Executive Directors are set out in formal letters of appointment, which are available for inspection at the Company's registered office during normal office hours and at the AGM of the Company.

## Governance in Action (example)

### Non-Executive Director Appointment

Ms. Fiona Dawson was appointed to the Board with effect from 4 January 2022. The key stages of the nomination process are outlined below.

1. Assessment	The Committee assessed the skill set, experience and diversity on the Board, the requirements to meet the Group's future growth plans, together with the planned retirements from the Board over the coming years.
2. Requirement	The Committee prepared a detailed role profile; identifying the need for a new non-Executive Director with international food & beverage industry experience and the capabilities to align with the Group's purpose, value and culture. The Committee also considered the Board's commitment to enhance the gender profile of the Board.
3. Search	The Committee instructed Korn Ferry to conduct a search for appropriate candidates for appointment to the Board based on the profile and skillset agreed by the Committee.
4. Screening	The Committee assessed a long list of candidates identified by Korn Ferry as having met the criteria.
5. Interview	A shortlist of potential candidates was interviewed by the Chairman, the Committee and the Chief Executive Officer.
6. Approval	A formal recommendation was made by the Committee to the Board proposing the appointment of Ms. Fiona Dawson as a non-Executive Director. The Board approved the appointment of Ms. Fiona Dawson noting that she had a balance of skills, knowledge, experience and diversity that matched the requirements set. Appointment terms were drafted and agreed with her.

## Succession Planning

The Governance, Nomination and Sustainability Committee reviews the succession plans for the Board and its Committees on an ongoing basis to ensure an orderly refreshment of membership, taking into account Group strategy, the challenges and opportunities facing the Group and the skills, knowledge and experience required.

The Committee also reviews succession plans for senior management, which form part of the Group's overall annual approach to succession planning and agrees these with the Chief Executive Officer before being presented to the Board. The succession planning process includes defining success criteria for prioritised key roles, identifying and evaluating candidate pools and aligning successor development activities with individual and business needs to ensure leadership continuity and improve the depth of the leadership succession pipeline. This process is fully documented and monitored throughout the year in conjunction with the Committee. Details of succession planning activities during the year are outlined in Our People on page 20.

## Diversity, Inclusion and Belonging Policy

Diversity, Inclusion and Belonging is fully embraced at Kerry and the Group is committed to having a work environment that is respectful of everyone. We recognise the value that different perspectives and cultures bring to the organisation. Valuing differences creates a work environment which is positive and productive, where people can and want to do their best and where each individual can bring something unique to contribute to the overall success of Kerry.

The Group's Diversity, Inclusion and Belonging Policy is an integral part of the Group's Code of Conduct ensuring that diversity and inclusion are embedded in Kerry Group's core values. Within this, the Group seeks to recruit, hire and retain the best talent from a diverse mix of gender, background, nationality, ethnicity and other attributes with the skills and experiences to drive innovative thinking to enable a sustained competitive advantage.

The Board believes in the benefits of having a diverse Board and the value that it can bring to its effective operation. In accordance with the Board Diversity Policy, differences in background, gender, skills, experiences, nationality, ethnicity and other attributes are considered in determining the optimum composition of the Board with the aim to balance it appropriately. All Board appointments are made on merit, with due regard to diversity. The Board currently has a 29% female representation and this will increase to 36% post the planned retirements following the conclusion of the 2022 AGM. In line with its diversity policy, and recommended best practice, the Board is committed to maintaining a minimum of 33% female representation on the Board and has an ambition to increase the representation of members with diverse backgrounds such as nationality, ethnicity and other attributes. During the year, the ethnicity profile of the Board was broadened. In reviewing Board composition and agreeing a job specification for new non-Executive Director appointments, the Committee considers the benefits of all aspects of diversity including, but not limited to, those described above, in order to complement the range and balance of skills, knowledge and experience on the Board. As part of the identification process executive recruitment consultants are required to present a list of potential candidates, who meet the stated specification and requirements comprising candidates of diverse backgrounds, for consideration by the Committee.

In 2021, diversity targets were agreed for senior management succession pools with the Executive Directors and approved by the Board to improve the diversity profile of senior leadership teams and ensure internal candidate pools better reflect the broader cultural mix of people within the Group. The Group is committed to achieving the highest levels of inclusion, diversity, engagement and belonging and is targeting equal gender representation at senior management level by 2030. The Committee reviews progress against these diversity goals each year, whilst taking account of business growth and geographic expansion within the organisation.

Further details of the Group's approach to Diversity, Inclusion and Belonging, including our broader organisational goals focused on building an inclusive and diverse workplace are outlined in our GRI Sustainability Report and in Our People on pages 18-19.

### Sustainability

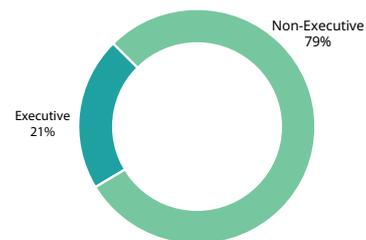
During 2021, the role of the Committee was expanded to provide guidance and oversight on the implementation of the Group's 2030 sustainability strategy *Beyond the Horizon* following its launch in October 2020. The Committee is supported in this work by the Global Sustainability Council whose members are invited to Committee meetings to share their expertise on key sustainability topics and to update the Committee on the implementation of the sustainability strategy.

During 2021, the Committee approved the enhanced climate and gender diversity targets communicated at the Capital Markets Day held in October and monitored progress against the broader commitments included in the *Beyond the Horizon* strategy. In addition, the Committee also considered and approved the risks and opportunities and the new disclosures in line with the Task Force on Climate-Related Financial Disclosures (TCFD) included in the 2021 Annual Report as well as the enhanced disclosures included in a separate GRI Sustainability Report which follow the framework set out by the Global Reporting Initiative (GRI) standards.

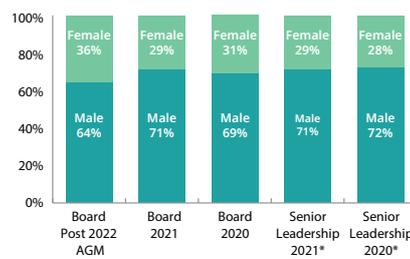
Details of the Group's sustainability strategy, targets and performance, policies and programmes are outlined in the Sustainability Review on pages 50-74 and in the GRI Sustainability Report that has been published alongside the Annual Report.

A summary of the Group's current position relating to Board and senior management diversity is provided below:

#### Executive / Non-Executive Directors



#### Gender Diversity

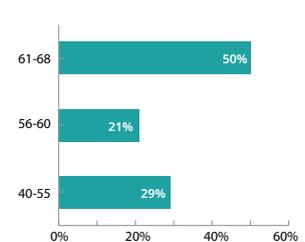


\* Senior Leadership above aligns to Senior Management definition per Corporate Governance Code.

#### Board Tenure (Years)



#### Board Age Profile



## Changes to the composition of the Board and its Committees for the year ended 31 December 2021

### Mr. Jinlong Wang

Appointed to the Board on 5 January 2021 and to the Audit Committee on 3 May 2021.

### Ms. Joan Garahy

Retired from the Board, the Remuneration Committee, the Audit Committee and as Senior Independent Director on 29 April 2021.

### Dr. Hugh Brady

Appointed Senior Independent Director on 29 April 2021.

### Mr. Tom Moran

Appointed Chair of the Remuneration Committee on 29 April 2021.

### Mr. Michael Kerr

Appointed to the Board on 3 May 2021 and to the Audit Committee on 1 November 2021

### Ms. Emer Gilvarry

Appointed to the Remuneration Committee on 16 June 2021.

### Ms. Fiona Dawson

Appointed to the Board on 4 January 2022 and to the Remuneration Committee with effect from 14 February 2022.

## Key Activities

The key activities of the Committee throughout the year are detailed below:

Subject	Committee Activity
Board Size and Composition	<p>In 2021, as part of its remit, the Committee considered the size and composition of the Board. At 31 December 2021, the Board comprised 13 members. The Board size reduced to 12 following the retirement of Ms. Joan Garahy on 29 April 2021 and increased to 13 following the appointment of Mr. Michael Kerr on 3 May 2021.</p> <p>The Board size will increase further to 14 on 4 January 2022 following the appointment of Ms. Fiona Dawson.</p> <p>The Board size will reduce to 11 post the planned retirements, following the conclusion of the AGM. The Committee will continue to consider both Board size and composition during 2022.</p>
Chairman Succession	<p>Mr. Philip Toomey, having served 4 years as Chairman and 10 years as a Director will not seek re-election at the 2022 AGM.</p> <p>A separate sub-committee of the Board chaired by Dr. Hugh Brady conducted a formal process to identify and recommend a candidate to succeed Mr. Toomey. The Committee engaged external consultants to assist in the process to identify a candidate. Following the conclusion of this process, the sub-committee recommended the appointment of Mr. Tom Moran as Chairman Designate and this was endorsed by the Board at its meeting in February 2022. He will assume the role of Chairman at the conclusion of the AGM on 28 April 2022. On appointment, Mr. Tom Moran will step down as a member and Chair of the Remuneration Committee and as the Designated Workforce Engagement Director.</p>
Senior Independent Director Succession	<p>Ms. Joan Garahy retired as Senior Independent Director and from the Board at the conclusion of the AGM held on 29 April 2021 having served nine years on the Board. The Governance, Nomination and Sustainability Committee completed a formal process and recommended to the Board the appointment of Dr. Hugh Brady as Senior Independent Director at the conclusion of the 2021 AGM.</p>
Board Refreshment	<p>Ms. Joan Garahy retired from the Board on 29 April 2021.</p> <p>New non-Executive Directors, Mr. Michael Kerr and Ms. Fiona Dawson were appointed to the Board on 3 May 2021 and 4 January 2022 respectively, following searches conducted by the Committee in conjunction with an executive recruitment consulting firm.</p> <p>The Committee and the Board agreed that Mr. Kerr and Ms. Dawson had a balance of skills, knowledge, experience and diversity that matched the requirements set.</p> <p>Mr. Gerard Culligan and Mr. Con Murphy, having served five years on the Board will retire as non-Executive Directors at the conclusion of the AGM to be held on 28 April 2022 and will not seek re-election.</p>

## Key Activities (continued)

Subject	Committee Activity
<b>Committee Refreshment</b>	<p>Ms. Joan Garahy retired from the Remuneration Committee and the Audit Committee on 29 April 2021.</p> <p>Mr. Tom Moran was appointed Chair of the Remuneration Committee on 29 April 2021, Mr. Jinlong Wang was appointed to the Audit Committee on 3 May 2021, Ms. Emer Gilvarry was appointed to the Remuneration Committee on 16 June 2021, Mr. Michael Kerr was appointed to the Audit Committee on 1 November 2021 and Ms. Fiona Dawson was appointed to the Remuneration Committee on 14 February 2022.</p> <p>There were no other changes to the composition of the Board Committees during the year. The Committee will continue to consider Committee refreshment in 2022.</p>
<b>Designated Workforce Engagement Director</b>	<p>Mr. Tom Moran will retire as the Designated Workforce Engagement Director at the conclusion of the AGM to be held on 28 April 2022.</p> <p>The Governance, Nomination and Sustainability Committee has completed a formal process and has recommended to the Board the appointment of Ms. Karin Dorrepaal as the Designated Workforce Engagement Director at the conclusion of the 2022 AGM.</p>
<b>Remuneration Committee Chairperson</b>	<p>Mr. Tom Moran will retire as Chairperson of the Remuneration Committee on his appointment as Chairman of the Board at the conclusion of the AGM, to be held on 28 April 2022.</p> <p>The Governance, Nomination and Sustainability Committee has completed a formal process and has recommended to the Board the appointment of Ms. Emer Gilvarry as Chairperson of the Remuneration Committee, effective from the conclusion of the 2022 AGM. Ms. Emer Gilvarry has been a member of the Remuneration Committee since June 2021 and is also Chair of the Remuneration Committee of another listed plc.</p>
<b>Re-appointment of non-Executive Directors</b>	<p>During the year, Mr. Philip Toomey, Dr. Hugh Brady, Mr. Gerard Culligan, Dr. Karin Dorrepaal, Mr. Tom Moran, Mr. Con Murphy and Mr. Christopher Rogers each completed terms as non-Executive Directors. Following a rigorous review of their skills, knowledge, experience and independence, the Board on the recommendation of the Committee, agreed that they continue to be effective and independent and make a valuable contribution to the Board, and re-appointed them to serve additional terms.</p>
<b>Board and Committees Effectiveness Evaluation</b>	<p>As outlined in detail on page 107, an internal evaluation of the Board and its Committees took place in 2021 in line with the provisions of the 2018 UK Corporate Governance Code and the Irish Annex.</p> <p>The Committee considered the outcome of this evaluation and identified the areas relevant to the Governance, Nomination and Sustainability Committee. Each recommendation was assessed, and an action plan was developed to address areas for potential improvement. These recommendations will be reviewed and considered by the Committee in 2022.</p>
<b>Senior Management Development and Succession</b>	<p>During the year, the Committee reviewed senior management development and succession plans having regard to agreed diversity goals to ensure the appropriate level of skills and diversity will exist to support the delivery of the Group's strategy.</p>
<b>Corporate Governance Review</b>	<p>During 2021, the Committee reviewed the Company's corporate governance policy in the context of the 2018 UK Corporate Governance Code and monitored developments in corporate governance best practice.</p>
<b>Sustainability Strategy</b>	<p>Following the launch of the Group's sustainability strategy <i>Beyond the Horizon</i> in October 2020, the Committee provided guidance and oversight on the implementation of the Group's sustainability strategy during the year and monitored progress against targets. The Committee also considered the additional climate related disclosures in line with TCFD and the enhanced ESG disclosures the Group is reporting, in its separate GRI Sustainability Report.</p>
<b>Terms of Reference</b>	<p>During the year, the Committee reviewed and updated its Terms of Reference. A copy of these terms is available on the Group website <a href="http://www.kerrygroup.com">www.kerrygroup.com</a>.</p>