

KERRY GROUP PLC

Annual Report 2021 Assurance Statements

1. Kerry AA1000 Assurance Statement

Jacobs UK Ltd (Jacobs) has provided this assurance statement in relation to the Greenhouse Gas (GHG), waste and water performance data presented in the Kerry Group Annual Report 2021 and the Kerry Group Sustainability Report 2021. This assurance statement also considers additional parameters included in these reports including progress towards Sustainable Nutrition Goal (where Kerry is aiming to reach over two billion people every day with sustainable nutrition solutions by 2030), Health and Safety (H&S) Data and Renewable Electricity. The information and presentation of data within these reports are the responsibility of Kerry Group (Kerry). This statement is the responsibility of Jacobs and represents our independent opinion. The intended users of this statement are the readers of the *Kerry Group Annual Report 2021* and *Kerry Group Sustainability Report 2021*, and it is intended for this statement to be read in its entirety.

1.1 Scope and Methodology

The assurance process was conducted between October 2021 and January 2022 in accordance with AA1000 Assurance Standard 2008 with 2018 Addendum. We were engaged to provide Type 2 assurance, which covers evaluation of adherence to the AA1000 Assurance Standard V3 (AA100AP, 2018) and the Principles of Inclusivity, Materiality, Responsiveness and Impact (new for 2018 version) ('the Principles') in the context of Kerry's sustainability performance. We also considered the reliability, of Kerry's global Scope 1 and 2 GHG emissions, as well as waste, water withdrawal and water discharge data – all to a moderate level of assurance. This is the level normally adopted by companies using AA1000 to assure their sustainability reporting. The scope of this work was limited to manufacturing facilities.

Our approach included interviews and email correspondence with staff responsible for collating and reporting Kerry's GHG, waste and water performance data at a central Kerry Group level and at five individual manufacturing sites: Menstrie, Cape Town Montague, Rochester, Tampoi and Omagh. We also verified water withdrawal and discharge data at a further three sites: North Rose, Irapuato, and Fort Worth. We interviewed regional managers, the sustainability leads, and the Global Head of Sustainability to review the sustainability processes in place at Kerry, as well as their 'Beyond the Horizon' sustainability strategy. No in person site visits were conducted due to COVID-19 travel restrictions, with all interviews taking place via online video call.

Our assurance team has the appropriate experience and competence. Where beneficial, specialist colleagues assisted to ensure a thorough and complete assurance process. Although other staff from Jacobs do work with Kerry, the assurance team operates the other side of a 'chinese wall', with segregated digital documentation, hence we do not consider there to be a conflict between the other services provided by Jacobs and that of our

assurance team. Jacobs has a Quality Management System (QMS) which is certified to BS EN ISO9001.

As mentioned above the 2021 assurance process included assurance for additional parameters reported by Kerry as part of their sustainability metrics. This has included the Sustainable Nutrition Goal, H&S data, and their renewable electricity consumption data as discussed below.

Sustainable Nutrition Goal: Jacobs carried out a moderate assurance of Kerry's Sustainable Nutrition Goal. The assurance consisted of interviews of the relevant member of the Kerry data science team about the background, methodology selection and planned future developments regarding the implementation and measurement of sustainable nutrition across Kerry products. The assurance did not seek to confirm the data, but instead the methodology used was logical and the implementation of the methodology was sound.

Health and Safety Data: Kerry currently report data regarding work related ill health and injuries annually as part of their sustainability reporting. Jacobs assured this data in line with both AA1000 Assurance Standard principles and the relevant Global Reporting Standard (GRI) standards for health and safety. The assurance has been completed in two stages due to the timing and availability of the annual reporting figures. Reviews of the headline figures and, a deep dive into the underlying data within Intelix (the Kerry health and safety system) along with explanation of the underlying procedures from key Kerry staff all formed part of the assurance process.

Renewable Electricity: The verification of Kerry's renewable electricity consumption comprised of the sample checking of electricity consumption data as part of the manufacturing site audit process. Consumption data from offices and transport was not material and therefore estimated by Kerry. Due to the timing of the verification process actual data for the first ten months of the year was used with the

addition of surrogate data for November and December (from the previous reporting year) to ensure a complete 12-month assessment period. A review of the approach to the claims of renewable electricity procurement was undertaken with the examination of a sample of Renewable Energy Certificates (RECs) and their purchasing in certain territories alongside alignment of these to the volume of electricity consumed within the Kerry estate.

2. Adherence to AA1000 Accountability Principles

2.1 Inclusivity

People should have a say in the decisions that impact them.

In 2020, Kerry released their 'Beyond the Horizon' 2030 sustainability strategy, which reflects the commitment towards sustainable action as well as the progress made to date. This includes 3 key pillars: 'Better for People', 'Better for Society' and 'Better for Planet', contributing towards the triple bottom line of sustainability. The environmental pillar – Better for the Planet - includes interim 2025 targets. The focus of this strategy has been to deliver an impact-driven approach, moving from a focus on operations towards end-to-end sustainable nutrition.

Over the last three years Kerry has benefitted from a newly established role of Global Head of Sustainability, and the establishment of various sustainability councils for each pillar of the 'Beyond the Horizon' strategy, which feed into the overarching Sustainability Council. The Global Sustainability Council meet quarterly and seek to manage the overall strategic agenda for sustainability. In addition to this, there are further thematic councils, targeted at specific areas such as responsible sourcing, climate, and circular economy. The clear and conscious effort to improve sustainability reflects the intended direction of ensuring sustainability is at the core of the Kerry organisation. The approach to disseminating information around targets, performance, and achievements comes via both a top-down and bottom-up approach. Internally, engagement at a site level is achieved through a number of mechanisms, including Town Halls, noticeboards, and quarterly HSE newsletters, to enable the opportunity for all employees to be engaged and included. In addition to this, the use of digital hubs has strengthened information sharing across different sites and regions. In particular, Workplace, launched this year, has been utilised by a large number of Kerry employees. Digital hubs have likely remained crucial during the COVID-19 restrictions and lockdowns, where some sites have not had the opportunity to disseminate information as they may have done previously.

At both a site level, and a larger scale, Kerry engages with local communities. Many sites have found ways to positively impact their local areas, examples include work experience for local schools and site open days. This in person engagement has been restricted by the COVID-19 pandemic, however it is recommended that when safe to do so, Kerry continues to contribute to their local areas. At international level, Kerry work with NGOs such as the United Nations World Food Programme, Special Olympics and Concern Worldwide.

External stakeholders can interact with Kerry through direct engagement or via networks including investor, sustainability and other stakeholder councils. Where possible, Kerry review client's strategies and commitments to identify shared values and any overlap of targets. Kerry works with external stakeholders through various joint projects and community projects globally. During the COVID -19 pandemic Kerry launched the 'MyCommunity' programme to allow Kerry employees to further contribute to volunteering and local community initiatives that are important to them.

It is our opinion that Kerry is committed to being accountable to those whom the organisation has an impact on and who have an impact on it.

2.2 Materiality

Decision makers should identify and be clear about the sustainability topics that matter.

During 2018, a materiality assessment was completed internally and used to define the sustainability strategy, as previously recommended by Jacobs. This has been comprehensively reviewed and updated in 2021, with the intention to review on a regular basis going forward, to ensure the beyond the horizon strategy continues to remain relevant and up to date. It is noted that sustainability risk is included through the broader Enterprise Risk Management (ERM) process; the target of ISO14001 implementation at all sites will further aid this. During 2021, the Group conducted detailed climate risk assessments in accordance with the recommendations of the Taskforce on Climate Related Financial Disclosure and broader sustainability risk assessment was further strengthened by a Dynamic Risk Assessment, whereby Kerry have considered the interaction and cumulative effect of risks in combination. Jacobs consider this to be a thorough and innovative approach to risk management.

The performance of each site against its targets is reviewed at the dedicated Environmental Council to help identify and focus future CAPEX projects. Kerry monitors progress against the key material sustainability issues during this environmental council. The Global Sustainability Council reviews progress against the 'Beyond the Horizon'

sustainability programme. This is commended as material issues are progressed to the correct levels within the organisation for appropriate action to be undertaken. The approach to sharing and responding to sustainability issues is both top down and bottom up, allowing all employees to be informed and updated on progress.

Kerry conduct benchmarking both internally and externally. Internally, Kerry benchmark against regions, exploring key projects and how these can be applied at other sites to improve sustainable performance. Externally, Kerry reaches out to suppliers and customers to discuss methods of impact reduction which could be applicable for Kerry sites. Kerry is also consciously assessing their client's sustainability objectives to highlight areas of potential overlap or similarities whereby they may be able to contribute to their client's goals.

It is our opinion that Kerry has a good materiality determination process and that improvements to the analysis have occurred over 2021.

2.3 Responsiveness

Organisations should act transparently on material sustainability topics and their related impacts.

Kerry responds formally to external stakeholders through the sustainability pages of its website and through its Annual Report. Several Sustainability Policies and Statements are published on the Kerry website and it is recommended that a review schedule is developed to ensure that these remain up to date. As in 2020, Kerry is evolving their sustainability report to be in line with GRI Reporting Principles, an action which would provide another level of credibility to this reporting.

Kerry has continued to respond to Environmental, Social and Governance (ESG) rating agencies such as the Carbon Disclosure Project (CDP). Kerry have also increased their communication with investors around sustainability, with this being a key theme of the 2021 Capital Markets Day.

Kerry have worked to improve the consistency of external stakeholder responses in 2021, responses were managed at a site level in some instances, as well as regionally and internationally. Sites have experienced an increase in queries and interest relating to sustainability from their customers, with some sites providing updates on KPIs as frequently as monthly. This will likely contribute to the sustainability focus at a site level. Responding regionally has also proved beneficial, with specialised support structures put in place during 2021, ensuring the standard is maintained across the region. It is recommended that further work should be undertaken to develop a fully integrated system of documenting responses. Whilst virtual tools have been praised as helping the communication and consistency, further use could aid responses.

Finally, Kerry reviews site environmental performance every two months, presented by HSE Directors to the regional management councils to increase confidence that what is being looked at is right for the region. The site QSHE leads are responsible for the carbon, water, and waste targets with support from a dedicated Energy Manager on efficiency projects. As previously recommended, there is the opportunity to strengthen the integration between teams, thus providing greater efficiencies on projects.

It is our opinion that Kerry has demonstrated that it responds to stakeholders and is accountable to them.

2.4 Impact

Organisations should monitor, measure and be accountable for how their actions affect their broader ecosystems.

Impact is a new Principle under AA1000 Assurance Standard 2008 with 2018 Addendum and this is the second year that Kerry have been assured against it.

A large area of impact for Kerry are mergers and acquisitions (M&A). The impacts are assessed through the due diligence phase of M&A, with specific questions aiming to identify impacts and potential issues undertaken. This information is then used to make key decisions, reflecting Kerry's sustainable business practices. Kerry have consciously considered the benefits and potential contributions to wider sustainability strategies when making M&A decisions, including those that will contribute to the People Reach Goal, and other sustainability KPIs.

Impact is monitored continuously through KPIs at both an organisational level as well as at site level. At a site level, targets have been set for three KPIs; Water, Waste and Carbon. Performance against the KPIs is measured using 2017 baseline data. These targets have proven effective for driving change at a site level, providing greater responsibility for their contribution to the overarching goals. It has been observed that engagement can differ from site to site. It is recommended that continuing focus is placed on targets at all sites with any concerns raised internally ensuring that all site employees are engaged in how their roles can have an impact on achieving these goals.

As discussed in Section 1.1 Scope and Methodology, the scope of assurance this year has included three additional metrics: Kerry's Sustainable Nutrition Goal, Health and Safety Data and Renewable Electricity procurement. These are all likely to alter Kerry's wider impact and the effect on their broader ecosystem. They have therefore been considered under the principle of 'Impact'.

It should be noted that the AA1000 Assurance Statement for 2020 included the following recommendation: 'that Kerry explore the opportunity of measuring the long-term impacts of consumers choosing Kerry's sustainable products over other competitors' products, as this is an area currently not measured.' We believe the introduction of the Sustainable Nutrition Goal demonstrates progress in measuring the above.

2.4.1 Sustainable Nutrition Goal

The methodology follows a comprehensive process, utilising both internal data, and industry information from independent third-party Global Data to provide a projected figure of the number of people benefitting from 'positive' and 'balanced' nutrition globally from Kerry. The calculations are subject to internal review, including checks to spot outliers in the data, and a close examination of large year-to-year changes on specific products. It is recommended that Kerry continue to implement regular checks on the accuracy of data used. A review of the methodology process highlighted that some product information is added or adjusted to reflect the proportion of a final product which comes from Kerry. These adjustments are likely to influence the health classification of products. It is therefore recommended that the effects of data adjustment on the results are shown.

Based on the information collected, the review of the process concluded that the approach is sound and has been implemented correctly. We can provide moderate assurance that Kerry's method gives a good estimate of the number of people reached, given the available data.

2.4.2 Health and Safety Data

Kerry provided health and safety data including hours worked, incident and ill health data records. A cross check and sampling exercise was undertaken in order to verify recording methodology, done via the Intalex system. The verification process was reliant upon the data held within Intalex and does not comprise verification of each individual incident and data record. As part of the verification a deeper dive was undertaken on several incidents to confirm the level of reporting and recording, this sample was found to be in line with OSHA standards. Based on the information collected the verification process concluded that the reporting of health and safety data was found to be accurate. Kerry's processes are thorough and there are no recommendations for improvement identified at this time.

2.4.3 Renewable Electricity

2021 saw a major step forward in Kerry's procurement of renewable electricity. Renewable energy contracts and Renewable Energy Certificates (RECs) have been procured representing 65% of

Kerry's electricity usage for 2021. It is recognised that this is an evolving process, and that the availability of RECs is limited in certain markets at present. One example of this is the lack of availability of RECs from Oman and Saudi Arabia and the resultant use of those from the UAE which is seen as a legitimate alternative given the interconnection between the electricity grids of all three nations.

It is encouraging to see that Kerry are committed to making year on year improvements in approach. This will include reviews of RECs procurement to address issues such as the one above and migration of procurement towards the use of Power Purchase Agreements (PPAs) where feasible. PPAs can offer the benefit of 'additionality' over buying RECs from existing renewable energy facilities because the guaranteed revenue provided by an 'offtaker' such as Kerry supports the construction of new renewable generation that would not otherwise be built. Use of PPAs would certainly be considered good practice and it is recommended that this direction of travel is maintained over the coming years although it is important that the focus on energy efficiency remains in place.

Finally, it is of note that renewable certification for certain other fuels, particularly natural gas, is beginning to appear on the market and it is recommended that these are investigated by Kerry to examine opportunities to further reduce emissions.

[It is our opinion that Kerry has demonstrated that it monitors and is held accountable for their actions upon broader ecosystems.](#)

3. Reliability of Performance Information

The systems and processes used to support the GHG, waste and water performance data have been evaluated. It has been possible to obtain a moderate level of assurance in respect of the GHG, waste, water withdrawal and water discharge data reported in the Kerry Group Annual Report 2021 and the Kerry Group Sustainability Report 2021. Several small errors were identified at a site level during the assurance exercise. Where necessary, some audited sites retrospectively amended 2021 Data Collection Form (DCF) entries to improve accuracy, either where errors were identified, or where estimates had been used. No errors had a material impact on reporting at a Group level and all were corrected prior to both the Group Annual Report being published and submission of data to CDP. It is recommended that sites contact their reporting helpline when submitting monthly data if they are having issues around target quantification or if they require guidance on DCF reporting. It is also recommended that additional support material on data collection and reporting methods is provided to sites to ensure ongoing consistency of approach across all regions.

Kerry continues to have a robust data collection system for collating GHG, waste and water performance data, with the data collection forms used having embedded checks to identify potential anomalies. As stated in previous years, Kerry should encourage all sites to complete a second quality assurance check of the data before submission to reduce the potential for errors. It is noted during the audit that these types of checks back to the source data do occur at site level for some, but not all audited sites. It is also evident that some regions have further month-on-month checks in place to identify any significant mis-entries.

It is understood that Kerry will be moving to a more digital process in 2022. It is therefore recommended that Kerry continue with second quality assurance checks and additional dashboards to ensure the standard of data collection and reporting is maintained. It is also recommended that sites include commentary alongside data entries on the data portal to help identify anomalous entries, as well as highlighting estimated data.



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Jacobs, Bristol, January 2022

Jacobs



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Carbon Trust Assurance Ltd

Assurance Statement

Relating to Kerry Group's Scope 3 GHG Emissions Claim

Terms of Engagement

Carbon Trust Assurance Limited (CTA) was commissioned by Kerry Group to provide an independent, limited level of assurance on the following Selected Information:

- > Scope 3 emissions

The Selected Information is presented within Kerry Group's 2021 GRI Sustainability Report. We have not performed any work, and do not express any conclusion, over any other information that maybe included in the 2021 GRI Sustainability Report or on Kerry Group's website for the current year or for the previous periods unless otherwise indicated.

Scope

This engagement covers the verification of emissions from anthropogenic sources of greenhouse gases included within the organisation's boundary.

- > Organisational boundary: Scope 3
- > Control approach: Operational
- > Reporting period: 1/1/2021 - 31/12/2021

Our Conclusion

Based on the work we have undertaken and the evidence provided by Kerry Group, nothing has come to our attention that leads us to believe that the selected information has not been properly prepared, in all material respects, in accordance with the reporting criteria.

The total verified Scope 3 footprint was 9,652,562 tCO₂e. The breakdown by category is:

- > Purchased goods and services (product): 7,094,787 tCO₂e
- > Purchased goods and services (non-product): 210,994 tCO₂e
- > Capital goods: 132,918 tCO₂e
- > Fuel and energy related activities: 151,368 tCO₂e
- > Upstream transportation and distribution: 828,946 tCO₂e

- > Waste generated in operations: 78,449 tCO₂e
- > Business travel: 22,080 tCO₂e
- > Employee commuting: 46,167 tCO₂e
- > Downstream transportation and distribution: 355,912 tCO₂e
- > Processing of sold products: 121,048 tCO₂e
- > Use of sold products (Direct): 341,492 tCO₂e
- > Use of sold products (Indirect): 187,856 tCO₂e
- > End-of-life treatment of sold products: 66,520 tCO₂e
- > Investments: 14,024 tCO₂e

Upstream leased assets, downstream leased assets and franchises were not included as confirmed by Kerry Group that there are none to consider.

This conclusion shall be read in the context of the remainder of this Assurance Statement, in particular the inherent limitations explained below and this report's intended use.

Reporting Criteria

The Reporting Criteria used by Kerry Group is the GHG Protocol.

Management Responsibility

The management of Kerry Group are responsible for:

- > designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- > selecting and/or developing objective Reporting Criteria;
- > measuring and reporting the Selected Information in accordance with the Reporting Criteria; and
- > the contents and statements contained within the Report and the Reporting Criteria.

Our Responsibilities

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria and to report to Kerry Group in the form of an independent limited assurance conclusion based on the work undertaken and the evidence obtained.

Assurance Standards Applied

We performed our work in accordance with CTA's assurance methodology based on ISO 14064- 3.

Our Assurance Activities

Our objective was to assess whether the Selected Information is reported in accordance with the principles of completeness, comparability and accuracy. We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions.

Considering the level of assurance and our assessment of the risk of material misstatement of the Selected Information, whether due to fraud or error, our work included, but was not restricted to:

- > assessing the appropriateness of the Reporting Criteria for the Selected Information;
- > conducting interviews with Kerry Group management to obtain an understanding of the key processes, systems, controls and related documentation in place over the preparation of the Selected Information;
- > performing analytical reviews and detailed sampling of the Selected Information.

Inherent Limitations

The accuracy and completeness of the Selected Information is subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. As such, this Assurance Statement should be read in connection with 2021 GRI Sustainability Report. For those subject matters with a limited assurance, the evidence-gathering procedures are more limited than with a reasonable assurance, and therefore less assurance is obtained than in an overall reasonable assurance statement.

CTA's Competence and Independence

CTA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach is rigorous and transparent.

For and on behalf of
Carbon Trust Assurance Limited



Hugh Jones,
Managing Director



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This assurance report is made solely to Kerry Group in accordance with the terms of the engagement contract between us. Those terms permit disclosure to other parties, solely for the purpose of Kerry Group showing that it has obtained an independent assurance report in connection with the Selected Information. We have not considered the interest of any other party in the Selected Information. To the fullest extent permitted by law, we accept no responsibility and deny any liability to any other party other than Kerry Group for our work, for this assurance report or for the conclusions we have reached.