



Forests 2017 Information Request Associated British Foods

Module: Introduction

Page: F0. Introduction

F0.1

Please give a general description and introduction to your organization

Associated British Foods is a diversified international food, ingredients and retail group with sales of £13.4bn, 130,000 employees and operations in 50 countries across Europe, southern Africa, the Americas, Asia and Australia.

Our range of activities is broad in product, technology and market scope. We aim to achieve strong and sustainable positions through a combination of organic growth, acquisition of complementary new businesses and achievement of high levels of operating efficiency. The group operates through five strategic business segments: Sugar, Agriculture, Retail, Grocery and Ingredients.

ABF's sugar processing business, AB Sugar, is a leading multinational in the growing market for sugar and sugar derived products and co-products. In the EU, Azucarera is the major producer in Iberia and British Sugar is the sole processor of the UK sugar beet crop and supplies half the UK's requirement for sugar. ABF has businesses in China too with beet sugar facilities in the north east.

Illovo is Africa's largest sugar producer with agricultural and production facilities in six countries. Annual sugar production is over 1.7 million tonnes.

AB Agri is at the heart of the UK agricultural industry and is its biggest customer. It supplies technology-based products and services to farmers, feed and food manufacturers, processors and retailers.

The group's retail business Primark employs more than 68,000 people across nine EU countries and North East America. It offers customers value for money clothing in more than 315 stores and more than twelve million square feet of retail selling space.

ABF produces a range of both branded and private label grocery products across three continents. Some of its best known household brands include Twinings, Ovaltine, Ryvita, Kingsmill, Silver Spoon, Tip Top and Mazola. George Weston Foods in Australia enjoys a 75% penetration of Australian households.

The Ingredients business comprises AB Mauri and ABF Ingredients. AB Mauri has a major global presence in bakers' yeast and is a supplier of bakery ingredients operating from 52 plants in 26 countries. ABF Ingredients markets enzymes, speciality proteins and lipids worldwide, with manufacturing facilities in Europe and the US.

We have a decentralised approach to doing business. Operational decisions are made locally because, in our experience, they are most successful when made by the people who have the best understanding of their markets and who have to implement them. This culture of setting strategy and priorities locally gives our businesses an advantage over many of our large, heavily centralised competitors. The corporate centre aims to provide a framework in which our business leaders have the freedom and decision-making authority to pursue opportunities. The centre is small and uses short lines of communication to ensure prompt, incisive and unambiguous decision-making. It seeks to ensure that business activities are appropriately monitored and supported.

In 2014 we took our culture of decentralised priority setting and applied it to corporate responsibility (CR). We identified our material risks and opportunities with our businesses focusing on four or five areas of greatest importance. These sit under ABF's five CR priority areas of:

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- our environment;
- our people;
- our neighbour;
- our customers;
- our supply chain.

F0.2

Please select the stages of the value chain which best represent your organization's area of operation pertaining to forest risk commodities. If your organization is diversified or vertically integrated, please select all that apply

Processing
Manufacturing
Retailing

F0.3

Are there any parts of your direct operations that are excluded from this disclosure?

No

F0.4

Are there any parts of your supply chain that are excluded from this disclosure?

Yes

F0.4a

Please identify the parts of your supply chain that are excluded from your disclosure

| Exclusion | Description of exclusion | Potential for deforestation risk | Please explain |
|--|---|--|---|
| Other: For timber - Incoming packaging, office supplies, POS, office furniture and pallets | Incoming packaging, office supplies, POS, office furniture and pallets. | Potential for deforestation risk but not evaluated | Any incoming raw material, packaging, capital equipment, etc. for which packaging has been purchased by the seller's company as a means of transporting and shipping goods to us. In other words, this packaging is not directly purchased for our own internal operations. This would relate to things such as corrugated boxes or pallets used by suppliers to supply the |

| Exclusion | Description of exclusion | Potential for deforestation risk | Please explain |
|-----------|--------------------------|----------------------------------|---|
| | | | goods which we then process. The same principle applies for agent and/or distributor brands. In scope is all timber related packaging directly purchased by the various group companies to be subsequently used in our manufacturing process. Excluded from scope are small spend consumables such as head office stationery, one-off purchases such as head office furniture and some marketing point of sale material. It does not capture timber consumed with pallet use (be it virgin/white pallets or re-used pallets used in pooling arrangements with recognised third party providers). We cannot guarantee consumables such as pallet labels will be reported in their entirety though the % of spend relating to these items will be minimal / negligible as a % of total global packaging consumptions and spend. |

F0.5

Do you produce or use materials that contain any of the forest risk commodities? Please complete the table

| Forest risk commodity | Produce/use forest risk commodity | Explanation if not disclosing but produce/use the commodity |
|-----------------------|-----------------------------------|--|
| Timber | Yes | In scope is all timber related packaging directly purchased by the various group companies to be subsequently used in our manufacturing process. Excluded from scope are small spend consumables such as head office stationery, one-off purchases such as head office furniture and some marketing point of sale material. It does not capture timber consumed with pallet use (be it virgin/white pallets or re-used pallets used in pooling arrangements with recognised third party providers). We cannot guarantee consumables such as pallet labels will be reported in their entirety though the percentage of spend relating to these items will be negligible as a percentage of total global packaging consumptions and spend. We are not yet disclosing information regarding viscose. Primark uses viscose within its clothing range. Primark are currently researching supply chain risks related to deforestation generally and viscose specifically including alternatives to viscose. As a full evaluation has not been completed, we are not yet in a position to disclose information. |
| Palm Oil | Yes | In scope is all palm related consumption in limited cases where palm and/or palm kernel oil is directly used and including palm derivatives or input materials that contain palm products. |
| Cattle Products | Yes | Primark uses a small amount of leather in some of its products, predominantly accessories and shoes. Primark is currently researching supply chain risks related to leather, such as working with suppliers on traceability reports. As a full evaluation has not been completed, we are not yet in a position to disclose information. |
| Soy | Yes | In scope is all soy related consumption from soy beans, soybean oil to products derived from soy. |
| Other | No | |

F0.6

Please confirm which commodities you will be disclosing on

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Timber
Palm Oil
Soy

F0.7

Please state the start and end date of the year for which you are reporting data

| Reporting year |
|-----------------------------------|
| Sat 01 Aug 2015 - Sun 31 Jul 2016 |

Further Information

Reporting year 01 Aug 2015 to 31 Jul 2016 except for palm data which is in line with RSPO ACOP reporting period 01 Jan 2016 to 31 Dec 2016.

Module: Current State

Page: F1. Context

F1.1

How does your organization use your selected commodities? Please provide details on the form and source of the commodities you use or produce

| Forest risk commodity | Activity | Form of commodity | Source | Country of origin | % of procurement spend | Comment |
|-----------------------|----------------------------------|-------------------|--------------------------------------|---|------------------------|--|
| Timber | Input into product manufacturing | Paper | Contracted suppliers (manufacturers) | Australia Brazil Canada China France India Malaysia Mexico Thailand United Kingdom United States of | 1-5% | We believe these source locations cover the total consumption of our timber; a mixture of source origin and the markets where we purchase timber related products. |

| Forest risk commodity | Activity | Form of commodity | Source | Country of origin | % of procurement spend | Comment |
|-----------------------|--|---|--|---|------------------------|--|
| | | | | America Other: Italy, Spain, Poland, Chile, Belgium, Sweden, Germany, Sri Lanka | | |
| Palm Oil | Input into product manufacturing | Crude palm oil (CPO) Crude palm kernel oil (CPKO) Palm kernel meal (PKM) Palm oil derivatives Palm kernel oil derivatives | Multiple contracted producers Trader/ broker/ commodity market Contracted suppliers (processors) Contracted suppliers (manufacturers) | Australia Brazil Canada China France India Indonesia Malaysia Mexico Papua New Guinea Thailand United Kingdom United States of America Other: Italy, Spain, Poland, Chile, Belgium, Sweden, Germany, Sri Lanka | <1% | We believe these source locations cover the total consumption of our palm oil; a mixture of source origin and the markets where we purchase derivatives. |
| Soy | Input into manufacturing process (e.g. power generation) | Whole soy beans Soy bean oil Soy bean meal Soy derivatives | Multiple contracted producers Trader/ broker/ commodity market Contracted suppliers (processors) Contracted suppliers (manufacturers) | Australia Brazil Canada China France India Malaysia Mexico Thailand United Kingdom United States of America Other: Italy, Spain, Poland, Chile, Belgium, Germany | 1-5% | We believe these source locations cover the total consumption of our soy; a mixture of source origin and the markets where we purchase derivatives. |

F1.2

Please indicate the percentage of your organization's revenue that was dependent on each of your selected forest risk commodities in the reporting year

| Forest risk commodity | % of revenue dependent on commodity in the reporting year | Comment |
|-----------------------|---|---|
| Timber | | The effort and co-ordination to fully track every possible input material and gather the relative related turnover by each geography and across the five industry sectors we occupy would require significant effort versus return. |
| Palm Oil | | The effort and co-ordination to fully track every possible input material and gather the relative related turnover by each geography and across the five industry sectors we occupy would require significant effort versus return. |
| Soy | | The effort and co-ordination to fully track every possible input material and gather the relative related turnover by each geography and across the five industry sectors we occupy would require significant effort versus return. |

F1.3

Has your organization experienced impacts related to forest risk commodities that have generated a substantive change in your business operations, revenue or expenditure in the reporting year?

No

Further Information**Module: Risk Assessment****Page: F2. Risk assessment****F2.1**

Please select the option that best describes your procedures with regard to assessing deforestation risks and opportunities

| Forest risk commodity | Deforestation risk assessment procedure | Operational coverage | Please explain |
|-----------------------|---|---|--|
| Timber | Integrated into a comprehensive, company-wide risk assessment process | Direct operations Partial supply chain | ABF's decentralised business model empowers the boards and management of our businesses to identify, evaluate and manage the risks they face. Key risks and internal control procedures are reviewed at group level by the board. We require all businesses to implement appropriate levels of risk management to ensure compliance with all relevant legislation, group policies and our business principles, taking into |

| Forest risk commodity | Deforestation risk assessment procedure | Operational coverage | Please explain |
|-----------------------|---|-----------------------------------|--|
| | | | <p>account business needs and local circumstances. Each year, the board reviews the material financial and non-financial risks facing our businesses and reviews the effectiveness of the risk management processes and resources that our businesses devote to them. In 2014, we took our culture of decentralised priority setting and applied it to CR. Each business engaged in the process of identifying and prioritising its material CR issues. The methodology adopted was similar to a materiality assessment and took into consideration each business's impact on people and the environment. This new activity built on our existing process of identifying and reviewing a wide range of CR risks every year (see our 2016 Annual Report for our principal risks). In 2016, the group priorities were identified by aggregating the most commonly cited CR priorities of individual businesses. These group priorities are spread across five themes – environment, people, neighbours, customers and supply chain. Each business has contributed to the identification of these risks and, in turn, each business is responsible for putting in place actions to mitigate the risks most appropriate to its operations, whilst sharing knowledge and expertise with other businesses in the group. Much of the activity undertaken at group or individual business level continues, as CR risk management becomes embedded in our daily operations. In the case of timber or paper packaging, some of our operating companies have formal sourcing policies in place incorporating full chain of custody while others have as yet no formal policies in place specific to this particular commodity due to risk perception and/or assessment. In the latter however, tier one suppliers are audited and approved in line with company supplier approval guidelines including acceptance to ABF's Supplier Code of Conduct which promotes responsible stewardship for the environment.</p> |
| Palm Oil | Integrated into a comprehensive, company-wide risk assessment process | Direct operations Supply chain | <p>ABF's decentralised business model empowers the boards and management of our businesses to identify, evaluate and manage the risks they face on a timely basis. Key risks and internal control procedures are reviewed at group level by the board. We require all businesses to implement appropriate levels of risk management to ensure compliance with all relevant legislation, group policies and our business principles, taking into account business needs and local circumstances. Each year, the board reviews the material financial and non-financial risks facing our businesses and, on a rolling cycle, reviews the effectiveness of the risk management processes and resources that our individual businesses devote to them. In 2014, we took our culture of decentralised priority setting and applied it to CR. Each business within the group engaged in the process of identifying and prioritising its CR issues upon which they will focus. The methodology adopted was similar to a materiality assessment and took into consideration each business's unique impact on both people and the environment. This new activity built on our existing process of identifying and reviewing a wide range of CR risks every year (see our 2016 Annual Report for our principal risks). As would be expected from a diverse range of businesses, while there are some key areas of overlap across businesses there are also genuine differences in priorities. In 2016, the group priorities were identified by aggregating the most commonly cited priorities of individual businesses. These group priorities are spread across five themes – environment, people, neighbours, customers and supply chain. As it relates to palm and palm derived products, each business is aware of the reputational and operational/supply risks that exist if we are unable to continue our commitment to meet ongoing support for sustainable supply. This time-bound commitment was first achieved by ABF back in 2015.</p> |

| Forest risk commodity | Deforestation risk assessment procedure | Operational coverage | Please explain |
|-----------------------|---|-----------------------------------|--|
| Soy | Integrated into a comprehensive, company-wide risk assessment process | Direct operations Supply chain | ABF's decentralised business model empowers the boards and management of our businesses to identify, evaluate and manage the risks they face. Key risks and internal control procedures are reviewed at group level by the board. We require all businesses to implement appropriate levels of risk management to ensure compliance with all relevant legislation, group policies and our business principles, taking into account business needs and local circumstances. Each year, the board reviews the material financial and non-financial risks facing our businesses and reviews the effectiveness of the risk management processes and resources that our businesses devote to them. In 2014, we took our culture of decentralised priority setting and applied it to CR. Each business engaged in the process of identifying and prioritising its material CR issues. The methodology adopted was similar to a materiality assessment and took into consideration each business's impact on people and the environment. This new activity built on our existing process of identifying and reviewing a wide range of CR risks every year (see our 2016 Annual Report for our principal risks). In 2016, the group priorities were identified by aggregating the most commonly cited CR priorities of individual businesses. These group priorities are spread across five themes – environment, people, neighbours, customers and supply chain. Each business has contributed to the identification of these risks and, in turn, each business is responsible for putting in place actions to mitigate the risks most appropriate to its operations, whilst sharing knowledge and expertise with other businesses in the group. Much of the activity undertaken at group or individual business level continues, as CR risk management becomes embedded in our daily operations. ABF businesses are required to complete risk maps for their organisation capturing financial, reputational, environmental and social, supply and regulatory / legal risks. As it relates to soy and soy derived products, each business is aware of the reputational and operational / supply risks concerned with soy and increasing interest and awareness of deforestation agenda with this commodity. |

F2.1a

Please provide further details on your risk assessment procedures with regard to deforestation risks and opportunities

| Forest risk commodity | Frequency of monitoring | To whom are results reported? | Scale of risk assessment | How far into the future are risks considered? | Please explain |
|-----------------------|-------------------------|---|--------------------------|---|---|
| Timber | Annually | Board or individual/ sub-set of the Board or committee appointed by the Board | Whole company | 1-3 years | Individual ABF businesses are required to complete risk maps for their organization capturing risks as far ranging as financial, reputational, supply and regulatory/legal. In the case of timber or paper packaging, some of our operating companies have formal sourcing policies in place in this regard incorporating full chain of custody while others have as yet no formal policies in place specific to this particular commodity due to risk perception and/or assessment. In the latter however, tier one suppliers are audited and approved in line with company supplier approval guidelines including |

| Forest risk commodity | Frequency of monitoring | To whom are results reported? | Scale of risk assessment | How far into the future are risks considered? | Please explain |
|-----------------------|-------------------------|---|--------------------------|---|---|
| | | | | | acceptance to our Supplier Code of Conduct principles which promotes responsible stewardship for the environment. |
| Palm Oil | Annually | Board or individual/ sub-set of the Board or committee appointed by the Board | Whole company | 1-3 years | Individual ABF businesses are required to complete risk maps for their organization capturing risks as far ranging as financial, reputational, supply and regulatory/legal. As it relates to palm and palm derived products, each business is aware of the reputational and operational/supply risks that exist if we are unable to continue to support sustainable supply, first realised in 2015, when ABF met its time-bound commitment. In turn, ABF businesses are aware of the interdependencies between sister companies and the reputational damage that can occur to branded businesses should the wider group lose ground on its 2015 achievement. With this in mind, businesses have developed plans or supply strategies that are consistent with RSPO recognized supply chain options for sourcing sustainable palm oil and palm derived materials. These approaches include the direct purchase of physical CSPO materials, i.e. via segregated or mass balance methods, where commercially available and feasible. In circumstances where physical supply is not established, we have supported the development of sustainable supply through recognized Book & Claim methods using Green Palm certificates or RSPO credits. RSPO supply chain certification has been secured for over 25 individual facilities in UK, Europe, Australia and US. There are further plans to secure this approval and are built into relevant businesses sourcing strategies going forward. |
| Soy | Annually | Board or individual/ sub-set of the Board or committee appointed by the Board | Whole company | 1-3 years | Individual ABF businesses are required to complete risk maps for their organization capturing risks as far ranging as financial, reputational, supply and regulatory/legal. As it relates to soy and soy derived products, each business is aware of the reputational and operational/supply risks concerned with soy and increasing interest and awareness of deforestation agenda with this commodity. With this in mind, businesses have developed plans or supply strategies that are consistent with developing responsible soy supply for businesses where this matter is of significant risk and relevance. These approaches include the direct purchase of responsibly sourced soy, where commercially available and feasible. The development of meaningful and relevant cross industry approaches within the animal feed sector is critical and our animal feed business have played a leading role in this area. Our bakery ingredients business has taken a proactive step forward to secure BM Trada certified soy status for its soy supply chain sourced from Canada. |

F2.1b

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Please identify which of the following criteria are factored into your organization's deforestation risk assessments

| Criteria | Timeframe | Relevance | Please explain |
|--|-------------------|-----------------------|---|
| Changes in availability and quality of forest risk commodities | | | |
| Impact of activity on the status of ecosystems and habitats | | | |
| Regulation | | | |
| Tariffs or price increases | | | |
| Loss of markets | | | |
| Stakeholder conflicts concerning forest risk commodities | | | |
| Brand damage related to forest risk commodities | | | |
| Corruption | | | |
| Other | Current Future | Relevant, included | ABF's risk assessments do not explicitly state or have structured deforestation criteria, nor do we prevent or restrain businesses from assessing such elements in their risk assessment process. Each business has contributed to the identification of risks and, in turn, each business is responsible for putting in place actions to mitigate the risks most appropriate to its operations. They also share knowledge and expertise with other businesses in the group where relevant. Much of the activity undertaken at either group level or individual business level continues, as CR risk management becomes embedded in our daily operations. |

F2.1c

Please provide any additional information about your approach to assessing deforestation risks here

F2.1d

If you have conducted a partial risk assessment, please identify any exclusions in the following table

| Forest risk commodity | Exclusion | Please explain |
|-----------------------|--|---|
| Timber | Other: Timber related packaging not directly procured by ABF companies | This is either due to the perceived risk being low or our businesses focusing their efforts on other parts of their Corporate Responsibility agenda where their environmental impact is greatest. |

Further Information

Module: Implications

Page: F3. Risks

F3.1

Have you identified any inherent risks related to producing, marketing or sourcing forest risk commodities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Please select all that apply

| Forest risk commodity | Risk |
|-----------------------|------|
| Timber | |
| Palm Oil | |
| Soy | |

F3.2

If you indicated in question F3.1 that you do not consider your organization to be exposed to operational risks related to producing, marketing or sourcing any of your selected commodities, please explain why in the table below

| Forest risk commodity | Primary reason for not identifying risks | Please explain |
|-----------------------|--|---|
| Timber | Risks exist, but no substantive impact anticipated | ABF requires all businesses to implement appropriate levels of risk management to ensure compliance with all local legislation, group policies and business principles taking into account local business needs and circumstances. The level of risk and policy to address will vary across the group depending on the exposure to and usage of these forest risk commodities. Within ABF's 2016 Corporate Responsibility Update we detailed certain forest commodities as those with "potential" to cause damage to the environment which our businesses then are required to assess in a local business context. While timber based packaging has not been considered as high risk in terms of significant risk to group operations or revenue, there is a commitment to source more materials as recycled or as fully certified, reduce the content of material required through packaging light-weighting while ensuring that our supply chains and supply base continues to be evaluated for their environmental and sustainability practices. Packaging specifications are largely of industry standard and there is relative ease of switching supply or procuring from alternative sources should an operational need present. The largest operational risk for our business often results from suppliers' production and processing capacity as opposed to raw material availability in which case stock hold measures can be put in place to address. |
| Palm Oil | Risks exist, but no substantive impact anticipated | ABF requires all businesses to implement appropriate levels of risk management to ensure compliance with all local legislation, group policies and business principles taking into account local business needs and circumstances. The level of risk and policy to address will vary across the group depending on the exposure to and usage of these forest risk commodities. Within ABF's 2016 |

| Forest risk commodity | Primary reason for not identifying risks | Please explain |
|-----------------------|--|--|
| | | Corporate Responsibility Update we detailed certain forest commodities as those with “potential” to cause damage to the environment which our businesses then are required to assess in a local business context. |
| Soy | Risks exist, but no substantive impact anticipated | ABF requires all businesses to implement appropriate levels of risk management to ensure compliance with all local legislation, group policies and business principles taking into account local business needs and circumstances. The level of risk and policy to address will vary across the group depending on the exposure to and usage of these forest risk commodities. Within ABF’s 2016 Corporate Responsibility Update we detailed certain forest commodities as those with “potential” to cause damage to the environment which our businesses then are required to assess in a local business context. |

F3.3

If you indicated in question F3.1 that you do not consider your organization to be exposed to risks related to producing, marketing or sourcing any of your selected commodities driven by changes in regulation, please explain why in the table below

| Forest risk commodity | Primary reason for not identifying risks | Please explain |
|-----------------------|--|---|
| Timber | Risks exist, but no substantive impact anticipated | ABF’s businesses are responsible for monitoring and complying with all relevant legislation. For example, the Packaging and Packaging Waste Directive and EU Timber Regulations for our businesses operating in Europe and the Australian Packaging Covenant which requires formal packaging data to be collected for all brands distributed in Australia. ABF requires all businesses to implement appropriate levels of risk management to ensure compliance with all local legislation, group policies and business principles taking into account local business needs and circumstances. The level of risk and policy to address will vary across the group depending on the exposure to and usage of these forest risk commodities. Within ABF’s 2016 Corporate Responsibility Update we detailed certain forest commodities as those with “potential” to cause damage to the environment which our businesses then are required to assess in a local business context. |
| Palm Oil | Risks exist, but no substantive impact anticipated | ABF requires all businesses to implement appropriate levels of risk management to ensure compliance with all local legislation, group policies and business principles taking into account local business needs and circumstances. The level of risk and policy to address will vary across the group depending on the exposure to and usage of these forest risk commodities. Within ABF’s 2016 Corporate Responsibility Update we detailed certain forest commodities as those with “potential” to cause damage to the environment which our businesses then are required to assess in a local business context. |
| Soy | Risks exist, but no substantive impact anticipated | ABF requires all businesses to implement appropriate levels of risk management to ensure compliance with all local legislation, group policies and business principles taking into account local business needs and circumstances. The level of risk and policy to address will vary across the group depending on the exposure to and usage of these forest risk commodities. Within ABF’s 2016 Corporate Responsibility Update we detailed certain forest commodities as those with “potential” to cause damage to the environment which our businesses then are required to assess in a local business context. |

F3.4

If you indicated in question F3.1 that you do not consider your organization to be exposed to reputational risks related to producing, marketing or sourcing any of your selected commodities, please explain why in the table below

| Forest risk commodity | Primary reason for not identifying risks | Please explain |
|-----------------------|--|---|
| Timber | Risks exist, but no substantive impact anticipated | ABF requires all businesses to implement appropriate levels of risk management to ensure compliance with all local legislation, group policies and business principles taking into account local business needs and circumstances. The level of risk and policy to address will vary across the group depending on the exposure to and usage of these forest risk commodities. Within ABF's 2016 Corporate Responsibility Update we detailed certain forest commodities as those with "potential" to cause damage to the environment which our businesses then are required to assess in a local business context. |
| Palm Oil | Risks exist, but no substantive impact anticipated | ABF requires all businesses to implement appropriate levels of risk management to ensure compliance with all local legislation, group policies and business principles taking into account local business needs and circumstances. The level of risk and policy to address will vary across the group depending on the exposure to and usage of these forest risk commodities. Within ABF's 2016 Corporate Responsibility Update we detailed certain forest commodities as those with "potential" to cause damage to the environment which our businesses then are required to assess in a local business context. |
| Soy | Risks exist, but no substantive impact anticipated | ABF requires all businesses to implement appropriate levels of risk management to ensure compliance with all local legislation, group policies and business principles taking into account local business needs and circumstances. The level of risk and policy to address will vary across the group depending on the exposure to and usage of these forest risk commodities. Within ABF's 2016 Corporate Responsibility Update we have detailed certain forest commodities as those with "potential" to cause damage to the environment which our businesses then are required to assess in a local business context. |

Further Information

Page: F4. Opportunities

F4.1

Have you identified any opportunities related to producing, marketing or sourcing these commodities sustainably that have the potential to benefit your organization?

| Forest risk commodity | Opportunities? |
|-----------------------|----------------|
| Timber | Yes |
| Palm Oil | Yes |
| Soy | Yes |

F4.1a

Please describe the opportunities related to producing, marketing or sourcing these commodities sustainably, and your organization's strategy to capitalize on them

| Forest risk commodity | Opportunity | Scale of opportunity | Strategy to realize opportunity | Timeframe | Comment |
|-----------------------|-----------------------|---|---|---|---------|
| Timber | Cost savings | More than half of ABF's consumption for what we deem to be secondary or transit packaging (corrugated containers) is recycled material. We have a commitment to use more recycled material and less overall material when designing and sourcing packaging-both of which offer, in addition to the sustainability benefit, a cost saving benefit to the organisation. | Material and cost reduction targets are set each year as appropriate by individual businesses. 4 questions that typically come into play within our category and source plans for packaging are (i) how can we overall reduce the content of packaging required, (ii) can we eliminate that requirement altogether, (iii) can we look at returnable forms of packaging, (iv) can we use lower impact or recycled materials. | Last 1-3 years Within the last year Up to 1 year 1-3 years | |
| Timber | Increased brand value | More than half of ABF's consumption for what we deem to be secondary or transit packaging (corrugated containers) is recycled material with 5% of all primary packaging having full chain of custody. | A number of our businesses operate a full chain of custody for their packaging. For example, AB Mauri Mexico has this for corrugated packaging and our Silverspoon business in the UK has this for all flour and sugar paper bags. Logos are displayed on pack as evidence to consumers of our wider commitment to the environment. http://www.fsc-uk.org/en-uk/about-fsc/what-is-fsc/case-studies/printers/silver-spoon-packaging | Last 1-3 years Within the last year Up to 1 year | |
| Palm Oil | Increased brand value | ABF has been a member of the Roundtable for Sustainable Palm Oil (RSPO) since 2010, with some subsidiary companies holding membership from 2006. We have numerous businesses who have secured RSPO Supply Chain Certification for their facilities and are therefore using sustainably certified input materials. ABF now have over 20 individual sites formally RSPO Supply Chain certified across four countries. | The majority of palm related consumption within ABF comes through palm derivatives or products containing palm related products. Where the consumption of these palm derivatives cannot be supplied with physically certified material, due to the complexity of the supply chains involved, ABF committed to cover such consumption by Book & Claim to support the production of sustainable palm oil. In 2015, ABF first covered 100% of non-physically certified material via the Book & Claim supply chain option. This has been repeated again with our consumption across 2016. In addition, ABF now has in excess of 25 individual facilities that have achieved RSPO Supply Chain Certification for the supply of physical certified sustainable palm products across numerous geographies from UK, Europe, Australia and USA. The Jordans & Ryvita Company, who source certified sustainable palm oil in the manufacture of cereal products, carry the RSPO trademark on pack. | Last 1-3 years Within the last year Up to 1 year 1-3 years | |
| Soy | Driving demand for | AB Agri supports sustainable production of soya for use in animal feeding stuffs. AB Connect | As a globally traded commodity the increased demand for soy has impacted both the environment and the | Last 1-3 years | |

| Forest risk commodity | Opportunity | Scale of opportunity | Strategy to realize opportunity | Timeframe | Comment |
|-----------------------|--|---|---|---|---------|
| | sustainable materials | currently procures a significant volume of responsibly sourced soya meal and will endeavour to increase this volume whilst working with our suppliers and customers to ensure that the supply chain is viable. | communities in which the crop is grown. One of the first multi-stakeholder groups committed to increasing the availability of responsibly produced soy was the Round Table on Responsible Soy. AB Agri had been an active member of the RTRS since 2010, although recently stepped away as the direction the initiative is taking is not currently clear. As a key member of both the Agricultural Industries Confederation (AIC) and the European Feed Compounders Association (FEFAC) we are directly involved in designing mass market solutions for sourcing responsible soy with the introduction of the FEFAC Soy Sourcing Guidelines. Launched in Brussels on March 25th 2015 by Angela Booth of AB Agri, Chair of the FEFAC Sustainability Committee, the aim of these guidelines is to simplify procurement of sustainable soy. The FEFAC Guidelines offer an achievable model that encourages producers to continually improve and validate their sustainability credentials, thereby improving the understanding of sustainable soy imported into Europe. As more responsible soy is covered by the Guidelines, FEFAC intends to improve the criteria and raise the base level. The next step is to encourage companies further along the supply chain to buy soy that meets the FEFAC Guidelines. The Consumer Goods Forum, a body that represents 400 retailers around the world, recently committed to do so, as has Marks & Spencer for its animal feed. | Within the last year Up to 1 year 1-3 years | |
| Soy | Driving demand for sustainable materials | Following a close working partnership with BM Trada, AB Mauri UK & Ireland are able to offer 'BM Trada Responsibly Sourced' soy. This was announced at the RTRS (Round Table Responsible Soy) conference in 2015. | AB Mauri has maintained its 'BM Trada Responsibly Sourced' accreditation to qualify this method of sourcing creating a direct link between the soy or soy cognate and place of origin, which should be an internationally certified farm dedicated to soy production. | Up to 1 year 1-3 years | |

Further Information

Module: Measure & Monitor

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Page: F5. Measurement
F5.1

Do you own or manage land used for the production of any of your selected commodities? Please complete the table

| Forest risk commodity | Own and/or manage land? | Size (Hectares) | Type of control | System in place to monitor deforestation? | Recent infractions? | Please explain |
|-----------------------|--------------------------|-----------------|-----------------|---|---------------------|----------------|
| Timber | Don't own or manage land | Not applicable | Not applicable | Not applicable | Not applicable | |
| Palm Oil | Don't own or manage land | Not applicable | Not applicable | Not applicable | Not applicable | |
| Soy | Don't own or manage land | Not applicable | Not applicable | Not applicable | Not applicable | |

F5.2

Does your organization collect production and/or consumption data for your selected commodities?

| Forest risk commodity | Production and/or consumption data available? |
|-----------------------|---|
| Timber | Consumption data available, disclosing |
| Palm Oil | Consumption data available, disclosing |
| Soy | Data available, but not disclosing |

F5.2a

Please disclose your production and/or consumption data using the table below

| Forest risk commodity | Production/ consumption data | Volume | Metric | Full/Partial data? | If partial data, please explain |
|-----------------------|------------------------------|--------|-------------|--|--|
| Timber | Consumption data | 80000 | Metric tons | Partial commodity production/consumption | In scope is all timber related packaging directly purchased by the various group companies to be subsequently used in our manufacturing process. Excluded from scope are small spend consumables such as head office stationery, one-off purchases such as head office furniture and some marketing point of sale material. It does not capture timber consumed with pallet use (be it virgin/white pallets or re-used pallets used in pooling arrangements with recognised third party providers). We cannot guarantee consumables such as pallet labels will be reported in their entirety |

| Forest risk commodity | Production/consumption data | Volume | Metric | Full/Partial data? | If partial data, please explain |
|-----------------------|-----------------------------|--------|-------------|---------------------------------------|--|
| | | | | | though the % of spend relating to these items will be minimal / negligible as a percentage of total global packaging consumptions and spend. |
| Palm Oil | Consumption data | 64274 | Metric tons | Full commodity production/consumption | |

F5.3

Please explain why your organization is not disclosing production and/or consumption data for your selected commodities

| Forest risk commodity | Primary reason for not disclosing production/consumption data | Please explain |
|-----------------------|---|----------------|
| Soy | Data considered confidential | |

Further Information

Page: F6. Traceability

F6.1

Do you have a system in place to track and monitor the origin of raw materials for your selected commodities?

| Forest risk commodity | System to track and monitor origin of raw materials? |
|-----------------------|--|
| Timber | Yes |
| Palm Oil | Yes |
| Soy | Yes |

F6.1a

Please describe the system you have in place to track and monitor the origin of raw materials for your selected commodities

| Forest risk commodity | System | System coverage | If partial, % of total production/consumption tracked/monitored | Please explain |
|-----------------------|---|-----------------|---|----------------|
| Timber | This information can be accessed from suppliers though is not necessarily embedded into a formally stipulated procedure. In many cases, details such as material country of origin are known due to the detail available from product specifications and vendor audit checks. In the case of paper, businesses may stipulate the brand they require as part of their buying specification in which case the Tier 2 supply chain is known. | Partial | Don't know | |
| Palm Oil | This information can be accessed from suppliers though is not necessarily embedded into a formally stipulated procedure. In many cases, details such as material country of origin are known due to the detail available from product specifications and vendor audit checks. | Partial | Don't know | |
| Soy | This information can be accessed from suppliers though is not necessarily embedded into a formally stipulated procedure. In many cases, details such as material country of origin are known due to the detail available from product specifications and vendor audit checks. | Partial | Don't know | |

F6.3

Please provide details on the level of traceability your organization has for your selected commodities

| Forest risk commodity | % of total production/consumption traceable | Traceability system | Point to which traceable | Exclusions | Exclusion description, if applicable | Comment |
|-----------------------|---|---|--------------------------|----------------|--------------------------------------|--|
| Timber | Don't know | This information can be accessed from suppliers though is not necessarily embedded into a formally stipulated procedure. In many cases, details such as material country of origin are known due to the detail available from product specifications and vendor audit checks. In the case of paper, businesses may stipulate the brand they require as part of their buying specification in which case the Tier 2 supply chain is known. | Country | Not applicable | | In some circumstances, we have visibility to mill and forest level information but this is not available across all sources. |
| Palm Oil | Don't know | This information can be accessed from suppliers though is not necessarily embedded into a formally stipulated procedure. In many cases, details such as material country of origin are known due to the detail available from product specifications and vendor audit checks. | Country | Not applicable | | |
| Soy | Don't know | This information can be accessed from suppliers though is not necessarily embedded into a formally stipulated procedure. In many cases, details such as material country | Country | Not applicable | | In some circumstances, we have visibility to farm level information but this is not |

| Forest risk commodity | % of total production/consumption traceable | Traceability system | Point to which traceable | Exclusions | Exclusion description, if applicable | Comment |
|-----------------------|---|--|--------------------------|------------|--------------------------------------|-------------------------------|
| | | of origin are known due to the detail available from product specifications and vendor audit checks. | | | | available across all sources. |

F6.3a

Please describe your organization's approach to establishing traceability

Further Information

Module: Response

Page: F7. Governance and strategy

F7.1

Please indicate where the highest level of direct responsibility for deforestation risk lies within your organization and detail the frequency and nature of engagement on the issue

| Highest level of responsibility | Name/position of individual or name of committee | Frequency of briefing | Nature of engagement |
|--|--|-----------------------|--|
| Board or individual/sub-set of the Board or committee appointed by the Board | Director of Legal Services & Company Secretary. Sponsor of Corporate Responsibility Leaders Group. | Annually | The Director of Legal Services and Company Secretary has overall responsibility for all corporate responsibility (CR) issues and is supported by the Director of Group Secretariat. Our Group Human Resources Director has overall responsibility for safety and environment matters and is supported by the Group Safety and Environment Manager. Both directors report to the Chief Executive. Although we choose to manage each business separately, the value of sharing knowledge between organisations is well understood. A CR Leaders' Group meets regularly to monitor our CR performance and ensure that best practice is shared effectively. Within individual businesses, accountability for CR sits with the chief executive and a CR manager. Each chief executive is required to sign and submit an annual questionnaire which assesses all types of business risk including safety, environment and other CR issues. These formal processes complement the regular CR group meetings which help maintain best practice sharing across the group. |

F7.2

Have you evaluated how the availability or quality of forest risk commodities could affect your organization's growth strategy?

Yes, evaluated over the next 1 year

F7.2a

Please explain how you evaluated the effects of the availability or quality of forest risk commodities on the success (viability, constraints) of your organization's growth strategy

Our decentralised approach is key to the success of Associated British Foods. It has allowed each of our businesses to develop its own model to address day-to-day activities, creating the flexibility to tailor its operations to individual situations and cultures.

This approach has delivered revenue growth during the last three years. This has allowed us to invest in CR activities within the divisions and generate a return for shareholders, as well as continue to support the work of the Garfield Weston Foundation.

Our decentralised approach is echoed in how we implement CR initiatives. Each business determines its own priorities based on its local risks, needs and knowledge. For instance, Primark and Twinings Ovaltine have complex supply chains in developing countries, which means that their CR programmes are concerned with trading ethically and supporting local communities. At AB Sugar, the focus has, in addition, been on investing in renewable fuel and energy efficiency.

Empowering divisions to take ownership ensures that those responsible for employing our staff, using nature's resources and engaging with communities are also those tasked with maximising the positive contributions they make whilst minimising any negative environmental impact. The remainder of this report is structured to reflect this approach and thus provide an accurate reflection of the CR priorities for each division.

Further Information

Page: F8. Policies

F8.1

Does your organization have a policy that recognizes the role of reducing deforestation for climate change mitigation and sets out clear goals and guidelines for action?

| Policy | Please explain |
|--------|--|
| No | ABF's environment policy recognises that our operations have an impact on the environment and that this must be managed and minimised by using natural resources efficiently. We have public statements regarding our approach to encouraging ethical business which includes the following for ethical standards for our products: "Our products are the public face of our Company and, typically, are what the consumer judges us on. Over recent years, we have increased our focus on ethical procurement, adapting to emerging customer expectations and our own improved understanding of the environmental or health impacts potentially associated with our products." In addition we have a public Supplier Code of Conduct which states our aim of working with suppliers who live up to our values and standards and share our aim of operating responsibly. |

F8.2

Has your organization made a commitment to reduce or remove deforestation and forest degradation from your direct operations and/or supply chain?

No

F8.3

Please explain why your organization has not made a commitment to reduce or remove deforestation and forest degradation from your direct operations and/or supply chain, and whether you plan to do this in the future

| Primary reason for not having made a commitment | Do you plan to introduce a commitment? | Please explain |
|---|--|----------------|
| Other: | No | |

F8.4

Do you have commodity specific sustainability policies?

| Forest risk commodity | Commodity specific sustainability policies? | Criteria | Cut-off date, if applicable | Please explain |
|-----------------------|---|--|-----------------------------|--|
| Timber | No | Not applicable | Not applicable | At a wider organisation level there is not a “specific” sustainability policy in this regard owing to businesses conducting their own assessments and adopting policies where their environmental impact is greatest. We do however have examples of our businesses which have adopted commodity specific sustainability policies. In the context of paper for example, Silverspoon is committed to sourcing their flour and sugar paper packaging from FSC sources. Westmill’s corrugated packaging supplier is FSC certified on all materials. We have numerous businesses either already ISO14001 certified or moving to embed ISO14001 into their operations, and as part of this programme the environmental aspects associated with procuring our goods and services will be assessed and factored into the decision making process. |
| Palm Oil | Yes | Other: To source palm products via RSPO approved supply chains | 2015 | Since 2015, ABF moved to sourcing all palm related inputs via RSPO approved supply chains, thus supporting the production of certified sustainable palm oil. This has been maintained through 2016 – and the number of RSPO Supply Chain Certified facilities across ABF group companies is now over 25 locations in many different geographies across Europe, Asia and North America. ABF were scored a maximum of 9 out of 9 points in the |

| Forest risk commodity | Commodity specific sustainability policies? | Criteria | Cut-off date, if applicable | Please explain |
|-----------------------|---|----------------|-----------------------------|--|
| | | | | 2016 WWF Palm Oil buyers scorecard – highlighted as an organisation “leading the way” on its approach to sustainable palm. |
| Soy | No | Not applicable | Not applicable | AB Agri has been assessed as “starting the journey” in the 2016 WWF Soy Scorecard. The business was recognised for actively sourcing responsible soy and their commitment to source sustainable soy by 2024 as part of their Formula 24 programme. A key member of both the Agricultural Industries Confederation (AIC) and the European Feed Compounders Association (FEFAC) we are directly involved in designing mass market solutions for sourcing responsible soy with the introduction of the FEFAC Soy Sourcing Guidelines. Launched in Brussels on March 25th 2015 by Angela Booth of AB Agri, Chair of the FEFAC Sustainability Committee, the aim of these guidelines is to simplify procurement of sustainable soy. |

Further Information

Page: F9. Standards and targets

F9.1

Do you have any environmental standards for the production of raw materials for your selected commodities, other than third party certification schemes?

| Forest risk commodity | Production standards in place? | Please describe your production standards | Comment |
|-----------------------|--------------------------------|---|--|
| Timber | Yes | ABF has a publicly available Supplier Code of Conduct which applies to all suppliers and others in the value chain. The Code covers social and environmental standards expected from all with whom we work. | A full copy of ABF's Supplier Code of Conduct can be accessed at http://www.abf.co.uk/documents/pdfs/policies/supplier-code-of-conduct.pdf . |
| Palm Oil | Yes | ABF has a publicly available Supplier Code of Conduct which applies to all suppliers and others in the value chain. The Code covers social and environmental standards expected from all with whom we work. | A full copy of ABF's Supplier Code of Conduct can be accessed at http://www.abf.co.uk/documents/pdfs/policies/supplier-code-of-conduct.pdf . |
| Soy | Yes | ABF has a publicly available Supplier Code of Conduct which applies to all suppliers and others in the value chain. The Code covers social and environmental standards expected from all with whom we work. | A full copy of ABF's Supplier Code of Conduct can be accessed at http://www.abf.co.uk/documents/pdfs/policies/supplier-code-of-conduct.pdf . |

F9.2

Does your organization enforce any procurement standards that impact your sourcing of forest risk commodities?

| Forest risk commodity | Procurement standards in place? | Monitor compliance? | Impact on sourcing activities | Please explain |
|-----------------------|---------------------------------|---------------------|--|--|
| Timber | Yes | Yes | Factored into supplier selection process | All ABF businesses have supplier approval processes in place which have to be complied with to meet internal controls. Subsequent ordering processes are detailed with only allows ordering of materials from approved suppliers for selected materials. |
| Palm Oil | Yes | Yes | Factored into supplier selection process | All ABF businesses have supplier approval processes in place which have to be complied with to meet internal controls. Subsequent ordering processes are detailed with only allows ordering of materials from approved suppliers for selected materials. |
| Soy | Yes | Yes | Factored into supplier selection process | All ABF businesses have supplier approval processes in place which have to be complied with to meet internal controls. Subsequent ordering processes are detailed with only allows ordering of materials from approved suppliers for selected materials. |

F9.3

Are you involved in any multi-partnership or stakeholder initiatives relating to the sustainability of these commodities? Please describe your role

| Forest risk commodity | Involved in initiatives? | Initiatives | Please explain |
|-----------------------|--------------------------|--|--|
| Timber | Yes | FSC | A number of our businesses buy FSC certified packaging. No specific engagement activity beyond this. An example, is Silverspoon who are the subject of a case study on the UK FSC website: http://www.fsc-uk.org/en-uk/about-fsc/what-is-fsc/case-studies/printers/silver-spoon-packaging |
| Palm Oil | Yes | Roundtable on Sustainable Palm Oil (RSPO) | As a member of the RSPO, we have actively participated in Roundtable and General Assembly meetings since 2012 and ensured we have contributed to the direction of that multi-stakeholder community. This has manifested itself internally with training and education to allow our buyers to go into the external marketplace to support our 2015 palm goals. |
| Soy | Yes | Roundtable on Sustainable Soy (RTRS) Other: See Comments for additional initiatives | AB Agri has been assessed as “starting the journey” in the 2016 WWF Soy Scorecard. The business was recognised for actively sourcing responsible soy and their commitment to source sustainable soy by 2024 as part of their Formula 24 programme. A key member of both the Agricultural Industries Confederation (AIC) and the European Feed Compounders Association (FEFAC) we are directly involved in designing mass market solutions for sourcing responsible soy with the introduction of the FEFAC Soy Sourcing Guidelines. Launched in Brussels on March 25th 2015 by Angela Booth of AB Agri, Chair of the FEFAC Sustainability Committee, the aim of these guidelines is to simplify procurement of sustainable soy. AB Agri had been a member of the RTRS since 2010 where our personnel have been members of the following groups in previous years: - RTRS Chain of Custody Working Group - RTRS Communications and Outreach Working Group - International Technical Verification Group |

| Forest risk commodity | Involved in initiatives? | Initiatives | Please explain |
|-----------------------|--------------------------|-------------|---|
| | | | - Non-GM Working Group. Although we have recently stepped away from RTRS membership as the direction the initiative is taking is not currently clear. |

F9.4

Do you specify any third party certification schemes for your selected commodities? Please indicate the percentage of total production and/or consumption currently certified

| Forest Risk Commodity | Specify third party certification schemes? | % of total production/ consumption certified | Certification scheme breakdown | Please explain |
|-----------------------|--|--|---|--|
| Timber | FSC | <10% | FSC Chain of Custody | |
| Palm Oil | RSPO | 100% | RSPO GreenPalm RSPO Mass Balance RSPO Segregated | |
| Soy | Other: Responsible soya schemes | Not applicable | Other: Responsible soya schemes | AB Agri played an active part in introducing the European Feed Manufacturers' Federation (FEFAC) Soy Sourcing Guidelines in October 2015. Indeed, AB Agri chairs the federation's Sustainability Committee. The Guidelines comprise 59 criteria covering a range of issues including environmental responsibility, respect for legal use of land and working conditions. They also stipulate verification requirements and reflect what we consider to be the baseline criteria for any scheme or standard that claims to supply responsible soy. By using a bespoke, online benchmarking tool, the different schemes and bodies are able to show buyers that they meet the FEFAC Guidelines, bringing clarity to the market by enabling comparison. Ultimately, we hope this will increase the available volumes of responsible soy. The FEFAC Guidelines offer an achievable model that encourages producers to continually improve and validate their sustainability credentials, thereby improving the understanding of sustainable soy imported into Europe. As more responsible soy is covered by the Guidelines, FEFAC intends to improve the criteria and raise the base level. The next step is to encourage companies further along the supply chain to buy soy that meets the FEFAC Guidelines. The Consumer Goods Forum, a body that represents 400 retailers around the world, recently committed to do so, as has Marks & Spencer for its animal feed. AB Agri has been assessed as "starting the journey" in the 2016 WWF Soy |

| Forest Risk Commodity | Specify third party certification schemes? | % of total production/ consumption certified | Certification scheme breakdown | Please explain |
|-----------------------|--|--|--------------------------------|---|
| | | | | Scorecard. Recognised for actively sourcing responsible soy and their commitment to source sustainable soy by 2024 as part of their Formula 24 programme. |

F9.5

Do you have any quantified targets for third party certified materials in your direct operations and/or supply chains?

| Forest risk commodity | Quantified targets for third party certification? | Certification scheme breakdown | Baseline year | Target year | Coverage | % of materials third party certified in target year | Please explain |
|-----------------------|---|---|---------------|-------------|------------------------------------|---|--|
| Timber | No quantified targets | Not applicable | | | | | 5% of our global paper packaging consumption is fully third party certified with chain of custody in place. This will be sustained if not increased into the future. |
| Palm Oil | RSPO | RSPO GreenPalm RSPO Mass Balance RSPO Segregated | 2010 | | Direct operations and supply chain | 100% | All palm related consumption is now sourced via SG/MB supply routes or as a minimum, sourced using the Book & Claim route to support the production of certified sustainable palm oil. We set a target for 2015 and met this commitment. Our 2016 consumption has also maintained the commitment to sustainable palm oil across the ABF organisation. Over 20 facilities have been formally RSPO Supply Chain Certified with plans to further expand across other locations in 2016. |
| Soy | Other: FEFAC, Responsible Soy | Not applicable | | 2024 | Direct operations and supply chain | 100% | AB Agri played an active part in introducing the European Feed Manufacturers' Federation (FEFAC) Soy Sourcing Guidelines in October 2015. Indeed, AB Agri chairs the federation's Sustainability Committee. The Guidelines comprise 59 criteria covering a range of issues including environmental responsibility, respect for legal use of land and working conditions. They also stipulate verification requirements and reflect what we consider to be the baseline criteria for any scheme or standard that claims to supply responsible soy. By using a bespoke, online benchmarking tool, the different schemes and bodies are able to show buyers that they meet the FEFAC Guidelines, bringing clarity to the market by enabling comparison. Ultimately, we hope |

| Forest risk commodity | Quantified targets for third party certification? | Certification scheme breakdown | Baseline year | Target year | Coverage | % of materials third party certified in target year | Please explain |
|-----------------------|---|--------------------------------|---------------|-------------|----------|---|--|
| | | | | | | | this will increase the available volumes of responsible soy. The FEFAC Guidelines offer an achievable model that encourages producers to continually improve and validate their sustainability credentials, thereby improving the understanding of sustainable soy imported into Europe. As more responsible soy is covered by the Guidelines, FEFAC intends to improve the criteria and raise the base level. |

F9.6

Do you have any quantified targets for sustainable production and/or procurement, other than third party certification?

| Forest risk commodity | Quantified targets for sustainable production/ procurement? | Type of target | Baseline year | Target year | Coverage | % of materials to meet requirements in target year | Please explain |
|-----------------------|---|----------------|---------------|-------------|----------|--|----------------|
| Timber | No | Not applicable | | | | | |
| Palm Oil | No | Not applicable | | | | | |
| Soy | No | Not applicable | | | | | |

Further Information

Page: F10. Engagement

F10.1

Have you identified sufficient sources of sustainable materials to meet your operational needs? Please explain what you are doing to ensure security/continuity of supply

| Forest risk commodity | Current demand | Future demand | Actions to ensure security/ continuity of supply | Please explain |
|-----------------------|----------------|---------------|---|---|
| Timber | Yes | Yes | Engaging in capacity building activities in the value chain | Addressed via contingency supply options in place, dual supply options in some cases, assessing incumbent suppliers' contingency and business continuity plans. |
| Palm Oil | Yes | Yes | Engaging in capacity building activities in the value chain | Addressed via contingency supply options in place, dual supply options in some cases, assessing incumbent suppliers' contingency and business continuity plans. |
| Soy | Yes | Yes | Engaging in capacity building activities in the value chain | Addressed via contingency supply options in place, dual supply options in some cases, assessing incumbent suppliers' contingency and business continuity plans. |

F10.2

Are you working with smallholders to encourage and support sustainable forest management practices?

| Forest risk commodity | Working with smallholders? | Please explain |
|-----------------------|---------------------------------|--|
| Timber | Do not source from smallholders | The nature of our supply chain for paper packaging is that our relationships are with converters and selected mills. We are not operating or interacting with smallholders managing forest resources. |
| Palm Oil | Do not source from smallholders | The nature of our supply chain for palm products is our relationships are with processors or ingredient manufacturers. We are not operating or interacting with smallholders who own small concessions or land on which palm is cultivated. |
| Soy | Do not source from smallholders | The nature of our supply chain for soy products is our relationships are with farmers, processors or ingredient manufacturers. Although we deal in isolated cases with farmers, this is a small proportion of consumption and is centred in North America. |

F10.3

Are you working with your direct suppliers to support and improve their capacity to supply sustainable materials?

| Forest risk commodity | Working with direct suppliers? | Supplier engagement strategy | Please explain |
|-----------------------|--------------------------------|------------------------------|---|
| Timber | No | | |
| Palm Oil | Yes | Encouraging certification | As a member of the RSPO, we have engaged at Roundtable and General Assembly meetings and ensured we have contributed to the direction of that multi-stakeholder community. This has manifested itself internally with training and education to allow our buyers to go into the external marketplace to support our 2015 palm goals. |
| Soy | Yes | Encouraging certification | Following a close working partnership with BM Trada, AB Mauri UK & Ireland will be able to offer 'BM Trada Responsibly Sourced' soy as announced at the RTRS (Round Table Responsible Soy) conference in 2015. AB Mauri has now acquired the 'BM Trada Responsibly Sourced' accreditation to quantify this method of sourcing creating a direct link between the soy or soy cognate and place of origin, which should be an internationally |

| Forest risk commodity | Working with direct suppliers? | Supplier engagement strategy | Please explain |
|-----------------------|--------------------------------|------------------------------|--|
| | | | certified farm dedicated to soy production. AB Agri has been instrumental in the recent publication of the Soy Sourcing Guidelines by FEFAC as an important first step in encouraging the use of responsibly produced soy in mainstream European supply chains. The next milestone will be for our current responsible soya supply chains against the FEFAC criteria. We are also a member of the FEFAC Task force on Sustainability and Responsible Soya, the AIC Sustainability Committee and the AIC Responsible Raw Material Sub Group. AB Agri personnel have been members of the following groups in previous years: - RTRS Chain of Custody Working Group - RTRS Communications and Outreach Working Group - International Technical Verification Group - Non-GM Working Group. |

F10.4

Are you working beyond the first tier of your supply chain to manage and mitigate risk?

| Forest risk commodity | Work beyond first tier of supply chain? | Please explain |
|-----------------------|---|--|
| Timber | No | In some businesses, ABF maintains direct commercial relationships with paper mills which offers us ongoing security of supply and insight into our supply chain. |
| Palm Oil | No | |
| Soy | No | |

F10.5

Do you engage in activities that could either directly or indirectly influence the market for sustainable forest risk commodities?

| Activity | Please explain |
|--|--|
| Increasing demand for sustainable materials Increasing awareness of sustainable materials | As a member of the RSPO, we have participated in Roundtable and General Assembly meetings and ensured we have contributed to the direction of that multi-stakeholder community. This has manifested itself internally with training and education to allow our buyers to go into the external marketplace to support our 2015 palm goals. We have used the RSPO trademark on relevant lines of cereals within The Jordans and Ryvita Company. Following a close working partnership with BM Trada, AB Mauri UK & Ireland are now able to offer 'BM Trada Responsibly Sourced' soy as announced at the RTRS (Round Table Responsible Soy) conference in 2015. AB Mauri has now acquired the 'BM Trada Responsibly Sourced' accreditation to quantify this method of sourcing creating a direct link between the soy or soy cognate and place of origin, which should be an internationally certified farm dedicated to soy production. AB Agri has been instrumental in the recent publication of the Soy Sourcing Guidelines by FEFAC as an important first step in encouraging the use of responsibly produced soy in mainstream European supply chains. The next milestone will be for our current responsible soya supply chains against the FEFAC criteria. We are also a member of the FEFAC Task force on Sustainability and Responsible Soya, the AIC Sustainability Committee and the AIC Responsible Raw Material Sub Group. AB Agri has been assessed as |

| Activity | Please explain |
|----------|---|
| | <p>“starting the journey” in the 2016 WWF Soy Scorecard. Recognised for actively sourcing responsible soy and their commitment to source sustainable soy by 2024 as part of their Formula 24 programme. AB Agri personnel have been members of the following groups in previous years:</p> <ul style="list-style-type: none"> - RTRS Chain of Custody Working Group - RTRS Communications and Outreach Working Group - International Technical Verification Group - Non-GM Working Group |

Further Information

Module: Challenges

Page: F11. Barriers and challenges

F11.1

Please describe any key barriers or challenges to achieving deforestation free direct operations and supply chains

A key challenge is driving awareness of these issues in particular geographies, such as India and China, where consumption of such commodities is significant. In addition, whilst end consumers may be aware of the issues, their buying behaviours at the point of purchase do not necessarily reflect their stated beliefs when engaged on sustainability themes away from the grocery shelf.

Away from the business-to-consumer world, we face challenges within the business-to-business environment where we spend time supporting and educating our customers on these issues. In the commodity world, and with the majority of our consumption of derivatives, segregated supply chains are physically challenging and even if they do exist, then become commercially challenging when the next supply chain player has low awareness of the issues in play.

F11.2

Please describe any measures that would improve your organization’s ability to manage deforestation risk

The further support of multi-stakeholder groups and NGO communities to maintain the education and raising of awareness of the issues relating to these key commodities would help support ABF's related activities.

Further Information

Module: Sign Off

Page: F12. Sign off

F12.1

Please provide the following information for the person that has signed off (approved) your CDP forests response

| Name | Job title | Corresponding job category |
|---------------|------------------------------------|------------------------------------|
| Steve Bradley | Group Safety & Environment Manager | Environment/Sustainability manager |