

A DIVERSIFIED INTERNATIONAL GROUP

BUSINESS STRUCTURE



Our businesses are organised so that they are close to the markets and customers that they serve.

02 AT A GLANCE

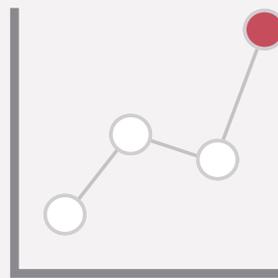
STRATEGY



The corporate centre agrees strategy and budgets with the businesses and monitors their performance closely.

12 BUSINESS STRATEGIES

ORGANIC GROWTH



Organic growth is achieved through investment in marketing, in the development of existing and new products and technologies and in targeted capital expenditure to improve efficiency and expand capacity.

14 OPERATING REVIEW

OUR PEOPLE



We believe that an ethical business is primarily built by its people, not through codes of practice or words on a page.

52 CORPORATE RESPONSIBILITY

The group is managed as five business segments that bring together common industry expertise, operational capability and market intelligence. 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.

The corporate centre aims to provide a framework in which our business leaders have the freedom and decision-making authority to pursue opportunities with entrepreneurial flair. 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.

The group balance sheet is managed to ensure long-term financial stability, regardless of the state of capital markets, and capital funding is made available to all of our businesses where returns meet or exceed clearly-defined criteria. The centre provides selected services where the scale of its operations enables a more cost-effective or efficient delivery, where expertise that might not be available at a business level can be retained by the group, or where

the provision of such services would otherwise distract business executives.

Such services include investor relations, pensions, insurance, legal support, tax and treasury management, where specialist expertise is brought together in one place for the benefit of the group as a whole. The centre also co-ordinates selected value-added capabilities to support the businesses in their local markets such as talent management and development, procurement,

and the sharing of best practice in, for example, health and safety or engineering risk management. We operate to high ethical standards as an organisation and expect the same of our employees. We encourage an open and honest culture in all our dealings and ensure that our core values are fully implemented throughout the group.

We are committed to innovation, the continuous pursuit of improvement and the maintenance of our efficient manufacturing capability.

We aim to operate in a sustainable, ethical, efficient and safe manner. We have a strong culture of continuing operational improvement and focus on delivering exceptional quality and customer service. The group takes a long-term approach to investment and is committed to increasing shareholder

value through sound commercial, responsible and sustainable business decisions that deliver steady growth in earnings and dividends.

Acquisitions are made to complement existing business activities and to exploit opportunities in adjacent markets or geographies.

We pride ourselves in being a first-class employer and we work actively to develop capability and create opportunities for employee progression. As a result, people tend to stay with the group for a long time and build exciting careers. Whether through formal training and apprenticeships, cross-fertilisation of skills between roles, or mentoring, we encourage and support everybody to thrive at work.

Being part of Associated British Foods means being part of a community that respects human rights and celebrates diversity. We recognise the United Nations Guiding Principles on Business and Human Rights and aim to adhere to the core ILO conventions and all relevant laws relating to working conditions and employment. We strive to promote diversity and generate new and equal opportunities, a good example being our Gender Diversity Task Force which has a clear and simple goal: 'No Barriers to Talent'.

The task force aims to optimise talent by embedding practices into our core processes that enable women to develop on an equal footing to their male colleagues. We invest in our people to ensure they are equipped to deliver and excel at work, with a key focus on training and development across the group. Business-specific examples of such activities are highlighted throughout this report and also in our 2016 Corporate Responsibility Report and the 2018 update.