

## Group business model and strategy

# A DIVERSIFIED INTERNATIONAL GROUP

### Our purpose

At Associated British Foods we believe our purpose is to provide safe, nutritious, affordable food and clothing that is great value for money.

### Business structure

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



Grocery



Sugar



Agriculture



Ingredients



Retail

### Strategy

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

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Agriculture strategy  
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### 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.

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### Our values

Our values are a common thread that ties all of our businesses together.

Respect  
Integrity  
Collaboration  
Rigour  
Responsibility  
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### Business structure

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 ensures that business activities are appropriately monitored and supported.

### Strategy

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.

### Organic growth

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

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. 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.

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

### Our values and culture

We pride ourselves on 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 environment.

We live and breathe our values through the work we do every day. We have articulated a set of four values that reflect the way we conduct ourselves in every business across the group. These values are:

- **Respecting everyone's dignity:** We strive to protect the dignity of everyone within and beyond our operations.
- **Acting with integrity:** We proudly promote and protect a culture of trust, fairness and accountability that puts ethics first. From farms and factories right through to our boardroom we are committed to embedding integrity into every action.
- **Progressing through collaboration:** We work with others to leverage our global expertise for local good.
- **Pursuing with rigour:** From the products we make, to the way we preserve the resources we rely on, we are always learning and incorporating better practices.

Our values can be seen in action, for example, in our work in investing in the health and safety of our colleagues, promoting diversity, or in respecting human rights through our supply chain programmes. Numerous business-specific examples of such activities are highlighted throughout this report and also in our 2019 Responsibility Report.

Our Company's values are lived out best when they encourage our employees to feel supported to bring their values and passions to work. It is also in the many acts of decency, kindness and neighbourliness that take place across our business every day that our values are truly found.

Responsibility: People  
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