



Associated
British Foods
plc

Invested in our future

Responsibility Report 2022

About our Responsibility Report 2022

This report focuses on the most significant environmental and social issues relevant to Associated British Foods plc (ABF)¹ and its businesses. The report also highlights some of the most significant opportunities these issues present, such as enabling our customers to meet their own environmental and social goals.

Sugar cane fields at Illovo Sugar Africa, Nakambala mill, Zambia

The structure of this report reflects our value chain. The chapters focus on our supply chains, our operations, our people and our products.

Each chapter focuses on responses to the environmental and social risks and opportunities identified by our businesses, which when aggregated have the greatest significance for ABF at a Group level.

Our Responsibility Report 2022 has been independently assured by Ernst & Young (EY) against the International Federation of Accountants' International Standard for Assurance Engagements Other Than Audits or Review of Historical Financial Information – known as ISAE 3000 (Revised). EY have provided independent limited assurance over the 24 environment and safety key performance indicators (KPIs) for the year ended 31 July 2022. These are highlighted in this update with the symbol Δ.

Further information is available in our [ESG insights](#)

¹ In this report, references to "Associated British Foods", "ABF", the "Group", "we", "us", and "our" are either to Associated British Foods plc and its subsidiaries and/or those who work for them generally, or where it is not necessary to refer to a particular entity, entities or persons. The use of those generic terms herein is for convenience only, and is in no way indicative of how the Group or any entity within it is structured, managed or controlled.

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Yeast brewing process operator, in the control room at AB Mauri's plant in Hull, UK

Chief Executive's introduction

Invested in our future

At ABF, we are invested in our future. We are committed to maximising value for our stakeholders, including our employees, customers, suppliers and shareholders, through the business we do. We have a clear sense of our social purpose. We work hard to provide safe, nutritious and affordable food, and to provide good quality, affordable clothing to hundreds of millions of customers worldwide. We strive to be a good neighbour and contribute positively to the communities in which we operate.

Acting responsibly towards people and the planet is not a new concept for us, indeed many of our environmental and social initiatives started out long before the terms 'sustainability' or 'ESG' became mainstream.

Our food and ingredients businesses are highly efficient at maximising the value that can be derived from the crops and raw materials they use. This makes good commercial sense and it is also aligned with best practice environmental principles, prioritising waste prevention and reuse wherever possible. Our retail business has an industry-leading sustainability strategy based upon Primark's well-established Ethical Trade and Environmental Sustainability programme, developed over a decade to ensure that those working in Primark's supply chain are treated properly and that our products are made with respect for the environment.

At ABF, maximising value starts with our belief that the actions we take today will define the world we encounter tomorrow. We understand the value of long-term planning, but we also place great value in taking action and doing the right thing here and now.

The belief that companies do well when they act well is deeply ingrained in all of us, from the Board and the leadership team, across all our businesses and colleagues. Our rigorous commitment to responsible business practices, combined with entrepreneurial flair and targeted capital investments, are how we operate at ABF. In doing the right thing we will achieve our social and environmental aims and manage future uncertainties by focusing on four things: the capability of our people; our collective

agility to adapt quickly to changing circumstances; our willingness to invest in innovative concepts; and sharing best practice across our Group.

Investment in our people is fundamentally important, including their safety, health and wellbeing, with an increasing focus on mental and financial health as well as physical safety. We are agile, which means we are well positioned to tailor programmes to employees' needs and introduce initiatives such as those to support our colleagues facing challenges due to the current cost-of-living crisis. We know the value of diversity, equity and inclusion. We want to build a working culture in which everyone who works with us can thrive, professionally and personally.

Our latest Responsibility Report details the pragmatic, collaborative and increasingly systematic approach our businesses take to address the environmental and social risks and opportunities that are most material, but certainly not unique, to ABF. We increasingly focus on human rights due diligence and social inequality. We respect the vital importance of biodiversity and we work towards eliminating greenhouse gas emissions.

It is my belief that ABF absolutely can reach net zero greenhouse gas emissions by 2050. In fact, I want us to get there much sooner and I think that in light of the pace and breadth of the

See how we are actively invested in our future →

emissions reduction programmes we have across our Group today, we have every reason for our confidence.

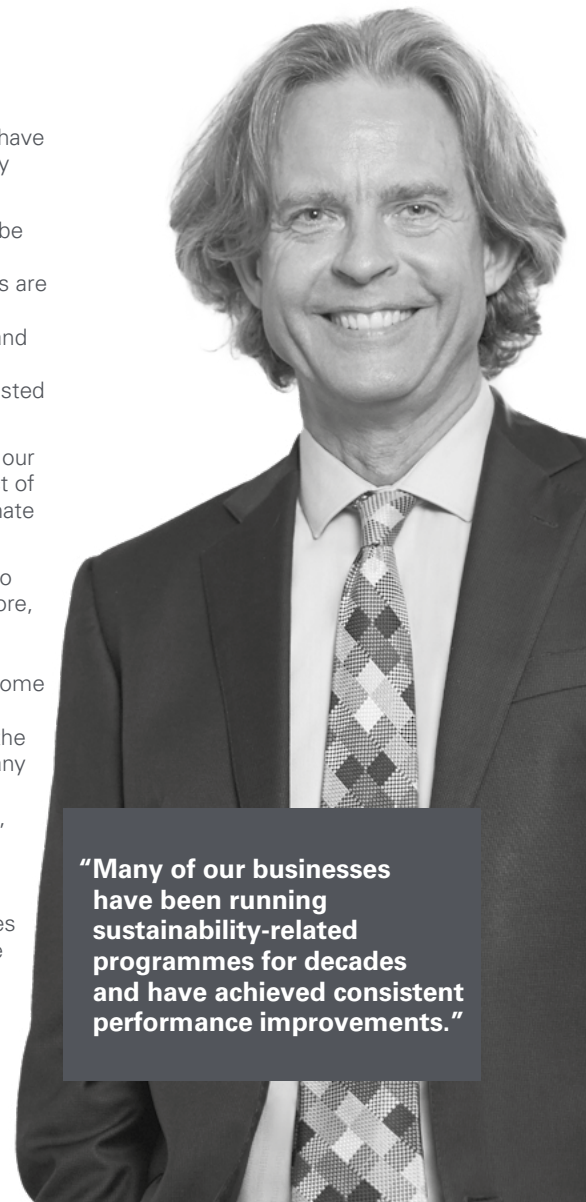
All these risks are profound and must be addressed, however they are not intractable. Across ABF our businesses are responding to them with vigour and originality; using innovative concepts and best practice, so that we make a difference right now. We are fully invested in our future.

The following case studies show how our businesses are dealing with the impact of extreme weather events linked to climate change.

At ABF, our businesses will continue to look for innovative ways to achieve more, but they also understand the value of persistence, sticking to well-proven methods because big changes often come in small increments. Hard work and patience do pay off. This is as true of the future as of the past, which is why many of our businesses' most significant environmental and social programmes, which can involve substantial capital investment, are set to run over five to ten years. Our Responsibility Report includes a number of such programmes and illustrates our approach across the value chain.

George Weston
Chief Executive
Associated British
Foods plc

"Many of our businesses have been running sustainability-related programmes for decades and have achieved consistent performance improvements."



Building resilience to manage the impacts of extreme weather events

It is unlikely that a single extreme weather event, linked to climate change, would have a substantive impact on ABF as a whole, but we recognise that the cumulative impacts of multiple weather events could affect increasing numbers of our businesses and ultimately constitute a Group-level risk in the long term. Here are two examples from our businesses on how they are responding to their particular challenges.

In Africa

In recent years, our sugar business, Illovo Sugar Africa (Illovo), which has operations across southern and eastern Africa, has taken action to manage the impacts of cyclones and the flooding they cause, as well as the consequences of heatwaves and temperature volatility. The effects of these events have included reductions in crop yields and damage to infrastructure and distribution systems.

One example was the intense rainfall associated with Cyclone Eloise in January 2021, which caused flooding

across several of Illovo's estates at Nakambala in Zambia, Ubombo in Eswatini and Maragra in Mozambique, and resulted in damage to crops, equipment and infrastructure.

Cyclone Eloise led to Illovo building its capability further to anticipate and manage the increased likelihood of extreme weather events, so it is more resilient to them in future. It is making further investments in risk profiling; knowledge sharing; and flood management infrastructure at its operations and in neighbouring communities.

In Australia

In Australia, we have been working with a climate of extremes for many years and have adapted to how to live with natural disasters. A good example is our Townsville bakery which is subject to tropical storms each year, and has built systems to manage the safety of people, property and supply. We have in place similar plans to deal with bushfires that occur each summer. The next challenge is to ensure that we continue to evolve our plans and test our thinking for potentially more challenging weather events.



Flooding following Cyclone Eloise illustrates the impact of climate change on our infrastructures, Eswatini



Roads and infrastructure compromised after Cyclone Eloise, Eswatini

About us



Grocery

Our Grocery division employs more than 15,000 people and comprises brands which occupy leading positions in markets across the globe. Our Twinings and Ovaltine brands are enjoyed in more than 100 countries worldwide.

Revenue

£3,735m (2021: £3,593m)

Adjusted operating profit

£399m (2021: £413m)

9 out of 10

UK households use our grocery brands



Sugar

AB Sugar is a leading producer of sugar and sugar-derived co-products in Africa, the UK, Spain and northeast China.

Revenue

£2,016m (2021: £1,650m)

Adjusted operating profit

£162m (2021: £152m)

One of the largest

sugar producers in the world



Agriculture

AB Agri is a leading international agri-food business operating across the supply chain, producing and marketing animal feed, nutrition and technology based products and services.

Revenue

£1,722m (2021: £1,537m)

Adjusted operating profit

£47m (2021: £44m)

UK's largest

animal feed business



Ingredients

Our Ingredients businesses are leaders in yeast and bakery ingredients as well as in specialty ingredients for the food, human and animal nutrition, pharmaceutical and various other industries.

Revenue

£1,827m (2021: £1,508m)

Adjusted operating profit

£159m (2021: £151m)

One of the leading

suppliers of specialty yeast ingredients globally



Retail

Primark is one of the largest clothing retailers in Europe, the largest by volume in the UK and has a growing presence in the US. In total, we have 408 stores in 14 countries across Europe and in the US.

Revenue

£7,697m (2021: £5,593m)

Adjusted operating profit

£756m (2021: £321m)

One of the largest

fashion retailers in Europe

About us *continued*

Our story in brief

Founded in 1935 as a bakery business, we have a long history of doing what really matters on issues like safety, energy efficiency and reusing and recycling waste. Continuity and a consistent focus are both key for us and ABF has had only four chief executives in 87 years, while Primark has had two in 52 years. Today, we operate in 53 countries across five continents and have 132,000 employees.

Our purpose

We are united by our purpose to provide safe, nutritious and affordable food, as well as clothing that is great value for money. Driven by this purpose and guided by our values, at ABF we work hard every day to create long-term value.

Our values are:

Respecting everyone’s dignity

We strive to protect the dignity of everyone within and beyond our operations, so that the people who make our products feel safe, respected and included.

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.

Delivering with rigour

From the products we make, to the way we preserve the resources we rely on and support the people we work with, we are always learning and incorporating better practices. Across our businesses, we are partnering with industry experts to help us work towards the highest standards.

Progressing through collaboration

We work with others to leverage our global expertise for local good. Through collaboration with our stakeholders, including non-governmental organisations (NGOs), we are working to create safer, fairer working environments and promoting thriving, resilient communities.



The ABF business model

We operate a devolved operating model across our five business segments of Grocery, Sugar, Agriculture, Ingredients and Retail and believe the best way to create enduring value involves setting objectives from the bottom up rather than the top down. We make operational decisions locally, because in our experience decisions are most successful when made and owned by the people with the best understanding of their customers and markets. This accountability is highly motivating for our strong local management teams, encouraging an entrepreneurial approach that drives innovative business thinking.

The same is true of our environmental, social, and governance (ESG) agenda, which is shaped by the leaders within each business who are closest to the opportunities and risks and who benefit from detailed local knowledge, customer insights, and clear ownership of actions. It means ESG factors are not only taken into account within business strategy, they are put into effect by people at every level of the Group who are trusted and empowered to exercise good judgement.

The Group, or corporate centre, provides a framework for sharing of ideas and best practice. The Group is in constant dialogue with the people who run our businesses, giving our corporate leaders a detailed understanding of their material opportunities and risks and enabling us to collaborate when making material decisions. Because ABF’s Head Office is small and uses short lines of communication, we can also ensure prompt and unambiguous decision-making.

What we ask from our businesses

- identify and address the environmental and social opportunities and risks that are most material and salient;
- understand relevant stakeholder; priorities and concerns;
- work safely and with integrity, and
- pursue continuous improvement through motivating and relevant targets.

Q&A on ESG

Our Director of Legal Services and Company Secretary, Paul Lister, who oversees all our ESG initiatives, and our Group Corporate Responsibility Director, Katharine Stewart, answer some of the ESG questions our stakeholders have asked most regularly.

Click to view our Investor briefing ESG presentations.



Q. What are ABF's ESG priorities?

Paul Lister – Our businesses would probably all have slightly different answers to this question, depending on the nature of their work, their stakeholders, their geographies and their local circumstances; but a consistent thread is probably the focus on managing material risks and realising opportunities.

Environmental and social factors do present opportunities for our businesses. This is not simply an exercise in risk mitigation. Protecting human rights in supply chains, reducing greenhouse gas emissions and investing in the future through our people, make our businesses stronger, and will be a source of competitive advantage over time.

Katharine Stewart – Two important opportunities that I would highlight are: the critical importance of by-products and co-products from ABF businesses as feedstock for our own manufacturing and other industries; and the crucial role our businesses play in helping other companies and customers to reduce their emissions.

Q. Does ABF have a groupwide ESG strategy?

Katharine – We believe in building objectives from the bottom up rather than the top down and we have a fundamental belief in giving people scope and authority to create and run the best businesses they can and to be accountable for their actions.

So, our ESG agenda is shaped by the leaders within each business. They are closest to the opportunities and risks and benefit from having local knowledge, customer insights, and clear ownership of actions. The people and social challenges also differ by business and geography and it is right they are considered at the local level.

The businesses incorporate their most important ESG factors into their business strategy which is presented to the ABF Board on a regular basis.

Q. How does ABF see the next, five, 10 or 25 years?

Paul – Our culture favours action today, wherever we can make a positive difference, over promises about tomorrow based on imprecise assumptions.

Of course, long-range thinking is essential in any business, ABF included, but it is no substitute for action in the short and medium term. We are deeply sceptical about multi-decade forward plans that gloss over the fact that much of what lies ahead cannot accurately be predicted. There will always be significant complexities as yet unknown. For example, very few companies would have placed a global pandemic at the top of their risk register in early 2019.

However, having said this many of our businesses have set targets for 2030.

Q. How does ABF manage the complexity of environmental and social factors across such a diverse group of businesses?

Katharine – A number of material issues such as human rights and climate change are of almost existential importance, not only to ABF, but to everyone living on our planet now and in the future. We do not prioritise any particular issue, but we are focused on aligning our environmental ambitions with our social commitments, because we think they are intrinsically linked. We believe in the pursuit of a 'just transition' that balances action to protect the planet with a concern for the welfare of our employees and all of the people in our value chain.

Paul – This connected approach is based on a deep analysis with clearly defined and measurable intended outcomes. Our businesses' environmental and social programmes are very specific and in almost all cases work is already underway to achieve them. Their cumulative impact is already significant.

In the case of Illovo Sugar Africa, George Weston Foods and others, these programmes are focused on building resilience in the face of change; for example, making operations more robust in the face of extreme weather events.



"We believe in the pursuit of a 'just transition' that balances action to protect the planet with a concern for the welfare of our employees and all of the people in our value chain."

Q. Is ABF committed to net zero?

Paul – Yes, ABF absolutely can reach net zero greenhouse gas emissions by 2050, in fact we are intent on achieving this much sooner. I think, in light of the pace and breadth of our emissions reduction programmes, we have every reason for our confidence.

Katharine – However, there is an important caveat. We will do what we can to go further, faster. But we cannot do this alone. Much of what is needed will depend on system change at multiple points of the value chain, including a radical reshaping of national energy policies by governments.

Governance

All our businesses operate within a clear corporate responsibility governance framework. This is defined at Group level but emphasises that decisions for our businesses should be made collaboratively, rather than imposed unilaterally.

On a regular basis, the Board conducts a detailed review of each of our business segments. This covers the materiality of sustainability and ESG factors. The Board has overall responsibility for reviewing ESG factors across ABF with support from:

- our Director of Legal Services and Company Secretary, Paul Lister – who reviews all ESG aspects;
- our Group Corporate Responsibility Director, Katharine Stewart – who leads the Corporate Responsibility Hub team; and
- our Chief People and Performance Officer (CPPO), Sue Whalley – who reviews all employee factors, including safety, mental health, financial wellbeing, employee development and diversity, equity and inclusion (DE&I), workforce engagement, as well as procurement and security.

Leadership teams in each ABF business have responsibility and are accountable for their ESG programmes. They can access specialist support if needed from our Corporate Responsibility Hub team and from the teams supporting Paul Lister and Sue Whalley.

We have processes in place across the Group, along with policies and procedures, to help our businesses address critical governance risks, such as bribery and corruption.

Once a year the Board and CPPO review progress made in respect of talent, DE&I, workforce engagement, physical safety, wellbeing and environmental compliance. The businesses also include these factors in their individual updates to the Board.

Climate governance

The Board oversees our businesses' management of climate-related risks and opportunities. It is updated annually on environmental issues and climate change by our Group Corporate Responsibility Director and Chief People and Performance Officer. Individual businesses may also include climate-related matters in their regular updates to the Board.

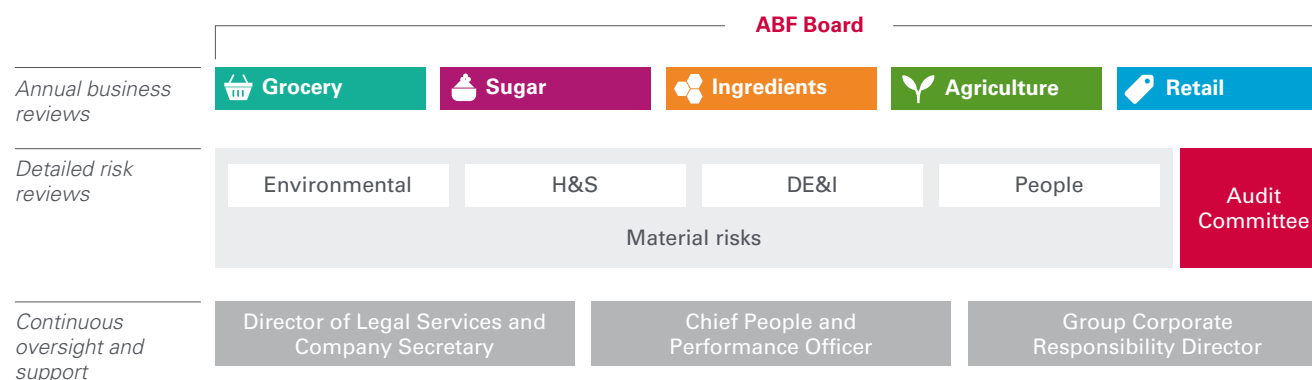
Both the Board and the Audit Committee have been briefed specifically on the Task Force on Climate-related Financial Disclosures (TCFD) reporting (see Annual Report pages 83 to 93 and the appendix of this Report). In 2021 we created a cross-functional steering committee to oversee governance of the TCFD programme.

Each business is responsible for identifying and managing its climate risks. At Group level we also undertake an annual risk assessment, which covers

climate risk. The results of these risk assessments are reviewed at business and divisional level before being reported to the Board by our Group Director of Financial Control. The Board also assesses risk during business performance reviews.

GHG emission targets are decided and set by each business based on what is appropriate and relevant and each business is responsible for developing action plans to achieve these targets.

Governance framework



Global context

Several global factors or ‘megatrends’ are significantly impacting our businesses or seem likely to do so in future. These megatrends are considered when our businesses carry out materiality analyses and consequently shape their ESG strategies. We also take them into account when we assess the risks and opportunities that are most material to the Group in its entirety.

It is important to balance external factors – both global megatrends and local conditions – with the material impacts that our businesses have on people and planet.

Global megatrends

We have listed the global megatrends that are most pertinent to our businesses in two categories, environment and society. However, it is important to note that these factors are interconnected.

Environment

- **Climate change** and its current and future impacts on our supply chains, operations and markets, taking into consideration a range of possible climate transition scenarios. For us, achieving a just transition to net zero is imperative.
- **Scarcity of natural resources**, including soil depletion and degradation, which, along with reduced precipitation, is accelerating the reduction in land available for cultivation and agricultural yields. The proliferation of waste materials across land, freshwater and marine environments is also a contributory factor here.
- **Depletion of biodiversity** and pressure on natural ecosystems that underpin land, marine and freshwater environments.

Society

- **Changing consumer preferences and consumption patterns**, including more climate-conscious consumerism and an increasing focus on healthier food and drink choices; as well as changes in the way people live, work and shop linked to disruptive digitalisation.
- **Workers’ rights and working conditions in supply chains** around the world. The erosion of workers’ rights, and the ongoing effects of COVID-19 pose a significant threat to their quality of life. This directly impacts quality, traceability and security of supply for us.
- **Economic uncertainty** linked to uneven economic recovery following the COVID-19 pandemic, the cost-of-living crisis, food inequality and poverty.
- **Inclusion** linked to the increasing expectations of employees for our workplaces to provide an inclusive environment and support all aspects of their wellbeing, including mental and financial.



SPI Pharma, shift leader and process technician taking product sample to understand the parameters that influence and improve the efficiency of the process, Septemes, France

Our approach to materiality

Assessing and prioritising the most material environmental and social opportunities and risks starts with our businesses. They are best placed to do so because they understand their markets, supply chains and local communities. They also experience first-hand the direct impacts of global megatrends where they operate.

At Group level we aggregate these business-level opportunities and risks to share them with stakeholders who tend to view ABF as a single entity: for example ESG investors. This perspective also helps us to assess the listed materiality topics against relevant external frameworks and benchmarks, including for example the United Nations Sustainable Development Goals (SDGs).

Through events such as our third ESG day, held in May 2022, we have fed investors' views into this process and invested time to consider the concerns of current and potential employees. Our set of groupwide material issues includes safety because this remains a non-negotiable priority for all our businesses.



Our businesses also contribute to the fulfilment of some of the SDGs. They do so, for example, by seeking to ensure decent work for their employees and by encouraging their suppliers and counterparties to safeguard similar standards for those working in their supply chains, all while delivering economic growth (SDG 8) through the responsible production and use or consumption of their products or services (SDG 12). The specific actions our businesses take to deliver SDG 8 and SDG 12 may also make significant contributions to other SDGs.

Over the past 12 months, we have engaged with our divisions and their businesses to understand their material issues and to support them in their materiality assessments if required. The most material topics listed on the following page, in alphabetical order, are a direct result of this exercise.

































Involving our stakeholders

At business, divisional and Group levels, we have considered the views and priorities of many different stakeholders in our materiality assessments, which has included engaging directly with numerous stakeholders.

You can read more about our different stakeholders and our wide-ranging engagement with them in our Annual Report section 172, pages 64 - 66.

Our approach to materiality *continued*

Material issues and impacts

Material issues across our value chain	Impacts in the value chain	Why this is material
Animal welfare	   	We believe in the importance of high animal health and welfare standards within agricultural systems. Only a small number of our businesses have direct involvement with animals, although several purchase eggs and dairy products and sell products into the livestock industry.
Biodiversity and land use	   	ABF businesses are dependent on many key agricultural commodities which are dependent on biodiversity and natural ecosystems.
Climate change	   	Climate change presents an existential risk, and the world needs to cut GHG emissions and build resilience to secure a net zero future. Our actions need to balance the social and environmental factors to deliver a just transition.
Community development	   	Contributing to the development of the communities in which we operate protects our licence to operate, supports job creation and builds public trust.
Diversity, equity and inclusion	   	To thrive, our businesses need to build inclusive cultures in which people receive the support they need to do their best and make the most of their unique backgrounds and characteristics.
Energy and renewables	   	Using energy more efficiently and switching to renewables in our operations and supply chain can enable our businesses to reduce their GHG emissions, reduce costs and increase energy security.
Human and labour rights	   	People working in our operations and supply chains must be respected, treated with dignity and have access to remedy for any human rights violations.
Labelling and marketing	   	Consumers trust brands that are transparent about the provenance of their products – including ingredients, environmental footprint and supply chain ethics.



Our supply chains







































Our operations



Our people



Our products

Material issues across our value chain	Impacts in the value chain	Why this is material
Nutrition and health	   	Governments and consumers are increasingly concerned that food and drink need to support a healthier lifestyle. We want to support their preferences and enable governments to achieve their wider health and wellbeing goals.
Plastic and packaging	   	More sustainable packaging, including forms of plastic which contain recycled materials and are recyclable, contributes to reducing waste and supporting a circular economy.
Product safety	   	Product safety is always a priority for us and guides how we manage our supply chains, our operational processes and our management capability and culture, as well as our products.
Responsible sourcing	   	The ABF Supplier Code of Conduct includes all the factors that we require our businesses to consider as part of their responsible sourcing strategy.
Safety, health and wellbeing	   	All three of these elements are fundamental to being a responsible and productive Group.
Sustainability of agriculture	   	All of our businesses are dependent on agriculture directly or indirectly, including Primark.
Training and development	   	Investing to give people the skills they need to thrive in our businesses and supply chain is a commercial imperative and helps us attract and retain top talent.
Waste and circularity	   	Given the finite nature of every resource we need to minimise waste and reutilise materials wherever possible.
Water use and wastewater	   	Water is a valuable shared resource for our operations, products and the communities in which we operate.

Our approach to materiality *continued*

Governance for our materiality processes

We have focused our reporting on our businesses' sustainability strategies and actions. Unsurprisingly, most of these actions are relevant to most of our businesses. For example, none are entirely immune to the risks related to climate change which are in some way connected to agriculture and our supply chains.

What varies is the degree to which each of these groupwide issues impacts different businesses and, because of the difference in scale between them, the impact that their actions can have. For example, a business with a very large carbon footprint has greater potential to turn the dial on GHG reductions than a business with a relatively small carbon footprint. Climate change mitigation may be important to both; the latter business may achieve greater GHG emissions reductions measured as a proportion of its total emissions than the former, but its contribution to our total Group GHG emissions reductions will not be particularly significant.

Our businesses carry out materiality assessments as part of their overall risk management process. These consider their use of natural resources, environmental impact and how they implement responsible business practices in supply chains relevant to the markets in which they operate. Our Group Director of Financial Control receives the assessments annually and, with the Finance Director, reviews with the divisional chief executives individually.

All identified opportunities and risks, as well as their impact on business performance, are reported internally during the year and considered as part of the monthly management review process.



Ohly operator and a process engineer in production, discussing fermentation of extracted yeast, Hamburg, Germany

Our approach to materiality *continued*



Our value chain

In the process of aggregating the various opportunities and risks across the Group, we have found that many of our businesses have the same material opportunities and risks, for example climate change and human and labour rights. For more information on our principal risks please see pages 94 to 101 of our latest Annual Report.

Our businesses set out their strategies and take action to address their most material opportunities and risks, at relevant points in their value chains.

These prioritised actions – in our supply chain and operations, for our people and through our products – form the basis of the following performance reporting sections of this Responsibility Report.



Our supply chains

- Protecting human rights and labour rights
- Delivering social impacts
- Improving the environmental performance of our suppliers' farms and factories



Our operations

- Focusing on climate change
- Making finite resources go further



Our people

- Prioritising safety, health and wellbeing
- Championing diversity, equity and inclusion
- Engaging and supporting our people



Our products

- Providing safe, nutritious and affordable food
- Tackling plastic and packaging
- Enabling others to cut their carbon emissions
- Increasing the durability of clothing



Our supply chains

Together with our suppliers, from large businesses to smallholder farmers, we are working hard to build more equitable, ethical and sustainable supply chains.

- 15 Protecting human rights and labour rights
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- 22 Improving the environmental performance of our suppliers' farms and factories

A Jordans Farm
Partnership farmer and a
Wildlife Trust adviser,
Hampshire, UK

Protecting human rights and labour rights

Our approach

Issues affecting the rights and conditions of those who work in our many supply chains are of serious concern to us.

For more than 10 years the United Nations Guiding Principles on Business and Human Rights (UNGPs) have acted as a reference point for responsible businesses. In our supply chain due diligence activities we continue to recognise the importance of the UNGPs as one of the most influential and progressive frameworks.

Each of our businesses has considered, adopted and seeks to implement our Code of Conduct throughout their supply chains. This code is based on the International Labour Organization's (ILO) Core Conventions and its Declaration on Fundamental Principles and Rights at Work.

Modern slavery

Our businesses prohibit all forms of modern slavery, including child labour, forced labour and human trafficking. Our position on these issues is set out in our Supplier Code of Conduct and in our Group Modern Slavery Statement 2022. Some of our businesses also publish their own modern slavery statements. In the UK we are also a member of the Business Against Slavery Forum coalition.

[Read more in our Modern Slavery Statement 2022](#)

Human rights due diligence across our Group

In line with the UNGPs, many of our businesses adopt a risk-based approach to human rights due diligence in their supply chains. Knowledge of where risks might exist, combined with supply chain mapping, helps them to monitor, identify and, where possible, remedy issues, or even to anticipate and avert them before they arise.

Millions of people work directly or indirectly in our supply chains across many different countries. Across our businesses, the range of issues that arise is wide ranging and can vary from one factory or farm to another, even in the same region or country.

We work with many different stakeholders to inform our approach to human rights due diligence, including NGOs, trade unions, governments, other businesses (subject to all relevant competition and anti-trust laws) and industry bodies.

Our diversified business model enables each of our businesses to take the best approach based on local circumstances; and all of them are highly selective in the suppliers and partners they work with. Many have longstanding relationships with trusted suppliers who match our expectations in this area.

The UNGPs require businesses to have a systematic approach to human rights due diligence. Many of our businesses have developed, or are developing, due diligence processes that align with the UNGPs or refer to the due diligence model set out by the Organisation for Economic Co-operation and Development (OECD), which in turn is founded on principles set out in the UNGPs.

We are encouraged that emerging national and international regulations are also using the same framework in order to achieve better outcomes for supply chain workers. We believe it has the potential to level the playing field for human rights due diligence standards in our markets.

The following examples summarise how the approaches to due diligence adopted by different ABF businesses correspond to aspects of the UNGP and OECD frameworks.

Standards, policies and targets

All of our businesses must consider, adopt and seek to apply the Group's Supplier Code of Conduct systematically in their supply chains. This Code underpins any relevant policies that our businesses may choose to follow as well as their adoption of international frameworks, including the UNGPs, the ILO Declaration on Fundamental Principles and Rights at Work or the

codes of membership organisations, such as the Ethical Trading Initiative (ETI). We have been a member of the ETI since 2006.

A number of our businesses have also developed their own human rights policies, including Twinings Ovaltine (which updated its human rights policy in June 2022) and Primark (which has a Human Rights Supply Chain Policy). Our Sugar division is currently developing its own human rights policy.

Some of our businesses have also set human rights-related targets. For example, Primark has set targets through its Primark Cares strategy. You can read more about this on Primark's website.

Governance

Responsibility and accountability for risk management, including human rights, sits with the chief executives of each ABF business; the Group Board provides periodic oversight and support to them.

A number of businesses have put in place clear governance processes. For example, through the Primark Steering Committee governance structure, issues such as those in Myanmar and Xinjiang in China, are discussed by cross-functional heads. They propose solutions that are subsequently reviewed by our Group CEO and Board.

Transparency

Transparency about who and where our businesses source from can enhance our understanding of human rights risks and drive collaboration to resolve them both locally and across our industry.

Our businesses, including Primark, Twinings and AB Sugar, publish global sourcing maps and provide information about their processes, progress and challenges through corporate reports, websites, stakeholder engagement activities and submissions to benchmarks. In addition, some of our businesses publish modern slavery statements and report progress on other business-specific programmes.

Stakeholder engagement

Engagement with stakeholders is key to our human rights approach. A good example of this is the community needs assessment framework developed by Twinings using third-party insights about what its supply chain communities really need to thrive. It focuses on human rights and labour rights but also wider issues such as gender and children's rights, land rights, housing, water and sanitation, health and nutrition and farming practices.

Harvesting tea on a tea estate, Kenya



Risk analysis

Our businesses have used different approaches, including mapping tools, to identify salient human rights risks in their supply chains.

One example of these tools is Risk Methods; this platform will flag an alert if a supplier is linked to any adverse media reports of issues relating to labour practices and human rights issues. The tool monitors a range of data sources to determine when a number of different risk factors require an alert to be issued.

Where risks are more intractable, systemic or endemic to a specific location or supply chain, our businesses will develop more enhanced risk analysis approaches involving stakeholders, and our own local teams. Examples of this include Primark's approach to the risks associated with its supply chains in China and Myanmar.

In the latter case, Primark collaborated with a number of other brands sourcing from Myanmar and the ETI, which commissioned a human rights impact assessment focusing on the prospect for responsible business conduct in Myanmar. The findings of this assessment were combined with information from the Primark Ethical Trade team and reviewed by the Primark Myanmar Steering Committee to guide further actions. Consequently Primark

concluded it would work towards a responsible exit from Myanmar (for more information please see page 17).

Monitoring

It is important that our businesses monitor conditions in their supply chains on a regular basis in order to understand if any risks faced by workers are present.

Our businesses use a number of different data platforms to help them assess and monitor potential human rights risks within their supply chains. For example, our UK Grocery businesses monitor their supply chains and engage suppliers by using the online database provided by Sedex (Supplier Ethical Data Exchange). Over the past 12 months our UK Grocery businesses have been working with a central specialist data management team within the division to embed new procedures to monitor supplier engagement with Sedex and provide accurate data to their management teams. Suppliers of raw materials and other key commodities to the businesses in the UK Grocery division are required to complete a self-assessment questionnaire, and post details of ethical audits onto the Sedex platform, making it a useful tool to help identify potential salient human rights risks and prioritise suppliers and supply chains where additional due diligence is required.

Another example is Primark's Ethical Trade auditing and monitoring programme, which conducted over 2,400 audits during 2021, most of which were unannounced. Primark carries the full cost of these audits, which include rigorous checks for human rights issues based on reviews of documentation and confidential worker interviews. Following the audits, supplier factories are issued with a corrective action plan (CAP) that outlines areas for improvement.

Grievance mechanisms

Our businesses are developing grievance mechanisms to help give workers a voice on the issues they face in the workplace. For example, AB Sugar has created a 'We Listen, We Act, We Remedy' toolkit to help the businesses within its division implement or develop grievance remediation mechanisms. The toolkit outlines AB Sugar's principles and approach to going beyond minimum compliance as part of ensuring its zero-tolerance approach towards modern slavery and protecting those who may be vulnerable and need support.

In 2019 Primark reviewed its Code of Conduct and added a clause on grievance mechanisms. It is now working with its supply chain to review how best to implement this requirement. Part of this activity involves reviewing any existing systems that can be utilised in the

Protecting human rights and labour rights *continued*

countries from which it sources. One example of how this is being used for the benefit of workers is the Amada Kotha programme in Bangladesh, which is a hotline available to workers in garment factories. Between August 2021 and August 2022, 1,209 substantive calls (genuine grievances) were made from the Primark supply chain. Of these, 40 were escalated to Primark and, as of end of September 2022, six were outstanding.

Provision of remedy

An important aspect of responsible supply chain management is that workers whose rights have been negatively impacted should have access to an effective remedy. Our businesses seek to use any leverage they may have over their supply chain counterparties to try to secure access to an effective remedy for any and all negatively impacted people.

One example of this is in southern India, which is widely recognised as a 'hot spot' for poor working conditions in the garment industry. The Primark Ethical Trade team has developed a comprehensive programme, consisting of five different projects, called the India Worker Empowerment Programme (iWEP). This is designed to address the root causes and manifestations of key human rights risks. 'My Journey', which is part of this programme, helps factory

staff and management based in southern India to understand and address the risks of modern slavery in recruitment and hiring practices through training and awareness sessions.

Primark was a founding signatory to the Accord on Fire and Building Safety and is also a signatory to its newest iteration, the International Accord for Fire and Building Safety in the Textile and Garment industry. Primark launched its own structural integrity programme in 2013, with expertise provided by the engineering firm Mott MacDonald. Today, the Primark programme covers Bangladesh, Pakistan, Myanmar and Cambodia.

Primark's position on sourcing from Myanmar

Primark's priority has always been the safety and wellbeing of the people who make its clothes and products. The situation in Myanmar is extremely concerning and very complex, with international stakeholders, including governments and trade unions, expressing differing views about the best course of action for the garment sector.

Primark has leveraged the strength of its ethical trade programme, longstanding relationships and local partnerships to monitor for compliance with its Code of Conduct, facilitated by its team in Yangon.

In order to align with the UNGPs, due to the complexity of the situation since the military coup in February 2021 and the subsequent calls from global trade unions to disinvest from the country, Primark needed to conduct enhanced due diligence to inform its decision

about its future sourcing strategy. Working with a group of other international brands sourcing from Myanmar, who are also members of the ETI, an extensive human rights impact assessment was called for.

A report was commissioned by the ETI and undertaken by independent experts, working with stakeholders locally and internationally as well as engaging with workers in Myanmar.

The ETI report highlighted significant deterioration in the situation in Myanmar since the coup. The report, which was published in September 2022, detailed challenges for businesses sourcing from Myanmar in relation to conducting the level of due diligence required to meet recognised standards. Consequently, Primark concluded it would work towards a responsible exit from Myanmar.

This was not a decision that Primark took lightly and there is ongoing concern for those working in the factories in its supply chain. Therefore, this exit will be managed in close collaboration with its local and international partners and stakeholders, including the global trade unions and in line with the UNGPs.

Primark will continue monitoring compliance with its Code of Conduct throughout the exit process and is considering ways to further support the workers in its Myanmar supply chain in this interim period. In order to do so it has increased the size of its local team working in Myanmar.

Protecting human rights and labour rights *continued*

Twinnings Ovaltine: Addressing human rights risks in supply chains

Twinnings Ovaltine is working with its suppliers to address human rights risks in its tea and herb supply chains, including identifying violations linked to modern slavery and supporting effective remediation.

Over time Twinnings Ovaltine has strengthened its approach to auditing against its Code of Conduct. Where sites have migrant labour, Twinnings Ovaltine makes sure it has experts in the audit team who can speak the relevant migrant worker languages and it extends the length of the audit to enable enough time to focus on migrant workers. In Malaysia, Twinnings Ovaltine commissioned in-depth supplier and partner factory audits, which were carried out by the ethical trade consultancy, Impactt. These worker-centric assessments considered migrant workers' whole recruitment journey. On the basis of the audit findings, Twinnings Ovaltine has worked with its partners to remediate the issues. This has included refunding worker fees to all workers up to an agreed maximum amount, returning passports and providing in-depth training for Twinnings Ovaltine's

business partners and labour agencies to support the elimination of labour fees in future.

Now, in Thailand, Twinnings Ovaltine is starting work with Issara, an independent NGO that tackles human trafficking and forced labour issues in ways that fully involve those workers affected.

Issara will be rolling out its Inclusive Labour Monitoring (ILM) model in factories that supply Twinnings Ovaltine, giving workers a way to raise their issues directly and safely with the NGO, which flags these issues with factory managers and works with them to provide remediation. If workers' issues become entrenched, Twinnings Ovaltine will work alongside Issara to find solutions.

Twinnings Ovaltine plans to roll the Issara programme out in factories identified as being of highest risk for migrant workers in the region.

Twinnings: Addressing women's safety

This year, through its Sourced with Care programme, Twinnings has worked with sites in India and Kenya, training over 650 managers and supervisors, so they are better equipped to identify, prevent and respond to risks of gender-based violence. The training has been delivered directly with Twinnings in Kenya or through the Women Safety Accelerator Fund in India.

Twinnings has collaborated with IDH - the Sustainable Trade Initiative, Taylors, Tesco, Ethical Tea Partnership (ETP) and Unilever under the Women's Safety Accelerator Fund (WSAF). This industry-wide collaboration aims to ensure that all women and girls are socially, economically and politically empowered in rural spaces that are free from sexual harassment and other forms of violence. The Fund also accelerates the scale up of the UN Women's Global Women's Safety Framework in Rural Spaces' and contribute to the UN SDG 5 on Gender Equality.

Beyond building suppliers' capabilities, Twinnings is also working with Business for Social Responsibility (BSR), WSAF and UNICEF to raise awareness in the communities in its supply chain, through peer group education as well as community awareness. For example, it has trained women's groups to perform street drama to raise awareness within the estate's communities on difficult topics such as domestic violence, sexual harassment in the workplace and early child marriage. These are performed in the areas of the plantation where people live, during breaktime or special occasions and are a powerful way to spread messages.

Furthermore, these activities are also making linkages with existing support structures such as police and victim centres to provide additional assistance.

In addition to these activities, Twinnings Ovaltine developed its own online training module for suppliers and producers to help raise awareness of gender issues, including discrimination and harassment in its supply chain.



Tea picking in a tea garden, India

Delivering social impacts

Our businesses have adopted the standards in the Group Supplier Code of Conduct and require their suppliers to implement these throughout their supply chains. Our businesses' ability to influence suppliers is often indirect, because many of the factories and farms they use also fulfil contracts for other corporate customers. Consequently, our businesses cannot always just demand change – they must also influence and convince suppliers of the benefits change can bring to them.

In the case of Primark, adherence to the Primark Supplier Code of Conduct is mandatory for all of its suppliers and the business has focused on improving supplier factory practices through the detailed and diligent work of its Ethical Trade and Environmental Sustainability (ETES) team. The team, as well as Primark's third-party auditing partners, aims to ensure that every tier one factory in the Primark-approved supply chain is audited at least once a year, mostly unannounced – and more frequently in some instances. To adhere with its Supplier Code of Conduct, Primark also runs or supports many projects with suppliers and factories in its supply chain, often alongside external experts, to support improved conditions of decent work across the supply chain. You can read more about this in the Protecting on human rights and labour rights section of this Report on pages 15 to 18.

Twinings Sourced with Care programme

The Twinings Sourced with Care programme is well established and focuses on improving the quality of life in communities that grow tea and herbs. In doing so, it aims to address salient human rights issues in its supply chains.

The programme encompasses three impact areas:

- empowering women through protection, health and opportunities – with an aim to empower a further 250,000 women by 2025;
- protecting workers' rights, improving their incomes and helping them farm in harmony with nature – with an aim to strengthen the resilience and incomes of 25,000 farmer families by 2025; and
- supporting local communities through housing, sanitation, water and hygiene – with an ambition that all accommodation at the gardens from which Twinings sources will have adequate access to water and sanitation by 2025.

Over the past year, Sourced with Care has achieved a great deal, including collaborative work with Mercy Corps in Guatemala to drive positive change for cardamom farmers. Twinings has also achieved 70% transparency of all its high priority herbs. Twinings continues to focus on women's empowerment through emphasis on women's health and their safety in the workplace.

Chepsire Health Dispensary, Kenya



Twinings: Improving access to health care in Kenya

With funding provided by the US Agency for International Development (USAID) Sustaining Health Outcomes through the Private Sector (SHOPS) Plus project, Twinings has taken action to address the lack of access to adequate health facilities for tea farmers in Kenya, which is a key sourcing origin for the brand.

Twinings has helped to develop and pilot a model to expand access to women's health services on the tea farms from which it sources, including the availability of women's and children's health products and services.

The focus for this activity has been the refurbishment of a public health dispensary and central to this process has been the decision to equip the members of an existing local women's saving group, with the skills they need

to assume financial and operational oversight of the health facility.

In 2019, Twinings started work with multiple local partners in designing and implementing this pilot, including social enterprises, smallholder farmer cooperatives, a tea producer, local government and community groups.

The impact of the pilot has been impressive. The Chepsire Health Dispensary has expanded its opening hours and range of services to better meet local needs. It has served almost 5,000 women through more than 10,000 separate consultations since 2020 and currently over 450 women are using its family planning services.

The dispensary is on course to complete 45,000 consultations in five years, supporting Twinings in its aim to empower a further 250,000 women by 2025.

For example, Twinings has partnered with the United States Agency for International Development (USAID) Sustaining Health Outcomes through the Private Sector (SHOPS) Plus project, to develop a model to expand access to women's health services on the tea farms from which it sources, including expanding access to women's and children's health products and services. Twinings sought a programming strategy that would provide continuous access to health care for women. This strategy will allow Twinings to potentially replicate it in multiple sites over time in a phased way, leaving each site running self-reliantly before expanding to a new location.

In 2022, Twinings was recognised with a Highly Commended award for the 'Best sustainable tea brand' in the Marie Claire Sustainability Awards and also Highly Commended in the Big Impact Award at the 2021 Third Sector Awards for its 'Great Beginnings, Bright Futures' project with Save the Children. This project aims to improve child nutrition and reduce child mortality in communities in rural China where Twinings sources tea. Twinings has worked with Save the Children for 18 years.

Across the Group, our businesses source a large range of raw materials. They strive, wherever possible, to conduct that sourcing to a high social and environmental standard in line with recognised external certification standards and traceability programmes. You can read more about this in our Responsible Sourcing ESG Insights 2022.

Delivering social impacts *continued*



Workers at a garment factory, Bangladesh

Primark: Measuring social impacts of the Sudokkho programme in Bangladesh

Primark is looking for ways to better measure and understand the impact of its efforts to support the social and financial wellbeing of workers in its supply chain.

Through one of its initiatives in Bangladesh, the business partnered with 60-Decibels, an end-to-end social impact measurement company, to assess the impact of a programme called Sudokkho, which helps factories establish an effective in-house technical training system for workers.

Sudokkho was launched in 2015 with funding from donors including the UK and Swiss governments. When this funding ended in 2020, Primark continued to finance and support the garment factory component of this programme in its supply chain.

Up to 2022, Primark has supported the introduction of the programme in 36 factories in its finished goods supply chain in Bangladesh. Over 900 workers have been trained directly by technical experts from Rajesh Bedha Consulting (RBC) under the programme, through being selected as trainers and assessors for the Sudokkho training system in their factories. Close to 10,000

workers have been subsequently trained under the Sudokkho training system across the 36 participating factories.

The Primark team worked with 60-Decibels to develop a questionnaire to understand the impact of the programme on the lives of workers who had been trained both directly and indirectly under the programme. This was conducted by 60-Decibels through phone conversations in the local language. Research is ongoing, but interim insights are positive:

- Workers were highly satisfied with the training, as indicated by a high Net Promoter Score of 81. Workers valued improved skills and upward mobility in their role in the factory.
- The Sudokkho training has improved the quality of life for 8 out of 10 of the workers interviewed, and increased earnings for 7 out of 10. In addition to salary increases, workers spoke of getting promoted, being able to contribute financially to their family and an improved standard of living.
- Over 9 in 10 workers reported improvements in how they do their job because of the training. Of these, most have learnt skills to help them

grow and develop in their current job and potentially help them secure a better job in the future. Almost all workers interviewed reported increased self-confidence as a result of the training.

- Changes in income appear to positively impact workers' social status with 8 in 10 workers having reported that the way their family viewed their job has improved because of the Sudokkho training. Most workers who said their income had increased reported that their families' view of their job had also improved.

Of the limited number of workers who had suggestions for improving the Sudokkho training, about a tenth want to see better training content and a similar proportion suggested changes in the duration of the training.

Looking forward, Primark will work with Sudokkho partners and stakeholders to apply learnings from this assessment in order to drive continuous improvement in the programme's impact. Primark is also strengthening its approach to social impact measurement through working with experts like 60 Decibels and Tandem.

Delivering social impacts *continued*

Primark: Thinking innovatively to address gender-based violence and harassment in Vietnam

Primark recognises the need to address gender-based violence and harassment (GBVH) in its supply chains.

'Drama for Change'

In Vietnam, Primark has partnered with a Vietnamese theatre company, Atelier Théâtre et Art (ATH), to create a performance to raise workers' awareness of GBVH. Workers are actively invited into the performance to discuss specific situations and help identify solutions. The performances create safe spaces for otherwise difficult or hidden conversations. Drama for Change performances are taking place in workplaces and local communities.

Emphasising business value

Primark has also partnered with the International Finance Corporation (IFC), a member of the World Bank Group, to become part of its 'respectful workplaces' initiative.

Through this initiative IFC is providing direct training on the value of respectful workplaces and train-the-trainer support to enable positive changes to be scaled.

IFC will also work with data generated through engagement with factories, staff and workers in Primark's supply chain to create a data-driven case for addressing GBVH that can be shared with factory management.

These two interventions will run for three years and aim to reach around 12,500 workers in 15 factories in Vietnam as well as many people in local communities. The intention is that four key suppliers assume ownership of these initiatives in the longer term to build their effectiveness. The impact of these combined approaches will be closely monitored to assess their effectiveness and the potential of using similar approaches in other locations.

Primark partnering with Atelier Theatre et Art (ATH), in their Drama for Change Programme, Vietnam



Improving the environmental performance of our suppliers' farms and factories

Almost all of our businesses depend directly or indirectly on agriculture and natural ecosystems. Their revenues are derived from what we or our suppliers grow and harvest from the soil, including cotton – the primary fibre used in Primark garments – and cereals, a basic ingredient in so many grocery products, including bread and breakfast cereals.

It makes sense for these businesses to support the use of new techniques and innovative technologies that can enhance soil quality, promote pollination and improve yields – in ways that also support lower GHG emissions and more efficient use of resources, including energy and water.

Focusing on what matters most

Several of our businesses run programmes designed to protect ecosystems and maintain or enhance soil quality. As with action on climate change, they focus their resources and expertise where it is most appropriate, taking targeted measures to achieve the greatest impact in their own performance and in their supply chains.



A Jordans Farm Partnership farmer and a Wildlife Trust Farm adviser, Hampshire, UK

Jordans Cereals: Prioritising biodiversity on farms

Jordans Cereals was one of the first brands in the UK to differentiate on the basis of its values and has supported wildlife in its UK farm supply chain since 1985.

The Jordans Farm Partnership was set up six years ago in its current form. It involves collaborations with Wildlife Trust, LEAF (Linking Environment And Farming) and the Prince's Countryside Fund.

All the farms in the Partnership meet the LEAF Marque environmental sustainability standard. In addition work with dedicated farm advisors from their local Wildlife Trust in the UK to create and manage a range of specific habitats to sustain wildlife biodiversity on their farm, including native wildflowers and seed bearing plants, to provide food for both insects and farmland birds.

Contracted farmers within the Jordans Farm Partnership are paid a premium for their grain. In return, they agree to manage at least 10% of their land for the benefit of wildlife.

That proportion is now an average of 17% of the total farmland managed under the Partnership of around 15,000 hectares. That's a total farm area equivalent to around 7% of the total UK farmland used to grow oats.

Jordans Cereals has taken a similar approach in the almond industry in California. It supports the Seeds for Bees programme, which provides wildflower seeds for ground cover in almond orchards. The ground cover provides forage for pollinators and boosts soil health along with water infiltration to improve crop resilience.

Jordans Cereals' contribution to the programme provides ground cover equivalent to the total area of orchards required to supply its almonds that are used in their products.

Improving the environmental performance of our suppliers' farms and factories *continued*

Our businesses and suppliers cultivate crops in many different locations and agricultural environments, so the interventions they make vary considerably. Nevertheless, their end goals remain consistent: ensuring and improving crop yields and quality to meet consumer needs and achieve food security in ways that sustain local biodiversity and use resources efficiently.

Working collaboratively

Many of our businesses have operations close to their farm suppliers with commercial relationships that go back many years. This provides a strong basis for concerted collaborative action, including training provided together with third-party experts to help farmers adopt regenerative farming practices.

One such example is Frontier, formed in 2005 as a joint venture between ABF plc. and Cargill.

Frontier has a number of divisions providing additional specialist advice to growers. These include SOYL, who are a leading precision crop production service provider in the UK, and Kings, experts on conservation crops, green cover and forage crops.

Prioritising biodiversity

Prioritising local biodiversity exemplifies ways in which agriculture can work with, rather than against, nature. Ultimately, farmers and our businesses benefit because thriving biodiversity underpins key resources such as soil and water quality as well as the pollination of crops.

We are monitoring development of the new biodiversity framework proposed by the Taskforce on Nature-related Financial Disclosures and the UN Global Biodiversity Framework under discussion at the UN Biodiversity Conference of Parties (COP 15) taking place in Canada in December 2022. We believe there is already a good degree of alignment between our approach and the basic principles of those two draft frameworks.

Many of our businesses are exploring how best to work with nature to strengthen the resilience and efficiency of our agricultural supply chains to ensure that yields and quality meet consumer demands.

British Sugar: Working in partnership to write the 'ABCD' of aphid integrated pest management

The British Beet Research Organisation (BBRO) is a not-for-profit organisation set up jointly by British Sugar and the National Farmers Union in the UK. Its role is to implement and commission research to support the UK sugar beet industry.

Crop protection is essential for a successful, profitable sugar beet crop. Growers have a range of tools, technologies and elite crop varieties to tackle and limit the ever-increasing threats from pests, diseases and weeds. As climate change and environmental pressures build, we will

have to continue to look at new approaches to improve yield and protect the sugar beet crop.

The Virus Yellows complex (VY) in sugar beet, which is caused by aphids, can result in severe yield losses, as witnessed in the 2020 epidemic in the UK sugar beet crop, which resulted in around 20% yield loss, worth over £54m. We are working to develop a long-term solution to VY infection without the use of neonicotinoid seed treatment. The challenge is a complicated one and we are exploring various approaches, including new VY-tolerant seed

varieties, new seed treatments to establish the crop more quickly, sustainable spray programmes, innovative grower practices and ultimately creating fully tolerant varieties using modern breeding techniques such as gene editing.

BBRO carries out an annual aphid monitoring survey to help growers monitor local aphid levels and migration patterns. It shares our intent to achieve new approaches to managing aphids and this year its current research projects are focused on four areas:

Attractants – using companion plants, such as brassicas, that are even more attractive to the *myzus persicae* aphid than sugar beet.

Beneficials – supporting beneficial insects such as ladybirds, that consume aphids, by planting wildflowers.

Camouflage – obscuring the contrast between soil and sugar beet plants, which attracts aphids, by trialling industrial fabric dyes to colour both soil and plants.

Deterrents – spraying essential oils such as orange and lavender to stop aphids landing on sugar beet crops.



British Sugar and British Beet Research Organisation (BBRO)
– obscuring the contrast between soil and sugar beet plants with fabric dyes to protect the crop against pests, diseases and weeds, UK

Improving the environmental performance of our suppliers' farms and factories *continued*

Azucarera: Innovating to improve sugar beet crops in Iberia

Azucarera, part of our Sugar division, is the leading sugar company in Iberia, with sugar beet sourced from over 4,800 growers in Spain. The business has recently launched Sucrose Curve, a tool that makes it possible to identify the optimal moment for harvesting each field's sugar beet to maximise its sucrose content.

Sucrose Curve operates in real-time, providing predicted optimum harvest times, which are automatically updated to take account of external factors, such as weather conditions. It provides useful information for growers across multiple parameters, including sowing rates for seeds, the use of fertiliser, moisture status and water needs, nitrogen evolution and crop development.

Azucarera started developing this tool in 2018 and has completed a great deal of research and testing to bring it to launch – including the analysis of more than 5,000 beet samples and the assessment of agronomic, agroclimatic and historical data.

Azucarera sugar beet crop, Spain



Primark Sustainable Cotton Programme

Primark has a commitment that 100% of its cotton will be from its Primark Sustainable Cotton Programme (PSCP), organic or recycled cotton by 2027 and that 100% of its products will be made from recycled fibres or more sustainably sourced materials by 2030.

The programme trains and supports farmers in agronomic practices that help improve their efficiency and help reduce the impact on the environment, for example by using less water and chemical pesticides and fewer fertilisers.

Launched in 2013, the programme has supported 252,800 farmers in India, Bangladesh and Pakistan to date. By the end of 2023 Primark has a target to have 275,000 farmers within the programme.

Today, 40% of Primark's cotton clothing contains cotton that is organic, recycled or sourced from its PSCP.

Farmers in the programme in Pakistan were severely affected by the recent floods in summer 2022; causing widespread and devastating damage to crops, livestock, houses and community infrastructure such as safe drinking water. Its programme partners in Pakistan, CottonConnect and REEDS, have been working locally undertaking assessments on the damage and the resulting support needed by the

farmers and their communities.

Primark is working closely with both CottonConnect and REEDS to explore how the programme can best respond to the situation.

Primark supplier factories

Primark takes seriously the environmental impact of the supplier factories in which its products are made.

Alongside programmes designed to help improve working conditions for supply chain workers, many of Primark's suppliers are progressing plans to support their factories to reduce GHG emissions and become more energy- and water-efficient.

Primark understands the positive impact it and others in its industry can have by using natural resources, energy and chemicals effectively. This year, it has focused its longstanding work to improve environmental performance in its supply chain by making public commitments and setting targets through its Primark Cares strategy. As many of its suppliers also work for other brands, collaboration is vital to drive long-term systemic change.

One example of this collaborative approach is Primark's commitment to work with the ZDHC Foundation since 2015 to strengthen the industry-wide approach to managing chemicals effectively throughout the global supply base. Having contributed to ZDHC's direction of travel for many years, Primark uses industry tools to restrict the use of almost 300 hazardous chemicals during the manufacture of its products. Its Chemical Management Programme is aligned to industry best practice.

In terms of decarbonisation, Primark actively engages suppliers and factories to implement energy efficiency measures and to switch to low carbon and renewable energy.

Water plays a critical role in the manufacturing and dyeing of fibres, and Primark is concerned that water used in these processes and its treatment is as efficient and effective as possible.

Primark joined the Alliance for Water Stewardship (AWS) in December 2021, supporting its approach to improve the use of water resources and its commitment to adopt and promote a universal water stewardship framework, the AWS Standard.

Improving the environmental performance of our suppliers' farms and factories *continued*

Primark: Reducing energy and water consumption in China

Textile manufacturing is traditionally energy, water and chemicals-intensive and as a result of high global demand, many mills operate to produce fabric or yarn for multiple customers around the world.

A dyeing mill, located in Anhui Province, China, supplies dyed yarn for a number of different Primark socks suppliers. Like many facilities of this type, it needs water, chemicals and energy to process raw materials and create yarn.

To support improvements in both energy and water use at the mill, Primark worked with the Apparel Impact Institute (Aii). Together, they ran workshops to familiarise the mill management team with the Clean by Design (CbD) initiative, which provides guidance to identify, fund, scale and measure stepwise solutions for reducing environmental footprints in textile manufacturing.

Following on from these workshops, the mill was assessed by Aii and supported to develop an action plan to implement improved practices across its operations.

As a result of wide-ranging changes in its processes, the mill improved its environmental impact. These changes included:

- insulating steam pipes, steam valves and condensing water pipes;
- consolidating maintenance of dye vats;
- improving the efficiency of its wastewater heat exchanger; and
- recovery and recycling of condensate water.

Altogether, these actions resulted in the mill saving around 7,624 tonnes of coal, which is equivalent to 19,368 tonnes of CO₂e, and delivering operating cost savings of RMB 3.95m (equivalent to £485,950).

The mill is now exploring further ways of becoming more energy efficient, including the possible installation of on-site solar panels. It is also embedding these new ways of working into its operational guidelines to ensure its workers can integrate these practices into their daily work routines.

Primark: supporting the Circular Fashion Project in Bangladesh

Becoming a more circular business is a key part of the Primark Cares strategy. The business is committed to making clothes that last longer, are designed to be recycled and made from recycled fibres or more sustainably sourced materials.

To explore how it can help redefine waste as a new resource, Primark has joined the Circular Fashion Partnership (CFP), led by the Global Fashion Agenda. CFP is a cross-sector programme, also involving Reverse Resources and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), with financial support from Partnership for Growth. Its goal is to reduce dependency on virgin textile materials and increase the availability of recycled textiles in support of a circular fashion system in garment manufacturing countries.

Together with the CFP, Primark is engaging with the most relevant parts of its supply chain – for example, waste handlers and recyclers. Through its involvement with the CFP it has gained valuable insights about waste infrastructure in Bangladesh, which are helping it implement its Primark Cares strategy more effectively.

To start the journey towards circularity, Primark has worked with three of its suppliers and already achieved a number of positive, beneficial changes, including:

- better waste management practices;
- improved waste segregation;
- more effective waste storage to avoid contamination;
- more accurate record keeping about waste generation and composition;

- full traceability of waste through the Reverse Resources platform; and
- full transparency so factories can identify which recyclers process their waste.

Primark's Environmental Sustainability team is continuing its work with suppliers to implement effective practices more widely and to apply lessons learned in other sourcing countries.



Our operations

We are cutting carbon emissions in our operations, making them more energy-efficient, and using resources such as water in more circular ways to reduce the impact of serving our customers.

27 Focusing on climate change

33 Making finite resources go further

British Sugar, Operations
Support Manager, Wissington
factory, UK

Focusing on climate change

Climate change poses a material risk to our businesses and their supply chains. Our Sugar and Grocery businesses are the most significant contributors to ABF total Scope 1 and 2 GHG emissions. We support policies that align with the goals of the Paris Climate Agreement.

Net zero by 2050 or sooner

Based on our track record and plans up to 2030 we are confident that we are well-placed to make significant progress beyond 2030 and up to 2050. However, achieving net zero across ABF will also depend on a number of factors that are beyond our control – for example, the availability of renewable energy and the decarbonisation of vehicle fleets and processing equipment.

We cannot solve all the problems that reaching net zero presents on our own; but we can continue our emissions reductions plans and use our expertise and influence to help shape wider solutions.

Setting targets

Our businesses are committed to cutting Scope 1 and Scope 2 GHG emissions from their operations. In addition, they are currently calculating their Scope 3 emissions, focusing initially on their supply chains. Primark has completed this process and now reports its full supply chain Scope 3 emissions.

We do not set a groupwide climate-related target; instead, our businesses set targets that are appropriate to their operations and supply chains. A number of them have now announced their emissions reduction plans, including targets and dates:

- AB Sugar is targeting a 30% reduction in Scope 1 and Scope 2 emissions by 2030, against a 2018 baseline, and has committed to setting a near-term science-based emission reduction target in consultation with the Science Based Targets initiative (SBTi);
- our UK Grocery division is targeting a 50% reduction across all three Scopes by 2030, against a 2015 baseline – in line with the Courtauld Commitment;
- Primark is targeting an absolute 50% reduction across all three Scopes by 2030 against a 2018/19 baseline; it has also committed to setting a science-based emission reduction target in consultation with the SBTi; and
- Twinings aims to make all of its tea and infusions carbon neutral by 2030.

Collectively, achieving these targets would result in a 32% reduction in our Scope 1 and 2 emissions by 2030, against a 2018 baseline, and a 37% reduction since the adoption of the 2015 Paris Agreement on climate change.

Solar panels on an Azucarera grower's farm, Spain



Focusing on climate change *continued*

Carbon reduction plans

We are now using a new methodology, Implied Temperature Rise (ITR), to frame and benchmark our carbon reduction plans. In simple terms, ITR provides a way to compare our plans with published global temperature pathways. Emissions projections are complex to model, with a high degree of uncertainty, so we have worked closely with external environmental advisers to collate data and modelling outcomes.

Based on current plans in place across our businesses for Scope 1 and 2 GHG emissions, our analysis indicates that our 2030 targets have an ITR of less than 1.8 degrees above pre-industrial levels by 2050 and therefore are in line with the 2015 Paris Agreement.

For example, AB Sugar has set out a clear roadmap for improvements. It is running multiple projects to support its commitment to reduce its Scope 1 and Scope 2 emissions by 30% by 2030. The business has already completed projects that have reduced its Scope 1 and 2 GHG emissions by 21% against a 2018 baseline and is focused on achieving a further 9% reduction by 2030.

AB Sugar’s investment plans are geared towards this goal. It can achieve a GHG emissions reduction of about 8% against the baseline with zero or low capital expenditure, meeting its 2030 target will require cumulative capital expenditure of around £100m.

This investment is guided by sound governance, investment criteria and against the backdrop of AB Sugar’s typical £80-£100m annual capital expenditure. These projects equate to incremental rather than radical change. These are all affordable, commercially viable projects, expected to achieve returns above AB Sugar’s own rate of return threshold. The division is in no doubt that improving energy efficiency and reducing GHG emissions will add value.

Update on TCFD

In 2020, we engaged formally with each business on Task Force for Climate-related Financial Disclosures (TCFD) reporting and last year began scenario analysis, with support from third-party experts. This focused on our most financially material businesses, Primark, AB Sugar and Twinings – which account for 81% of Group adjusted operating profit and 70% of Scope 1 and 2 GHG direct emissions.

Both the Board and the Audit Committee have been briefed specifically on the TCFD reporting. For further information see our 2022 Annual Report pages 83 to 93 and the appendix of this Report.

Progress towards targets

Since the Paris Agreement entered into force in 2016, we have reduced our Scope 1 and Scope 2 emissions by around 30%. This is largely a

consequence of absolute reductions achieved by our bigger businesses, particularly AB Sugar. We are proud that this reduction was achieved against a background of higher sales and a consistent increase in Group revenue.

AB Sugar has acted over many years to improve energy efficiency and optimise processes. This work has had a significant impact on overall emissions reported for 2021/22. These actions have resulted in a 55% reduction in GHGs from sugar crystallisation and a 44% reduction in GHGs from the production of bioethanol, renewable power generation and the production of animal feed. Almost 50% of AB Sugar’s total reported GHG emissions relate to its portfolio of renewable co-products.

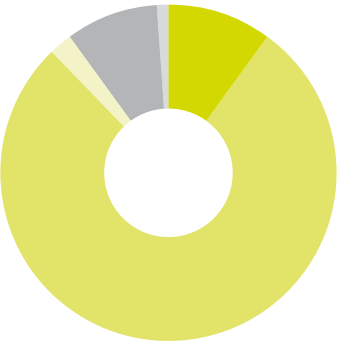
Our Scope 3 emissions

We have identified emissions from our businesses’ supply chains as the main focus of our Scope 3 reduction plans. Primark, which now reports its full Scope 3 emissions inventory, accounts for a large proportion of our total Scope 3 supply chain emissions.

Agricultural crops are the foundation of most of our businesses, including Primark, which uses cotton as the main fibre in its garments. Around 100 suppliers account for most of Primark’s Scope 3 emissions, with the majority of their manufacturing taking place in just 5 countries. Work has begun at a number of strategic manufacturing locations to

Scope 1 emissions

AB Sugar accounts for a substantial proportion of our reported Scope 1 emissions; the second largest contributor is our Grocery division.



Grocery	10%
Sugar	78%
Agriculture	2%
Ingredients	9%
Retail	1%

design and implement energy efficiency programmes that will reduce demand for energy and enable transition to on- or off-grid renewable energy.

Primark has a detailed plan to achieve a significant reduction in supplier emissions by the end of the decade. These will be net reductions in direct and indirect supplier emissions.

Scope 2 emissions

Our Ingredients and Grocery divisions are the main sources of our reported Scope 2 emissions.



Grocery	29%
Sugar	17%
Agriculture	4%
Ingredients	35%
Retail	15%

In Brazil, AB Mauri has launched an ambitious programme to reduce third-party logistics emissions (Scope 3) by 10% in five years from 2022 by creating a new distribution network based on two distribution centres. Focusing on further reductions, AB Mauri has started deploying electric trucks in some urban areas of Brazil and is exploring the use of compressed natural

Focusing on climate change *continued*

gas, bioethanol and sea and river transport in future.

A number of our businesses, including AB Sugar, AB Agri, AB World Foods and Jordans Dorset Ryvita, have commissioned in-depth reviews of their Scope 3 emissions and are currently establishing ways to ensure consistent data flows and reduction plans. For those businesses in our UK Grocery division, these actions will be key to achieving its 2030 Courtauld Commitment to halve absolute GHG emissions by 2030. To date, the division has achieved reductions in Scope 2 GHG emissions of 62% against a 2015 baseline – a 56% reduction per tonne of finished goods.

In addition, AB World Foods, Westmill and Jordans Dorset Ryvita are participating in a pilot project run by WRAP (Waste Resources Action Plan) to consider effective ways to monitor and report Scope 3 emissions. WRAP is a climate action NGO working around the globe to tackle the causes of the climate crisis and give the planet a sustainable future. It was established in the UK in 2000 and now works in more than 40 countries worldwide.

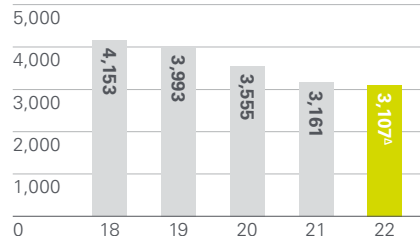
Our performance in 2022

Our Scope 1 and 2 emissions (location-based) decreased by 2%, from 3.16 million tonnes of CO₂e last year to 3.11 million tonnes of CO₂e Δ this year

Our total Scope 3 emissions increased by 36% compared with last year. This is primarily due to Primark's increase in trading activity during the year, resulting in increased materials and products brought into the business, increased days in operation and increased sales. Primark's Scope 3 emissions align with an approximate 35-40% increase in its trading activity.

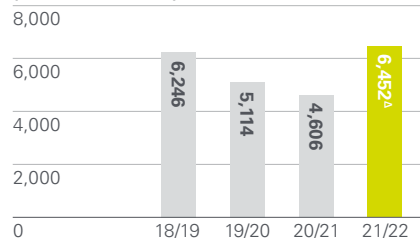
Scope 1 and 2 GHG emissions

('000 tonnes CO₂e)



Primark Scope 3 GHG emissions

('000 tonnes CO₂e)



Our GHG emissions

('000 tonnes CO₂e)

	2021	2022
Scope 1		
Combustion of fuel and operation of machinery	2,370	2,336
Generation and use of renewables	80	72
Total scope 1	2,450	2,408Δ
Scope 2		
Emissions from purchased energy - location method	711	699Δ
Emissions from purchased energy - market method	777	720Δ
Total scopes 1 and 2 - location method	3,161	3,107Δ
Scope 3		
Indirect emissions from use of third-party transport	621	637Δ
Primark's scope 3 emissions	4,606	6,452Δ
Total scope 3	5,227	7,089Δ
Biogenic carbon	4,208	3,879
Intensity ratio: Scope 1 and 2 location-based emissions per £1m revenue (tonnes CO₂e/£1m)	228	183

We report our GHG inventory using the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard Revised Edition as our framework for calculations and disclosure. We use carbon conversion factors published by the UK's Department for Business, Energy and Industrial Strategy (BEIS) in July 2022, other internationally recognised sources, and bespoke factors based on laboratory calculations at selected locations. Scope 2 market-based emissions have been calculated in accordance with the GHG

Protocol Scope 2 Guidance on procured renewable energy. For 2021 and 2022, the Group's Scope 3 emissions are our third-party transport emissions only. For 2021 and 2022, we have excluded Primark's third-party transport emissions from the Group figure as these are accounted for in the reported Primark Scope 3 emissions. See our Climate Change ESG Insights 2022 for more details including the treatment of joint ventures and associates.

Focusing on climate change *continued*

Azucarera: Driving the use of solar energy in Spain

In partnership with the Spanish research association for sugar beet crop improvement (AIMCRA), Azucarera is supporting sugar beet growers through an initiative to switch from diesel-fuelled irrigation pumps to solar irrigation pumps and by equipping them with a range of agricultural and agronomy tools and techniques.

Since 2014, 120 growers have been involved in this initiative and installed 80 solar-powered water irrigation pumps with a capacity of 4,800 kWh of energy. This is enough to water 800 hectares of our sugar beet fields – the equivalent of 578 football pitches.

These solar-powered irrigation pumps have been installed in the Castilla and León region in Spain.

In 2021, in response to increasing grower interest in this initiative, 25 grower irrigation workshops were held. These workshops shared the latest innovations in water and energy, including insights on photovoltaic solar energy, improving energy and water efficiency, and how irrigation tools and techniques are developing, particularly considering changing climatic

conditions and the increased need to protect our natural resources, such as water.

On average, 700 growers joined each workshop, driving education on agronomy practices and also helping to raise awareness of the benefits of this initiative and enable peer-to-peer knowledge exchange.

Complementing the workshops, field technicians from the Azucarera

agricultural team continue to use mobile phone apps to provide personalised information to growers. The technicians are able to alert growers to the best times to water their crop based on the needs of the crop and its location and climatic conditions, all based on trends they are monitoring. This provides the grower with real-time data to inform decisions in the field.



An Azucarera grower who has moved from diesel-fuelled irrigation pumps to solar powered irrigation pumps, Spain

Twinnings: Achieving carbon neutral status in the UK and Poland

Twinnings' own operations, located in the UK and Poland, have now been certified carbon neutral for Scope 1 and 2 emissions by the Carbon Trust.

The Twinnings climate action strategy is 'Measure, Reduce, Compensate' and to achieve this, Twinnings factories in UK and Poland have implemented detailed carbon management plans. These have involved a range of measures, including switching to LED lighting, updating building management systems and embedding a culture that prioritises saving energy. In Poland, solar panels have also been installed.

After reducing emissions in this way, the residual emissions have been offset through projects carried out by Climate Impact Partners, who support access to

clean cookstoves and water filters in Kenya. The introduction of better designed cookstoves in homes can result in less use of solid fuel, cutting emissions and reducing costs. Using water filters also contributes to both of these outcomes by eliminating the need to boil water before use.

Twinnings estimates that it has offset more than 13,000 tonnes of CO₂e through these projects to date. It is also set to make all its tea and herbal infusions carbon neutral by 2030.

Ovaltine's supply chain carbon journey has also started, with a carbon footprint assessment being conducted by the Carbon Trust.

Focusing on climate change *continued*

AB Mauri: Cutting carbon emissions in Italy

Cutting carbon emissions is a priority for AB Mauri, and its factory in Casteggio, Italy is making progress towards the ultimate goal of full decarbonisation.

In 2022, after almost five years of design, engineering and installation work carried out by the local energy and engineering team as well as around €10m of investment, Casteggio finalised one of its largest energy efficiency investments to date.

Yeast, as a living organism, needs to breathe as it grows, requiring flows of air produced by energy-intensive blower machines. Casteggio has replaced a centralised fermentation air system and installed a new, state-of-the-art setup with 19 new blowers directed by intelligent control to deliver the exact pressure and air flow needed at each fermentation stage.

This project has resulted in a 50% reduction in energy requirements for yeast aeration. This is a significant reduction. However, Casteggio already has several other energy efficiency projects in its pipeline.

Energy efficiency

Energy efficiency has been a driver of better performance for our Group for several decades. For example, since 1980 British Sugar has halved the energy required to produce a tonne of sugar. Nevertheless, our businesses today remain focused on finding ways to produce more from less energy, which can help reduce GHG emissions and reduce costs.

Energy consumption

This year our businesses consumed just over 21,046 gigawatt hours (GWh) Δ of energy. The 20 factories used for processing sugar beet and cane in our Sugar division are our biggest energy users, accounting for more energy between them than our other non-sugar factories combined. Our Ingredients and Grocery divisions are the second and third highest energy users.

54% (11,300 Gigawatt hours) Δ of total energy needs across the Group are met from renewable sources. These are predominantly biomass fuels from by-products generated as part of the production process within our agricultural businesses. 11,300 Gigawatt hours is a meaningful contribution. To put that number in context, it is equivalent to around 13% of the total electricity consumption of Tanzania, one of Africa’s fastest-growing economies, or around 25% of total electricity generated by the solar PV industry in South Africa.

There is a high degree of energy self-sufficiency, within AB Sugar in particular.

Crop fibre from sugar cane, known as bagasse, accounts for the vast majority of biomass use in ABF. Several businesses also use by-products as feedstock for anaerobic digestion facilities to produce biomethane, which is then used in combined heat and power plants.

Hydrocarbon sources, predominantly gas, account for just over 38% of our total energy needs and the emissions from those sources are reflected in our Scope 1 reporting.

Purchased electricity accounts for 9% of our total energy needs, at 1,834 GWh this year.

Exporting renewable energy to national grids

Several of our businesses export significant amounts of renewable electricity to national grids. During this financial year 929 GWh of energy was exported with AB Sugar contributing 93% towards the Group total. Our agricultural and ingredients businesses exported 67 GWh which is a 22% increase compared with last year. Overall, we are approaching 1 terawatt hours per year of electricity for homes and businesses from renewable biomass sources that are a natural by-product of sugar, food and ingredients production.

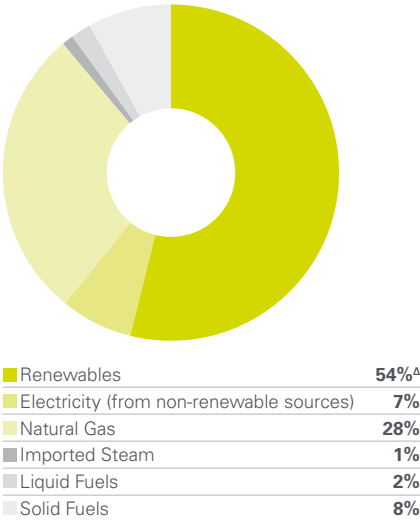
Purchased electricity

Much of the 1,834 GWh of electricity used across the Group is currently purchased from third-party power generation companies via national grids, from power plants fuelled by coal or gas. Of the electricity we purchase, 18% is generated from a renewable source, most of which is currently centred in developed markets.

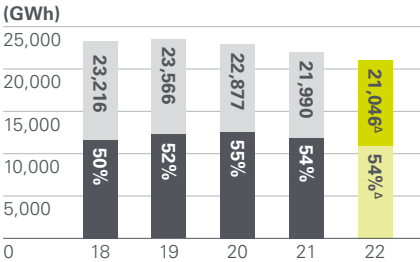
Our businesses understand the benefits of transitioning to renewable energy tariffs for their purchased electricity and many are doing so when it becomes operationally or commercially feasible.

However, at present in many locations options for switching to renewable tariffs are limited or non-existent – although this is changing. By 2030, we expect around 39% of electricity purchased by the Group to be in countries where renewables are the leading form of power generation. As this transition gathers pace, we anticipate that our Scope 2 emissions will fall significantly.

2022 energy use by source



Total energy consumed and proportion from a renewable source (%)



AB Sugar: Investing in energy efficiency

AB Sugar is cutting the energy required to produce its sugar as it works towards its target of cutting Scope 1 and 2 emissions by 30% by 2030. Its customers will also benefit from ongoing investment that effectively delivers more sugar from less energy.

British Sugar has in fact been committed to improving its energy efficiency for decades and in the UK, has published annual data on this since 1980. Energy efficiency performance can fluctuate year on year as sugar cane and beet crops are impacted by the weather, but the division has

achieved a downward trend in overall energy use over 40 years.

A tonne of sugar produced today in its factory at Wissington in the UK requires about half the energy needed 40 years ago.

British Sugar has around 12 significant projects in place, across four sites, which are set to reduce the company's GHG emissions by more than 40,000 tonnes a year. Around 40% of these reductions will come from process optimisation, around 30% from energy efficiency measures and the remaining 30% from switching from coal to gas.

British Sugar combined heat and power plant (CHP) at its Wissington factory, UK

George Weston Foods: Tip Top Bakeries targeting 50% renewable energy by 2025

Tip Top Bakeries, part of George Weston Foods, operates 16 bakeries across Australia and New Zealand. It aims to source 50% of its electricity from renewables by 2025, by installing solar arrays at its locations and negotiating renewable energy purchasing agreements.

Tip Top aims to install solar arrays at all 16 of its sites by 2025, at which point they will generate around 10% of its total electricity requirements. In Australia, the business has already completed a solar installation at its Townsville bakery and another installation at Bendigo is now completed. Three more bakeries now have defined installation plans approved and all other bakeries will follow over the next three years.

At the same time, Tip Top's procurement team is working to purchase its remaining energy from renewable sources, through appropriate power purchase agreements and large-scale generation certificates.



Making finite resources go further

Waste and circularity

At ABF, we have a long history of finding ways to make more from less and to maximise by-products and co-products from our operations. We believe that waste materials are simply products for which we have not yet found a use.

Our approach to the issue of waste has led our sugar businesses to become a major supplier of animal feed and an important feedstock source for many different sectors. It has also resulted in our foods and ingredients businesses becoming highly efficient at maximising the value that can be derived from the crops and raw materials they use.

This makes good commercial sense. It is also aligned with the need to move towards more circular economic models and best practice environmental principles: prioritising waste prevention, reuse, recycling and reconstituting wherever possible.

Group waste increased by 2% in 2022 to 584,845 tonnes Δ, of which 84% was sent for recycling or other beneficial use. Recycled waste, as a proportion of total waste, increased by 5% compared to 2021, reflecting the continued focus of our sites to reuse waste materials where possible.

This year, 14% of all ABF factories achieved zero waste to landfill and 36% recycled or reused 95% or more of their total waste.

AB Sugar: Supporting circularity through highly efficient bio-refineries

AB Sugar’s belief that waste materials are products for which it has yet to find a use is demonstrated by its highly efficient bio-refineries. Thanks to innovation to improve manufacturing processes, sugar beet and sugar cane are transformed into a range of commercially viable products.

This has been achieved through targeted investment across 27 bio-refineries, located in countries with a wide variation in crop availability, infrastructure, technology, trade routes, market and consumption growth rates, and many other factors.

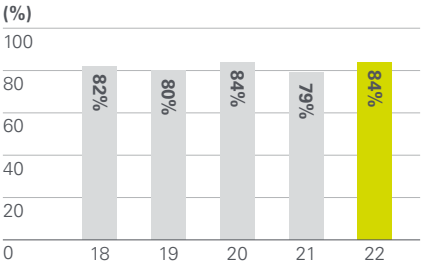
For example, in the UK, from a feedstock of some 8 million tonnes of sugar beet, British Sugar produces not only a range of sugars but is also a major producer of animal feed, one of the largest ethanol producers in the UK and a supplier of raffinate and betaine for use in the petrochemical and pharmaceutical sectors. British Sugar also uses bio-methane produced from its fermented sugar beet pulp to generate electricity and carbon dioxide and low-grade heat generated at its operations to grow medicinal cannabis for use in children’s medicine.

Illovo, which uses sugar cane as its feedstock to co-generate electricity to produce power, also produces a wide range of by-products. These include furfural, an important and natural chemical feedstock used in numerous applications in the food and other industries; flavourings for foods such as butter; and molasses, which is used as fermentation feedstock to produce pharmaceutical and industrial grade alcohols and ethyl alcohol for the drinks industry. Illovo also generates electricity from residual cane stalks known as bagasse, which provides up to 70% of its annual power requirements. As in the UK, surplus power is exported to national grids.

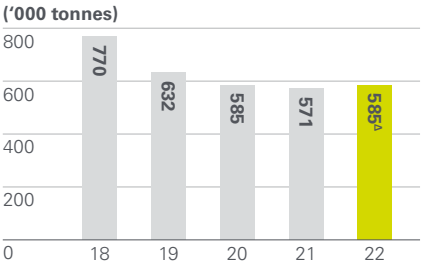
The sheer range of sugar and non-sugar products produced by AB Sugar demonstrates the company’s potential to provide sustainable solutions for many different customers – solutions which are fully transparent and traceable and also support the move towards a circular economy.

Read more on the AB Sugar website.

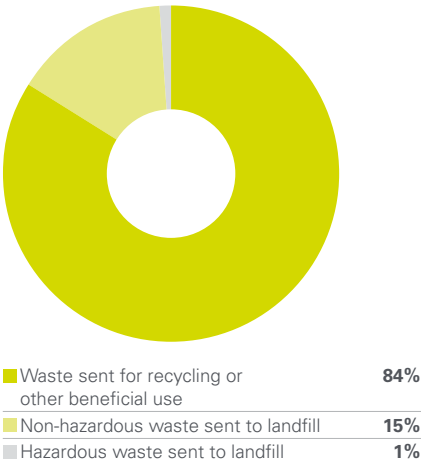
Proportion of total waste sent for recycling or other beneficial use



Total waste generated



Waste disposal



Valuing water

Water is a valuable resource that we share with communities close to our operations. In some places, it is also increasingly scarce. Our businesses aim to reduce the amount of water they abstract, to reuse process water as much as possible, and to return treated waste water to nature, having ensured it meets or exceeds local and national water standards.

All our businesses monitor the quality of the water they want to discharge and carry out an assessment of the biological and chemical pollution in it, as well as other key parameters, to help to protect aquatic ecosystems.

Making finite resources go further *continued*

To date, we have completed three water risk assessments for our operations, using recognised methodologies to identify those with a 'high' or 'extremely high' water risk. We provide detailed information about our water usage in our CDP submission.

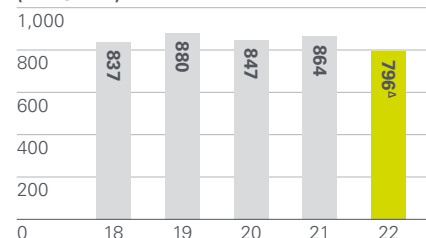
Our use of water

AB Sugar accounts for a significant proportion of the water used across the Group at 96% of the total water abstracted. Almost all of this relates to crop irrigation within Illovo, the Group's largest consumer of water. You can read more about Illovo at www.illovosugarafrica.com.

AB Mauri's water usage is also material to our reporting. The business uses significant amounts of water in its factories and production processes.

Total water abstracted

(million m³)



AB Mauri: Putting water stewardship principles into practice

Good water stewardship is essential to AB Mauri, the Group's yeast and bakery ingredients business. It uses water as the medium in which it grows yeast and also to cool and clean equipment.

The AB Mauri water strategy is designed by its in-house water champion. It focuses on sharing best practice for process use and effluent treatment with AB Mauri operations globally. The strategy is based on a 'Four R' approach: Reduce, Reuse, Recycle and Return. A condition of the fourth R is that water returned to the environment must be treated to standards that meet or exceed local regulations.

Effective water treatment also creates useful by-products. For example, the AB Mauri plant in Bandirma, Turkey, now produces significant quantities of animal feed products, due to a \$6.5m investment in new technology, including a highly efficient thermal

evaporator. In the UK, the AB Mauri plant generates biogas from its biological processes, which is used in a combined heat and power generator to produce approximately 40% of the electricity and hot water required to run the plant.

To date, 64 water reduction, reuse and recycling initiatives have been shared across AB Mauri, although not all have yet been implemented. The business has invested over \$100m in water treatment projects since 2010, with over \$45m in the pipeline. Its aim is to improve treatment and lower its water footprint even further. This is not only good for the environment but can also future-proof its operations against water stress and increasing water-related regulation.

Engineer inspecting evaporation tanks at the AB Mauri plant in Bandirma, Turkey



Making finite resources go further *continued*

Across ABF as a whole, 96% of water is abstracted from surface water sources such as rivers and lakes.

This year the Group abstracted 796 million m³ Δ of water for use in operations and irrigation, an 8% decrease compared with 2021. In part, this reduction was a result of the floods caused by Tropical Storm Ana, which prevented irrigation at Illovo in Malawi and Mozambique.

Of our total abstracted water, 26% was reused before being returned to watercourses. This is a cost- and resource-efficient way of managing water. Our sites reuse the water to control dust, for irrigation and land-spreading, cleaning machinery and horticultural purposes.

Illovo: Zambia Sugar's water stewardship strategy

Illovo Sugar Africa has an ambitious water strategy to reduce, reuse and improve the quality of water. A case in point is Zambia Sugar, which is forging ahead with its own water stewardship strategy to support the long-term sustainability of the Kafue Flats. This is a primary water catchment area for the company which also serves vast local communities downstream of the Nakambala plant and other large-scale livestock and agricultural enterprises. It is also used to generate hydro-electric power and is of significant conservation and tourism-related value to the country.

Zambia Sugar is committed to working with strategic stakeholders to manage the Kafue catchment area with a clear focus on providing long-term water security. For its own part, the company has implemented a four-point mitigation plan which includes standard operating procedures to improve water efficiency in both fields and factory; acting as agents for change, both internally and externally; improving the quality of water returned for re-use; and a governance framework which includes regular steering committee oversight of progress and management review.

As a concrete forward step in the process, the company has commenced the implementation of the AWS International Water Stewardship Standard which defines water stewardship as "the use of water that is socially and culturally equitable, environmentally sustainable and economically beneficial, achieved through a stakeholder-inclusive process that includes both site- and catchment-based actions". The implementation has also required the signing of a Memorandum of Understanding with the WWF (World Wildlife Fund) Zambia in late 2021 which commits both organisations to "monitor and evaluate the impact of the joint activities in promoting AWS approach within the Kafue Flats Joint Action Group (KFJAG) and externally to attain water security and respond to climate impacts".

All the while, the investment in water saving irrigation systems at Mazabuka continues. In addition to the development of water risk profiling tools to provide financial and environmental scenario planning at a local level to manage water utilisation, around 280 hectares of land has been recently converted from sprinkler to

sub-surface drip irrigation. Recorded benefits of drip irrigation have been increased water use efficiency of at least 35% – producing more crop with the same volume of net water, and reducing water wastage related to the system inefficiencies of the existing flood and sprinkler irrigation. With water being directly delivered to the roots, also evident is a decrease in input costs resulting from reduced power consumption.

Outside of compliance with legal and regulatory requirements, including

holding water permits from both the Zambian Water Resources Management Authority and the Zambian Environmental Management Agency, the company also provides, via its six water treatment plants, potable water to its 16,000 residents within the Nakambala estate and to nearby villages.

Corporate water stewardship is increasingly becoming important as part of Zambia Sugar's and Illovo's commitment and contribution to meeting the SDGs.



Kafue Flats,
Zambia



Our people

Our people drive our success, and in a world that is changing fast, they will need new skills to help us shape that change. We continue to invest in deepening their understanding of sustainability, so they can act to drive our business forward. We benefit from their diverse talents and are always working to ensure their safety, health and wellbeing are our priority, and that they can come to work every day in an environment where they feel included.

- 37 Prioritising safety, health and wellbeing
- 41 Championing diversity, equity and inclusion
- 43 Engaging and supporting our people

Primark employees,
in Bank Buildings
Store, Belfast

Prioritising safety, health and wellbeing

Safety

Safety is non-negotiable. Our employees, contractors and site visitors must be safe and feel safe when with our businesses, both at their sites and on the move.

Following a two-pronged approach

Our safety performance has improved consistently over many years, but until we achieve zero safety-related incidents we will never stop trying to do better. In our search for ways to continually improve safety performance, during the past 18 months we have followed a two-pronged approach focused on safety both when at work on our sites and when at work off-site, for example when travelling.

In addition to reporting safety incidents that result in harm, every ABF business now submits monthly reports detailing every on and off-site incident or near-miss that could have caused serious harm, but ultimately did not. This information is then shared through regular safety webinars and forums, allowing safety practitioners, leaders and line managers to be fully informed and learn from each other.

Focusing on critical risks

A critical safety risk is one which could foreseeably lead to a fatality or life-changing injury, irrespective of whether it is or is not likely.

We have worked on reassessing and sharing what we have defined as our critical safety risks, in addition to those less critical day-to-day risks, which account for around 70% of all safety incidents. This is in no way to downgrade day-to-day risks because any safety incident, however minor, is one too many. Rather, our intention is to increase our focus on identifying and controlling the most critical risks both on, and off-site.

Our most critical identified safety risk is the interaction of people and moving vehicles, both on and off-site. We are deeply saddened that four people – one employee and three contractors – died whilst working for us this year. All of these tragedies involved moving vehicles. We keep these people in our thoughts and extend our sympathy to their families, work colleagues and friends. In South Africa, an employee dismounted from a unique design of cane-handling vehicle without switching off the engine and engaging the parking brake. Vibration caused the vehicle drive mechanism to engage and the vehicle reversed over the person. Since then we have installed additional vehicle controls

to all similar vehicles to prevent this. A contract driver delivering product in a heavy goods vehicle died in a road traffic accident in Australia in a head-on collision with another heavy goods vehicle. In Mexico, a contract driver delivering product drove too quickly around a sharp bend on a public road causing the vehicle to roll over and he died of his injuries. In Spain, a contractor died in a road traffic accident whilst commuting to one of our Primark stores. Under Spanish law this was classified as work-related.

We have carried out deep root cause analysis of these incidents and we have made sure that the circumstances of these tragic events are shared widely so that all businesses can review their vehicle risks and controls alongside other identified risks. We use these insights in training our people on safety risk management. To support the businesses to review their vehicle risks and controls, we have produced comprehensive guidance on best practice for transport safety. This includes sections on safe site, safe vehicle, safe load and safe driver and each section has a self-assessment tool.



An operator at AB Sugar's Vivergo Fuels bio-ethanol plant in Hull, UK

Prioritising safety, health and wellbeing *continued*

Other critical risks include the potential for people or materials to fall from height, use of powerful machinery, exposure to electricity, and hazardous substances and activities that can result in burns and scalds.

Analysing safety risks in this way has allowed many of our businesses to reflect critically on their safety performance to date and refocus their approach where necessary. A number of businesses have also extended their reporting to include greater focus on leading indicators.

Addressing the human factor

The senior safety leaders across our businesses are fully focused on implementing effective controls to address their critical safety risks, for example by finding new ways to keep safety risks 'front of mind' for employees and contractors. Over many years, we have consistently reduced the risks that external factors pose to people, and

recognised that we also need to tackle inherent human risks such as not paying attention or working under stress. This has led several of our businesses to explore how human behaviour can either increase or reduce safety risks.

AB Sugar and Twinings Ovaltine have both investigated the potential of human behavioural and psychological techniques, some of them based on neuroscience, to help employees and contractors stay focused on health, safety and wellbeing. Other businesses are interested in learning more about the effectiveness of these approaches and those involved in the projects are keen to share what they learn.

We are also increasingly aware of the impact that wider health issues – physical, mental and financial – may have on behaviour at work, including safety and individual wellbeing. It is likely that people who are stressed or worried may be more at risk of losing their focus on safety. In this sense, investing to protect and enhance our employees' and contractors' health and wellbeing is an investment in better safety.

Safety performance

Of our factories and stores, 68% have operated for one or more years without employee injury, showing that 'zero is possible'. Thinking innovatively and more holistically about safety offers a way for us to maintain focus and do even better in future.

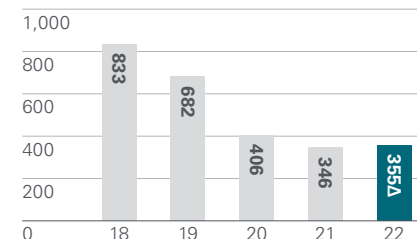
This year, the Group's Lost Time Injury (LTI) rate has reduced by 8% with 0.36% of the full-time equivalent workforce experiencing an LTI compared with 0.39% in 2021. The number of employee LTIs increased by 3% from 346 to 355 Δ. Primark has reduced its LTI rate by 20% over the year to 0.4% of employees experiencing an LTI.

The number of contractors experiencing an LTI this year decreased from 42 to 41 Δ. The LTI rate for contractors decreased by 22% this year to 0.14% as the number of contractors working with us increased in the year, while injuries remained relatively static. Work has also started in the businesses to report on all off-site incidents.

At the end of the reporting period, 18% of ABF's manufacturing sites held external certifications for safety, including ISO 45001 standards.

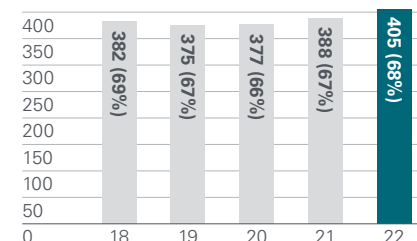
Lost time injuries

Number of employees having an LTI during the year



Factories and stores without lost time injuries

Number and percentage of factories and retail operations without employee LTIs



Health and wellbeing

Supporting our employees' physical, financial and mental health as well as their sense of wellbeing is vitally important to us.

Our businesses run health and wellbeing programmes that focus on their employees' needs. Some are ongoing, others address specific local needs, ensuring that the most appropriate support is provided.

Although COVID-19 has remained a significant health challenge in some of our operating locations, for many employees the top wellbeing priority this year was the impact of monetary inflation on their financial health and consequently their mental wellbeing.

In China, the government implemented strict restrictions to prevent the spread of COVID-19. Some of our employees remained at our sites to help ensure continuity of food supply – an incredible commitment for which we are deeply grateful. During the lockdown period our businesses in China supported their employees in various ways, including by paying subsidies to mill workers in our Agriculture division. Twinings delivered food to colleagues and their families at home and offered mental health assistance programmes.

Prioritising safety, health and wellbeing *continued*

AB Mauri: Focusing on critical safety risks

To safeguard the safety, health and wellbeing of employees, contractors and visitors to its sites, AB Mauri has implemented a critical risk strategy. Its vision is to create a safety environment that sustains zero injuries and zero work-related ill-health.

The business audits and analyses relevant data covering incidents, injuries and near misses and uses this information to identify its most critical risks, and those most likely to result in significant harm.

It has appointed champions for each critical risk from across the business, and these individuals have developed appropriate safety toolkits and training for global implementation, drawing on additional safety expertise at Group level when needed. The overall message shared is to 'target zero incidents' as a driver for improvements.

Toolkits are customised for each critical risk and support self-assessment and the development of effective



Team leader performing a routine inspection at AB Mauri's plant in Hull, UK

preventative actions in line with best practice. Safety performance is reported and benchmarked, with reports provided and presented to the organisation's global leadership team every month.

This year, AB Mauri reported another year of strong health and safety performance, with an LTI rate across all

sites for employees and contractors at just 0.1%. This is a 30% decrease in the LTI rate compared with 2018. Digging deeper into this performance, 18 AB Mauri sites have completed five years without a single LTI and a further nine have not had an LTI for three years.

Soaring prices worldwide have been a challenge for our employees, and our businesses have adopted a range of solutions to support their financial wellbeing. Several businesses are using the opportunity presented by occupational health check-ups to discuss wider issues connected to wellbeing and point employees towards appropriate support.

Across the Group, 84% of all employees now have access to an Employee Assistance Programme (EAP). Those based in our Illovo businesses without an EAP have access to on-site medical support and make up the additional 16% of our people.

We support national governments in setting fair, liveable minimum wage levels to help prevent people encountering financial difficulties, as well as unions and collective bargaining associations who are partnering with businesses to set fair, sustainable pay levels.

Mental health initiatives

Our businesses continue to support employees' mental health in many different ways – from training mental health first aiders to running specific awareness campaigns, such as 'Smashing Stigmas' and 'It's OK not to be OK'. Many of these campaigns run in ABF businesses around the world during

Mental Health Awareness Week to enable more open conversations, and help our employees feel more comfortable talking about their experiences. Business initiatives include:

- Twinings North America worked with a board-certified psychiatrist to deliver three mental health sessions, covering a new approach to mental health, how to avoid burnout, and fostering emotional intelligence and resilience;
- AB World Foods ran a Spring Wellbeing programme that involved a number of activities to maintain and improve mental health;
- during World Menopause Month in October 2021, Allied Milling and Baking brought together more than 115 employees at four menopause awareness events, and during Men's Health Week in June 2021, more than 100 employees attended prostate cancer education sessions run by the charity, Tackle Prostate Cancer. Both these initiatives spoke about the impact on both physical and mental health; and
- Primark ran a stigma-reducing 'Talking the Talk' campaign bringing leadership and colleague voices together to talk about their mental health journeys.

Across the Group we continue to grow our ability to support and enhance the mental health of our people:

- 93% of our people have access to education, guidance and support designed to maintain or improve mental health; and
- 87% of our people who find themselves in need of help with their mental health have access to responsive support such as mental health first aiders.

Financial wellbeing initiatives

This year, many of our businesses have reviewed their financial wellness activities to make sure they help protect employees from financial shocks, with 86% of our people having access to support for their financial wellbeing. Initiatives introduced or ready to launch include:

- providing financial education – for example, joint webinars run by AB Mauri, Twinings Ovaltine and Viverno together with Mercer, an asset management company, for UK and international employees;
- launching financial wellbeing app – including one that AB Agri has now rolled out globally;
- making one-off cost-of-living allowance payments or pay adjustments – an approach taken to help lower earning

employees by Viverno and Twinings in the UK and Illovo in Malawi;

- expanding employee benefits – our head office has introduced an employee discount scheme to help cover living costs;
- making awards through the ABF Provident Fund – which supports UK employees in financial difficulty, included those who have retired;
- providing the ability to draw down salary through the month as it is earned, rather than waiting until the end of the month, affordable loans and debt consolidation support – an approach taken by our UK Grocery businesses; and
- offering pensions information to those preparing for retirement across our divisions.

George Weston Foods: Creating an on-site Health Hub

Tip Top Bakeries, part of George Weston Foods in Australia, has taken action to prevent workplace injuries by introducing on-site Health Hubs for employees across most of its manufacturing operations. This approach builds on the success of the first Health Hub, which served its Chilled and Frozen operation.

A significant number of reported workplace injuries in this operation are caused by manual handling. Tip Top has taken action to reduce the risks attached to this activity through automation as well as better equipment and processes, but the human factor still remains.

To address this, Tip Top has partnered with a business called Employhealth to provide on-site physio support to its employees. This started out as a responsive service that provided physio treatment for employees who reported an injury but has now become more preventative in nature. The services offered to employees include:

- free health assessments in line with employees' roles on-site;
- strength-building programmes – or 'prehab' – to address personal fitness issues;
- daily warm-up programme; and
- manual handling good technique training.

The operation has also run an eight-week health and wellbeing challenge.

This service was originally introduced in 2020 and subsequently expanded to most of Tip Top's other sites during 2021 and 2022. To date, more than 525 employees have completed health assessments and those judged to be at risk have completed strength-building programmes.

George Weston Foods is assessing the benefits of adopting this approach for its other businesses in Australia and New Zealand.



**Ermington
Speedfit
employee
health hub,
Australia**

Championing diversity, equity and inclusion

Our businesses thrive on the diversity of their people. Maximising this diversity starts by creating inclusive work environments in which there are no barriers to talent – workplaces in which people feel they belong, are valued for who they are, can perform to their best and fulfil their potential regardless of their age, gender, ethnicity, sexual orientation, disability, educational or socio-economic background or any other unique protected characteristic.

We focus on equity, as not everyone starts with the same advantages in achieving their workplace potential. In response, many of our businesses are running targeted programmes for women, colleagues with disabilities, colleagues from ethnic minorities and colleagues who identify as LGBTQIA+.

Equipping and empowering leaders

The starting point for creating more inclusive workplaces is giving leaders and line managers the skills they need to set the tone, act as role models for appropriate behaviour and put in place targeted campaigns relevant to local circumstances. For example, AB Agri and ABF Ingredients have developed and delivered specific Inclusive Leadership programmes this year. Some areas of the Group, like our UK Grocery businesses, have continued with their programmes to train colleagues on inclusive leadership approaches. Others, including British Sugar, ACH and ABF Head Office, have built Inclusive

Leadership or Diversity, Equity & Inclusion (DEI) awareness and education into their ongoing leader or manager development initiatives.

Knowledge sharing across the Group

Our Group DEI network brings together people from across the Group to share knowledge and understand internal and external best practice, with the aim of accelerating local plans, harnessing synergies and actions. The network also provides training for all members, covering topics such as expansive thinking, how to benefit from curiosity and creative thinking around DEI and how to address unconscious biases. This network approach has been taken up across the Group, with local networks up and running in George Weston Foods, British Sugar and our UK Grocery businesses to drive local strategies, plans and actions.

Supporting DEI advocates

This year, we have provided tailored support for our 300-plus DEI advocates across the Group. We offer a series of masterclasses and self-study kits across a range of relevant DEI topics, including Allyship, Handling Difficult Conversations, Neurodiversity Inclusion, Disability Inclusion, Racial & Ethnic Diversity and Anti racism, and LGBTQIA+ Inclusion. These resources were designed with a number of external DEI specialist partners.

This support gives DEI advocates a deeper understanding of key topics, provokes their thinking and stimulates their curiosity to learn more. We also highlight the importance of diversity in the workplace, potential barriers and actions that could help to remove them.

Attracting and developing diverse talent

Our businesses are focused on widening and deepening their talent pools, attracting new recruits and connecting more naturally with the diverse communities they serve. An example of this is the collaboration between Primark and AB Mauri in Italy. The two businesses have partnered with a local charity to give people with learning difficulties workplace experience.

ABF Ingredients runs an educational support programme to promote social mobility. It enables people who may have found higher education inaccessible or unaffordable in the past to study to a higher level. AB Agri runs a sponsorship programme to help talented women in its workforce prepare for roles as business leaders.

The ABF legal team has recruited two apprentices and is supporting their training whilst also providing valuable workplace experience.

ABF's Early Careers Network has developed organically over the last few years supporting those in their first decade of work. This year it has held a

variety of sessions to build business understanding, share career advice and also develop new skills. This included Paul Marchant, Primark CEO, sharing his career story and advice; and sessions focused on skill building such as networks and networking.

Addressing gender imbalances

Our well-established 'Women in ABF' support network is expanding and evolving, with almost 1,000 members. It now runs international events and delivers tailored support through its global and regional groups. This year, our inaugural Women in ABF Italia event was hosted at Acetum and attended by over 60 women including employees from Acetum, ABFI, Twinings, Primark and AB Mauri.

Our Women in ABF North America group had a successful second year connecting women across all our US businesses.

Many of our businesses have taken steps to improve understanding of the menopause and specifically its impact on women at work, and in some cases how it can influence a woman's decision to leave the workplace early. Working with recognised external partners we have provided all our businesses with access to a range of resources and support materials to educate our people and managers, to support their careers through this time. Some businesses have also set up local support groups, and many have run virtual education

sessions, with visible senior sponsorship. For example at ABF Head Office, Paul Lister, Director of Legal Services and Company Secretary, was the sponsor.

Gender pay gap

We report voluntarily on our gender pay gap for employees in Great Britain (GB). More than half our workforce are outside this territory and not included in our analysis. Our reporting relates to the GB workforce as at 5 April 2022.

Our gender balance is fairly equal and broadly similar to previous years. The overall Group pay gap is in favour of men as we have a large number of women employees who work as retail assistants. 75.9% of roles in the lower quartile of our pay data are filled by women; men fill more of the highest paid roles.

Our median hourly pay rate for women is 4% higher than for men and their median bonus rate is 30% higher in our food businesses. Gender balance at the top of our Group is slow to change, given our stable senior team; having a majority of men in senior roles distorts our mean bonus gap.

Our businesses need to attract, retain and develop the most talented people – ensuring they are stimulated by the jobs they do and equipped with the skills they need to perform and progress to their full potential. We expect all our employees to have opportunity to provide feedback to their business.



Twinings Ovaltine: Creating workplaces where people belong

Twinings Ovaltine is determined to ensure its factories, supply centres and offices are inclusive places to work – environments in which people know they can thrive and truly feel they belong.

Under this one-word banner 'BELONG' the business has taken steps to help leaders and managers to build inclusivity. They started this process by launching its Leader 'Accelerate' Programme, designed to educate general managers about inclusion and how to take local action. They also equipped HR teams to lead on this agenda by running an 'Inclusion Hack' workshop and by training them to roll

out the 'Accelerate' programme locally to people managers.

Awareness building activities have been run simultaneously with this centrally-delivered training – an example of this is an Inclusion Calendar in the UK. This kicked-off in February 2022 with a month devoted to LGBTQIA+ history and has been followed with events and communications focused on International Women's Day, autism awareness, neurodiversity awareness, Mental Health Awareness Week and Pride – aligning their agendas for inclusion and wellbeing.



Colleagues during the workshop in Bangkok office, Thailand

Engaging and supporting our people

Listening to our people

Our businesses are continuously improving the way they engage with employees, listen to their concerns and then respond to them appropriately. The primary method for doing this is better use of employee surveys. Our businesses' use of these has increased this year, enabling more people to share their feedback. Extending the reach of surveys throughout all of our factories across the world by addressing practical challenges remains a priority. For example, we are very pleased that our Illovo business in Mozambique used QR codes and mobile technology to invite 5,000 colleagues across the business, including those in sugar cane fields and factories, to participate in their engagement survey.

Close to 90% of our businesses use engagement surveys on a regular basis to hear what their people have to say.

Within the last 12 months almost 80% of our businesses have run engagement surveys, reaching 67% of our people across a range of geographies, businesses and types of jobs. Many of our people took the opportunity to comment, with a close to 80% response rate in our food businesses.

Across ABF we work with a variety of robust and reputable partners to measure engagement, such as Willis Towers Watson, Peakon, Gallup, Korn

Ferry, and Great Place to Work. This means our divisions and businesses work with the partners most targeted to their needs, however it also means we are not able to provide an overall engagement score. We are able to confirm that in the businesses which have run an engagement survey in the last 12 months, over 90% have a favourable score above 70% when they look at the main measure of engagement with their chosen partner.

All of our divisional leadership have seen and understand their most recent survey results; it is with these leaders that ultimate accountability for ensuring action plans targeting both strength and development areas sits. All business units have or are developing robust action plans based on the most recent results.

Surveys are only one way we speak with our people. Across the Group many businesses run listening or discussions groups and focus on line managers' ability to have quality conversations with their people. Primark has launched the employee app ZING where employees across all areas of the business can not only consume information being shared but also interact and engage with messages, and create their own.

George Weston Foods: Improving benefits for a diverse workforce

To enable its employees to be their best and achieve their career and life goals, George Weston Foods has enhanced the benefits it offers to parents and carers and their families.

These new benefits include ongoing payment into state-run saving schemes throughout paid and unpaid parental leave, an 'ease-back' to work process during which new parents or carers get one day a week off for 12 weeks, and first-aid courses that cover vital life-saving skills to protect babies and young children.

George Weston Foods has also acted to ensure all communications supporting these benefits are inclusive and gender neutral.

The business has a very high retention rate following post-parental leave of 92% and benefits such as these

contribute to its continuation or even improvement.

Also in Australia, DON Smallgoods, which is part of George Weston Foods, has altered its work patterns to accommodate the needs of a more diverse workforce.

When DON received funding from the Victoria state government to hire 200 extra workers at its Castlemaine factory and at two farms, Bears Lagoon and Gigarre, the introduction of family-friendly flexible shifts proved the key to meeting its recruitment objectives. The company will train these new joiners in food processing, agriculture, leadership and management as part of its partnership with the government.

DON introduced what it calls its school parents' shift and an evening shift: the first running 9am to 3pm and the second

from 5pm until midnight. Together, the two new shifts have attracted more parents, women, young workers and culturally and linguistically diverse people to join the DON team.

This shift in work patterns reflects DON's and George Weston Foods' drive to achieve gender equality in the workplace.

Our businesses not only listen but also act on the employee feedback with local targeted plans designed to meet the needs of our people where they arise.

Our grocery business Westmill has taken a series of actions that are developed as a result of employee feedback via their engagement survey. Focused on three key aims, bringing our vision and values to life; improving collaboration between departments; and continuing our inclusion journey, actions have included introducing value awards, values workshops, new segment teams and priorities across the business, inclusion training, employee resource groups and 'Career Compass' their career development programme.

Our Tip Top business in Australia implemented wellbeing checks and support in response to feedback for their people, covering a variety of topics including mental health. The Mauri ANZ business has adopted a range of communications activities to meet the needs of their people to feel more connected to the strategy.

Many more examples are highlighted by Richard Reid, Non-Executive Director for engagement with the workforce, in the 2022 Annual Report (pages 110-111)

Developing our people

Skills and career development are managed as a shared responsibility between managers and their teams. Training needs are assessed according to the requirements of employees, to fulfil their current roles and achieve their career aspirations. Development is also linked with personal objectives, which employees set together with their line managers.

We encourage our people to develop their careers with us, whether within a specific business or across the Group. We support this through resources such as our Career Conversations website and our talent and expertise database.

Raising awareness on ESG topics


To support employees in roles where an understanding of, and ability to talk confidently about, environmental and social issues is particularly relevant (for example in procurement) our Group Corporate Responsibility Hub team provides advice and relevant training as requested.

Giving employees the skills they need to manage environmental and social challenges

Equipping employees with the skills they need to confidently address emerging environmental and social challenges is becoming a growing focus for many of our businesses.

At the end of 2022, 1,066 employees across our businesses had completed our Group Modern Slavery Awareness training course and 52 employees had completed training to support the ABF Supplier Code of Conduct. Several businesses have reused the content of both courses in their own in-house training offer, which means it has been completed by a greater number of employees.

Sustainability factors, including the need for traceability and transparency, were on the agenda at our 2022 EMEA Procurement conference, which was attended by more than 150 professionals from across our businesses. Our Group Corporate Responsibility Hub team presented to delegates and ran a series of well-attended breakout sessions that covered a range of relevant topics, including ESG regulation, due diligence, on-the-ground projects, supply chain carbon footprint and sustainable cotton and spices initiatives. Similar sessions are planned at conferences to be held in Asia and the USA.



Plant operator adjusting cooling water supply to a column condenser in the Kilombero distillation plant, Tanzania

Engaging and supporting our people *continued*

Twinings Ovaltine: Providing continuous learning for the Social Impact and Sustainability team

Twinings Ovaltine has worked with CARE International to support the members of its Social Impact and Sustainability team to strengthen their knowledge of the complex gender-sensitive issues that arise when working with producers and workers to implement the Twinings Community Needs Assessments framework.

The training is relevant because empowering women is central to Twinings' Sourced with Care programme, which aims to improve quality of life and deliver tangible benefits for communities in its supply chain. Sourced with Care also focuses on providing the best start in life for children, improving access to water and sanitation and enhancing livelihoods and land quality.

As a result of specially designed gender-related training, the team is now better equipped to recognise and navigate sensitive situations which might otherwise impede genuinely insightful assessments.

Team members have enhanced their gender-sensitive facilitation skills and learned a range of practical techniques, including how to create safe spaces and ensure anonymity.

Twinings Ovaltine has also developed bespoke online training modules that enable its global buying teams to build their knowledge of ethical sourcing.

Understanding our networks

Given our diversified operating model, networks amongst employees across the Group play a crucial role in our peoples' development and performance. Over the years we have raised awareness and trained and educated our people about the power of networks to support learning, collaboration, innovation and the identification of business synergies.

We have paid specific attention to any under-represented groups that may find building a network harder. This year we invited more than 1,000 people to participate in reviewing our Group networks. This helped us to understand the strength of the networks and opportunities to improve connections. Our divisional chief executives and people/HR directors have received feedback on this review and those who participated received their reports as well as access to further relevant support and an online interactive tool to help them build targeted action plans.

Speak Up

Our Speak Up Policy, which launched last year, is now embedded in our business and provides an alternative route for our employees to raise concerns.

This includes both a telephone line and a web reporting device managed by People Intouch. As previously, any contact made is disseminated to the senior management team responsible for investigating the issues raised. A thorough investigation is then undertaken and any remediation agreed.

Our Speak Up Policy replaces the Whistleblowing Policy and is designed to protect our culture of fairness, trust, accountability and respect, encouraging effective and honest communication at all levels. Speak Up empowers our people to tell us whenever they see anything inappropriate, improper, dishonest, illegal or dangerous and ensures that their concerns will be handled confidentially and professionally. A copy of the ABF Speak Up Policy is available online.



Our products

We are united by our purpose to provide safe, nutritious and affordable food, and clothing that is great value for money.

- 47 Providing safe, nutritious and affordable food
- 50 Tackling plastic and packaging
- 52 Enabling others to cut their carbon emissions
- 54 Increasing the durability of clothing

Two people enjoying
a cup of Twinings tea

Providing safe, nutritious and affordable food

Food and nutrition

We have always taken nutritional factors into account across our grocery portfolio, which includes many staples such as bread, flour, rice, noodles, bagged sugars, tea, cooking sauces and breakfast cereals.

Seven separate ABF brands – including Ryvita and Kingsmill – are among 24 signatories to the UK Food and Drink Federation’s Action on Fibre pledge, to increase fibre consumption in the UK and our UK Grocery division is also a long-term Sustaining member of the British Nutrition Foundation.

We believe our food businesses can facilitate improvements in diet and public health through pragmatic interventions. Many of our food products already support healthier choices – from high-fibre breakfast cereals, wholemeal bread and crispbreads to specialist sports nutrition products.

A good example of this approach is Allied Bakeries’ Kingsmill 50/50 range. It is now the leading brand of ‘healthier white’ bread in the UK. Allied Bakeries baked and distributed over 89 million ‘healthier white’ loaves across the UK over the past financial year and has recently expanded the Kingsmill 50/50 range to include Kingsmill 50/50 Vitamin Boost, with added vitamins and minerals, including vitamin D.

Nutrition reporting - UK Grocery

This year we are disclosing details of the nutritional properties of our branded portfolio in the UK, our single largest market, against both the Food (Promotion and Placement) (England) Regulations 2021 and the 2004/5 Nutrient Profiling Model, which uses a formula to assess the nutritional content of foods, to designate them as either HFSS (High in Fat, Salt or Sugar), or non-HFSS.

There are some recognised anomalies associated with the application of this model to all categories of foods. As a result, some of the foods that our businesses produce are designated as being HFSS, although they would not necessarily be considered poor dietary choices.

Using a blend of white and wholemeal flour in our Allied Bakeries’ Kingsmill 50/50 range



For example:

- under the Nutrient Profiling Model, all foods are assessed based on standard 100g portions, although concentrated cooking pastes, Balsamic Vinegar of Modena and soy sauce are eaten in smaller quantities; and
- the Nutrient Profiling Model makes limited differentiation between fats and sugars that occur naturally and added fats and sugars. Whole grain oats, fruits, nuts, and seeds all contain valuable fibre, vitamins, and minerals, as well as naturally occurring fats or sugars. As a result, some high fibre ‘no added sugar’ fruit and nut muesli recipes are classified as HFSS.

UK Grocery branded product portfolio analysis

Overall, 93% of the revenue generated from our UK branded portfolio in financial year 2022 was derived from products that are designated as being non-HFSS, or that are classified as HFSS but are not subject to restrictions under the Food (Promotion and Placement) (England) Regulations 2021.

Nearly 60% of revenue from our branded portfolio was derived from foods that are not classified as HFSS. These include

staples such as bread, crispbreads, tea, flour, rice and noodles, as well as some breakfast cereals (including muesli and some granola recipes), cooking sauces, and condiments.

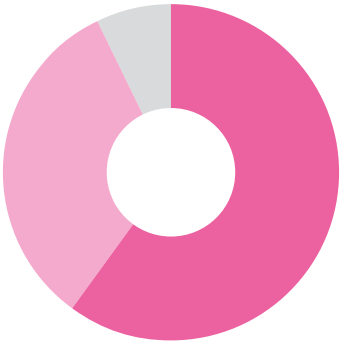
Foods designated HFSS within our branded portfolio that are not within the scope of public health-related sales restrictions include bagged sugars, cooking oils, as well as some cooking sauces and condiments.

Foods designated HFSS and also subject to sales restrictions include a small number of our baked breakfast cereal recipes, some ice-cream accompaniments, and some baked goods.

Many of these product ranges have already been reformulated, or will be considered for reformulation in future, subject to feasibility and consumer acceptance.

Only one branded UK product line is packaged and marketed specifically to target an under-16 audience. This range is designed to be consumed with milk, contains no added sugar and is not classified as HFSS.

Nutrition reporting - UK Grocery branded product analysis



% revenue from non-HFSS branded products	60%
% revenue from HFSS branded products but not subject to restrictions	33%
% revenue from HFSS branded products and subject to restrictions	7%

Providing safe, nutritious and affordable food *continued*

Westmill: Fortifying rice with basmati boost

Westmill, part of our UK Grocery division, has launched the UK's first basmati rice brand nutritionally fortified with added iron and thiamine (vitamin B1) – Elephant Rice Basmati Boost. Elephant Atta is already the UK's bestselling chapati flour brand.

Under UK law, flour and wheat have been subject to mandatory fortification with added vitamins and minerals since the Second World War. The same is not true for rice, a staple food for millions of UK consumers.

Recognising this discrepancy in the fortification of essential staples, Westmill used its technical expertise to help embed vitamins and minerals into the rice it sells.

A huge amount of work was undertaken to identify the vitamins and minerals that could be effectively blended with the rice at the precise levels required and in a format that would not degrade over time. The outcome is that a 75g dry portion of Elephant Rice Basmati Boost, when cooked according to instructions, will provide 4.5mg of iron (32% of the recommended daily adult intake) and 0.9mg of thiamine (82% of the recommended adult daily intake).

Elephant Rice Basmati Boost is an important product innovation and demonstrates how food producers with the right scientific and technical expertise, coupled with deep market insight, can develop new foods that further both commercial and nutritional goals.



Westmill marketing campaign advertising the UK's first nutritionally fortified basmati boost rice brand

Product reformulation

Product reformulation can help to gradually shift consumer tastes towards foods that support better long-term nutrition, and our food businesses actively review their portfolios with this in mind. Many food choices are habitual, and experience shows us that reformulations that affect taste and texture should be introduced carefully and slowly to help maintain consumer preferences and prevent people switching back to less healthy alternatives.

Some notable examples of recipe reformulation made by our businesses include:

- 25% reduction in salt used to make Allied Bakeries' bread portfolio since 2004;
- zero added salt in Jordans breakfast cereals since 2009;
- 14% reduction in added sugar in Jordans cereals since 2014;
- 21% reduction in added sugar in Dorset cereals since 2015; and
- zero added sugar in Silver Spoon's Crusha milkshake products sold in grocery stores since 2016.

Product reformulation examples from this year:

- AB World Foods reformulated all nine of the Patak's 'sauce in glass' 450g range in the UK, reducing oil, salt and sugar; and
- Jordans Dorset Ryvita reformulated all the granola products in the Dorset cereals range, such that most of the Dorset cereals range is now classified as non-HFSS.

Nutrition Labelling

We support the principle of providing information to shoppers to assist them in making decisions about the nutritional quality of the foods they purchase.

All our businesses are required by law to disclose key nutrition information on their pre-packed products. In addition, some of our businesses add nutrition labels to the front of their products as well. For example, Jordans Dorset Ryvita voluntarily adds colour-coded 'multiple traffic light' labels to its UK product portfolio and has adopted a similar approach in its principal export markets. Similarly, Allied Bakeries first adopted colour-coded labels in 2014. This year AB World Foods has also added colour coded labels to its Patak's 450g sauce in glass range sold in the UK.

AB Agri: Understanding what consumers want

AB Agri commissioned an independent consumer study to investigate consumers' opinions on perceived trade-offs between affordability and sustainability.

For example, they were asked if they cared about the environment and animal welfare. AB Agri aimed to gain insights about how it might factor consumers' opinions and attitudes to build into its responsible farming initiatives.

The research, carried out towards the end of 2021, surveyed more than 1,000 consumers in four markets: China, Germany, the US and the UK. It provided numerous insights, including consumers' intention to continue eating meat, eggs and dairy, their concern for animal welfare, and their frequent confusion about the meaning of pack labelling. It also showed that price remains a primary driver for most consumers.

AB Agri is now reviewing the research in detail and assessing how it can use it to guide its responsible farming activities and wider sustainability strategy.



George Weston Foods: Improving the health benefits of bread

Tip Top Bakeries, part of George Weston Foods, has a clear vision: to lead the bakery market in Australia and New Zealand by creating safe, high-quality, delicious and nutritious food.

Because bread is a staple for so many people, the business has worked consistently hard to improve the nutritional content of its products.

Bread provides dietary fibre and is a valuable source of plant proteins, vitamins and minerals. To make its products even healthier, Tip Top has reduced salt, sugar and artificial additives, including taking all added

sugar out of its sliced breads, even fruit bread. Since 2007, the business has removed 510 tonnes of salt from Australian diets; and, since 2018, taken more than 144 tonnes of sugar out of the food supply.

To lead in supporting consumers who care about their gut health, the business has also launched Burgen Prebiotic bread, which has been shown to nourish benign gut bacteria. To help consumers identify products that suit their lifestyle, Tip Top was also the first bakery brand to adopt the Australian Government's Health Star rating.

Tackling plastic and packaging

We recognise the harmful effects of plastic waste on ecosystems, but also understand that many forms of plastic packaging play a vital role in the functioning of the food sector, helping to protect consumers by keeping foods safe to eat and reducing waste by extending usable life when supplied to the market.

Our challenge is to ensure that we use plastic materials responsibly. Wherever possible, our businesses are removing unnecessary and problematic plastic packaging. For example, some are switching to more easily recyclable types of plastic or are increasing the use of recycled content in the plastics they use, supporting the principle of circularity.

Finding solutions always involves a balance between the need to keep products safe and avoid food and clothing waste while minimising impacts related to climate change and pollution, evolving legislation, customer expectations and reducing costs.

Ultimately, success comes from the accumulation of numerous changes, each delivered as quickly as possible and in some cases through innovative new approaches.

Tip Top Australia and New Zealand is continuing to roll out new card bread bag clips to replace the current polystyrene clips.



Goals and commitments

Primark has set a goal to eliminate all single-use plastic by 2027.

Our UK Grocery businesses are signatories to the WRAP UK Plastics Pact. This aims to create a circular economy for packaging by ensuring that 100% of plastics used are reusable, recyclable or compostable. The Pact also focuses on eliminating the use of problematic plastics and incorporating recycled content into all plastic packaging. The commitment also

requires businesses to utilise an average of 30% recycled content, which is extremely challenging in the context of any food contact material given stringent food safety legislation.

AB Sugar committed to ensure that all plastic packaging is reusable, recyclable, biodegradable or compostable by 2030.

Through its membership of the Australian Packaging Covenant Organisation (APCO), George Weston Foods is working towards national packaging targets that require all packaging to be 100% recyclable, reusable or compostable, with 70% of plastic packaging being recycled or composted, and comprise 50% average recycled content by 2025.

George Weston Foods is also a partner of REDcycle in Australia and the Soft Plastic Recycling Scheme in New Zealand. These schemes are focused on recovering post-consumer soft plastic food packaging for reprocessing into products such as benches, bollards, decking and fencing.

UK Plastic Packaging Tax

In 2022 the UK Government introduced a UK Plastic Packaging Tax (PPT), requiring businesses to pay £200 per tonne of plastic packaging that contains less than 30% recycled content. While we comply with the PPT, we are unable to source sufficient quantities of plastic packaging that contains 30% or more recycled content due to extremely limited supply of food-safe recycled packaging.

UK Extended Producer Responsibility proposal

There are some constraints in the global recycling sector that are beyond our businesses' direct control. To help remove these constraints, we support a number of multi-stakeholder initiatives across the value chain and in the UK, for example, we are a member of the Industry Council for Packaging and the Environment.

We have contributed to consultations on the UK Government's Extended Producer Responsibility (EPR) proposals, which are intended to increase recycling rates. We support the principle of producer-led EPR schemes, to create a circular economy for packaging at the lowest cost to the public.

With a producer-led EPR system, independent representatives of the businesses that specify packaging (and pay for recycling through a levy), also oversee the design and structure of waste collection and recycling services.

Because the scheme is centred around the needs of packaging users, overall more packaging material is typically captured and recycled. For example, by enabling plastic films to be collected, recycled and re-incorporated within food safety compliant packaging, recycling rates could be substantially increased. The technology for this exists now and is used in much of Europe – we just need the right government policies to ensure it is implemented at scale in the UK too.

The same will be true in other countries if they also introduce more consistent systems. In Australia and New Zealand, George Weston Foods is participating in collaborative approaches to address packaging and recycling issues, involving state governments, industry and other relevant stakeholders.

Tackling plastic and packaging *continued*

Our packaging use

Paper is the main packaging material used across the Group, followed by plastic and glass. We also use wood, steel, aluminium and a number of other materials. The volume of packaging used by the Group this year was 267,638 tonnes Δ.

Primark has set a target to remove all single-use plastic by 2027. Primark has established a Packaging Centre of Excellence to look closely at its packaging and explore ways to reduce it. Since 2019, Primark has estimated it has removed over 600 million units of single-use plastic components packaging from its business. It is currently in the process of establishing a baseline for this metric and is working with an external contractor to fully understand its material usage of single-use plastic. This baseline will enable Primark to accurately measure this reduction as a percentage of its total usage in years to come.

Clothes hangers account for around 65% of total single-use plastic volumes used within Primark. The business is aiming to move to 100% recycled materials for all hangers. Where possible, Primark is also making sure any plastic used in its packaging is from recycled materials or can be reused.

Within UK Grocery, more than a third of all plastic packaging is used by Allied Bakeries, followed by AB World Foods. Most of the plastic packaging used by Allied Bakeries is recyclable where facilities exist.

George Weston Foods: Transforming food packaging in Australia

DON Smallgoods, part of George Weston Foods, is making changes to its packaging to support Australia's 2025 National Packaging Targets for 100% of packaging to be recyclable, reusable or compostable by 2025.

DON is converting all of its thermoforming rigid packaging

machines to Mono PET bottom web, which is widely accepted in kerbside recycling. The top web that is used on the packs has been developed to meet the requirements of REDcycle return to store recycling. This is a challenging process as DON Smallgoods largely produces perishable meat-based products, so the business has had to find solutions that meet the criteria for recyclable packaging as well as for food safety.

This transition will result in 720 tonnes of plastic packaging per year moving from non-recyclable to recyclable.

DON's first packaging lines were converted to use the recyclable material at the end of 2021, with all of its other rigid production thermoforming lines set to do so by the end of 2024.

UK Grocery: Supporting the UK Plastics Pact

Our UK Grocery businesses are signatories to the WRAP UK Plastics Pact. This aims to create a circular economy for packaging by ensuring that 100% of plastics used are reusable, recyclable or compostable. The Pact also focuses on eliminating the use of problematic plastics and incorporating recycled content into all plastic packaging.

For some product categories, non-plastic alternatives packaging formats are either not viable from a food safety perspective or have other negative

environmental consequences. For example, both paper and glass have a much higher carbon footprint than many plastic alternatives. There are many trade-offs that need to be considered.

Our ambition is to work in partnership across the grocery value chain towards creating a closed loop for food packaging.

More than 83% of the plastic used by the businesses in the UK Grocery division is now either widely recycled or can easily be recycled where collection facilities exist. Our businesses are also focused on increasing the use of

recycled content in packaging where it is possible to access certified food-safe recycled packaging materials.

AB World Foods has removed the PVC tray from its pappadum packaging to help eliminate problematic plastic from the supply chain. This one initiative alone removes around 590 tonnes of PVC a year, which is around 7% of total plastic volumes used across UK Grocery as a whole.



AB World Foods has removed the PVC tray from its pappadum packaging to help eliminate problematic plastic from the supply chain

Enabling others to cut their carbon emissions

Carbon enablement is where our products or services assist others in reducing their carbon emissions. It is integral to several of our businesses' offer to customers, and a key focus for investment and innovation.

Several ABF businesses – AB Enzymes, AB Agri and AB Sugar – have enablement at the core of their purpose. They each play a role in enabling others to reduce Scope 3 emissions.

AB Enzymes and enablement

AB Enzymes is an industrial biotech company that specialises in the development of enzymes used by companies in multiple industries. The

business has extensive research and development expertise in molecular biology and biochemistry and holds more than 625 active patents or patent applications.

Enzymes are biological catalysts, found everywhere in nature, that essentially accelerate biochemical reactions. They also biodegrade rapidly, and they are a very effective alternative to petrochemical-based products. AB Enzymes has developed a number of innovative products that enable emissions reductions with no impact on product performance. One example is its product VERON® MAXIMA, which can help customers reduce food waste by keeping bread fresh for 21 days or even longer.

AB Enzymes: Making cotton processing more energy efficient

In the final stages of cotton production, the fabric goes through a process known as 'bio-polishing' which cleans the surface and removes fluff. For many years, that process involved immersing the fabric in water heated to 50°C.

AB Enzymes provides manufacturers with an alternative that is more energy efficient. The process involves the use

of cold cellulase enzymes to achieve the same bio-polishing quality in water heated to only 30°C. This reduces energy consumption by around 350 kWh for every tonne of fabric processed.

This potential saving is particularly significant given that the main countries in which these textiles are processed are China, India and Pakistan – all still heavily reliant on coal to run power stations. Consequently, the gains from this enzyme-based process could translate into a large reduction in GHG emissions.

Engineer preparing small scale fermenters in microbial technology lab, AB Enzymes, Darmstadt, Germany



AB Enzymes: Making detergents more energy efficient

AB Enzymes is helping detergent manufacturers to produce their products in a more energy-efficient way.

The addition of specialist enzymes produced by the business enables clothes to be washed at 30°C just as effectively as at 40°C. This reduces electricity consumption by around 260 kWh per 1,000 washes.

It is difficult to translate this energy efficiency gain into carbon averted at a global level because of the wide variations in the fuel mix used for power generation in different countries. For example, in Germany, Austria and Switzerland a 260 kWh efficiency gain equates to around 119 kilograms of CO₂e averted. In India, where coal predominates, that same efficiency gain equates to around 230 kilograms of CO₂e averted.

Thinking at a global scale, it is not unreasonable to suggest that the addition of these enzymes to detergents could help to prevent several hundred thousand tonnes of GHG emissions annually.

AB Agri and enablement

AB Agri works along the entire food industry supply chain – producing and supplying compound animal feed, feed additives, specialised feed ingredients and a range of value-added services to farmers, feed and food manufacturers, processors and retailers. Many of its products incorporate advanced formulations that support animal health, increased yields and reductions in GHG emissions.



Vivergo: Boosting bioenergy in the UK

ABF first invested in Vivergo, which produces bioethanol, around 10 years ago, when the use of E10 petrol (fuel with up to 10% bioethanol content) was first emerging in Europe. Today, blending bioethanol with petrol to reduce vehicle emissions is a key aspect of many governments' GHG reduction strategies.

Vivergo has invested to expand its operations, creating the largest bioethanol plant in the UK – capable of processing around 1 million tonnes of

UK feed wheat, grown for animal consumption and not for use in food. One of Vivergo's main co-products from production of bioethanol is protein for animal feed, so at peak capacity it will be the largest single-source animal feed supplier in the UK.

At full capacity, Vivergo would produce an estimated 420 million litres of bioethanol annually. When blended with petrol to E10 standards this will reduce total UK vehicle emissions by around 500,000 tonnes of CO₂e every year.

Vivergo shows that entrepreneurial thinking and investment in new technologies can build businesses that contribute to environmental goals. Given growing concerns about energy security, Vivergo also provides the opportunity for the UK to have a significant domestic energy source.

**Managing Director
of Vivergo Fuels and
a member of his team
inspecting the
bioethanol refinery**

AB Agri: Using an innovative tool to assess emissions on farms

AB Agri's Intellync business has developed Farm Footprints, a measurement system for assessing on-farm emissions. This helps farmers optimise a number of different crop and livestock processes to reduce carbon impact and increase livestock yields.

The evolution of the measurement system dates back to 2006, although it is still being continuously developed and its use expanded geographically. Farm Footprints can play a direct part in helping farmers improve efficiency yields while cutting emissions; it also gives ABF businesses competitive advantage when serving customers who have made environmental commitments and require guaranteed, transparent emissions reductions in their supply chains.

Increasing the durability of clothing

Circularity is an important consideration in the way many of our businesses approach product development, product packaging and waste. These businesses recognise the value of finding ways to use fewer resources in the first place, but also aim to maximise opportunities to recycle, reuse and recover those resources that cannot be avoided.

Primark has been working hard through its Ethical Trade and Environmental Sustainability programme for over a decade. The Primark Cares strategy, launched in 2021, has set ambitious commitments to accelerate this work, including the way it makes and sources products. Today, 45% of the clothes it sells contain recycled or more sustainably sourced materials under the Primark Cares label, and Primark aims to make this 100% by 2030.

Primark has also committed to improve the durability of its clothes by 2025, so that customers can enjoy them for longer. Primark is a signatory to Textiles 2030, an ambitious voluntary agreement intended to limit the environmental impact of clothes. It is working with WRAP to develop new industry guidelines on durability which will be incorporated into its Clothing Longevity Protocol which was developed in 2013.

Primark has also committed to designing products to be recyclable. Last year Primark launched a denim collection in line with the Ellen MacArthur Foundation's Jeans Redesign guidelines. The collection featured jeans and denim jackets made of organic cotton and recycled fibres and designed to be easily recycled.

Primark is increasingly using 'recyclable by design' principles and methods to ensure its clothing is designed and manufactured with circularity in mind. This involves making decisions about fabric composition, components and embellishments – everything from the primary fabrics used to small details such as labels or rivets and buttons. Primark has appointed a Circular Product Lead to manage this work, and it has recently completed a circularity pilot with denim and jersey buying and design teams, in addition to some key suppliers. It is now developing training to help scale this approach across its product range.

Primark: Partnering with the Ellen MacArthur Foundation to work towards 'closing the loop' in clothing

Moving towards more circular principles both within Primark's own operations and across its supply chain is a key part of the Primark Cares strategy. Primark knows that it cannot make all the necessary changes alone, so since 2018 it has been working with the Ellen MacArthur Foundation, benefitting from their network, knowledge and expertise on how to embed more circular practices within its business. This covers everything from the materials Primark uses to the production and manufacturing of clothing and products, through to business operations.

In 2021, Primark extended its relationship with the Ellen MacArthur Foundation by becoming a Network Partner and also joining the Foundation's Jeans Redesign Project. Following the Project Guidelines, its Jeans Redesign collection featured jeans and denim jackets for both adults and kids that were made from organic cotton and recycled fibres and designed to be easily recycled. The jeans were rivet-free, a common design element that makes jeans difficult to recycle, and the labelling also included guidelines on removing buttons and

zips before sending for recycling to give the product another life.

Primark has also recently launched a pilot to train its designers, buyers and some suppliers to understand circular design principles and this will be rolled out further next year.

"We're pleased to see Primark explore and learn how to put products on the market aligned with circular economy principles and growing their understanding of the challenges that must be addressed to achieve the vision of a circular economy for fashion. Now the concept has been proven, we cannot delay progress. There is a need to continue driving action, at pace and scale, towards a circular economy for fashion."

Laura Balmond,
Fashion Initiative Lead at the Ellen MacArthur Foundation



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Appendix 1

Independent Assurance Statement to the Directors of Associated British Foods plc

Scope

We have been engaged by Associated British Foods plc ("Associated British Foods" or "the Group") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Associated British Food's selected performance data and statements (together the "Subject Matter") for the year ended 31st July 2022 in Associated British Foods' 2022 Responsibility Report, 2022 Annual Report and ESG Insights (collectively referred to as "the Reports").

The 'Subject Matter' includes the following selected performance data, which are also marked with a Δ symbol in the Reports, regarding the Health, Safety and Environmental (HSE) performance of the Group.

HSE data sets (Associated British Foods Group)

- Number of work-related fatalities to employees
- Number of work-related fatalities to contractors
- Number of Lost Time Injuries (LTIs) to employees
- Number of LTIs to contractors
- Number of health and safety fines against sites

- Cost of health and safety fines received
- Number of environmental fines against sites
- Cost of environmental fines received
- Total Energy Use/Consumed (GWh)
- Total Electricity exported (GWh)
- Percentage of renewable energy (%)
- Scope 1 emissions (tCO₂e)
- Scope 2 location-based emissions (tCO₂e)
- Scope 2 market-based emissions (tCO₂e)
- Scope 3 emissions (transportation and distribution only)- Category 4 and 6
- Quantity of non-hazardous waste sent to landfill (tonnes)
- Quantity of hazardous waste sent for disposal (tonnes)
- Quantity of waste sent for recycling or recovery or other beneficial use (tonnes)
- Quantity of packaging used (tonnes)
- Quantity of water abstracted
- Water reused or recycled
- Effluent leaving the site for final disposal
- Tonnes of product

HSE data sets (Business segment specific)

- Primark Scope 3 emissions (tCO₂e)

The selected statements within the Report that are included within the Subject Matter are included in Appendix 1 of our Assurance Statement.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information

In preparing the Subject Matter, Associated British Foods applied the Associated British Foods' Health, Safety and Environment ("HSE") KPI's Data Reporting Guidance, that is summarised in the 'Methodologies' sections within the ESG Insights documents (the "Criteria").

Associated British Foods' responsibilities

Associated British Foods's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with Associated British Foods on 12th August 2022 and addendum dated 20th October 2022. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

The procedures we performed were based on our professional judgement and included the steps outlined below:

1. Interviewed a selection of the Group's executives and senior managers to understand the progress made in HSE performance during the reporting year and to understand the appropriateness of coverage of sustainability topics within the Report.
2. Conducted business and site-level reviews for 7 Associated British Foods businesses to understand local level HSE performance and data collection processes and to test back to underlying source evidence on a sample basis.
3. Considered the coverage of key issues within the Reports against the topics discussed in our management interviews and business and site-level reviews.
4. Performed detailed testing on Group HSE data and carried out the following activities to assess the 'Subject Matter':
 - i. Reviewed a sample of the disaggregated HSE data for a sample of businesses within each of the five strategic business segments (Retail, Sugar, Grocery, Ingredients and Agriculture) back to source evidence.

- ii. Applied analytical review procedures to assess the accuracy and completeness of HSE data in accordance with the Criteria.

5. Assessed supporting evidence for selected statements in the Responsibility Report to assess whether such statements are fairly stated considering the supporting evidence. Refer to Appendix 1 of this Assurance Statement for the statements subject to our assurance procedures.

Conclusion

Conclusion on selected HSE performance data

Based on our procedures performed and the evidence obtained, nothing has come to our attention that suggests that the selected HSE performance data, forming part of the Subject Matter, in the Reports have not been prepared and presented fairly, in all material respects, in accordance with the Criteria.

Conclusion on selected statements within the Reports

Based on our procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected statements (refer to Appendix 1), are not, in all material respects, fairly stated in line with the supporting evidence.

Use of our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance report or its conclusions to any persons other than Associated British Foods, or for any purpose other than that for which it was prepared.

Accordingly, we accept no liability whatsoever, whether in contract, tort or otherwise, to any third party for any consequences of the use or misuse of this assurance report or its conclusions.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Ernst & Young LLP, London

7 November 2022

Appendices

Appendix 1 *continued*

Selected statements within the Reports, forming part of the Subject Matter

We list the selected statements, with the words underlined, that have been subject to the procedures described in step 5 of the procedures performed within our Assurance Statement.

Where the statements selected contain quantitative information, our procedures performed were the review of supporting evidence to assess whether the statements are fairly stated. Our procedures did not assess the completeness and accuracy of the underlying data, to the degree that we assess the selected HSE performance data, forming the other part of our Subject Matter.

Page Number	Statement within the ABF Responsibility Report
5	<u>Primark is one of the largest clothing retailers in Europe, the largest by volume in the UK and has a growing presence in the US.</u>
6	<u>The Group is in constant dialogue with the people who run our businesses, giving our corporate leaders a detailed understanding of their material opportunities and risks and enabling us to collaborate when making material decisions.</u>
7	<u>Our businesses' environmental and social programmes are very specific and in almost all cases work is already underway to achieve them.</u> Their cumulative impact is already significant.
7	<u>In the case of Illovo Sugar Africa, George Weston Foods and others, these programmes are focused on building resilience in the face of change; for example, making operations more robust in the face of extreme weather events.</u>
8	<u>On a regular basis, the Board conducts a detailed review of each of our business segments. This covers the materiality of sustainability and ESG factors.</u>
15	<u>Each of our businesses has considered, adopted and seeks to implement our Code of Conduct throughout their supply chains. This code is based on the International Labour Organization's (ILO) Core Conventions and its Declaration on Fundamental Principles and Rights at Work.</u>
15	<u>A number of our businesses have also developed their own human rights policies, including Twinings Ovaltine (which updated its human rights policy in June 2022) and Primark (which has a Human Rights Supply Chain Policy).</u> Our Sugar division is currently developing its own human rights policy.

16	<u>In the latter case, Primark collaborated with a number of other brands sourcing from Myanmar and the ETI, which commissioned a human rights impact assessment focusing on the prospect for responsible business conduct in Myanmar. The findings of this assessment were combined with information from the Primark Ethical Trade team and reviewed by the Primark Myanmar Steering Committee to guide further actions. Consequently Primark concluded it would work towards a responsible exit from Myanmar.</u>
16	<u>Another example is Primark's Ethical Trade auditing and monitoring programme, which conducted over 2,400 audits during 2021, most of which were unannounced. Primark carries the full cost of these audits, which include rigorous checks for human rights issues based on reviews of documentation and confidential worker interviews.</u> Following the audits, supplier factories are issued with a corrective action plan (CAP) that outlines areas for improvement.
16	<u>Suppliers of raw materials and other key commodities to the businesses in the UK Grocery division are required to complete a self-assessment questionnaire, and post details of ethical audits onto the Sedex platform, making it a useful tool to help identify potential salient human rights risks</u> and prioritise suppliers and supply chains where additional due diligence is required.
18	<u>In Malaysia, Twinings Ovaltine commissioned in-depth supplier and partner factory audits, which were carried out by the ethical trade consultancy, Impactt. These worker-centric assessments considered migrant workers' whole recruitment journey. On the basis of the audit findings, Twinings Ovaltine has worked with its partners to remediate the issues. This has included refunding worker fees to all workers up to an agreed maximum amount, returning passports and providing in-depth training for Twinings Ovaltine's business partners and labour agencies to support the elimination of labour fees in future.</u>
18	<u>Now, in Thailand, Twinings Ovaltine is starting work with Issara, an independent NGO that tackles human trafficking and forced labour issues in ways that fully involve those workers affected. Issara will be rolling out its Inclusive Labour Monitoring (ILM) model in factories that supply Twinings Ovaltine, giving workers a way to raise their issues directly and safely with the NGO, which flags these issues with factory managers and works with them to provide remediation. If workers' issues become entrenched, Twinings Ovaltine will work alongside Issara to find solutions.</u>

Appendix 1 *continued*

18	This year, through its Sourced with Care programme, <u>Twinings has worked with sites in India and Kenya, training over 650 managers and supervisors, so they are better equipped to identify, prevent and respond to risks of gender-based violence. The training has been delivered directly with Twinings in Kenya or through the Women Safety Accelerator Fund in India.</u>
19	The team, as well as Primark's third-party auditing partners, ensures that every tier one factory in the Primark-approved supply chain is audited at least once a year, mostly unannounced – and more frequently in some instances. To adhere with its Supplier Code of Conduct, <u>Primark also runs or supports many projects with suppliers and factories in its supply chain, often alongside external experts, to support improved conditions of decent work across the supply chain.</u>
19	Over the past year, Sourced with Care has achieved a great deal, including collaborative work with Mercy Corps in Guatemala to drive positive change for cardamom farmers. <u>Twinings has also achieved 70% transparency of all its high priority herbs. Twinings continues to focus on women's empowerment through emphasis on women's health and their safety in the workplace.</u>
19	In 2022, <u>Twinings was recognised with a Highly Commended award for the 'Best sustainable tea brand' in the Marie Claire Sustainability Awards and also Highly Commended in the Big Impact Award at the 2021 Third Sector Awards for its 'Great Beginnings, Bright Futures' project with Save the Children.</u>
19	The impact of the pilot has been impressive. The Cheshire Health Dispensary has expanded its opening hours and range of services to better meet local needs. <u>It has served almost 5,000 women through more than 10,000 separate consultations since 2020 and currently over 450 women are using its family planning services.</u> The dispensary is on course to complete 45,000 consultations in five years, supporting Twinings in its aim to empower a further 250,000 women by 2025.
20	Up to 2022, Primark has supported the introduction of the programme in 36 factories in its finished goods supply chain in Bangladesh. Over 900 workers have been trained directly by technical experts from Rajesh Bedha Consulting (RBC) under the programme, through being selected as trainers and assurers for the Sudokkho training system in their factories. <u>Close to 10,000 workers have been subsequently trained under the Sudokkho training system across the 36 participating factories.</u>
20	<ul style="list-style-type: none"> • <u>The Sudokkho training has improved the quality of life for 8 out of 10 of the workers interviewed, and increased earnings for 7 out of 10.</u> In addition to salary increases, workers spoke of getting promoted, being able to contribute financially to their family and an improved standard of living. • <u>Over 9 in 10 workers reported improvements in how they do their job because of the training.</u> Of these, most have learnt skills to help them grow and develop in their current job and potentially help them secure a better job in the future. Almost all workers interviewed reported increased self-confidence as a result of the training.
22	Several of our businesses run programmes designed to protect ecosystems and maintain or enhance soil quality.
22	Jordans Cereals was one of the first brands in the UK to differentiate on the basis of its values and has supported wildlife in its UK farm supply chain since 1985.
22	Contracted farmers within the Jordans Farm Partnership <u>are paid a premium for their grain. In return, they agree to manage at least 10% of their land for the benefit of wildlife. That proportion is now an average of 17% of the total farmland managed under the Partnership of around 15,000 hectares. That's a total farm area equivalent to around 7% of the total UK farmland used to grow oats</u>
24	One example of this collaborative approach is <u>Primark's commitment to work with the ZDHC Foundation since 2015</u> to strengthen the industry-wide approach to managing chemicals sustainably throughout the global supply base. Having contributed to ZDHC's direction of travel for many years, Primark uses industry tools to restrict the use of almost 300 hazardous chemicals during the manufacture of its products. <u>Its Chemical Management Programme is aligned to industry best practice.</u>

Appendices

Appendix 1 *continued*

24	<u>Primark joined the Alliance for Water Stewardship (AWS) in December 2021, supporting our approach to improve the use of water resources and our commitment to adopt and promote a universal water stewardship framework – the AWS Standard.</u>
28	<u>For example, AB Sugar has set out a clear roadmap for improvements. It is running multiple projects to support its commitment to reduce its Scope 1 and Scope 2 emissions by 30% by 2030. The business has already completed projects that have reduced its Scope 1 and 2 GHG emissions by 21% against a 2018 baseline and is focused on achieving a further 9% reduction by 2030</u>
28	<u>Around 100 suppliers account for most of Primark's Scope 3 emissions, with the majority of their manufacturing taking place in just 5 countries. Work has begun at a number of strategic manufacturing locations to design and implement energy efficiency programmes that will reduce demand for energy and enable transition to on- or off-grid renewable energy.</u>
28	<u>In Brazil, AB Mauri has launched an ambitious programme to reduce third-party logistics emissions (Scope 3) by 10% in five years from 2022 by creating a new distribution network based on two distribution centres. Focusing on further reductions, AB Mauri has started deploying electric trucks in some urban areas of Brazil and is exploring the use of compressed natural gas, bioethanol and sea and river transport in future.</u>
30	<u>Twinings estimates that it has offset more than 13,000 tonnes of CO₂e through these projects to date. It is also set to make all its tea and herbal infusions carbon neutral by 2030.</u> <u>Ovaltine's supply chain carbon journey has also started, with a carbon footprint assessment being conducted by the Carbon Trust.</u>
31	<u>This project has resulted in a 50% reduction in energy requirements for yeast aeration. This is a significant reduction. However, Casteggio already has several other energy efficiency projects in its pipeline.</u>
32	<u>A tonne of sugar produced today in its factory at Wissington in the UK requires about half the energy needed 40 years ago.</u>

32	<u>British Sugar has around 12 significant projects in place, across four sites, which are set to reduce the company's GHG emissions by more than 40,000 tonnes a year. Around 40% of these reductions will come from process optimisation, around 30% from energy efficiency measures and the remaining 30% from switching from coal to gas.</u>
34	<u>To date, we have completed three water risk assessments for our operations, using recognised methodologies to identify those with a 'high' or 'extremely high' water risk. We provide detailed information about our water usage in our CDP submission.</u>
34	<u>To date, 64 water reduction, reuse and recycling initiatives have been shared across AB Mauri, although not all have yet been implemented. The business has invested over \$100m in water treatment projects since 2010, with over \$45m in the pipeline. Its aim is to improve treatment and lower its water footprint even further. This is not only good for the environment but can also future-proof its operations against water stress and increasing water-related regulation.</u>
39	<u>Across the Group, 84% of all employees now have access to an Employee Assistance Programme (EAP). Those based in our Illovo businesses without an EAP have access to on site medical support and make up the additional 16% of our people.</u>
40	<u>Making one-off cost-of-living allowance payments or pay adjustments – an approach taken to help lower earning employees by Vivergo and Twinings in the UK and Illovo in Malawi;</u>
42	<u>Under this one-word banner 'BELONG' the business has taken steps to help leaders and managers to build inclusivity. They started this process by launching its Leader 'Accelerate' Programme, designed to educate general managers about inclusion and how to take local action. They also equipped HR teams to lead on this agenda by running an 'Inclusion Hack' workshop and by training them to roll out the 'Accelerate' programme locally to people managers.</u>
44	<u>At the end of 2022, 1066 employees across our businesses had completed our Group Modern Slavery Awareness training course and 52 employees had completed training to support the ABF Supplier Code of Conduct. Several businesses have reused the content of both courses in their own in-house training offer, which means it has been completed by a greater number of employees.</u>

Appendix 1 *continued*

45	<u>Twinnings Ovaltine has also developed bespoke online training modules that enable its global buying teams to build their knowledge of ethical sourcing.</u>	53	<u>At full capacity, Vivergo would produce an estimated 420m litres of bioethanol annually. When blended with petrol to E10 standards this will reduce total UK vehicle emissions by around 500,000 tonnes of CO₂e every year.</u>
47	<u>Seven separate ABF brands – including Ryvita and Kingsmill – are among 24 signatories to the UK Food and Drink Federation’s Action on Fibre pledge, to increase fibre consumption in the UK and our UK Grocery Division is also a long-term Sustaining member of the British Nutrition Foundation.</u>	54	<u>Primark is a signatory to Textiles 2030, an ambitious voluntary agreement intended to limit the environmental impact of clothes. It is working with WRAP to develop new industry guidelines on durability which will be incorporated into its Clothing Longevity Protocol which was developed in 2013.</u> <u>Primark has also committed to designing products to be recyclable. Last year Primark launched a denim collection in line with the Ellen MacArthur Foundation’s Jeans Redesign guidelines. The collection featured jeans and denim jackets made of organic cotton and recycled fibres and designed to be easily recycled.</u>
50	<u>In 2022 the UK Government introduced a UK Plastic Packaging Tax (PPT), requiring businesses to pay £200 per tonne of plastic packaging that contains less than 30% recycled content. While we comply with the PPT, we are unable to source sufficient quantities of plastic packaging that contains 30% or more recycled content due to extremely limited supply of food-safe recycled packaging.</u>	54	<u>Primark has also recently launched a pilot to train its designers, buyers and some suppliers to understand circular design principles and this will be rolled out further next year.</u>
51	<u>Primark has set a target to remove all single-use plastic by 2027. Primark has established a Packaging Centre of Excellence to look closely at its packaging and explore ways to reduce it. Since 2019, Primark has estimated it has removed over 600 million units of single-use plastic components packaging and from its business.</u>		
51	<u>More than 83% of the plastic used by the businesses in the UK Grocery division is now either widely recycled or can easily be recycled where collection facilities exist. Our businesses are also focused on increasing the use of recycled content in packaging where it is possible to access certified food-safe recycled packaging materials.</u>		
51	<u>DON is converting all of its thermoforming rigid packaging machines to Mono PET bottom web, which is widely accepted in kerbside recycling. The top web that is used on the packs has been developed to meet the requirements of REDcycle return to store recycling.</u>		
52	<u>AB Enzymes provides manufacturers with an alternative that is more energy efficient. The process involves the use of cold cellulase enzymes to achieve the same bio-polishing quality in water heated to only 30°C. This reduces energy consumption by around 350 kWh for every tonne of fabric processed.</u>		

Our TCFD disclosure included in this report has been lifted from the Annual Report and page numbers refer to the Annual Report unless otherwise specified.

CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Climate-related Financial Disclosures (TCFD)

We recognise that climate change represents a material risk throughout our supply chains and poses challenges to some of our businesses worldwide. We wholly support policies that are aligned with the goals of the 2015 Paris Climate Agreement to limit the rise in global temperatures to well below 2°C above pre-industrial levels, and to pursue efforts to limit the temperature increase even further to 1.5°C.

As we consider the impacts of climate change, it is clear that transitioning to a low carbon economy presents opportunities for our businesses, and that TCFD is not simply an exercise in risk mitigation or reporting. We also believe in the pursuit of a just transition that protects the planet as well as the welfare of our employees and people in our value chain.

Our culture favours taking action today, wherever we can make a positive difference, instead of leaning on future promises based on imprecise assumptions. Long-term targets are not a substitute for short and medium-term actions. Our focus is therefore on delivering the 2030 commitments we have made.

The diversified nature of ABF means that targets are decided and set by businesses based on what is appropriate and relevant for them. AB Sugar, Primark and Twinings are our most financially material businesses, accounting for 81% of Group adjusted operating profit and 70% of Scope 1 and 2 greenhouse gas (GHG) emissions. Our analysis also indicates that Primark accounts for a significant proportion of the Group's Scope 3 emissions. Each has set its own emission reduction target. AB Sugar is targeting a 30% absolute reduction in Scope 1 and 2 emissions by 2030. Primark, where GHG emissions arise

primarily in Scope 3, has targeted a 50% reduction across its value chain in absolute terms by 2030. Twinings has set a target of carbon neutrality 'from bush to shelf' for tea and herbal infusions by 2030. Both Primark and AB Sugar have committed to set science-based targets in consultation with the Science Based Targets initiative.

We believe we can reach net zero by 2050, if not sooner, and we are committed to doing what we can to go further, faster. However, we cannot do this alone. Much of what is needed will depend on system change at multiple points of the value chain, including a radical reshaping of national energy policies by governments.

Last year we set out our approach to TCFD and our corresponding action plan. This year the Group has complied with the requirements of Listing Rule 9.8.6R by including climate-related financial disclosures consistent with the TCFD recommendations and the 11 recommended disclosures, published in 2017 by the TCFD, including the supplemental guidance for all sectors.

These are set out in the following pages and in the relevant sections of this Annual Report referenced in this section.

We have assessed the impact of climate risks and opportunities, taking into consideration different climate scenarios

including <2°C and 4°C scenarios to assess the resilience of the Group to climate change. On the basis of our analysis, we believe that in the period to 2030, the risks to the Group are not material. There is less clarity in the data further out to 2050. While there may be risks that will need to be managed by mid-century, these do not appear to be sufficiently substantive to require a material change to our business model or divisional strategies within the time horizons considered. That analysis has, however, confirmed the importance of many of the action plans already underway.

Governance

Oversight by the Board and Audit Committee

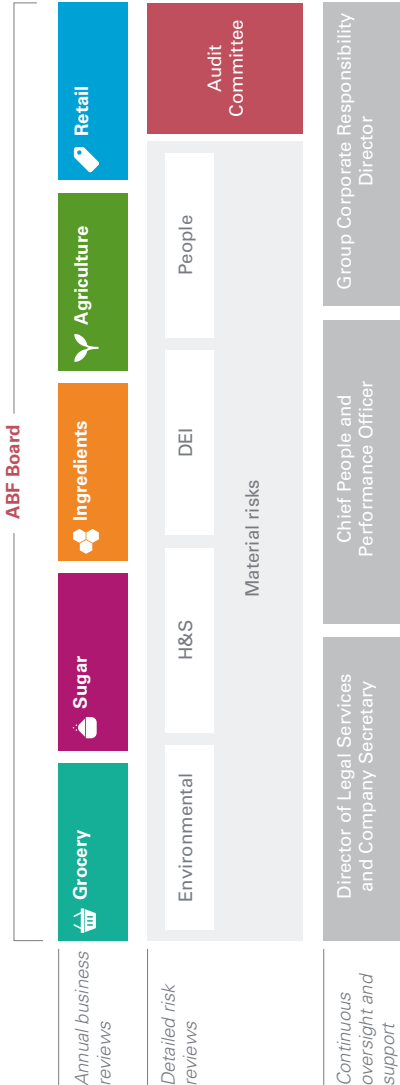
The Board is responsible for overseeing climate-related issues. The governance process is set out in the table below.

The Board reviews each business segment in depth every year, which will include a review of material ESG issues.

For our third investor day, held in May 2022, we included an analysis of the most important environmental factors relevant to our businesses, including an overview of our TCFD analysis to date, which we summarise here together with additional analysis. A recording of the event is available on the ABF website. <https://www.abf.co.uk/>

As part of an annual standing agenda item, the Board receives updates in February and September from the Group Corporate Responsibility Director and the Chief People and Performance Officer on climate and environmental issues. As we press forward with our sustainability activities, these updates will be expanded

Governance framework





CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) *continued*

to include progress against climate-related goals and metrics.

In February 2022, the Director of Legal Services and Company Secretary, Group Corporate Responsibility Director and the Finance Project Director for ESG and TCFD Reporting presented an ESG update to the Board. This included:

- a specific focus on climate commitments from our different divisions and businesses;
- an update on the GHG reduction roadmaps for AB Sugar and Primark;
- an example of how AB Sugar assesses project returns at different carbon pricing levels;
- an update on the Primark Sustainable Cotton Programme; and
- a review of climate risks and opportunities identified as part of the risk assessment process.

As this is the first year that we are required to comply with the requirements of TCFD, we held meetings with all members of the Audit Committee to gain feedback on the completeness of identified climate risks and opportunities. The Audit Committee also reviewed this year's TCFD disclosure as part of its responsibility to oversee the integrity of the information we report. See more on this on page 122.

Management's role

Our divisional CEOs are responsible for managing the impacts of climate change in their division, with the Chief Executive responsible for the impacts of climate change across the Group. The divisions and the Chief Executive, Finance Director, members of the Executive Committee and the Financial Controller hold quarterly reviews where any material climate-related matters are raised.

The Director of Legal Services and Company Secretary has overall accountability to the Chief Executive for corporate responsibility issues and acts as the focal point for communications to the Board and shareholders on corporate responsibility matters.

The Group Corporate Responsibility Director, who reports to the Director of Legal Services and Company Secretary, is responsible for monitoring climate-related activities across the Group and for reviewing the robustness of external non-financial targets set by each of our businesses. The Group Corporate Responsibility Director leads the Corporate Responsibility Hub, which supports all our businesses on environmental and human rights issues and brings together all the professionals

in our businesses working in these areas to share knowledge and best practice.

The Chief People and Performance Officer, who reports to the Chief Executive, is responsible for measuring and reporting the environmental performance of our own operations.

From 2023, 15% of the Chief Executive and Finance Director's short-term incentive target, equivalent to 30% of their base salary, will be linked to strategic, primarily ESG, measures designed to drive focus in this area. This will include delivery of projects that will lead to progress against our top ESG priorities, including the climate-related metrics on page 93. The remuneration policy is set out on pages 126 to 153.

The Steering Committee, under the sponsorship of the Finance Director, remained in place to oversee the governance of the TCFD programme. Since the risk arising from climate change runs across all businesses and functions, the Steering Committee included senior Group representatives from Corporate Social Responsibility, EHS, Finance and Risk Management, together with senior representation from AB Sugar and Primark. Third-party consultancies were engaged to support our programme.

Risk management

The Board is accountable for effective risk management, for agreeing the principal, including emerging, risks facing the Group and ensuring they are successfully managed.

The process for identifying, assessing and managing climate-related risks is the same as for other risks within the Group and sits with the business where the risk resides.

These risks, including climate risks, are collated and reviewed at both a business and divisional level, and then reported to the Director of Financial Control who reviews the key risks with the Board.

Climate risk is considered a material risk to the Group and is included in the principal risk 'Our use of natural resources and managing our environmental impact', recognising the impact it may have on the business in the short, medium and long term. See page 100. The Board also monitors the Group's exposure to risks as part of performance reviews with each business.

More information on our risk management process is available in the 'Our approach to risk management' section on page 94.

Identifying, assessing, and managing climate-related risks and opportunities

In our 2021 Annual Report and Accounts, we outlined a 2022 action plan for more in-depth assessments on the identification, assessment and management of climate-related risks and opportunities. We have now conducted a comprehensive risk assessment, across the supply chain, focused on climate-related risks and opportunities at a divisional level, aligned with the risk management processes at ABF and our decentralised structure.

1. We conducted a high-level review of potential risks across the Group and, as a result, our TCFD efforts to date have been focused on AB Sugar, Primark and Twinings which account for 81% of the adjusted operating profit for the Group and some 70% of the Group's total Scope 1 and Scope 2 emissions.

2. In these businesses:

a. Cross-functional business teams worked with third-party experts (South Pole)* to develop an initial list of climate-related physical and transition risks and opportunities that could impact these businesses in line with the TCFD framework and guidance.

b. We held climate risk/opportunity workshops with key stakeholders to prioritise risks and opportunities for scenario analysis. Selection criteria included the importance of those risks and opportunities to the business, South Pole's judgement on how climate change may potentially change those risks and opportunities and the availability of appropriate models to assess impacts.

* South Pole is a global climate consultancy with expertise in climate projects, TCFD advisory, climate risk and opportunity identification and scenario analysis.

3. We conducted high-level assessments across all our other businesses, involving relevant business segment leaders and third-party experts. These assessments ensured we not only understand the material climate risks and opportunities in those businesses but also identified risks and opportunities that could be material if accumulated across the Group. All identified risks were then reviewed, and those that could have the most significant financial impact on the Group were subject to scenario analyses.

4. Following the scenario analyses and workshops, the most significant climate-related risks were identified and assessed by each business segment and incorporated into relevant risk registers, in line with their existing risk management processes.

5. Our Non-Executive Directors and PwC were then engaged to challenge our approach in identifying material risks and consider if we had missed anything material. We assessed the outcome of these challenges and adjusted our approach as considered appropriate.
- While we have considered the principal climate risks, we recognise that there are wider climate impacts that are challenging to model. For example, socio-economic and geopolitical issues directly linked to climate change and

other societal challenges that may be exacerbated by climate change. Our businesses will still capture these risks within their risk registers and consider actions they can take to mitigate their impact.

Businesses are responsible for managing risks relevant to them.
- Strategy and action, metrics and targets**

ABF operates a decentralised business model because we believe in giving the leaders of our businesses the scope and accountability to create and run the best businesses they can. They are therefore responsible for identifying and implementing strategies that both create value and ensure value is protected by taking action to mitigate or adapt to the impacts of climate change. Enabling decision-making by the people closest to these issues, with the closest relationships with the stakeholders affected, provides resilience, agility and flexibility in planning, allowing for quick action on impacts and opportunities.
- Climate risks and opportunities**

ABF comprises businesses that provide safe, nutritious and affordable food, and clothing that is great value for money. There will be many value creation opportunities which our businesses will be well positioned to take advantage of
- as the world transitions to a low carbon economy. There will also be physical and transitional climate risks which they may be susceptible to. Many of our businesses rely on agricultural crops with complex supply chains which are spread across the world. Long-term climate change will impact agricultural crops and workers while extreme weather events have the potential to cause disruption across value chains.

The assessment process, as described on page 84, identified potential climate risks and opportunities that may have a significant impact on the Group. These are summarised in the table below.

We identified a range of physical risks as our primary area of focus under TCFD: the impact of climate change on crop yields, flooding and workers. We also considered the transition risks set out in the TCFD guidance, which includes such risks as impact on reputation and the risk of existing and emerging regulations, and concluded that the key transition risk for the Group is potential carbon pricing impacts in future years. Scenario analysis was then used to assess the impact of the climate risks listed in the table below. The results of the scenario analysis, for those risks which we believe are either the most significant or of most interest to shareholders, are disclosed on pages 88 to 92.

Output from the risks and opportunities assessment process		Primark	Sugar	Twinings	Cross divisional
Climate impact on ABF's key agricultural crops	Physical risks	Cotton yields *	Sugar yields (UK, Eswatini, Malawi, Mozambique, South Africa, Tanzania, Zambia)	Tea yields (Argentina, China, India, Indonesia, Kenya, Sri Lanka)	Wheat yields (Australia, UK), Corn yields (US)
Impact of flooding on ABF's end-to-end supply chain including operations		Coastal and river flood risks: Third-party manufacturers (Bangladesh, China) and Primark stores and warehouses			Coastal and river flood risks: Key ABF manufacturing sites
Resilience of workers to mitigate/adapt to climate change	Transition risks	Heat impact on farmers (Bangladesh, India, Pakistan)			
Transition risks as the world reduces its reliance on carbon		Carbon pricing mechanisms	Carbon pricing mechanisms		
Carbon enablement: Providing solutions to reduce carbon	Opportunities		Biofuels, renewable energy		Enzymes, animal feeds, ingredients, on-farm carbon measurement
Efficiency			Fuel substitution, energy efficiency, process optimisation and increased contribution from by-products		

* The focus of the cotton yield analysis was on Primark Sustainable Cotton Programme (PSCP) locations in India and Pakistan.

CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) continued

Scenario analysis

We used our third-party experts, South Pole, to advise us on, and then carry out, scenario analysis. While many scenario models and techniques are advanced, we recognise that knowledge in this area is growing and we should expect models and pathways to evolve with time. Models also have limitations, and there are certain areas which are challenging to model, such as the frequency and severity of extreme weather events. However, our businesses are still able to consider how they would mitigate or adapt to such events. Additionally, in certain situations different models can project contrasting results. In these situations, we have considered how different outcomes would impact our businesses.

The following scenarios have been used:

Warning trajectory by 2100	Transition scenarios (IEA) ¹	Physical scenarios (IPCC) ²
< 2°C	Net Zero Emissions by 2050 Scenario ('NZE') (1.5°C) Sustainable Development Scenario ('SDS')	RCP2.6
2-3°C	Stated Policies Scenario ('STEPS')	RCP4.5
~4°C		RCP8.5

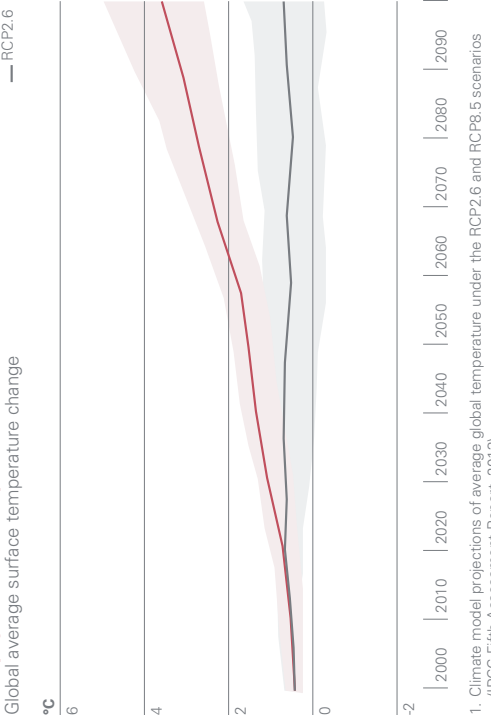
1. The International Energy Agency's (IEA) scenarios have been used to assess transition impacts with each scenario built on a set of assumptions on how the energy system might evolve. Each scenario has a different temperature outcome. We used scenarios covering 1.5°C, <2°C and <3°C.
2. We used the Intergovernmental Panel on Climate Change's (IPCC) Representative Concentration Pathways (RCP) to assess physical climate risk. RCPs are commonly used by climate scientists to assess physical climate risk, with each pathway representing a different greenhouse gas concentration trajectory which can then be translated into global warming impacts. We used climate data from the World Climate Research Programmes Coupled Model Intercomparison Project – Phase 5 (CMIP 5) adjusted for spatial resolution and bias corrected to do this translation. RCPs feed into climate, crop and flood models. There are four RCP pathways with RCP8.5 representing the worst case scenario.

As we look further out, the impact of compounding means that even a small assumption change can lead to a significant range in outcomes projected by climate models and scenarios. We have therefore placed more emphasis on projections to 2030, using them for action planning, and used projections to 2050, where there is more uncertainty, to check our sense of direction and consider the resilience of our businesses should certain hypothetical scenarios take place.

Risks and opportunities have been considered over the following time horizons:

	Years	Rationale
Short-term	2025	Mid-decade
Medium-term	2030	Our most financially material businesses, Primark, AB Sugar and Twinings have set 2030 emission targets. These targets are supported by emission reduction plans.
Long-term	2050	2050 is consistent with many national and industry targets. Primark is aligned with the UNFCCC Fashion Industry Charter goal of net zero emissions across all three Scopes by 2050.

TCFD physical risk: concepts and frameworks

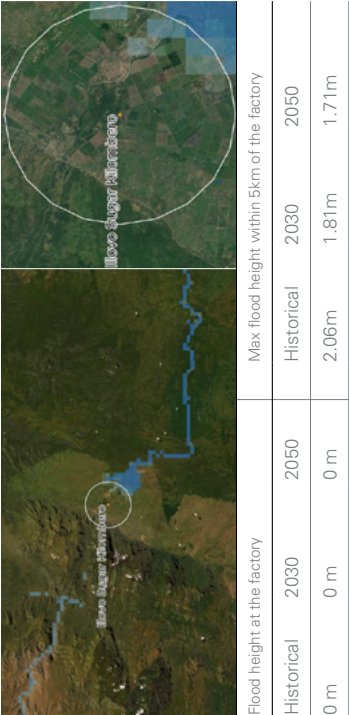


In line with best practice, as advised by our third-party experts, we used a multi-model approach to capture and assess the uncertainty of future climate change projections. The numbers quoted below on pages 89 to 91 represent the median projected result. Where appropriate we have also disclosed ranges in potential outcomes to reflect the uncertainties and variables inherent when using models to assess future climate outcomes. These outcome ranges represent 25th and 75th percentiles. Detailed data was supplied by businesses for the analysis, including individual locations of our own operations, suppliers' factories and the location of the farming communities in Primark's Sustainable Cotton Programme in India and Pakistan.

Our third-party experts advised us which crop models to use to assess climate change impacts on crop yields. In some cases (e.g. for cotton and tea), only one crop model was available that was deemed to be sufficiently robust to use to evaluate future climate impacts on yields. Although in these situations only one crop model was used, the analysis was based on the input of five climate models providing sensitivity to the analysis. For other crops (e.g. sugar cane, wheat and corn), multiple crop models were used.

In all physical risk analysis we have used the RCP8.5 scenario, which is widely considered to represent one of the worst-case climate scenarios with temperatures reaching some 4°C above pre-industrial levels by 2100. This scenario projects an extreme view of physical climate change impacts.

Example of flood assessment – Kilombero, Tanzania

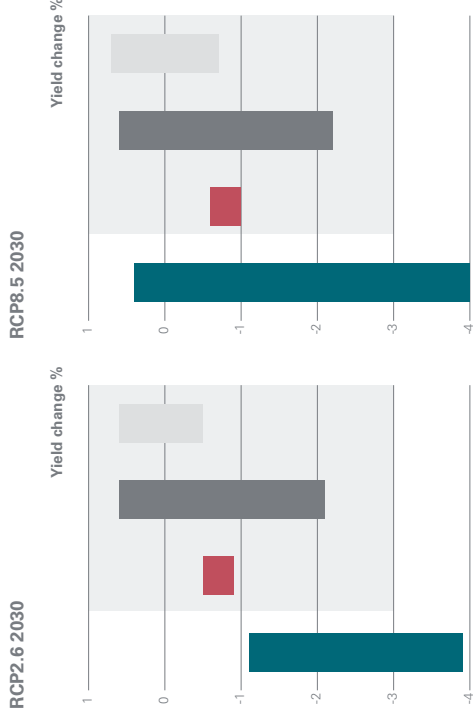


The World Resource Institute's Aqueduct Flood Hazard Maps Tool was used to assess potential impacts of flooding. The map to the left is an example of how this tool was used. It shows areas potentially susceptible to a 100-year flood in 2050 under the RCP8.5 scenario within 5km of Illovo's Kilombero site in Tanzania, allowing us to consider whether flooding is projected to either impact the site or critical routes in or out of the site. In this example it was concluded that flooding did not present a significant risk to the factory or the key logistical routes around the site.



CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) continued

Example of cotton yield analysis – India and Pakistan PSCP* locations
2030: The yield impact ranges from an insignificant change to some -4% reduction. This excludes the benefit of sourcing more cotton from sustainable sources



This graph is an example of the output of our scenario analysis on cotton yields. Cotton is critical to Primark, representing some 65% of the total fibre mix in garments sold by Primark. The graph shows the range of yield impacts on cotton sourced from Primark's Sustainable Cotton Programme, in India and Pakistan, projected by the United States Department of Agriculture's Environmental Policy Integrated Climate EPIC** model in 2030, under the RCP2.6 and RCP8.5 scenarios.

The graph also includes the results of an assessment, by our third-party climate consultants, of the impact on cotton yields of individual climate risks including extreme temperatures, heavy rainfall/flooding and the timing of the onset of the monsoon.

The graph shows the projected range of impacts based on the 25th and 75th percentile results, before mitigating actions. A full analysis of this analysis is detailed on page 89.

Data availability meant that the RCP2.6 and RCP8.5 scenarios were used in the crop model analysis whilst the RCP4.5 and RCP8.5 scenarios were used to assess individual climate impacts.

The differences between the impacts of the different RCPs are minimal in 2030 but increase from then until 2050.

* PSCP = Primark Sustainable Cotton Programme.

** The EPIC model was developed between the Texas AgriLifeResearch and the United States Department of Agriculture (USDA). It simulates global and regional crop growth and development in response to external conditions such as the climate. It has a spatial resolution of some 50km x 50km.

Use of scenario results to support strategy and financial planning

Due to the limitations of scenario modelling as mentioned above, there is less clarity in data projecting out as far as 2050. We have therefore placed greater emphasis, in our planning and decision-making, on projections to 2030 as these are more reliable.

Scenario analysis has increased our understanding of the potential impacts of climate change. It has helped our businesses confirm the actions they need to take to mitigate and adapt to its risks, and to take advantage of its opportunities. In addition, by furthering their understanding of climate change and helping them understand the relative importance of these actions compared to other business priorities, climate change risks and opportunities can be better considered within their decision-making and planning processes.

Mitigating actions are managed by the relevant business. For instance, AB Sugar considers capital projects which reduce carbon emissions within its capital decision-making process. In 2023 we will be formalising transition plans for AB Sugar and Primark which will describe their plans to transition to a low carbon economy.

We understand that strategic decision-making around climate change can be complex. Decisions in this area must be taken carefully and should be flexible enough for adaptation if events or knowledge change. Care must also be taken to ensure that problems are not simply transferred elsewhere or lead to unintended social consequences.

Impact assessment

Determining the potential impact of climate risks and the size of climate opportunities is challenging. Climate models include several fixed assumptions and there is significant uncertainty around the impacts of climate change and how governments will respond to its threats. We have taken several factors into consideration when assessing our confidence in mitigating actions:

1. Greater reliance has been placed on actions that are already underway and we have seen evidence around the success of those actions. For example, the yield benefit generated by moving to more sustainable cotton in Primark or pest control in British Sugar.

2. Physical risks from a changing climate are already present, growing and being managed by our businesses. In many cases, risks will get worse but there is time to find innovative solutions to adapt to its impacts.
3. A key learning from COVID-19 is that we must not underestimate the ability of our businesses to respond quickly to emerging threats and mitigate impacts.

Impact assessment	Description
Low	Projected impacts from scenario analysis are positive or not significant
Medium	Impacts judged not to be significant once mitigating actions are considered
High	Impacts judged to be significant even after mitigating actions have been considered

Note 1: Significance assessed by considering the impact of climate risks and opportunities on the Group's financial performance and position.

Results of the climate-related risks and opportunities assessment

Having evaluated, using scenario analysis, all physical and transition risks in the table on page 85, we have disclosed below the risks which we believe are potentially the most financially significant and/or of the most interest to stakeholders:

Climate impact on cotton yields

Impact assessment

Low	2030
Medium	2050

Based on RCP8.5
Median cotton yield impact is -2% in 2030 with a range of 0 to -4%.
In 2050 median cotton yield impact is -14% with a range of -12% to -15%.

Why this potential risk is important:
Cotton represents some 65% of the total fibre mix in garments sold by Primark.

The key climate-related physical risks for cotton production are extreme temperatures, heavy rainfall and the timing and duration of the monsoon season. Our work on climate change scenarios to 2030 shows that the effects on cotton yields are minimal. The outcomes range from virtually no impact to a reduction of some 4%.

These projections are well within the bounds of the year-on-year yield variations that we have already experienced, and even then the capability is in place to work with smallholders to mitigate these effects. For example, training helps farmers make better seed selections and understand planting patterns to maximise yields.

In 2050, the yield impact is projected to decline by 14% under RCP8.5 and 4% under RCP2.6, before mitigating actions. Based on yield uplifts we have seen historically, the majority of this impact would be offset by sourcing all cotton from sustainable programmes.

Scenarios assessed

RCP2.6**/RCP8.5

Key analysis and assumptions

- Analysis focused on PSCP* locations in India and Pakistan which represent some 97% of Primark's PSCP* programme.
- USDA's EPIC crop model was used to assess the climate impact on cotton yields compared to 2021. This analysis did not take account of mitigating actions.

Climate impact on cotton yields

- Individual cotton impacts such as extreme temperatures, heavy rainfall, and timing of the onset of the monsoon were assessed.
- The above was supplemented by a high-level study of climate impacts on global cotton yields. This highlighted new territories that might be suitable for cotton in the future.

- Switching to more sustainable cotton is assumed to lead to a 14% increase in yields in line with the results of Primark's 2013-2019 study of the yields (kg/acre) of Indian PSCP* farmers compared to control farmers.
- Our calculations assume that no additional costs are passed on to customers through increased prices.

- Percentage yield impacts reflect changes in annual cotton yields for an average year, based on the median projected changes from the different climate models. While these yield impacts may include some consideration of extreme events in a given year (partly represented by the uncertainty span of the 25th to 75th percentile), the magnitude of impact associated with individual events, and the frequency of such extreme events, is not directly represented by an annual average. Additional analysis was undertaken to evaluate the potential impact of increased frequency of heavy rain events on cotton yields, to further support mitigation and adaptation.

Mitigation

Current mitigations

- 40% of Primark's cotton clothing sales (units) contain cotton that is organic, recycled or is sourced from Primark's Sustainable Cotton Programme.
- Cotton sourced through our PSCP is grown using more natural and regenerative farming methods, including reducing water, pesticide and chemical fertiliser use and training farmers in these methods. Our 2013-2019 study concluded that switching to more sustainable farming leads to increased yields which would help mitigate negative yield impacts caused by climate change.
- To date, some 250,000 farmers have received training*** in our Sustainable Cotton Programme.

Future mitigating actions

- Increase the proportion of cotton which is grown through sustainable programmes so that all cotton clothing sales contain cotton that is organic, recycled or sourced from Primark's Sustainable Cotton Programme by 2027.
- Use more resilient cotton varieties and recycled/new fibres.
- Diversification of cotton supply. Sourcing cotton from new locations/geographies which are less susceptible to climate impacts.
- Increase farmers trained*** in Primark's Sustainable Cotton Programme to 275,000 by the end of 2023.

Metrics and targets

- Proportion of cotton clothing sales (units) that contains cotton that is organic, recycled or sourced from Primark's Sustainable Cotton Programme (%): 100% by 2027.
- Number of farmers trained*** in Primark's Sustainable Cotton Programme: 275,000 by end of 2023.

Primark Sustainable Cotton Programme (PSCP) locations in India and Pakistan



* PSCP = Primark Sustainable Cotton Programme.
** RCP4.5 used where RCP2.6 data was unavailable.
*** This includes farmers that are currently being trained and those that have completed training under the programme.



CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) continued

Impact of climate on Illovo’s sugar yields (Eswatini, Malawi, Mozambique, South Africa, Tanzania, Zambia)*

Impact assessment	
Low	2030
Medium	2050

Based on RCP8.5

The climate impact on sugar yields is projected to be different in each country within Illovo. In 2030 USDA’s EPIC crop model indicates a range of impacts which vary by country, from no change to a 10% decline in sugar yields. In 2050 it indicates a range of impacts from a 5% yield gain, predominantly as a consequence of carbon fertilisation where crops benefit from a higher concentration of CO₂, to a 29% decline in sugar yields. Potsdam’s Lund-Potsdam-Jena managed Land (LPJmL)** crop model projected increased sugar yields in 2030 and 2050 across all countries.

Why this potential risk is important: Illovo is the largest sugar producer in Africa and a significant business within AB Sugar and ABF.

Illovo is already managing the impacts of climate change, particularly significant weather volatility. Looking ahead we

expect weather to become even more unpredictable along with a higher risk of drought and wildfires.

Two established crop models have been used to assess climate impacts in 2030 and 2050 before mitigations. These give widely different results.

Potsdam’s LPJmL model predicts yields will increase significantly while the EPIC model predicts yields are likely to decline, with average country yield changes ranging from 0 to -10% in 2030 to +5% to -29% in 2050. However, even conservatively taking the outputs from the EPIC model, impacts net of mitigations are not significant for the Group. Mitigating actions are already well underway including implementing enhanced farm practices and irrigation programmes.

Scenarios assessed
RCP2.6/RCP8.5

Key analysis and assumptions

- Yield impacts quoted are compared to 2021. The analysis did not take account of mitigating actions.
- Two crop models were used to assess climate impacts on yield. This was supplemented by an analysis of how climate change will impact drought conditions in southern Africa.
- Numbers quoted are median projected results.

- Climate impacts on countries within the Illovo group were considered individually.
- Our calculations assume that no additional costs are passed on to customers through increased prices.

Mitigation

Current mitigations

- Illovo already experiences and manages significant climate variability so its responses to weather events are well developed.
- Improving irrigation efficiency to reduce the risk of drought, including investing in drip irrigation and river defences to reduce storm damage.

Future mitigating actions

- Increase the frequency of replanting sugar cane which results in higher yields.
- Use of more drought-resilient crop varieties.
- Potential for pricing pass-through to customers, if required, to offset any increased costs.

Metrics and targets

- Sugar production (tonnes).
- Volume of water abstracted.
- AB Sugar has a target to reduce its end-to-end supply chain water by 30% vs 2017/2018.

Climate impact on tea yields

Impact assessment	
Low	2030
Low	2050

Median yield impacts by tea region vary from 0 to +5% by 2030 and +5% to +19% by 2050. There is less certainty in yield impacts in Indonesia and Kenya where ranges in potential outcomes are significant.

Why this potential risk is important: Twinings is a significant business within ABF.

Tea is sourced by Twinings from third-party suppliers in multiple tea regions. The crop model projects that changing chronic climate change should have a positive impact on tea yields in 2030 and 2050 across all tea growing regions assessed. However, due to the crop model’s under-representation of acute climate risks, these gains could be limited by the impacts of extreme temperatures, heavy rainfall and droughts, which are

expected to increase in both frequency and magnitude, particularly in the long term. The company has experience in dealing with volatility in regional tea yields as a result of weather events and has developed deep knowledge of the world’s tea growing regions. This capability ensures there is a degree of flexibility in the origin of tea purchased and that master blending expertise can be used to produce tea to a high and consistent standard year after year. There are some single origin blends that would be harder to source if a particular region had a negative climate-related impact, but they are not material to the business.

Scenarios assessed

RCP8.5. Given impacts were assessed as low under RCP8.5, the worst case RCP scenario, impacts under other RCP scenarios were not assessed.

Key analysis and assumptions

- Yield impacts are compared to 2021. The analysis did not take account of mitigating actions.

- Fourteen tea growing regions, within six countries, were selected for analysis based on current sourcing volumes, uniqueness of tea produced and significance of the regions at a global level.
- Tea growing regions assessed made up around three quarters of Twinings’ sourced tea in 2021/2022.
- Potsdam’s LPJmL crop model was used to assess impacts supplemented by third-party research on individual climate effects on tea yields.

Mitigation

Current mitigations

- Twinings sourcing capability coupled with its blending capability enables the business to manage localised yield issues.

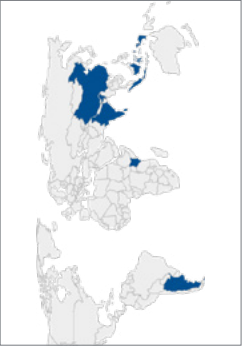
Future mitigating actions

- Continued focus on enhancing farming practices, particularly irrigation.

* Our scenario analysis projects that the impact of climate change on British Sugar’s sugar beet crop is positive and hence the results of this analysis have not been included in this disclosure.

** The Potsdam model is known to estimate higher CO₂ fertilisation impacts than the EPIC model and takes into account availability of water from dams and reservoirs. The EPIC model also considers more climate stress factors.

Fourteen tea regions within six countries below were selected for analysis



- Tea is a profitable crop that, after some higher-than-average start-up costs, can be harvested for decades. There should be incentive to replant in new regions if climate changes locally.

Metrics and targets

- Given the impact of climate change on tea yields was assessed as low, no metrics are disclosed.

Impact of flooding risk on Primark's third-party manufacturers

Impact assessment	
Low	2030
Medium	2050

Why this potential risk is important: Bangladesh and China represent the top two countries from which Primark products are sourced. Our analysis focuses on the proportion of orders impacted calculated as a percentage of Primark's current total global orders based on estimated retail values.

Bangladesh
Percentage of Primark orders significantly impacted by flooding in Bangladesh under a 100-year return period and RCP8.5:
Coastal flooding: Baseline (1979-2014) -1.3%, 2030 -1.4%, 2050 -2.5%.
River flooding: Baseline (1960-1999) -2.3%, 2030 -2.6%, 2050 -5.3%.
Many of our suppliers' factories are located in the greater Dhaka region. This is a low-lying, densely populated area on the Ganges Delta that is exposed to both coastal and river flooding. We estimate that flood risk will increase minimally by 2030 with a more marked increase by 2050. In 2050, under RCP8.5 and considering a 100-year return period, it is projected that less than 3% of Primark's global orders would be exposed to a severe coastal flooding event, while less than 6% of Primark's global orders would be exposed to a severe river flooding event.

China
Percentage of Primark orders significantly impacted by flooding, in China, under a 100-year return period and RCP8.5:
Coastal flooding: Baseline (1979-2014) -1.1%, 2030 -1.1%, 2050 -1.6%.
River flooding: Baseline (1960-1999) -5.4% 2030 -4.5%, 2050 -4.9%.

A proportion of Primark's third-party factories in China are at risk of being disrupted by flooding. This risk only changes minimally by 2030 and 2050. Given the geographical spread of Primark's third-party factories in China, the river flood impacts disclosed above would require a number of rivers across China to flood simultaneously.

The analysis we have undertaken in Bangladesh and China has identified the individual sites at risk from flooding. This information, combined with insight gained locally, will assist Primark as it works with suppliers to mitigate impacts. Mitigating actions are already well underway.

Scenarios assessed
RCP4.5/RCP8.5
China RCP8.5 only

Key analysis and assumptions

- Coastal and river flooding impacts considered.
- Factories supplying some 98% of orders in Bangladesh and 66% of orders from China evaluated. The results from the 66% of Chinese orders assessed were extrapolated across all Chinese orders to derive an overall impact.
- Key export consolidation and freight centres also reviewed along with ports in Bangladesh.
- The World Resource Institute's Aqueduct Flood Hazard Maps tool used to assess the impact of flooding. The analysis did not consider mitigating actions.
- Factories assumed to be significantly impacted if flood heights are greater than 0.5m*. At this flood height factories assumed to have serious and sustained flood impacts.

- Impacts calculated as a proportion of Primark's current total global orders based on the estimated retail value of orders purchased.

Mitigation

Current mitigations

- The majority of Primark's Bangladesh suppliers are located in areas of Dhaka which are less susceptible to flooding.
- The local Dhaka community regularly deals with flooding and has adapted processes to mitigate its impacts.
- Geographical spread of factories across China.
- Primark's Sourcing Strategy has existed for two years with a focus on geographical diversification for sourcing product, creating a more balanced global footprint and developing risk mitigation strategies to increase flexibility and agility when unexpected events occur.

Future mitigating actions

- Primark will consider flood risk as part of its rigorous factory audit programme and will work closely with its suppliers/partners to mitigate flood risk.
- Bangladesh's National Determined Contribution plan includes a focus on infrastructure and risk management.
- Primark will continue to consider how best to diversify the sourcing of product in line with its Sourcing Strategy.

Metrics and targets

- In 2022/2023 we will develop metrics to monitor this risk.

* 0.5m was advised by South Pole based on their research of scientific literature.



CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) continued

Impact of carbon pricing mechanisms on AB Sugar and Primark

Impact assessment	
Medium	2030

Why this potential risk is important: carbon prices are likely to increase as governments take action to decarbonise. AB Sugar represents some 65% of ABF's Scope 1 and 2 emissions and Primark has significant Scope 3 upstream emissions. Impacts quantified below are based on carbon prices assumed in IEA's hypothetical scenarios. The NZE and SDS scenarios assume a significant increase in global carbon prices.

AB Sugar
Incremental impact ranges from £0m to £48m in 2030.
AB Sugar has developed a detailed plan to reduce absolute Scope 1 and 2 carbon emissions by 30%, from 2017/18, by 2030 through a range of fuel substitution and energy-efficiency programmes that are both affordable and commercially attractive with an estimated average ROI above 15%. Beyond that, technologies exist, but are as yet not commercially viable, to reach net zero emissions.

Primark
Incremental impact ranges from £55m to £155m in 2030.
This impact is driven by hypothetical carbon taxes on Scope 3 upstream emissions. Scope 1 and 2 make up less than 2% of Primark's total emissions.

Primark has quantified its Scope 3 emissions for the last four years and has a detailed Scope 3 calculation methodology. There is the potential for an increase in carbon prices as countries align policy with Nationally Determined Contributions and emissions reduction trajectories. It is also possible in the shorter term that governments will seek to offset the impacts of any such increase through allowances and transition reliefs in light of macroeconomic pressure on all businesses.

Primark's decarbonisation programme is managed as an integral part of the Primark Cares strategy and there is a worked-up plan to reduce absolute emissions by 50% by 2030 and mitigate the company against significant potential exposure to increased carbon taxation. The plan focuses on our top five sourcing markets and seeks to support suppliers implement energy efficient measures and switch to renewable sources. The plan does not assume the purchase of offsets. Actions are already underway to reduce Scope 3 emissions in the Primark supply chain.

Primark is also aligned with the UNFCCC Fashion Industry Charter goal of net zero emissions across all three Scopes by 2050.

Scenarios assessed

International Energy Agency's Net Zero Emissions by 2050 Scenario (NZE), Sustainable Development Scenario (SDS) and Stated Policies Scenario ('STEPS').

Key analysis and assumptions

- Sugar and apparel are not within the initial scope of the EU's proposed Cross Border Adjustment Mechanism ('CBAM'). Implementation of CBAMs by 2030 has therefore not been assumed in this analysis.
- Carbon prices are based on the three IEA scenarios: STEPS, SDS and NZE. The lowest number quoted is based on IEA's STEPS scenario. The highest number quoted is based on IEA's NZE. Carbon prices are quoted in US dollars in the scenarios. They have been translated into sterling based on average exchange rates, see note 26.
- The scenarios assume the implementation of new and/or more stringent carbon prices on carbon emissions within the sugar and textiles value chains in multiple countries.
- Carbon taxes applied to Scope 1, 2 and upstream Scope 3 emissions for Primark.
- Carbon taxes applied to Scope 1 and 2 emissions for AB Sugar. This represents some 65% of ABF's Scope 1 and 2 emissions.
- No growth assumed.
- Results assume delivery of both Primark's and AB Sugar's carbon commitments.
- No significant reduction in Emission Trading Scheme Allowances assumed.

Climate opportunities

We have split our major opportunities into two categories: carbon enablement to help other companies and customers reduce their emissions; and increased efficiency within our own businesses.

Carbon enablement

Carbon enablement has always been integral to our businesses and a key focus for investment and innovation. Many of our businesses are advantageously positioned to supply products and services to help customers and companies reduce their emissions. Products and services include bioethanol, animal feeds and enzymes which support carbon reduction.

Example – AB Enzymes

AB Enzymes is an industrial biotech company that specialises in the development of enzymes used by companies in multiple industries for various applications. Enzymes have the

- Our calculations assume that additional costs are not passed on to customers through price changes.

Mitigation

Current mitigations

- AB Sugar has a detailed plan to achieve its 30% absolute reduction, which it manages through its robust profit improvement system. Some 12%* reduction has already been delivered vs its 2017/18 baseline.
- Primark has a fully worked-up plan to achieve a significant reduction in supplier emissions by the end of the decade and is aligned with the UNFCCC Fashion Industry Charter goal of net zero emissions across all three Scopes by 2050.

Future mitigating actions

- Delivery of detailed decarbonisation plans for AB Sugar/Primark.
- Potential carbon tax impacts are small when considering the size and scale of both businesses. Both Primark and AB Sugar continually manage inflationary pressures. In the event that carbon prices were to increase or be applied to goods that are currently not in scope, these would be managed and offset as required with any other cost input.

Metrics and targets

- Primark: GHG emissions: Scope 1, 2 and 3 emissions vs target of 50% absolute reduction in emissions by 2030 vs 2018/19 baseline.
- AB Sugar: GHG emissions: Scope 1 and 2 emissions vs target of 30% absolute reduction in Scope 1 and 2 emissions by 2030 vs 2017/18 baseline.

potential to avert significant quantities of carbon and can also be used to reduce energy, water and waste, while improving quality. For example AB Enzymes supplies enzymes which:

- enable clothes to be washed at lower temperatures reducing energy consumption;
- reduce temperatures required to biopolish cotton textiles; and
- reduce the energy, raw materials and chemical additives required whilst achieving better end-product quality in the paper industry.

Efficiency

Efficiency has always been part of our DNA. There are many efficiency opportunities within ABF's portfolio, for instance maximising renewable energy generated from natural biomass products in southern Africa.

Examples of these opportunities can be seen on <https://www.abf.co.uk/>

* 12% reduction is based on AB Sugar's, Scope 1 and 2 emissions. Vivero was excluded from the calculation since it was being recommissioned in 2021/22.

Metrics and targets

The high level of diversity across our businesses means that we have established key climate-related metrics at both a groupwide and divisional level. In line with our strategy and risk management process, our businesses are responsible for identifying their own key metrics as well as opportunities and

targets relevant to their material climate-related risks.

We have summarised the material metrics and, where applicable, targets used by ABF to assess climate-related risks and opportunities in the table below. A full list of our non-financial metrics, along with definitions and historic trends, can be found in our ESG Insights.

This includes targets set, where applicable, and progress against these targets. GHG emissions, reported in the 'Responsibility – Our operations' section of our Annual Report on page 74, have been calculated in accordance with the GHG reporting protocol methodology.

TCFD metric category	Group/division	FY22 metrics	Target set	Linkage to climate risk/opportunity	Metric
Physical risks	AB Sugar	• Total sugar production (tonnes)	No	Climate impacts on sugar yields	3.1mt See ESG Insights
	Group	• Volume of water abstracted ^Δ	AB Sugar represents some 96% of the Group's water abstracted. It has a target to reduce its end-to-end supply chain water by 30% by 2030 vs a 2017/18 baseline	Climate impacts on sugar yields	See pages 13, 76
	Primark	• Proportion of cotton clothing sales (units) that contain cotton that is organic, recycled or sourced from Primark's Sustainable Cotton Programme (%)	Target 100% by 2027	Climate impacts on cotton yields	See pages 53, 89
	Primark	• Number of farmers trained in the Primark Sustainable Cotton Programme	275,000 farmers to be trained by the end of 2023. This includes farmers that are currently being trained and those that have completed training under the programme.	Climate impacts on cotton yields	See pages 13, 56
Transition risks	Group	• Percentage of renewable energy (%) ^Δ • Energy consumed ^Δ	No	Impacts of carbon pricing mechanisms on AB Sugar and Primark	See pages 13, 75
GHG emissions	Group	• Scope 1 and 2 emissions: absolute emissions ^Δ (000 tCO ₂ e) and tonnes of CO ₂ e per £1m of revenue	No	Impacts of carbon pricing mechanisms on AB Sugar and Primark	See pages 13, 74
	AB Sugar	• GHG emissions: absolute Scope 1 and 2 emissions (000t CO ₂ e) ^Δ	Target to reduce Scope 1 and 2 absolute emissions by 30% by 2030 vs a 2017/18 baseline	Impacts of carbon pricing mechanisms on AB Sugar	2,014 (000t CO ₂ e) See ESG Insights and page 92
	Primark	• GHG emissions: Scope 1, 2 and 3 emissions (000t CO ₂ e) ^Δ	Primark is aligned with the UNFCCC Fashion Industry Charter goal of net zero emissions across all three Scopes by 2050. It also has an interim target to halve its absolute carbon footprint across all three Scopes by 2030 against a 2018/19 baseline	Impacts of carbon pricing mechanisms on Primark	See pages 13, 53
Climate-related opportunities	Primark	• Proportion of clothing sales (units) containing recycled or more sustainably sourced materials (%)	Target to ensure 100% of clothing sales contain recycled or more sustainably sourced materials by 2030		See pages 13, 53

Δ EY has provided limited independent assurance over this metric. See the ABF Responsibility Report 2022, page 56, for EY's assurance statement.

Actions we will take in 2023

- Disclose in line with the Financial Conduct Authority's additional guidance applicable to years beginning on or after 1 January 2022, including new guidance on metrics, targets and transition plans and an updated TCFD implementation annex (released October 2021).
- Undertake further work to understand the impact of climate change on people and productivity. We have completed

analysis which considers how Wet Bulb Globe Temperature, a heat index taking into account humidity, temperature and solar radiation, could impact farmers in Bangladesh, India and Pakistan. The analysis suggests that excluding mitigating actions, heat stress impacts could be potentially significant, particularly under more extreme climate scenarios to 2050. Next year we will consider how to integrate local

understanding into this analysis to enable us to report in more detail on risks and mitigation.

- Track and report on progress against external targets.

Other information

Please refer to ABF's 2022 website, Responsibility Report or ESG Insights for further detail on our approach to climate and other ESG issues.

Appendix 3

Links and information

For further information about the social and environmental priorities, strategies and actions of our businesses can be found via the links in the table below.

 Grocery	Acetum AB World Foods Allied Bakeries GWF JDR Twinings Westmill	https://acetum.it/why-choose-acetum/ https://abworldfoods.com/about/ https://www.alliedbakeries.co.uk/responsible-business.html https://www.gwf.com.au/social-responsibility/ https://jordansdorsetryvita.com/corporate/ https://sourcedwithcare.com/ https://westmill.co.uk/our-focus-areas/#
 Sugar	AB Sugar British Sugar Azucarera Illovo	https://www.absugar.com/sustainability/global-mind-local-champions#overview https://www.britishsugar.co.uk/sustainability/our-approach/ https://www.azucarera.es/sostenibilidad/ https://www.illovosugarafrica.com/sustainability
 Agriculture	AB Agri	https://www.abagri.com/our-responsibilities
 Ingredients	AB Food Ingredients AB Mauri	https://www.abfingredients.com/en/sustainability/ https://www.abmauri.com/environment-social-governance/environment.php
 Retail	Primark	https://www.primark.com/en-gb/primark-cares

Appendices

Appendix 4

Glossary

Acute climate change risk	Refers to those physical risks that are event-driven, including increase severing of extreme weather events, such as cyclones, hurricanes, or floods.	the Company	Associated British Foods plc
Aii	Apparel Impact Institute. A collaboration of brands, manufacturers and industry associations that have come together to select, fund and scale high-impact projects to improve the sustainability outcomes of the apparel and footwear industry.	CO₂e	Carbon dioxide equivalent
AWS	Alliance for Water Stewardship. A global membership collaboration comprising businesses, NGOs and the public sector.	COP15	The 15 th Conference of the Parties to the United Nations Convention on Biological Diversity – 7 to 19 December 2022, Canada.
the Board	The Board of Associated British Foods plc	Courtauld Commitment	Voluntary agreement for collaborative action across the entire UK food chain to deliver farm-to-fork reductions in food waste, greenhouse gas (GHG) emissions and water stress that will help the UK food and drink sector achieve global environmental goals.
Carbon enablement	Avoided GHG emissions arising from the use of ABF products or services.	DEI	Diversity, equity and inclusion
Carbon footprint	The sum total of all the GHG emissions that had to take place in order for a product to be produced or for an activity to take place.	ESG	Environmental, social and governance
Carbon neutral	The sum of the GHG emissions produced is offset by natural carbon sinks and/or carbon credits. Minimum requirement covers Scope 1 & 2 emissions with Scope 3 encouraged. There is no requirement for a company to reduce its emissions on a certain trajectory in order to be carbon neutral.	ETI	Ethical Trading Initiative
CARE International	Global confederation working to fight poverty and social injustice in the world, with a specific focus on the empowerment of women and girls.	EY	Ernst & Young LLP. The Company's statutory auditor (also refers to associated firms of Ernst & Young LLP worldwide who work on the audit of the consolidated financial statements).
CDP	Carbon Disclosure Project	FLAG	Forest, Land and Agriculture – Science Based Targets
Chronic climate change risk	Refers to longer-term shifts in climate patterns (e.g. sustained higher temperatures) that may cause sea-level rise or chronic heat waves.	The Food (Promotion and Placement) (England) Regulations 2021	Specifies location-based restrictions on the sale of food and drinks classified as HFSS under the Nutrient Profiling Model for specific categories of food that are assessed as being most closely associated with childhood obesity. These restrictions apply to larger supermarkets and their online equivalents.
Circularity	Principle of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems.	GHG emissions	Emissions of the seven greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride (SF ₆) and nitrogen trifluoride (NF ₃).
Climate Impact Partners	A company which develops and delivers carbon financed projects, to generate carbon credit and energy attribute certificate portfolios for their clients.		

Glossary *continued*

GHG emissions (Scope 1)	<p>GHG emissions from:</p> <ul style="list-style-type: none">• the use of non-renewable fuels such as natural gas and coal in boilers and dryers, as well as fugitive emissions;• our manufacturing processes such as the fermentation process to make bioethanol, as well as the management of on-site waste water;• directly controlled agricultural activities including growing sugar beet and sugar cane, other crop production and GHG emitted from horticulture; and owned transport.
GHG emissions (Scope 2)	<p>GHG emissions from purchased electricity, heat or steam used in ABF’s own operations. Scope 2 emissions are reported on both a location- and market-based approach in line with the GHG Scope 2 Guidance (WRI & WBCSD, 2015).</p>

GHG emissions (Scope 3)	<p>ABF Scope 3 emissions are those from third-party transport for the transportation or distribution of our goods or materials. The data reported only includes the combustion of fuel for vehicles. Third-party vehicles’ emissions are calculated using tonnes/km of movement and the latest DEFRA emissions factors.</p> <p>Primark: The following categories of the GHG Protocol Corporate Value Chain (Scope 3) are included in the Primark reporting figures</p> <p>Upstream emissions;</p> <p>Category 1: Purchased goods and services</p> <p>Category 2: Capital goods</p> <p>Category 3: Fuel and energy-related activities</p> <p>Category 4: Upstream transportation and distribution.</p> <p>Category 5: Waste generated in operations</p> <p>Category 6: Business travel</p> <p>Downstream emissions;</p> <p>Category 9: Downstream transportation and distribution</p> <p>Category 11: Use of sold products</p> <p>Category 12: End-of-life treatment of sold products</p>
the Group	<p>Associated British Foods plc, its subsidiaries and its interests in joint ventures and associates</p>
Health Star Rating	<p>Developed by the Australian, state and territory governments in collaboration with industry, public health and consumer groups it is a front-of-pack labelling system that rates the overall nutritional profile of packaged food and assigns it a rating from ½ a star to 5 stars.</p>
HFSS	<p>High in Fat, Salt or Sugar</p>

Appendices

Glossary *continued*

HSE	Health, Safety and Environment	Potsdam's Lund-Potsdam-Jena managed Land (LPJmL)	Model designed by the Potsdam Institute for Climate Impact Research to simulate the global terrestrial carbon cycle and the response of carbon and vegetation patterns under climate change.
IDH-the Sustainable Trade Initiative	An organisation (Foundation) that works with businesses, financiers, governments and civil society to realise sustainable trade in global value chains.	Problematic plastics	Plastic which cannot be reused, recycled or composted.
ILO	International Labour Organization.	REDcycle	Australian initiative for recovering post-consumer soft plastic.
Just transition	Seeks to ensure that the substantial benefits of a green economy transition are shared widely, while also supporting those who stand to lose economically – be they countries, regions, industries, communities, workers or consumers.	RI	Reportable injuries. An employee injury that results from an accident arising out of or in connection with work activities, and that is required to be reported to the external regulatory authorities under the terms of the legislation of the country.
LGBTQIA+	Lesbian, Gay, Bisexual, Transgender, Queer (or Questioning), Intersex, Asexual and more.	Salient risks	As defined in the United Nations Guiding Principles in Business and Human Rights.
LTI	Lost Time Injury. An injury which results in at least one day/shift off work.	Save the Children	The first global organisation devoted solely to serving children's needs and securing their rights.
Mercy Corps	Non-governmental organisation focused on creating a future where everyone can prosper	SBTi	Science Based Targets initiative
NDC	Nationally Determined Contributions	SDG	UN Sustainable Development Goals. On 25 September 2015, countries adopted a set of 17 goals to end poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda. Each goal has specific targets to be achieved by 2030.
Net zero	Reduce Scope 1, 2 and 3 emissions to zero or to a residual level that is consistent with reaching net zero emissions at the global or sector level in eligible 1.5°C scenarios or sector pathways; and neutralising any residual emissions at the net zero target date and any GHG emissions released into the atmosphere thereafter.	Sedex	Supplier ethical data exchange. An ethical trade membership organisation that provides an online platform, tools and services to help businesses operate responsibly and sustainably, protect workers and source ethically.
Nutrient Profiling Model	Frequently used by UK regulators in the context of public health policy related to foods. The model determines those foods that are assessed as being High in Fat, Salt or Sugar (HFSS) as consumed per 100g.	TCFD	The Task Force for Climate-related Financial Disclosures. A collaboration which has developed recommendations on the types of information that companies should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing a specific set of risks related to climate change.
OECD	Organisation for Economic Cooperation and Development		
Paris climate agreement	A legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016. Its goal is to limit global warming to well below 2 degrees Celsius, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.		

Glossary *continued*

Third Sector Awards	British publication that covers the management of the voluntary and not-for-profit sector.
TNFD	Taskforce on Nature-related Financial Disclosures. A collaboration of financial institutions, corporates and market service providers to develop and deliver a risk management and disclosure framework for organisations to report and act on evolving nature-related risks.
UNGPs	United Nations Guiding Principles on Business and Human Rights. These provide a framework for the measures nations and businesses should implement to protect and respect human rights.
UNICEF	United Nations Children's Fund. An agency of the United Nations responsible for providing humanitarian and developmental aid to children worldwide.
USAID	United States Agency for International Development. An independent agency of the US federal government that is primarily responsible for administering civilian foreign aid and development assistance.
USDA EPIC model	Model developed by the Texas AgriLife Research and the United States Department of Agriculture (USDA). It simulates global and regional crop growth and development in response to external conditions such as the climate.
WBCSD	World Business Council for Sustainable Development
WRAP	Waste Resources Action Plan. A climate action NGO working around the globe to tackle the causes of the climate crisis and give the planet a sustainable future.
WRI	World Resources Institute
ZDHC	Zero Discharge of Hazardous Chemicals programme. The programme supports the application of sustainable chemistry and best practices in the textile, leather, and footwear industries to protect consumers, workers, and the environment.