

INDEPENDENT ASSURANCE STATEMENT TO THE DIRECTORS OF ASSOCIATED BRITISH FOODS

We have performed a limited assurance engagement on selected performance data and statements presented in the Associated British Foods plc Corporate Responsibility (CR) Report 2016 ('the Report').

Respective responsibilities

Associated British Foods management is responsible for the collection and presentation of the information within the Report. Associated British Foods management are also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement, whether due to fraud or error.

Our responsibility, in accordance with our engagement terms with Associated British Foods management, is to carry out a 'limited level' assurance engagement on selected data and performance claims in the Report ('the subject matter information'). The subject matter information in the scope of the EY assurance has been indicated with a Δ symbol in the Report. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

Our assurance engagement has been planned and performed in accordance with the International Standard for Assurance Engagements (ISAE) 3000 Revised, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, and to meet the requirements of a Type 2 assurance engagement as defined by AA1000AS (2008)¹. The AA1000AS (2008) assurance principles of Inclusivity, Materiality and Responsiveness have been used as criteria against which to evaluate the content of the Report, and Associated British Foods' CR reporting guidance (accessible at www.abf.co.uk/cr_reporting_guidance_2016) as criteria to evaluate the selected data defined below.

Summary of work performed

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

1. Interviewed a selection of Associated British Foods' executives and senior managers to understand the current status of Corporate Responsibility (CR) and Health, Safety & Environment (HSE) activities and progress made during the reporting period of 1 August 2015 to 31 July 2016.

2. Reviewed selected documents

including Board minutes, CR leaders' group and HSE leaders' group minutes to assess management awareness of CR and HSE issues, review CR and HSE progress, and to test the coverage of topics within the Report.

3. Reviewed Associated British Foods' approach to stakeholder engagement

through interviews with employees with responsibility for managing engagement activities at Group and selected site locations.

4. Performed detailed data testing on selected Group and Division HSE data ('selected data').

The worksteps performed included:

- Site visits to seven Associated British Foods locations to review local level data collection processes.

Selected data subject to detailed review in the Report

- Number of work-related deaths to employees
- Number of work-related deaths to independent contractors as a result of Associated British Foods work activities
- Number of reportable injuries to employees
- 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
- Energy consumption (GWh) consisting of: electricity imported, natural gas used, coal and anthracite used, heavy fuel oil used, renewable fuel (bagasse, residue and wood) and imported steam used
- Greenhouse gas emissions (tCO₂e) consisting of: energy consumption inputs, process emissions, transport emissions and agricultural emissions
- Quantity of non-hazardous waste sent for disposal (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 for the containment, protection, handling, delivery and presentation of goods (tonnes)

¹ AA1000AS (2008) – The second edition of the AA1000 assurance standard from the Institute of Social and Ethical Accountability.

- Reviewing the disaggregated health and safety and environmental data for a sample of local companies within each Division back to source evidence.
- Assessing whether the health, safety and environmental data has been collected, consolidated and reported appropriately at a Group and Division level in line with Associated British Foods' CR reporting guidance.

5. Reviewed Associated British Foods' processes for determining material issues to be included in the Report.

6. Reviewed the coverage of material issues within the Report for the reporting period against the key issues raised by Associated British Foods' stakeholder engagement activities, material issues and areas of performance covered in external media reports, and the topics discussed by the Board, CR leaders' group and HSE leaders' group.

7. Reviewed information or explanations about the Report's data, statements and assertions regarding Associated British Foods' CR and HSE performance.

Limitations of our review

Our evidence gathering procedures were designed to obtain a 'limited level' of assurance (as set out in ISAE3000 Revised) on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement (such as a financial audit) and therefore a lower level of assurance is provided.

The scope of our engagement was limited to the reporting period of 1 August 2015 to 31 July 2016, and did not include and assessment of performance information relating to prior reporting periods.

We have not sought any supporting evidence for data that has been sourced from Associated British Foods' Annual Report and Accounts.

We have not provided assurance over claims made by Associated British Foods that are statements of belief or forward looking in nature.

Completion of our testing activities has involved placing reliance on Associated British Foods' controls for managing and reporting HSE information, with the degree of reliance informed by the results of our review of the effectiveness of these controls. We have not sought to review systems and controls at Associated British Foods beyond those used for HSE data.

The responsibility for the prevention and detection of fraud, error and non-compliance with laws or regulations rests with Associated British Foods management. Our work should not be relied upon to disclose all such material misstatements, frauds, errors or instances of non-compliance that may exist.

Our conclusions

Based on the scope of our review our conclusions are outlined below:

Inclusivity

Has Associated British Foods been engaging with stakeholders across the business to develop its approach to sustainability?

- We are not aware of any key stakeholder groups which have been excluded from engagement.
- We are not aware of any matters that would lead us to conclude that Associated British Foods has not applied the inclusivity principle in developing its approach to sustainability.

Materiality

Has Associated British Foods provided a balanced representation of material issues concerning its sustainability performance?

- We are not aware of any material issues raised in our review of media and Board papers which have been excluded from the Report.
- Nothing has come to our attention that causes us to believe that Associated British Foods management has not applied its processes for determining material issues to be included in the Report.

Responsiveness

Has Associated British Foods responded to stakeholder concerns?

- We are not aware of any matters that would lead us to conclude that Associated British Foods has not applied the responsiveness principle in considering the matters to be reported.

Completeness and accuracy of performance information

How plausible are the statements and claims within the Report?

- We have reviewed information or explanations on selected statements on Associated British Foods' sustainability activities presented in the Report and we are not aware of any misstatements in the assertions made.

How complete and accurate (in line with Associated British Foods' CR reporting guidance) is the 'selected data' presented in the Report (outlined above in step 4 of 'Summary of work performed')?

- With the exception of the limitations identified in the Report, we are not aware of any material reporting units (as defined by Associated British Foods) that have been excluded from the selected data relating to the topics above.

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- Nothing has come to our attention that causes us to believe that the data relating to the above topics has not been collated properly at a Group or Division level.
- We are not aware of any errors that would materially affect the data as presented in the Report.
- We identified a number of instances where Associated British Foods' safety and environment data approval processes at a site and company level were not effective in identifying errors. Whilst these errors were corrected during the course of our work, Associated British Foods should consider improving these data review and sign-off processes at the site, company and additionally, the Division level.

Observations and areas for improvement

Our observations and areas for improvement will be raised in a report to Associated British Foods management. Selected observations are provided below. These observations do not affect our conclusions on the Report set out earlier in this statement.

- In 2016 Associated British Foods experienced three fatalities across their operations, two of which involved contracted staff. Although these fatalities have been publically reported, Associated British Foods do not report contractor injuries at a Group level. In order to improve transparency in contractor safety, Associated British Foods should consider reporting performance in this area across their operations.
- Associated British Foods currently discloses reportable injuries, the definition of which is based on the local regulatory requirements in different countries. The difference in definitions for reportable injuries can cause difficulty in using this metric to understand relative performance across the business. Associated British Foods should consider publishing their LTI performance and LTI frequency rate (LTIFR) alongside their reportable injuries in the future.

Our independence and competence

We have implemented measures to comply with the applicable independence and professional competence rules as articulated by the IFAC Code of Ethics for Professional Accountants and ISQC12. EY's independence policies apply to the firm, partners and professional staff. These policies prohibit any financial interests in our clients that would or might be seen to impair independence. Each year, partners and staff are required to confirm their compliance with the firm's policies.

We confirm annually to Associated British Foods whether there have been any events including the provision of prohibited services that could impair our independence or objectivity. There were no such events or services in 2016. Our assurance team has been drawn from our global Climate Change and Sustainability Services Practice, which undertakes engagements similar to this with a number of significant UK and international businesses.

Ernst & Young LLP
London

8 November 2016