

Environmental, Social and Governance Appendix 2019



Welcome to our ESG Appendix 2019

At Associated British Foods, we help to make millions of people's lives better through the provision of safe, nutritious food and affordable clothing.

This appendix, which supplements our [2019 Responsibility Report](#), contains key environmental and social performance metrics, as well as an overview of our governance arrangements.

It also outlines our approach to reporting, defines the scope and definitions for our responsibility performance, and summarises the methodologies used for calculating the environmental and social impact of our activities.

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Additional online information

Please visit our website at www.abf.co.uk/responsibility for:

-  [Our 2019 Responsibility Report](#)
-  [Our previous corporate responsibility reports and updates](#)
-  [Our Modern Slavery and Human Trafficking Statement 2019](#)



Our responsibility performance

Each of our businesses continually monitors, assesses and reviews its performance across key activities, from health and safety to impact on the environment. The results inform the process of continual improvement that drives all our business operations.

Reporting our performance

Associated British Foods has five business segments: Grocery, Sugar, Agriculture, Ingredients and Retail. Within these five segments, there are 305 factories or manufacturing sites, warehouses, distribution centres and offices, as well as 371 Primark stores, which within this reporting period have collated their relevant environment, safety and social data.

How we assess our performance

We conduct a range of internal verification processes and commission independent external audits to help us to continuously improve our responsibility performance, report accurately and meet recognised standards. Environment and safety data are submitted by each site into a group-managed data system. All data must be reviewed and approved at the business level, usually by a senior environmental, safety, operational or

financial representative, or a cross-functional team representing these roles. Greenhouse gas (GHG) emissions data receives additional review and approval by finance.

Our Health, Safety and Environment (HSE) Team conducts an annual internal verification process of the group's HSE data to ensure it is complete, accurate and aligned with our group guidelines.

Throughout the year, we collaborate with all our businesses to help with continuous improvements in data accuracy. This work includes regular training, distribution of materials and consultation if changes are made to data requirements or the reporting system.

All the data we report are based on the best possible systems and methodologies currently available to us and, where applicable, aligned with internationally or nationally recognised standards. However, there are always continuous improvements in data systems, methodologies and scientific uncertainties that may impact measurement and estimations, particularly for our GHG emissions. Where possible, we use accurate data from sources such as invoices, meter readings and weight measurements. These, too, will be subject to continuous improvement.

Due to rounding, business segment numbers presented throughout this document may not add up to precisely the group totals reported.

Independent assurance

We engaged EY to provide limited assurance over the reliability of 15 HSE key performance indicators (KPIs) for the year ended 31 July 2019 in accordance with the International Standard for Assurance Engagements (ISAE) 3000. These are marked with the symbol Δ within this report. EY conducts its assurance through a review of reporting processes and controls, evidenced through site visits, document reviews and interviews with key individuals. In addition, this year EY conducted assurance over our [2019 Responsibility Report](#) and this ESG Appendix, taking into account the principles of inclusivity, impact, materiality and responsiveness as defined by the AA1000 AccountAbility Assurance Standard (AA1000AS, 2008) with 2018 Addendum (AA100AP, 2018).

For EY's full assurance statement, see our [2019 Responsibility Report](#).

ESG recognition

Leaders in diversity and inclusivity

Primark was listed in Retail Week's Diversity Super League 2019 as one of the top 15 companies in the UK for fostering an inclusive culture.

AB Enzymes gets gold

In May 2019, AB Enzymes received its first gold rating from EcoVadis. Now rated as 'advanced', a score of 69 out of 100 puts the company in the top 2% of the index. EcoVadis provides a framework for companies looking to improve their environmental impact, reduce human rights and ethical risks, and develop sustainable procurement practices. The methodology is based on international standards including the Global Reporting Initiative (GRI), the United Nations Global Compact (UNGC) and ISO 26000.

Primark recognised as top employer

Primark received the coveted Top Employer Germany 2019 certification from the internationally recognised Top Employers Institute. The award recognises Primark's continuous efforts to create a good working environment for its German colleagues, and to promote and develop talent throughout the business. The award assessed the company's standards in areas including learning and development, talent strategy, workforce planning, compensation and benefits, and company culture.

Governance

Good governance is essential to our continued success and sustainability as a business, and for protecting our shareholders. As a company built on strong principles, we nurture ethical business practices and integrity across the group in all our actions every day.

The Red Book

Associated British Foods is a diverse group of businesses whose greatest strength lies in having management teams closely connected to their markets. We believe that decisions should be taken as close as possible to their point of impact. This requires management teams to have the freedom to act and the right to be flexible and fast.

We have relatively few centrally mandated policies and procedures, but those we do have are essential to the good operation of the group. The Red Book is an internal document that contains all the information that executives need to meet their obligations and to enjoy the freedom to operate. The Red Book applies to all subsidiaries, joint ventures and associates of Associated British Foods plc.

The Red Book states:

“All businesses are required to operate in an ethical manner in terms of their stewardship of the environment, their employees, the people they work with and the communities in which they operate.”

“Product integrity and food safety are key to our success. Businesses must ensure that high standards are maintained throughout operations and raw material sourcing.”

Responsibility governance and risk

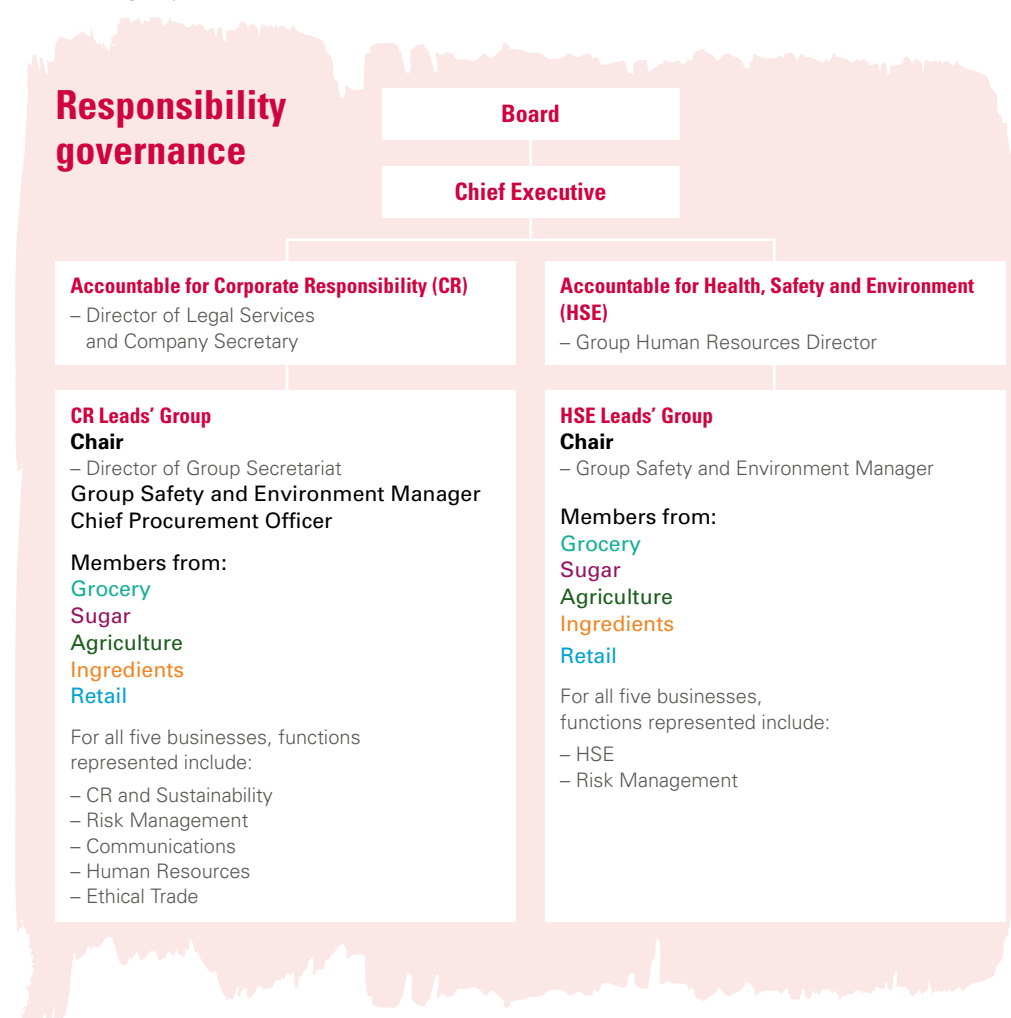
The Director of Legal Services and Company Secretary has overall accountability for all responsibility issues and is supported by the Director of Group Secretariat. Our Group Human Resources (HR) Director has overall responsibility for operational safety and environment matters and is supported by the Group Safety and Environment Manager. Both the Director of Legal Services and Company Secretary and the Group HR Director report to the Chief Executive.

Within individual businesses, accountability for responsibility sits with the Chief Executive and a corporate responsibility (CR) lead. Each Chief Executive is required to sign and submit an annual summary and mitigation plan for all types of business risk, including safety, environment and other material responsibility issues. These are collated and reviewed by the group board, to help monitor our overall exposure. These formal processes complement the regular CR and HSE group leads’ meetings, helping to maintain best practice sharing across the group.

The divisional CR and HSE leads act as key points of contact between the centre and individual divisions. Responsibility is embedded

across many roles, and as a result the CR lead role allows for the effective communication and cascading of information and requests across the group.

Read more about our risk processes in our [annual report](#).



Management approach

Responsibility

We pride ourselves on actively enhancing our employees' skills and creating opportunities for their progression and development, by investing in training, apprenticeships and mentoring. We also promote equality and celebrate diversity in all its forms.

Beyond our own operations, we aim to support socio-economic development by providing jobs and improving livelihoods. By working collaboratively with our neighbours, we aim to increase local capability and capacity, helping to build resilient rural economies and thriving communities.

We also believe in providing consumers with the relevant information they need to make educated choices, from clear labelling of ingredients to promoting healthy eating and active lifestyles.

Health, safety and environment

We aim to be responsible stewards of the environment by minimising any negative impacts. We focus on reducing our energy usage and GHG emissions, increasing resource efficiency, creating less waste and recycling more. We monitor our environmental impact across a number of areas, which enables us to measure our progress and identify where we need to do more.

We also prioritise health and safety and have a strong safety culture. As part of being responsible for our people and for promoting good health, we are committed to providing a safe and healthy workplace to protect all employees, contractors, visitors and the public from foreseeable work hazards.

Risks and opportunities

We operate a groupwide risk process, in which the management of each business is empowered to identify, prioritise and manage the risks they face. Risks are initially identified at individual sites, then collated at business, division and group levels. Risk assessments are received and reviewed at group level twice a year. Risks and their impact on business performance are considered at each board meeting, and a summary of business division risks is shared with the board at least twice a year as part of the formal risk assessment process.

The Chief Executives of each business are responsible for annually assessing key risks, which may include climate change and water availability, depending on the nature of the business operation. The assessments consider materiality, risk controls and the likely impact against a range of criteria such as business objectives, regulation and legislation, and reputation.

Environmental and social risks

Environmental and social issues are integrated into the overall group risk management and performance processes; risks are initially identified at site level, channelled up through the business and division levels and then collated at group level.

Environmental risks may range from macro issues such as climate change and water availability to more local issues such as managing emissions from factories and working within the local waste management infrastructure. At a group level, our material environmental risks are linked with climate change, water, waste and packaging.

Our efforts to reduce our environmental footprint also present opportunities, including cost reduction, improved efficiency and resilience, increased brand value and collaborative work with partners along our supply chain.

Social risks may arise from our interactions with – and responsibility towards – employees and contractors, suppliers, communities and consumers. Some of our material social risks include safety, health, human rights and talent management.

Examples of how we have defined and address certain environmental and social risks include the following:

Climate change: Risks related to climate change include increased direct and indirect costs associated with current and emerging regulation, availability of raw materials and commodities impacted by weather changes and unanticipated natural phenomena. Businesses particularly affected by climate change consider the implications within their business planning and implement adaptation plans. Some of our businesses have set GHG emissions reduction goals. Further information is available in our CDP Climate Change response at www.cdp.net.

Water: Water is a primary resource for the majority of our businesses, particularly those in the sugar, yeast, baking and pharmaceutical industries. Consequently, understanding quality and quantity risks associated with current and future water supply at the local level is critical. We disclose our annual performance and approach through an annual CDP Water response (see www.cdp.net).

Safety and wellbeing: Our businesses have tailored action plans to reduce the risk of injuries and incidents in their own operations. Our principal safety risks include minimising harm from moving vehicles, preventing falls from height, preventing injuries from moving machinery, working safely in confined spaces and managing our contractors.

Health: Helping consumers make healthy choices means keeping them informed of our products' nutritional profiles. Products must comply with different legislation around the world and, even though these regulations are constantly evolving, we are giving consumers the information they need. We're also developing innovative formulas to reduce the salt, sugar and fat content of certain products and add essential fibre, vitamins and minerals.

Human rights and community support: Within our operations and supply chains, we are vigilant in understanding and addressing risks such as violations of human and labour rights. Communities in which we work or source our materials may also face challenging risks. These include labour and welfare standards, income for smallholders, gender discrimination, land rights and environmental degradation. By working to internationally recognised standards and partnering with global experts, we can address these risks, improve conditions for workers and strengthen our supply chains.

Talent management: We recognise that a diverse talent pool gives us a competitive edge and that by not engaging with a wide group of people, we would also limit the long-term success and sustainability of Associated British Foods. We are therefore active in addressing the barriers that have historically prevented the best talent from reaching the top of organisations and realising their full potential.

Policies, statements and guidelines

To ensure good governance and ethical behaviour across our group and supply chain, we have developed a series of policies to guide our actions and those of our employees, suppliers and partners.

It is the responsibility of the chief executive of each business to ensure that their business is compliant with both relevant legislation and group policies. The chief executives and finance directors of each business are required to complete a bi-annual return confirming their compliance with all relevant laws and regulations.

Our policies include:

- [Animal Health and Welfare Policy](#) – how we support and promote high standards of animal welfare throughout our business and supply chain, guided by the internationally recognised [Five Freedoms](#);
- [Anti-Bribery and Corruption Policy](#) – our commitment to the highest standards of ethics and compliance with all relevant laws;
- [Anti-Fraud Policy](#) – how we deter, prevent and detect fraud, and actions we will take in the event of fraudulent activity being discovered;

- [Environment Policy](#) – our principles for being responsible stewards of the environment and minimising any negative impacts;
 - [Genetically Modified \(GM\) Ingredients Policy](#) – our approach to the use of GM ingredients in foods for both human and animal consumption;
 - [Health and Safety Policy](#) – how we ensure safe and healthy workplaces for everyone;
 - [Ilovo Group Guidelines on Land and Land Rights](#) – the guidelines developed by Ilovo Sugar Africa governing its zero-tolerance approach to land grabs, extended to all its suppliers;
 - [Modern Slavery Statement 2019](#) – how we address issues around modern slavery and human trafficking by focusing on areas of greatest risk;
 - [Payment Policy](#) – our commitment to the Prompt Payment Code and paying our bills efficiently and on time;
 - [Primark Code of Conduct](#) – the standards Primark requires from its suppliers, and how incidents of non-compliance are managed;
 - [Supplier Code of Conduct](#) – how we ensure our suppliers and our representatives live up to our values and standards;
 - [Tax Strategy](#) – the principles governing the management of our tax affairs across the group; and
 - [Whistleblowing Policy](#) – how we protect people who raise matters of public interest to stop malpractice and wrongdoing.
- [Responsibility-related policies and reports](#) can be found online.

Supplier Code of Conduct

Our comprehensive groupwide [Supplier Code of Conduct](#), included in supplier contracts, sets out the values and standards we expect of our suppliers, representatives and the other people we work with. Suppliers are expected to sign and abide by this Code.

It is based on the eight core conventions of the International Labour Organization (ILO) and the Ethical Trade Initiative (ETI) Base Code, which cover working hours and conditions, collective bargaining, forced labour, child labour and discrimination. We engaged with non-governmental organisations (NGOs) in creating the Code and periodically update it to ensure its continued relevance.

The Code is included in supplier contracts and distributed primarily in English. However, where appropriate, it is translated into local languages – including Spanish (AB Agri), Czech (AB Agri) and German (ABFI).

The Primark Code of Conduct

Primark has its own [Code of Conduct](#), providing guidance and setting out expectations for suppliers, and available in 42 languages. To make it onto Primark's approved factory list, each factory is audited to internationally recognised standards as set out in the Code and must commit to meeting the Code as a condition of doing business with the company. Primark's Ethical Trade and Environmental Sustainability Team, a group of more than 100 experts based in key sourcing countries, monitors compliance with the Code.

Assessing risk

To continually improve our responsibility performance, we conduct internal verification processes and independent external audits to assess risk, meet recognised standards and increase the accuracy of our reporting.

We audit high-priority sites against the Code of Conduct to provide insights into the working conditions and labour standards of the factories that supply our products. This is particularly the case with high-risk suppliers or those identified as operating in high-risk regions.

Due to their diverse and decentralised nature, our businesses have their own measures for auditing their suppliers and supply chains. For example:

- Twinings places a particular focus on auditing high-risk suppliers for compliance with labour and human rights standards;
- Primark audits each of its supplier factories at least once a year, to check whether the standards in its own Code of Conduct are being met. In 2018, 3,319 audits were carried out, with unannounced follow-up audits carried out at least annually. Once audited, factories are rated, and those with critical or zero-tolerance issues are not approved;
- Allied Bakeries tracks suppliers' acceptance of its terms and conditions, and the number of tier 1 suppliers that have signed up to the Code of Conduct or an approved equivalent;
- British Sugar monitors how many suppliers are signed up;
- Ilovo Sugar Africa carries out a mapping of modern slavery risks throughout the group's supply chain;

- AB Agri maps its ingredient suppliers' country of origin and is aligning this with its supplier performance management; and
- Westmill audits suppliers using the SMETA 4 pillar for environmental audits.

In addition, AB Agri has completed self-assessments at 18 of its 19 owned manufacturing sites, as have a number of UK Grocery businesses, including Allied Bakeries and AB World Foods.

We collaborate with other buyers using Sedex and AIM-PROGRESS, enabling us to reduce audit fatigue among our suppliers and to collaborate with other businesses on human rights issues. For example, AIM-PROGRESS's Human Rights Work Stream facilitates shared learning on topics such as risk assessments, supplier training and grievance mechanisms.

However, it is important to strike the right balance between reducing the administrative burden and tackling root causes. Our UK Grocery, AB Agri, British Sugar, Twinings Ovaltine and ABF Ingredients businesses use the [Sedex](#) platform to make responsible sourcing and supply chain data more widely available to customers and suppliers; some businesses also use it to assess their own suppliers.

We also engage with organisations that assess performance on human rights issues, such as the Corporate Human Rights Benchmark (CHRB) and KnowTheChain.

Action plans and mitigation

Suppliers are expected to have action plans in place to address any adverse findings. If a supplier is found not to have met the Code's expectations and standards, we work closely with them, offering training and support to help them to improve.

We would only consider terminating a commercial relationship with a supplier if no improvements were made over an agreed timeframe, or if there was no commitment to make and follow a corrective action plan.

Human rights

Due to the diverse and decentralised nature of our group, individual businesses are responsible for their own actions to identify and address human rights issues. Training is provided to employees where appropriate.

We have a groupwide Modern Slavery Statement, and a number of individual businesses have also developed their own statements. These are published on our [website](#).

Specific actions taken by individual business include:

- Twinings working with global human rights experts to conduct a human rights impact assessment and map human rights risks within its own operations and supply chain;
- Westmill and AB Agri developing specific human rights policies; and

- Jordans' role in a public-private partnership that seeks to eradicate child labour from the hazelnut supply chain in Turkey.

Illovo Sugar Africa is committed to respecting internationally recognised human rights and has adopted policies and practices to protect against human rights abuses, including land rights. Illovo Sugar Africa has developed [Guidelines on Land and Land Rights](#) and rolled out public-private partnerships aimed at fostering commitment to good practice across the group, as well as protecting and supporting land rights for small growers throughout the supply chain in Mozambique.

Product safety and quality

Product quality is regularly assessed, including through the use of supplier audits. A number of businesses have specific procedures in place to manage product traceability, withdrawal and recalls, as well as conducting employee training, regular site process audits and mock recall exercises.

Several businesses also maintain compliance with external standards including the British Retail Consortium's (BRC) global food safety standard, ISO 9001 standard for quality management and FSSC 22000 scheme for food safety management systems. We also provide training in sustainable techniques to growers in our supply chains, helping them to increase yields and improve product quality.

Environment

This year, half of our manufacturing sites and retail stores have applied internationally recognised standards or obtained external certification for the quality of their environmental management systems. The standards include ISO 14001 (environmental management) and ISO 50001 (energy management). These facilities are subjected to external audits to ensure sound environmental management. In addition, other sites are working towards certification to drive improvements in their approach to environmental responsibility.

We engage independent HSE specialists to provide us with an objective opinion of our environmental performance through a compliance and risk management audit programme.

Health and safety

All our businesses must comply with Associated British Foods' [Health and Safety Policy](#), and many businesses supplement this with additional policies of their own. Each business has a nominated director with specific responsibility for health and safety; responsibility for achieving compliance with the policy is devolved to the chief executive or managing director.

We engage independent HSE specialists to provide us with an objective opinion of our safety performance through a compliance and risk management audit programme.

Collaborations and partnerships

Many of the issues our businesses face are too great to solve alone, so we collaborate with like-minded public and private organisations, academic institutions, trade associations and NGOs to achieve our goals. Some of our partners are listed below.

Business segment	Partners, membership organisations and collaborations	Business segment	Partners, membership organisations and collaborations	Business segment	Partners, membership organisations and collaborations
Group	AIM-PROGRESS All-Party Parliamentary Corporate Responsibility Group (APCRG) Business in the Community (BITC) Food Ethics Council Home Office Business Against Slavery Forum Roundtable on Sustainable Palm Oil (RSPO)	Sugar	AIMCRA All-Party Parliamentary Group for the East of England Association of Decentralised Energy British Beet Research Organisation (BBRO) British Nutrition Foundation British Soft Drinks Association (BSDA) DFID (C2P project) Electricity Networks Association Environment Agency EU Commission Fairtrade Food and Drink Federation Health and Safety Executive Land: Enhancing Governance for Economic Development (LEGEND) Landesa Midlands Sustainable Sugar Supply Chain Collaboration National Farmers' Union (NFU Sugar) Noodsberg Canegrower Parliamentary Renewable and Sustainable Energy Group Red Tractor Road Haulage Association Solidaridad (Southern Africa) South African Sugar Association South African Sugarcane Research Institute (SASRI) Spanish Institute of Photovoltaic Energy Sugarcane Growers Association of Malawi (SUGAM) Sustainable Sugarcane Farm Management System (SUSFARMS) UK Power Networks University of Cambridge's Centre for Industrial Sustainability USAID WaterAid WWF	Ingredients	Fundación Banco de Alimentos (Food Bank Foundation) Fundación EDAPI Fundación León
Grocery	Asian University for Women Australian Food and Grocery Council (AFGC) Australian Packaging Covenant Organisation (APCO) Business for Social Responsibility (BSR) CARE International China Foundation for Poverty Alleviation Courtauld 2025 Ethical Tea Partnership (ETP) FareShare Fair Labor Association (FLA) Foodbank Gravis International Labour Organization (ILO) Linking Environment and Farming (LEAF) Malawi Tea 2020 Mercy Corps Optum Oxfam The Prince's Countryside Fund Rainforest Alliance The RED Group Royal Agricultural University Salvation Army Save the Children UNEP Sustainable Rice Platform (SRP) Unicef United Nations Foundation Universal Access Project University of Reading The Wildlife Trusts WRAP UK Plastics Pact	Agriculture	Agricultural Industries Confederation (AIC) European Feed Manufacturers' Federation (FEFAC) Health Assured National Farmers Union (NFU) UK Roundtable on Sustainable Soya	Retail	Action, Collaboration, Transformation on Living Wages (ACT) Bangladesh Accord on Building and Fire Safety Business for Social Responsibility (BSR) HERhealth project Cambridge Natural Capital Impact Group Cotton Campaign Pledge CottonConnect Cruelty Free International DFID e.g. WoW Project and Sudokkho Ellen MacArthur Foundation Make Fashion Circular Ethical Trading Initiative (ETI) Heping Cotton Farmers' Cooperative ILO's Better Work programme ILO's International Programme on the Elimination of Child Labour (ILO-IPEC) Impactt Institute of Public & Environmental Affairs (IPE) – China International Lesbian, Gay, Bisexual, Trans and Intersex Association (ILGA World) MicroBenefits Mott MacDonald Myanmar Centre for Responsible Business (MCRB) Organisation for Economic Co-operation and Development (OECD) Partnership for Sustainable Textiles REEDS (the Rural Education and Economic Development Society) Self-Employed Women's Association (SEWA) SHEVA Social Accountability International (SAI) St. John's Medical College Sustainable Apparel Coalition (SAC) Unicef UN Women Zero Discharge of Hazardous Chemicals (ZDHC) Foundation

Our commitments

Associated British Foods is a decentralised business that responds to the needs and expectations of the particular markets it operates in. Below are a selection of the commitments made by our businesses in line with those expectations. Further details can be found on individual business websites.

Environmental

Contributing to the [Courtauld Commitment 2025](#) (WRAP initiative), between 2018 and 2025 our UK Grocery businesses seek:

- a 20% reduction in food and drink waste arising in the UK;
- a 20% reduction in the GHG intensity of food and drink consumed in the UK; and
- a reduction in impact associated with water use in the supply chain.

Our UK Grocery businesses also contribute to WRAP's [UK Plastics Pact](#), which by 2025 aims:

- to take actions to eliminate problematic or unnecessary single-use plastic packaging items through redesign, innovation or alternative (reuse) delivery models;
- for 100% of plastic packaging to be reusable, recyclable or compostable;
- for 70% of plastic packaging to be effectively recycled or composted; and
- for 30% average recycled content across all plastic packaging.

Under its Global Mind, Local Champions strategy, AB Sugar has made a number of 2030 commitments. These include:

- reducing its end-to-end supply chain water and CO₂ footprints by 30%; and

- making all its plastic packaging reusable, recyclable, biodegradable or compostable.

In line with Greenpeace's Detox campaign, Primark aims to:

- phase out the use of certain chemicals by 2020; and
- have 100% of its supply chain publishing water and air discharge data.

Primark supports the UK Sustainable Clothing Action Plan (SCAP) 2020 commitments to:

- reduce carbon by 15%;
- reduce waste to landfill by 15% (UK);
- reduce waste arising over the whole product life cycle by 3.5%; and
- reduce water in product manufacturing by 15%.

We are committed to sourcing 100% cage-free eggs for our UK grocery brands by 2025, and our George Weston Foods business in Australia and New Zealand is also committed to transitioning to 100% cage-free eggs for its brands and products by 2025.

AB Agri's Formula 24 has the following 2024 aspirations:

- make customers 24% more efficient;
- reduce our operational energy footprint by 20%;
- source responsibly; and
- lead on feed safety.

Social

Primark's long-term ambition is for all the cotton in its supply chain to be sourced sustainably through its Sustainable Cotton Programme.

AB Ingredients' Programme Safe seeks to achieve zero accidents in the workplace.

The 2024 ambitions in AB Agri's Formula 24 include:

- AB Agri being good for its people; and
- making agriculture a first-choice career.

Twinings hopes to impact 500,000 lives by 2020 through its Sourced with Care programme.

By 2030, AB Sugar's Global Mind, Local Champions strategy is committed to:

- build vibrant, diverse value chains that increase the prosperity of its communities; and
- provide access to objective scientific advice on sugar, the diet and health to over 25 million people around the world.

Under the German Partnership for Sustainable Textiles, Primark:

- commits to 10% sustainable cotton in its ranges by March 2020; and
- supports a membership goal for total cotton use to comprise 25% sustainable cotton and 10% organic cotton by 2020.

ESG research agencies

With an increase in investor interest in ESG-related issues, we are engaging more than ever with individual investors and investor-related ESG research agencies on these topics. We strive to strike the right balance between communicating around areas of specific interest to these stakeholders and clearly representing the range of complex issues a company such as ours addresses every day. We work hard to engage with both investors and ESG research agencies to explain when our information does not fit neatly into a survey or standard question set.

Benchmarks

- We disclose our annual performance and approach through annual [CDP](#) questionnaires on climate change, water and forests, with our responses available to download online.
- Organisations such as the [CHRB](#) and [KnowTheChain](#) assess our performance on human rights and labour rights issues.
- Our approach to animal health and welfare is guided by the [Business Benchmark on Farm Animal Welfare \(BBFAW\)](#), the leading global measure of farm animal welfare management, policy commitment, performance and disclosure in food companies.
- We participate in ShareAction's [Workforce Disclosure Initiative \(WDI\)](#), providing data on how we manage issues like diversity, health and safety, and worker engagement to help improve the quality of employment in the operations and supply chains of multinational companies.

Driving the circular economy for fashion

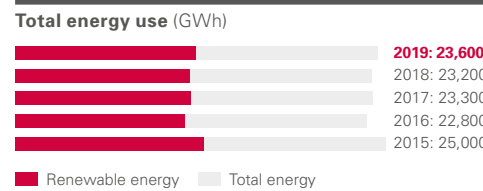
Primark is a member of the Ellen MacArthur Make Fashion Circular initiative, which is driving collaboration across and between industry leaders and other key stakeholders to create a textiles economy fit for the 21st century. The initiative's ambition is to develop and adopt new business models that move the textiles industry from a linear to a circular economy, maximising the use of renewable fibres, keeping products in use for as long as possible and giving a second life to old clothes. Primark attends all working meetings and is collaborating with member brands towards the goal of circularity.

Environment

Responsible stewardship of the environment is a core principle for Associated British Foods. For us, complying with all applicable legislation in countries where we operate is the starting point, not the end goal. Our businesses continuously consider and implement activities, voluntary commitments and internationally recognised management systems to reduce our environmental risks.

Energy

In 2019, our total energy use was 23,565 GWh^Δ, a 2% increase on 2018. Our Sugar businesses were responsible for consuming 82% of that total, or 19,238 GWh^Δ. They have continually improved energy use over the last ten years and look to drive efficiency and do more with every unit of energy consumed. For example, as well as producing both core sugar products and a range of specialty sugars, each of the 24 advanced sugar manufacturing sites produces more than 24 co-products, including molasses, sugar beet pulp and bioethanol.



Renewable energy use – consolidated (GWh)

2015	2016	2017	2018	2019 ^Δ
12,493	11,206	11,356	11,511	12,211

Renewable energy as share of total energy (%)

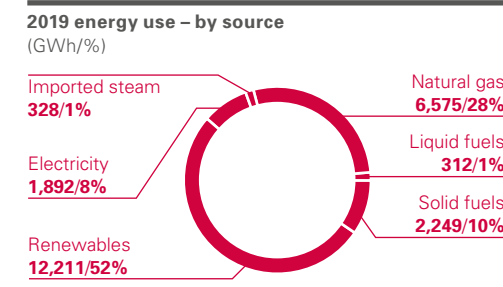
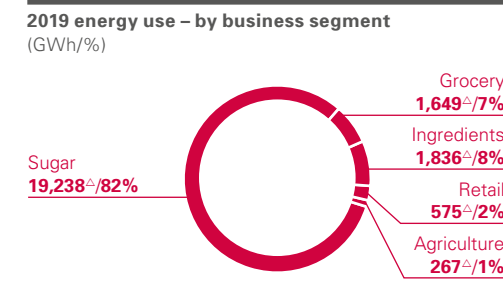
2015	2016	2017	2018	2019
50	49	49	50	52

Total energy use – by business segment (GWh)

	2017	2018	2019 ^Δ
Grocery	1,465	1,605	1,649
Sugar	19,255	18,962	19,238
Agriculture	214	226	267
Ingredients	1,867	1,883	1,836
Retail	514	540	575

Renewable energy use – by business segment (GWh/% of total energy use)

	2017	2018	2019
Grocery	1 0%	1 1%	12 ^Δ 0%
Sugar	11,240 58%	11,377 60%	12,078 ^Δ 99%
Agriculture	19 9%	17 7%	15 ^Δ 0%
Ingredients	97 5%	105 6%	105 ^Δ 1%
Retail	– 0%	– 0%	– ^Δ 0%



Total energy exported – consolidated (GWh)

2015	2016	2017	2018	2019
830	765	850	825	971

Energy exported – by business segment (GWh)

	2017	2018	2019
Grocery	0	0	0.1
Sugar	842	776	920
Agriculture	2	38	43
Ingredients	6	10	8
Retail	–	–	–

GHG emissions

Our total emissions (scopes 1, 2 and 3) have decreased again this year. For 2019, we report a 4% decrease compared with last year to 4.75 million tonnes CO₂e^Δ.

Our scope 1 and 2 emissions, those over which we have direct control, account for 84% of our total emissions and have reduced by 4% this year.

Total GHG emissions – scopes 1, 2 and 3
(‘000 tonnes CO₂e)

2015	2016	2017	2018	2019 ^Δ
5,629	5,280	5,057	4,966	4,746

GHG emissions – scopes 1, 2 and 3 by business segment (‘000 tonnes CO₂e)

	2017	2018	2019 ^Δ
Grocery	671	681	669
Sugar	2,869	2,785	2,615
Agriculture	183	185	172
Ingredients	902	888	875
Retail	432	428	415

GHG emissions – by scope (‘000 tonnes CO₂e)

	2015	2016	2017	2018	2019 ^Δ
Scope 1	3,731	3,397	3,217	3,228	3,162
Scope 2	1,081	1,054	1,026	925	831
Scope 3	817	807	814	813	753
Out of scope	3,978	3,441	3,652	3,711	3,962

GHG emission intensity against revenue – scopes 1 and 2 (tonnes CO₂e per £m)

2015	2016	2017	2018	2019
376	332	276	266	252

GHG emissions – by business segment
(‘000 tonnes CO₂e)

	2017	2018	2019 ^Δ
Grocery			
Scope 1	256	278	283
Scope 2	291	263	261
Scope 3	124	140	125
Out of scope	0.3	0.2	0.2
Sugar			
Scope 1	2,334	2,314	2,255
Scope 2	284	234	142
Scope 3	251	238	218
Out of scope	3,651	3,711	3,960
Agriculture			
Scope 1	52	55	56
Scope 2	36	30	35
Scope 3	95	100	81
Out of scope	0	0	0.1
Ingredients			
Scope 1	557	562	548
Scope 2	255	253	253
Scope 3	90	72	74
Out of scope	0	0	2
Retail			
Scope 1	18	19	21
Scope 2	160	145	140
Scope 3	254	263	255
Out of scope	–	–	–

Water

In 2019, we withdrew 880 million m³^Δ of water, which is a 5% increase compared with last year. Our Ingredients and Grocery businesses have reduced the amount of water entering their sites this year.

This year, over 169 million m³ of water has been reused by our operations. This means

that 19% of the water abstracted this year was used more than once in our operations before it was returned to the waterways. This is a cost and resource-efficient way of using a key resource multiple times. The water is treated before using it mainly for irrigation, land-spreading or vehicle washing.

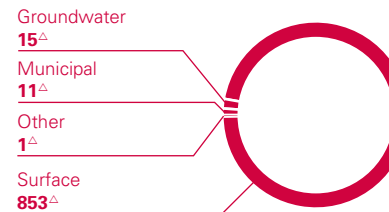
Total water abstracted (million m³)

2015	2016	2017	2018	2019 ^Δ
925	800	811	837	880

Water abstracted – by business segment
(million m³)

	2017	2018	2019 ^Δ
Grocery	4.6	4.6	4.4
Sugar	779	805	851
Agriculture	0.2	0.2	0.3
Ingredients	26.7	26.7	24.1
Retail	0.4	0.5	0.6

2019 water abstracted – by source (million m³)



Total water reused (million m³)

2017	2018	2019
202	228	169

Water reused as share of total water abstracted (%)

2017	2018	2019
25	27	19

Waste

Across the group, we generated 631,800 tonnes^Δ of waste, an 18% decrease compared with last year. Of this total, 80% was sent for recycling, recovery or other beneficial use.

Total waste generated ('000 tonnes)

2015	2016	2017	2018	2019 ^Δ
862	1,000	1,000	770	632

Total waste generated – by business segment ('000 tonnes)

	2017	2018	2019 ^Δ
Grocery	120	93	100
Sugar	659	483	337
Agriculture	5	5	6
Ingredients	122	98	101
Retail	92	90	88

Waste recycled ('000 tonnes/%)

2015	2016	2017	2018	2019
637/74%	787/79%	832/83%	631/82%	508 ^Δ /80%

Waste recycled – by business segment ('000 tonnes)

	2017	2018	2019 ^Δ
Grocery	107	80	87
Sugar	533	381	249
Agriculture	3	4	5
Ingredients	103	80	84
Retail	86	85	84

Packaging

In 2019, Associated British Foods used 258,800 tonnes^Δ of packaging. This is a 1% increase from last year, largely driven by production increases. Across the group, new customers, changes in product mix, new manufacturing facilities and smaller packaging units, driven by customer preference, all contributed to the level of packaging we used.

Waste sent to landfill ('000 tonnes/%)

2015	2016	2017	2018	2019
225/26%	216/21%	165/17%	140/18%	123 ^Δ /20%

Waste sent to landfill – by business segment ('000 tonnes)

	2017	2018	2019 ^Δ
Grocery	13	13	13
Sugar	126	102	88
Agriculture	2	2	1
Ingredients	19	18	17
Retail	6	5	4

2019 waste sent to landfill – by business segment ('000 tonnes/%)

Agriculture	1 ^Δ /1%
Ingredients	17 ^Δ /14%
Retail	4 ^Δ /3%
Sugar	88 ^Δ /71%
Grocery	13 ^Δ /11%



Our Grocery businesses, which account for 64% of the group's total packaging, increased their packaging use by 4% this year. There has been increased production at specific sites which influence the segment's total packaging. All other business segments decreased their packaging use this year compared with last year.

2019 waste recycled – by business segment ('000 tonnes/%)



Quantity of packaging used ('000 tonnes)

2015	2016	2017	2018	2019 ^Δ
238	248	243	256	259

Quantity of packaging used – by business segment ('000 tonnes)

	2017	2018	2019 ^Δ
Grocery	152	159	165
Sugar	16	15	15
Agriculture	3	4	4
Ingredients	27	29	26
Retail	44	49	49

Environmental compliance, fines and certification

We had 51 environmental complaints, 13 fewer than last year; most were associated with noise, dust and odour from our manufacturing sites.

This year, we received 14 environmental fines^Δ with a cost of £118,000^Δ which fell within the reporting year. These were largely due to the treatment of waste water, management of on-site waste, gas emissions and odour control.

We had 528 visits from regulatory authorities, of which 479 were routine inspections. These are welcomed as part of our continuous improvement and to address specific issues such as waste water quality monitoring and water testing. Visits were also made after new equipment was commissioned, to follow up on concerns raised by the community and to discuss permits.

Number of environmental fines

2015	2016	2017	2018	2019 ^Δ
4	10	10	4	14

Cost of environmental fines (£)

2015	2016	2017	2018	2019 ^Δ
1,000	41,000	187,000	33,000	118,000

Animal health and welfare

We believe in the importance of high animal health and welfare standards within modern agricultural systems. Our full [Animal Health and Welfare Policy](#) can be found online.

Sharing the concerns of their customers towards the fair and ethical treatment of animals, [Primark](#) and [AB Agri](#) also separately outline their approach to protecting the health and welfare of animals online.

Where animal health and welfare is concerned, we are guided by the Five Freedoms codified by the Animal Welfare Committee (formerly the UK Farm Animal Welfare Council) and the BFAW.

We recognise that there are a number of key animal welfare issues, highlighted by our customers, investors and other key stakeholders. We are addressing them as outlined below.

Close confinement

We recognise that providing farm animals with the space to exhibit natural behaviours is an important freedom, and we select systems that avoid close confinement where practical. This is evidenced by our removal of sow stalls from our Australian pork supply chain; our pig farms have been sow stall-free since November 2010. All pork sourced from Australia for the DON brand is certified sow stall-free through the Australian Pork Industry Quality Assurance Program. This demonstrates that farms comply with the Model Code of Practice for the Welfare of Animals.

AB Agri's contracted chicken farms operate to the UK's Red Tractor Assurance Scheme, which sets stocking density rates below legal maximums.

We listen to our customers and monitor supply information about the different egg types we offer. We are committed to sourcing 100% cage-free eggs for our UK grocery brands by 2025. Similarly, our George Weston Foods business in Australia and New Zealand is committed to transitioning to 100% cage-free eggs for its brands and products by 2025. Our operations outside these regions will also look to make progressive steps to address this issue.

Enrichment

We recognise that enrichment in production systems is a core component in underpinning modern welfare standards. This is illustrated by the provision of perches and/or pecking substrates in our contract chicken business (through the Red Tractor Assurance Scheme) and Australian chicken supply chain (RSPCA Approved Farming Scheme). Additionally, investments have been made in pig farms in Northern Victoria to enhance further the housing and enrichment provided to their pigs.

Antibiotic use

AB Agri endorses the 'One Health' approach to tackling antimicrobial resistance (AMR), as proposed by the European Commission in 2017. In agriculture, we recognise that antibiotics should be used only as prescribed by the farm's veterinary surgeon, never routinely used, and targeted at the appropriate dose and in the right circumstances to treat and cure sick animals. Read AB Agri's statement on [antimicrobial resistance](#).

Growth promoters

In the EU, the use of low-dose antibiotics for growth promotion ceased in January 2006, but we recognise that globally this, and the overuse of antimicrobials for therapeutics and prophylactic applications, is still common. We promote nutritional and management solutions that ensure healthy animals and reduce the need for antibiotic use.

Pre-stun slaughter

Our preference is for all animals to be stunned prior to slaughter. We have several markets where stunning is avoided due to religious rites.

Long-distance transport

We encourage the use of slaughter sites as close as possible to the point of production and require all suppliers to comply with legislative restrictions on journey times.

Animal testing

We prefer not to test the safety of our human food products on animals. For full information, see our [Animal Health and Welfare Policy](#).

Social

People are central to our business operations. We prioritise the health, safety and wellbeing of our employees and contractors, and aim to cultivate a diverse, inclusive and supportive working environment where everyone can achieve their full potential. We are also committed to respecting human and labour rights throughout our supply chains, and supporting the communities where we live and work.

Workforce

Our workforce consists of 138,097 people in full-time and part-time roles, as well as contractors and seasonal workers. Our people work in 52 countries across the United Kingdom, Europe and Africa, the Americas and Asia Pacific.

Location	Number of employees
United Kingdom	48,011
Europe & Africa	71,922
The Americas	5,640
Asia Pacific	12,524

Health and safety

This year, there were no work-related fatalities[△], and 76% of our factories and stores achieved a year's operation without any Reportable Injuries (RIs); 67% did not have a Lost Time Injury (LTI).

We recognise that there continue to be areas of high safety risk in our businesses. We work continuously towards our goal of zero harm in the workplace. Our goals remain to eliminate fatalities and continuously improve our safety performance. During the year, £29m was invested in safety risk management across our businesses to support the approach of continuously improving our safety performance.

See our [2019 Responsibility Report](#) for information about some of the actions we have taken to improve health and safety.

Work-related fatalities: employees

2015	2016	2017	2018	2019 [△]
0	1	0	2	0

Work-related fatalities: contractors

2015	2016	2017	2018	2019 [△]
1	2	0	2	0

Lost Time Injuries – by location

Location	2017	2018	2019
LTI employees			
Europe	643	698	565
Africa	33	29	24
The Americas	20	35	31
Asia Pacific	72	71	62
Total	768	833	682[△]
LTI contractors			
Europe	58	61	51
Africa	4	9	4
The Americas	6	0	1
Asia Pacific	12	12	2
Total	80	82	58[△]
LTI total			
Europe	701	759	616
Africa	37	29	24
The Americas	26	35	31
Asia Pacific	84	71	62
Total	848	915	740[△]

Reportable Injuries

RIs to employees fell by 14%, from 663 in 2018 to 573 this year, which equates to 0.54% of our employees having an RI. Our Retail business contributed 73% of the group's RIs but demonstrated strong performance, reporting a 19% decrease in employee RIs from 519 to 419.

Lost Time Injuries

This year, LTIs among employees decreased by 18%, from 833 last year to 682^Δ in 2019. This equates to an LTI rate of 0.65% of staff experiencing an injury that resulted in time off work. Our Grocery, Sugar and Retail businesses all recorded notable reductions, and 121 or 64% of our 190 manufacturing sites went without an LTI this year.

Our LTI rate of 0.65%, compared with 0.80% in 2018, represents a 19% reduction. For contractors, the annual LTI rate was 0.19%, compared with 0.37% in 2018. The decrease in LTIs among contractors, from 82 to 58^Δ, equates to a 29% reduction.

Improving safety performance

Across the group, the key risks remain moving vehicles interacting with people; falls from height; machinery safeguarding; the storage and handling of hazardous materials; manual handling of heavy and awkward loads; and the management of contractors.

Our businesses have focused their safety efforts in four key areas: providing strong

leadership from senior management; identifying and managing activities with the highest risk of fatal and serious injuries; supporting line managers accountable for workplace safety with safety specialists; and actively involving employees in their own safety. In addition, contractors are increasingly involved in safety management, helping to drive down their injury rates.

Primark operates across countries where the approaches to safety, in terms of national legislation, can influence injury reporting. For example, of Primark's total 513 LTIs to employees^Δ, the stores in France account for 229 of these injuries. During 2018, Primark made organisational changes to advance its

safety performance, with positive results already being achieved, including a reduction in employee LTIs of 20%.

We are continuously assessing the safety risks across our businesses and for the people who work for us and with us. Over recent years we have identified that we can improve our monitoring of contractor safety, and in 2017, we introduced a new key performance indicator to measure this area to help us target any actions required.

Lost Time Injuries

	2015	2016	2017	2018	2019
Employees	659	645	768	833	682 ^Δ
Employee rate	0.68%	0.66%	0.76%	0.80%	0.65%
Contractors ¹	-	-	80	82	58 ^Δ
Contractor rate ¹	-	-	0.38%	0.37%	0.20%

Lost Time Injuries – by business segment

	2017	2018	2019
Grocery			
Employees	112	116	96 ^Δ
Employee rate	0.70%	0.73%	0.64%
Contractors	17	19	3 ^Δ
Contractor rate	0.75%	0.65%	0.03%
Sugar			
Employees	49	52	43 ^Δ
Employee rate	0.15%	0.16%	0.13%
Contractors	15	23	9 ^Δ
Contractor rate	0.12%	0.18%	0.07%
Agriculture			
Employees	14	9	15 ^Δ
Employee rate	0.61%	0.42%	0.63%
Contractors	1	2	0 ^Δ
Contractor rate	0.47%	1.28%	0.00%
Ingredients			
Employees	19	15	15 ^Δ
Employee rate	0.29%	0.22%	0.22%
Contractors	6	2	3 ^Δ
Contractor rate	0.29%	0.10%	0.16%
Retail			
Employees	574	641	513 ^Δ
Employee rate	1.30%	1.37%	1.07%
Contractors	41	36	43 ^Δ
Contractor rate	1.07%	0.86%	1.05%

¹ Data not collected for 2015 and 2016.

Factories and stores with zero employee LTIs (%)

	2017	2018	2019
Sites with zero employee LTIs (%)	66%	69%	67%

Factories and stores with zero employee LTIs – by business segment (%)

	2019
Grocery	62%
Sugar	40%
Agriculture	64%
Ingredients	80%
Retail	68%

Reportable Injuries

	2015	2016	2017	2018	2019
Employees	465	454	594	663	573
Employee rate	0.48%	0.47%	0.59%	0.63%	0.54%

Reportable Injuries – by business segment

	2017	2018	2019
Grocery			
Employees	45	40	44
Employee rate	0.28%	0.25%	0.29%
Sugar			
Employees	62	62	69
Employee rate	0.19%	0.19%	0.21%
Agriculture			
Employees	4	3	3
Employee rate	0.17%	0.14%	0.13%
Ingredients			
Employees	46	39	38
Employee rate	0.70%	0.58%	0.56%
Retail			
Employees	437	519	419
Employee rate	0.99%	1.11%	0.88%

Fines, certifications and awards

This year, we received six fines² with a cost of £34,000² which fell within the reporting year. These resulted from a lack of risk assessment leading to a tank collapsing; unsuitable machine guards; poor working practices in hot and confined spaces; and the professional certification for an electrical system not being in place. These have now all been rectified, and safety standards are being met at the specific sites.

We had 326 visits from safety regulatory authorities, including 253 for routine inspections. Other visits were follow-ups to incidents or complaints, or to support continuous improvement. We welcome these regulatory visits as an opportunity to learn from safety specialists.

Several of our sites have been recognised for their approach to safety management during the year, including accolades from the UK’s Royal Society for the Prevention of Accidents (RoSPA), the Finnish Institute of Occupational Health and New Zealand’s Safeguard Workplace Health and Safety Awards.

Diversity and inclusion

Overall, the gender balance of Associated British Foods is fairly equal, with women making up 52% of our total global workforce. However, like most companies, women are less well represented at the top.

Our gender pay gap in Great Britain has remained largely unchanged over the last year. The mean hourly pay rate for women is 34.2%

lower than that for men, and women’s mean bonus pay rate is 38.2% lower. However, the median figures show a gap in favour of women. At the top of the group, gender balance is slow to change as we have a stable, mostly male, senior team, with long tenure. This also means that more men than women receive a bonus.

Across our businesses, we are investing in programmes to help to improve gender diversity and remove barriers to talent. Our groupwide Gender Diversity Task Force, comprising representatives from each division, meets regularly to share knowledge, resources and case studies on successful activities.

For more information on our gender pay gap, see our 2019 [annual report and accounts](#).

Number of health and safety fines

2015	2016	2017	2018	2019 ²
4	2	6	4	6

Cost of health and safety fines (£)

2015	2016	2017	2018	2019 ²
19,000	4,600	74,000	4,000	34,000

Gender metrics

	Total employees ²	Men in workforce	Women in workforce	Percentage of workforce who are women	Number of senior management roles ³	Number of men in senior management roles	Number of women in senior management roles	Percentage of senior management who are women
Grocery	17,059	11,400	5,659	33%	750	443	307	41%
Sugar	33,619	28,103	5,516	16%	334	242	92	28%
Agriculture	2,525	1,810	715	28%	343	211	132	38%
Ingredients	6,664	4,942	1,722	26%	576	425	151	26%
Retail	77,787	20,289	57,498	74%	302	155	147	49%
Central	443	269	174	39%	55	38	17	31%
Total	138,097	66,813	71,284	52%	2,360	1,514	846	36%

Gender pay gap (%)

	2019
Mean pay gap	34.2
Median pay gap	28.0
Mean bonus gap	38.2
Median bonus gap	-95.9
% of men received bonus	20.9
% of women received bonus	6.3

Proportion of men and women in each pay quartile (%)

	Male	Female
Upper quartile	67.3	32.7
Upper middle quartile	45.3	54.7
Lower middle quartile	19.3	80.7
Lower quartile	26.0	74.0

² Full-time, part-time and seasonal/contractors.
³ Includes directorships of subsidiary undertakings.

Notes, definitions and methodology

Across the group, we use a number of metrics to measure our performance. To ensure these are applied consistently, we apply standard definitions. We also have detailed reporting guidance, including the methodologies we use, for our greenhouse gas (GHG) emission reporting.

Scope of reporting

Our reporting year for environment and health and safety data is from 1 August to 31 July. Data are provided by all companies over which Associated British Foods has full operational control, or has financial control but does not fully own; and joint ventures and associates where we do not have a majority shareholding but do have either joint control or significant influence. These include our four most material joint ventures, measured in terms of net assets: Frontier Agriculture, Uniferm, Czarnikow and Stratas Foods. These joint ventures provide data to report their GHG emissions. Any new site or business acquired part-way through a reporting year is not required to provide its annual health, safety or environment data to Associated British Foods in that year.

Other metrics reported in here may have different start dates but still cover a 12-month period, closely aligned with ABF's financial year.

Definitions of key performance indicators (KPIs)

Environmental

Energy consumption: Energy data is reported in line with our GHG reporting scope (see below). The total energy consumption includes energy used from electricity, natural gas, gas oil, coal, diesel, coke, anthracite, petrol, kerosene, heavy fuel oil, LPG, renewable fuels and imported steam. The total is displayed as gigawatt hours (GWh) with a split between non-renewable and renewable fuels. Energy consumption is calculated using country-specific conversion factors from physical quantities to kWh to provide an accurate representation of our energy consumption. In 2014, a materiality check was applied to our energy KPIs, leading to the decision that, at the group level, we would estimate the consumption of specific non-material fuels. The following fuels are estimated as they account for less than 2% of Associated British Foods' energy consumption and resultant GHG emissions: coke, anthracite, petrol, kerosene, heavy fuel oil, gas oil and LPG. See our [2019 Responsibility Report](#) for information about some of the ways in which we are reducing energy consumption.

Environmental fine: A fine resulting from the regulator bringing legal action against the business for breaches of the relevant legislation. The cost of the fine is converted to British pounds using the currency conversion factors applied by Associated British Foods for the reporting year. We report the fine in the year it is received, even if the offence was committed during a previous year. We report the cost of the fine in the year it is paid. It is noted that some fines may be reported in one year with the cost and payment of the fine made in the following year.

Packaging: Tonnes of material used for the containment, protection, handling, delivery and presentation of our products. Waste packaging, packaging on materials purchased by sites and packaging used for internal transfers are excluded. See our [2019 Responsibility Report](#) for information about our approach to packaging.

Recycled waste: A substance or material that has no further use in our operation and so is sent off-site for use, for recycling or for recovery. These processes extract maximum value from the material. Where we state a material has been recycled in our reporting, this means it has either been recycled, recovered, reused or sent for another beneficial use. Recovery could include the material being cleaned, repaired or refurbished so that it can be used by others. Recycling could include the material being turned into a new substance or product. We continue to work with specific

sites and others across the group to improve their waste management and reporting.

Renewable fuel: Energy that is generated from renewable sources, which include bagasse, biogas, residue, trash and wood. The total is displayed as gigawatt hours (GWh). See our [2019 Responsibility Report](#) for more information about our use of renewable fuels and energy.

Waste: A substance or material that has no further use in our main processes and requires management to discard or treat prior to final disposal. We report hazardous and non-hazardous waste material, which is sent to landfill or for treatment prior to final disposal. Where waste data is unavailable – for example, at sites where Associated British Foods' businesses are not directly responsible for waste disposal – data are estimated based on similar locations and knowledge of operations during the year. For example, the waste generated by our Retail operations is often managed by third parties such as shopping centre waste management companies. Waste materials may not always be accurately quantified and assigned to specific businesses in the shopping centre. In these cases, our Retail division estimates the data based on a methodology, reviewed during the independent assurance process, and works with waste contractors to have oversight of the waste treatment across its supply chain. See our [2019 Responsibility Report](#) for more information about how we manage waste.

Water abstracted: We measure in cubic metres (m³) the total water abstracted, which has either been supplied by third parties or abstracted from local water sources. This includes the total quantity of water used for agricultural or horticultural purposes on our owned land, used in our factories or stores and distributed to employees, distributed to tenants and worker accommodation, and once-through cooling water used as a heat conductor to cool equipment in our factories. The same amount of water abstracted for cooling water is returned to the watercourse. We exclude rainwater and separately measure reused treated waste water used on our land or in our sites. See our [2019 Responsibility Report](#) for information about ways in which we are reducing water use.

Calculating our GHG emissions

Associated British Foods reports full GHG emissions in carbon dioxide equivalent (CO₂e) from those activities for which we are responsible: from all companies over which Associated British Foods has full operational control; has financial control but does not fully own; and joint ventures and associates where we do not have a majority shareholding but do have either joint control or significant influence. These include our four most material joint ventures, measured in terms of net assets: Frontier Agriculture, Uniferm, Czarnikow and Stratas Foods.

All CO₂e emissions are reported in tonnes.

We have developed detailed reporting guidance including estimation methodologies, assumptions and calculation methodologies in alignment with WRI/WBCSD GHG Reporting Protocols (GHG Protocol). Emissions have been calculated using carbon conversion factors published by BEIS in August 2019, other internationally recognised sources and bespoke factors based on laboratory calculations at selected locations.

For scope 2 emissions, we use the latest country-specific average grid emission factors where available. This is the location-based method. Where not available, accepted international proxy emission factors have been adopted from sources such as the Intergovernmental Panel on Climate Change and Defra (published in 2018).

Within our 2019-submitted CDP Climate Change questionnaire, for the first time we have reported our scope 2 market-based emissions based on an initial assessment of data supplied by our businesses. We are currently establishing a data and evidence process for market-based emissions, which will be ready to report again in our 2020 company disclosures.

Reporting our GHG emissions

Our emissions are from:

- the energy we use in our factories, offices, warehouses and stores (sites);
- the processes on our sites, which include bread baking, the production of yeast, bioethanol and enzymes, waste water treatment and from electrical equipment;
- transportation of our goods and people for which we are responsible, both owned and third-party vehicles; and
- agricultural and horticultural activities directly controlled by Associated British Foods.

In 2018, we aligned our reporting of GHG emissions with the GHG Protocol and re-categorised our emissions into scopes 1, 2 and 3 and out of scope. These are still all the emissions from the above activities.

Scope 1 emissions include those from the use of non-renewable fuels such as natural gas and coal in boilers and dryers, as well as fugitive emissions. Also included are emissions from our manufacturing processes such as the fermentation process to make yeast and bioethanol, as well as the management of on-site waste water. Scope 1 includes GHG emissions from directly controlled agricultural activities including growing sugar beet and sugar cane, other crop production and carbon dioxide emitted from horticulture. Scope 1 also includes emissions from owned transport. Owned vehicles' emissions are calculated using fuel consumption and the latest Defra emissions factors.

Scope 2 emissions are those from purchased electricity, heat or steam used on our sites.

Scope 3 emissions are those from third-party transport for the transportation or distribution of our goods or materials. Third-party vehicles' emissions are calculated using tonnes/km of movements and the latest Defra emissions factors.

Out-of-scope emissions are those from the generation and use of renewable energy on our sites, including leased sites. These are reported as out-of-scope emissions as they are considered to have a net zero effect on carbon emissions. In the main, the renewable energy we generate comes from bagasse, the renewable fibrous residue that remains after the extraction of juice from the crushed stalks of sugar cane. The term 'residue' refers to plant-based material created during the manufacture of one particular by-product.

Social

Employee: A person working directly for, and paid directly by, the business. Full-time employees include all people with a contract of employment to work the hours of a standard working week. Part-time employees include all people with a contract of employment to work for fewer hours than the standard working week.

Contractor or seasonal worker: An independent person who works for the business and is under our control but who is employed by another company or is self-employed. A contractor or seasonal worker does not work regularly or permanently for the business. They work only as and when required. Typically, a contractor or seasonal worker will have a period of work specified in their contract and an end date will usually be specified. As the nature of contract work varies across our businesses – for example from contract cleaning, security and catering staff to seasonal agricultural staff – contractors are responsible for applying the group's definition of a contractor to their workforce. Each year of monitoring contractor safety, we see improvements in how this definition is applied with greater consistency from year to year and from across the businesses.

Average number of employees or contractors:

The average number of people employed for the financial year, consistent with the definitions above. The calculation includes the sum of all persons employed with a contract of employment, whether full-time, part-time or separately as a contractor for each period in the year. This number is divided by the number of pay periods in the financial year. We also calculate the number of full-time equivalent (FTE) employees based on the ratio of the total number of hours worked during a period to the number of standard working hours in that period. We apply this FTE figure to then calculate our Lost Time Injury rates or Reportable Injury rates.

Average number of men and women in the workforce:

The average number of men and women employed for the financial year calculated on the same basis as for the average number of employees as a whole, as set out above.

Average number of men and women in management roles:

The average number of men and women in management roles employed for the financial year calculated on the same basis as for the average number of employees as a whole, as set out above. A management role is defined as a role that has one or more direct reports and where the individual has management responsibilities.

Fatal injury: We report the death of an employee, contractor or seasonal worker as a result of work activities with the business. This includes the traditional activities within our operations and under our direct control. It also includes employees travelling for work purposes – for example, engineers visiting factory sites or travelling to attend a training course. We also include the death of contractors whose activities are under our direct control and are our responsibility. Deaths from natural causes, such as a heart attack, and deaths from non-work activities are not included.

Safety data: For group safety data, we include Associated British Foods' central employees based in our head offices as part of our total headcount. We are working on reporting safety performance data for these employees.

Lost Time Injury (LTI): An injury that arises out of or in connection with work activities and results in the injured employee being absent from work for at least one day or one shift within 12 months of the accident. Where we report the percentage of sites without an LTI during the year, we use the total number of factories providing employee numbers and production figures and, in the case of Primark, the number of stores.

Lost Time Injury (LTI) rate: The Lost Time Injury rate is the percentage of employees or contractors having an LTI in the year.

Reportable Injury (RI): An injury that resulted from an accident arising out of or in connection with work activities and that was required to be reported to the external regulatory authorities under the terms of the legislation of the country. This excludes injuries reported only to the country's social welfare or workers' compensation schemes or where a reported injury is subsequently not attributed to the business by the authorities in official statistics. Where we report the percentage of sites without a Reportable Injury during the year, we use the total number of factories providing employee numbers and production figures and, in the case of Primark, the number of stores.

Reportable Injury (RI) rate: The percentage of employees or contractors having a Reportable Injury in the year.

Safety fine: A fine resulting from the regulator bringing legal action against the business for breaches of the relevant legislation. The cost of the fine is converted to British pounds using the currency conversion factor applied by Associated British Foods for the reporting year. We report the fine in the year it is received, even if the offence was committed during a previous year. We report the cost of the fine in the year it is paid. It is noted that some fines may be reported in one year with the cost and payment of the fine made in the following year.

Our positive contribution methodology

We continue to report aggregated data relating to key areas of the group's non-financial performance regarding social and environmental matters. In addition to the key performance metrics that we report year on year, we have also included highlights on page 2 of our [2019 Responsibility Report](#) to illustrate our positive contribution to society. The table below explains the definitions and methodology behind these social and environmental data points.





2019 highlight	Description
We employ 138,097 people	An employee is defined as a person working directly for, and paid directly by, the business. Full-time employees include all people with a contract of employment to work the hours of a standard working week. Part-time employees include all people with a contract of employment to work for fewer hours than the standard working week. Contractors/seasonal workers include all other people with a contract of employment held directly with the business, but unlike a full-time or part-time employee, a contractor/seasonal worker does not work regularly or permanently for the business. The average number of people employed includes the sum of all persons employed with a contract of employment, divided by the number of pay periods in the financial year.
We have invested £29m in safety risk management	Investments in safety risk management are those considered above and beyond the day-to-day running costs to continuously develop the positive safety culture and practices of our businesses. They may include investments in improving working in confined spaces and at height, fire risk assessments and equipment upgrades, dust monitoring and air quality, improvements to lighting and safety signage and emergency first aid training.
52% of our total workforce and 36% of senior management are women	The average number of men and women employed for the financial year, and average number of men and women in senior management roles employed for the financial year, are calculated on the same basis as for the average number of employees as a whole, as above. A senior management role is defined as a role which has one or more direct reports and the individual has management responsibilities, as well as within a minimum reporting line of the group or divisional CEO.
We delivered 1,980,009 hours of employee training in the last year	Training is any formal instruction intended to develop an employee's knowledge, skills or personal awareness. The minimum threshold to qualify as training is one hour.
We have delivered 10,864 hours of supplier training	Primark has provided its suppliers and their workers with thousands of hours of training in both social and environmental issues. – Primark supports a range of local NGOs delivering projects in its suppliers' factories. These include the India Worker Empowerment Programme, Janbo Mora Janabo and Sudokkhu (see page 27 of the 2019 Responsibility Report for more details about these projects). – Primark's team of in-country environmental sustainability experts has also provided its suppliers and their workers with training to help them to apply its Implementation Toolkit, which contains guidance and standards on restricted chemicals as well as its wider environmental requirements. – Total social supplier training within Primark: 6,319 hours. – Total environmental supplier training within Primark: 4,545 hours. Total: 10,864 hours of supplier training in 2019.
28,000+ farmers enrolled in Primark's Sustainable Cotton Programme	Supporting its long-term ambition for all the cotton in its supply chain to be sourced sustainably, Primark's Sustainable Cotton Programme started with female farmers in India in 2013, expanded into Pakistan in 2018 and will reach around 80,000 farmers in China this year. More than 28,000 farmers in India, Pakistan and Bangladesh had been trained by the end of 2018. But with this significant expansion, the business aims to train more than 160,000 independent cotton farmers in sustainable farming methods by the end of 2022. This will include working with agricultural experts CottonConnect and local implementation partners to help farmers to use fewer chemicals and less water. After one year of training, farmers in Pakistan saw yields increase by 11.2% and input costs fall by 12.9%, resulting in an average rise in profits of 26.8%.
The surplus food we donated to food banks equates to 2,519,077 meals	Food programmes may include formalised initiatives run for a defined duration (for example George Weston Foods' school breakfast programme); one-off volunteering events; and/or donations to food banks. The initiatives are specifically targeted at those who can be considered 'in need', for example those who could be considered food insecure or those who are of low socio-economic status. Our businesses report the tonnage of food donated, but there is currently no standard measurement or calculation of what constitutes a square meal. Our partner in the UK, FareShare, uses 420 g as the typical weight of a meal whereas Foodbank in Australia uses 555 g. We have therefore used these different weights to calculate the number of meals that our donations have provided in these two markets: – our UK Grocery businesses donated 215 tonnes of food to FareShare, which equates to 513,547 meals; and – George Weston Foods businesses donated 1,113 tonnes of food to Foodbank, which equates to 2,005,530 meals. Total: 2,519,077 meals
More than 350,000 people have been impacted by Twining's Sourced with Care programmes	Twining's liaises with its UN and NGO partners to collect data on the total number of individuals reached by its Sourced with Care programmes. These many and varied initiatives are designed to improve their health and nutrition status; promote gender awareness; enhance their education and financial literacy; increase access to safe water, hygiene and sanitation, and to clean energy; and offer training in agricultural practices, business skills and income generation. Calculations are based on local average house-size figures. Total: 352,159 We will continue to drive tangible improvements for the communities in our supply chain, to reach 500,000 people by 2020.

2019 highlight	Description
52% of the energy we used came from renewable sources	Renewable energy is power generated on-site from renewable sources such as bagasse, biogas and wood. This equalled 12,211 GWh ^Δ , a 6% increase compared with last year. At 52%, most of this renewable energy comes from bagasse from our southern African operations. Bagasse is the residual fibre once the sugar has been extracted from sugar cane.
Together with our growers, British Sugar has helped improve beet sugar yields by 25% over the last decade	British Sugar works with NFU Sugar and more than 3,000 arable farmers to improve productivity across the sugar beet supply chain. The business explores technical innovations to drive productivity and the latest research to inform its operations. Jointly, the companies fund the British Beet Research Organisation (BBRO), investing over £2m a year. Every aspect of our agricultural processes has been looked at to drive yield improvements, from plant breeding and genetics to harvesting and storage. British Sugar field staff provide BBRO technical advice to growers, and information is also shared at regular BBRO events. We take a multi-channel, tailored approach to communicating with our growers and sharing best practice, to drive improvements across the whole industry. This has resulted in yield improvements of 25% in the past 10 years – a consistent increase of around 2–3% each year.
80% of the waste we generated was sent for recycling, recovery or other beneficial use	Waste is defined as substances or materials that have no further use in our main processes and requires us to discard or treat prior to final disposal. We have generated 631,800 tonnes ^Δ of waste this year, 80% of which was recycled, recovered or had another beneficial use.
We reused 169 m ³ of water in our operations	Where possible, our sites reuse water within their operations or off-site before it returns to the watercourse. Examples of use include crop irrigation, for use in landspreading and fertilisers, and to clean on-site machinery and equipment.

UN Sustainable Development Goals positive contribution

In 2019, we undertook an assessment to determine where we are making the biggest positive contribution to the United Nations Sustainable Development Goals (SDGs). This involved mapping the 17 goals and 169 targets against information provided by our nine business divisions when compiling our Responsibility Report. This was used to rate our overall positive contribution to each goal and target with a high, medium or low relevance score.

SDGs most supported by our business activities

SDG	Positive contribution
 2 ZERO HUNGER	Efforts to end hunger and ensure access to safe, nutritious food (target 2.1) include several businesses donating surplus products to foodbanks and other organisations that support vulnerable people facing hardship. Primark, Silver Spoon, Westmill, Azucarera, British Sugar and Illovo are involved in initiatives to increase the yields and incomes of smallholder farmers (target 2.3) or improve their resilience to the impacts of climate change (target 2.4). Our Sugar businesses are also investing in research and technology to enhance agricultural production capacity (target 2.A), particularly through better irrigation techniques.
 6 CLEAN WATER AND SANITATION	Assessing water scarcity risks at a site level and building partnerships in water-stressed areas (target 6.1), our businesses seek to improve water quality and water management by reducing pollution, treating waste water, and reusing or recycling more water (targets 6.3, 6.5 and 6.A) in their operations. We have many initiatives in place to reduce water withdrawals at our facilities, alongside collaborative community programmes to increase water efficiency among suppliers of materials from sugar to cotton (target 6.B).
 8 DECENT WORK AND ECONOMIC GROWTH	As well as programmes to increase agricultural productivity (target 8.2) and efforts to increase resource efficiency (target 8.4), we offer programmes to encourage inclusive working practices, fulfilling employment and fair rewards within our business and supply chain (target 8.5). UK Grocery, AB Sugar, AB Agri and Primark also invest in apprenticeships, graduate schemes, bursaries and training for young people to address skills gaps (target 8.6), while many of our businesses publish modern slavery statements and supplier codes of conduct, and have initiatives in place to promote labour rights and maintain safe working conditions for employees and suppliers (targets 8.7 and 8.8).
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	We have many programmes for the sustainable management and use of natural resources in manufacturing, agricultural and sourcing processes (target 12.2), covering materials such as palm oil, cotton and soya. We also help agricultural suppliers to reduce their use of chemical pesticides and fertilisers (target 12.4), while programmes to redistribute surplus food and improve food packaging technology are increasing shelf-life and cutting food waste (target 12.3). Broader initiatives are also in place to reduce waste generation and increase recycling, including waste diversion for energy, zero-waste-to-landfill targets, packaging innovations and industry collaborations (target 12.5).

SDGs we make a notable positive contribution towards

SDG	Positive contribution
 3 GOOD HEALTH AND WELLBEING	A wide range of our businesses including Ohly, SPI Pharma, Silver Spoon, Allied Mills and Bakeries support initiatives to improve the health and wellbeing of their people and improve healthcare access in supplier communities (target 3.4 and target 3.8). Businesses also develop campaigns and reformulate their products to improve consumer health (target 3.4), for example to increase fibre consumption (Ryvita) or reduce the intake of sugar (Tip Top) and salt (Ohly, DON).
 5 GENDER EQUALITY	Across the group's operations and supply chains, there are many initiatives to support the development of women (target 5.5). Projects such as Sudokkho in Bangladesh have seen Primark support female workers in supplier garment factories through training and opportunities for moving to more skilled roles.
 7 AFFORDABLE AND CLEAN ENERGY	Seeking to improve energy efficiency (target 7.3) is widely considered to be 'business as usual' across the group, and several businesses procure renewable energy for their operations (target 7.2). This is derived from solar and wind power, combined heat and power (CHP) plants, and energy from waste or co-products.
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Across the group, our businesses continue to invest in upgrading facilities and systems to improve the efficiency of their manufacturing and agriculture operations (target 9.4). These range from the irrigation technology used on our sugar estates and Ohly insulating hot surfaces at its Hamburg factory to British Sugar's new state-of-the-art offices in Peterborough.
 10 REDUCED INEQUALITIES	Several programmes across the group are designed to promote the inclusion of all, including initiatives to empower women and people with disabilities (target 10.2). Primark has also worked with ILGA World to develop the Feeling Proud collection and campaign to promote LGBTI rights.
 13 CLIMATE ACTION	There are many projects that seek to mitigate our contribution to climate change, and assess and improve its capacity for adaptation (target 13.3). These include process developments to reduce GHG emissions through a mix of energy efficiency, lower-carbon fuels and renewables.
 15 LIFE ON LAND	Many projects aim to protect the ecosystems surrounding our operations and supply chains, and minimise the deforestation associated with the sourcing of key commodities such as palm oil and soya (targets 15.1 and 15.2). With urgent action needed to reduce habitat and biodiversity loss (target 15.5), we support nature and wildlife habitats through projects to protect and restore nature reserves surrounding our operations and within the supply chain.