

ENVIRONMENTAL, SOCIAL AND GOVERNANCE



WELCOME

to our **ESG Appendix 2020**

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

This appendix, which supplements our **2020 Responsibility Update**, 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 2020 Responsibility Update](#)



[Our previous corporate responsibility reports and updates](#)



[Our Modern Slavery and Human Trafficking Statement 2020](#)



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.

Our performance scope

Associated British Foods has five business segments: Grocery, Sugar, Agriculture, Ingredients and Retail. Within these segments, we have 305 factories or manufacturing sites, warehouses, distribution centres and offices, as well as 389 Primark stores, warehouses and distribution centres, which have collated their relevant environment, safety and social data for this reporting period.

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 is submitted by each site into a group-managed data system. All data is 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 is 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 continuous improvements in data systems, methodologies and scientific uncertainties that may impact measurements and estimations, particularly for our GHG emissions. Where possible, we use accurate data from sources such as invoices, meter readings and weight measurements. These are also subject to continuous improvement.

We report our group-level data over the last five years to provide a good overview of our short- to medium-term performance. Business segment data is reported for the last three years to give a snapshot of performance and identify segment level contribution to the group's data.

Independent assurance

We commissioned EY to assure our report against the International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE3000 Revised). As part of this, EY provided limited assurance over the reliability of 17 key performance indicators (KPIs) for the year ending 31 July 2020. These are marked with the symbol Δ on the relevant pages.

For EY's full assurance statement, see our [2020 Responsibility Update](#).

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 **CDP** questionnaires on climate change, water and forests, with our responses available to download online.
- Organisations such as the **Corporate Rights Human Benchmark (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.

ESG recognition

Primark scoops supply chain award

Primark's Packaging Optimisation Programme won the Environmental Improvement award at the Supply Chain Excellence Awards in November 2019. The company trains its suppliers to accurately measure and efficiently package products into shipping cartons, eliminating empty space, and optimises carton dimensions to maximise the space in ocean containers and warehouse pallets. Over the 12 months from July 2019 to June 2020, the programme reduced freight volume by almost 100,000 m³ (the equivalent of more than 1,400 40-foot high cube ocean containers), and corrugated packaging material by 2.4 million m² (equivalent to 5%).

Zambia Sugar recognised for water stewardship

In December 2019, Zambia Sugar was placed second in the Zambia Water Stewardship Awards, having demonstrated that all the water it withdraws from the Kafue River for its operations and for irrigation is used sustainably, in line with its Integrated Sugar Cane Processing model. Its upgraded water treatment plants also provide safe drinking water to 16,000 residents in the Nakambala Estate.

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.

Accountability

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.

Diversified group, consistent approach: The Red Book

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

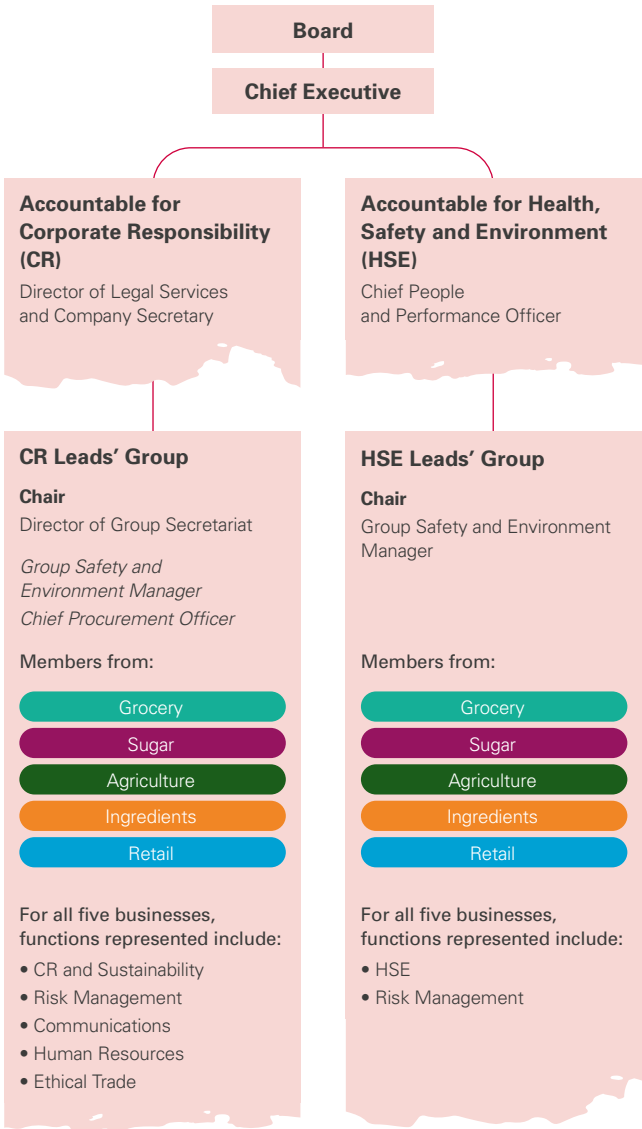
The Director of Legal Services and Company Secretary has overall accountability for all responsibility issues and is supported by the Director of Group Secretariat. Our Chief People and Performance Officer has overall responsibility for operational safety and environment matters and is supported by the Group Safety and Environment Manager. Both the Director of Legal Services and Company Secretary and the Chief People and Performance Officer 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 share best practice 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 [2020 Annual Report and Accounts](#).

Responsibility governance



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, codes and statements

Our policies, codes, guidelines and statements 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;
- **Illovo Group Guidelines on Land and Land Rights** – the guidelines developed by Illovo Sugar Africa governing its zero-tolerance approach to land grabs, extended to all its suppliers;

- **Modern Slavery Statement** – 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 and the Ethical Trading Initiative 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).

Primark's

Code of Conduct

Primark has its own **Code of Conduct**, which was updated in December 2019, providing guidance and setting out expectations for suppliers, and which is available in 42 languages. To make it onto Primark's approved factory list, each factory is audited to internationally recognised standards 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.

Twinnings Ovaltine

Supplier Code of Conduct

Twinnings also has its own **Supplier Code of Conduct**, updated in August 2019, which sets out the core principles that its suppliers, their production sites and own operations should comply with.

The Code states that suppliers should adopt and follow practices which safeguard human rights, workers' employment rights, safety and the environment. It also asks its suppliers to cascade these expectations to their suppliers, subcontractors, homeworkers and recruitment agencies.

Managing 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 the 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 differ according to the nature of their operations. 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 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 the 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.

Our management approach to the different risks and opportunities we face are outlined below. Read more about our approach to risk management in our [2020 Annual Report and Accounts](#).

Employees

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.

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 our long-term success and sustainability. 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.

We have a number of policies in place to outline the high standards we expect of our employees, including an [Anti-Bribery and Corruption Policy](#) and an [Anti-Fraud Policy](#). We also have a [Whistleblowing Policy](#), which outlines how employees can raise concerns (see Remedies and grievance mechanisms on [page 9](#) for more information).

Health, safety and wellbeing

We 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.

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.

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.

Managing health and safety issues associated with COVID-19

Employees are provided with paid sick leave according to local legal requirements. Employees prevented from working for reasons related to COVID-19 have been paid either by the business or through relevant government support schemes. Each business used its own system to monitor levels of sickness and self-isolation, primarily led by individual Human Resource (HR) departments. Cases of serious COVID-19-related illness were reported to the COVID-19 Steering Committee via the relevant HR Director.

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](#) outlining the steps we take to prevent modern slavery within our business and supply chain, and a number of individual businesses have also developed their own statements.

These statements are accessible via 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;
- **AB Agri** developing a specific human rights policy; 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.

Within our operations and supply chains, we are vigilant in understanding and seeking to address 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.

Managing human rights risks associated with COVID-19

Respecting the rights of everyone within our own operations, as well as our supply chains and beyond, is more important than ever during times of crisis. We have been committed to minimising the impact of any human rights risks associated with COVID-19.

A dedicated COVID-19 Steering Committee was established by the group's Chief People and Performance Officer on 31 January 2020, the day after the World Health Organization declared a global health emergency. In addition to this dedicated committee, emergency management team meetings took place daily at the height of the crisis, chaired by the Chief Executive and consisting of the Finance Director, Chief People and Performance Officer, Director of Legal Services and Company Secretary, and Business Performance Director. Weekly updates were given to the board of directors.

Members of the COVID-19 Steering Committee, chaired by the Chief People and Performance Officer, included the Head of Security, the Group Safety and Environment Manager and the lead COVID-19 specialists from each division. The Steering Committee is focused on the health of our people, including operational procedures and, initially, the safe return of those travelling. A dedicated resource library was created to house guidelines and advice and to share good practice. Information was circulated to identified individuals in each business, nominated as a single point of contact (SPOC), and the lead safety specialist in every business. The SPOCs, primarily HR Directors, joined update calls up to three times a week to share information and insights.

Responsibility for respecting human rights in direct operations and supply chains during the pandemic sits with the Director of Legal Services and Company Secretary, who reports directly to the Chief Executive. To manage the impacts of the pandemic, each division was required to submit COVID-19 response plans to the COVID-19 Steering Committee, with a particular focus on identifying and addressing employee health and safety risks.

The effectiveness of the actions taken has been assessed by the COVID-19 Steering Committee on a rolling basis as the pandemic has evolved. This continues to date as the nature and impact of the pandemic is still felt around the world.

Product safety and quality

Product integrity and food safety are key to our success and as a result, all divisions are required to maintain high standards throughout operations and raw material supply chains. Each division is required to include an update on their approach to product safety when presenting to the board, with a groupwide food safety summary provided to the board annually. This annual summary to the board includes updates on risks, recalls and withdrawals, certification status, internal and external audit findings, food and feed safety KPI trends, key learnings and knowledge sharing.

Food and feed safety standards are set through external food and feed safety accreditations and regulations, with over 80% of owned production facilities accredited to meet widely accepted standards, including Global Food Safety Initiative (GFSI) requirements, BRC, FSSC 22000, ISO 9001 and HACCP. Where sites are not accredited, standards are based on legal requirements or internal food safety policies which meet GFSI standards. In all cases legal compliance, and safety and quality KPIs (e.g. recalls and withdrawals, complaints, audit non-conformances, test data), are in place and reviewed on a regular basis. The services of RQA are utilised to annually assess a sample of sites to validate relevant data and provide support and guidance where necessary and for insurance purposes. In addition, sites are subject to customer audits as required.

Employees and contractors working in production, as well as for those deemed relevant, are subject to initial job-specific and annual refresher training. A food defence course has been developed, focusing on providing assurance over the security of food and its supply chains from malicious attacks. Additional training on foreign body risk has also been developed via an animated training tool aimed at raising the profile of foreign body management.

Businesses set clear expectations of suppliers, with relevant third-party certification or other assessments a condition of doing business. Product testing and trials are undertaken as required and where bespoke raw materials are purchased, the businesses will work closely with the supplier to ensure quality parameters are suitably specified and understood.

Our feed businesses deliver product safety training for third-party manufacturers and distributors of critical feed ingredients. Ongoing testing is undertaken as required and is focused on raw materials and finished products. Where this is not undertaken in house, it is subcontracted to ISO 17025-accredited laboratories. The scope of testing varies by product category and typically covers legal compliance, physical and chemical contaminants, microbiological quality, nutritional parameters, purity and authenticity.

Our Policy on **Genetically Modified (GM) Ingredients** summarises our approach to the use of GM ingredients in both food and animal feed.

Socio-economic development

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 provide training in sustainable techniques to growers in our supply chains, helping them to increase yields and improve product quality.

Environment

We aim to be responsible stewards of the environment by minimising any negative impacts – principles that are conveyed in our groupwide **Environment Policy**. 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.

This year, 77% of our manufacturing sites and retail operations 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.

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 in 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** (see 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).

Raw materials sourcing

To enhance the social and environmental standards to which our raw materials are produced, we use a range of external certification standards and programmes.

Palm

- 100% of the 57,112 tonnes of our palm-related consumption in 2019 was sourced via supply models recognised by the **Roundtable for Sustainable Palm Oil**, including Book and Claim, Mass Balance and Segregated. We currently source 28% of our palm-related consumption from more stringent physically certified models (Mass Balance or Segregated).

Soya

- As an active member of the UK Roundtable on Sustainable Soya, 80% of the soya AB Agri buys in the UK for its ABN feed mills meets the **European Feed Manufacturers' Federation** sustainability benchmark for responsibly sourced soya.

Sugar beet

- British Sugar supports the work of the British Beet Research Organisation and, for the past eight years, all the farms and growers supplying the company with sugar beet are fully certified Red Tractor members.
- Illovo has a binding cane supply agreement with growers in every country and participates in a range of sustainability platforms including the Sustainable Sugarcane Farm Management System (SUSFARMS) (founding member), Fairtrade and ProTerra (Mozambique mill only). The company produces 222,105 tons of Fairtrade sugar cane (1.4% of total) and 10.6 million tons of SUSFARMS sugar cane (67.4% of total).

Tea

- Twinings is a founding member of the Ethical Tea Partnership, a not-for-profit organisation that brings together the industry with development partners, NGOs and governments to improve the lives of tea workers, farmers and the environment in which they live and work. 100% of Twinings' tea is sourced from estates that have been certified by Rainforest Alliance, UTZ or Fairtrade.

Herbs

- Twinings buys more than 100 herbs from more than 30 countries. Around 60% are from sustainable sources and the company is working to reach 100%.

Spices

- As part of the Self-Employed Women's Association (SEWA) project, Westmill aims to partner with AB Mauri to source spices for use in the Rajah brand. AB Mauri formed a commercial partnership with SEWA in March 2020.
- In partnership with the NGO **MercyCorps**, Twinings is undertaking a three-year programme to strengthen its cardamom supply chain in Guatemala, increasing incomes for 500 suppliers across 80 communities in Alta Verapaz.
- Through Project SPICE, a three-year, flagship initiative with Mercy Corps and Gravis, AB World Foods aims to reduce poverty among 1,000 smallholder farmers and their families in India's Rajasthan state. The project helps to ensure that cumin and coriander farming remains appealing and viable.

Cocoa

- Twinings Ovaltine is committed to sourcing responsibly. The company sources **UTZ Certified** cocoa, which enables farmers to learn sustainable farming methods, improve working conditions and take better care of people and the environment. Twinings also works with cocoa suppliers that have strong sustainability programmes in place and that share its values. The company, which constantly reviews its approach to sustainable cocoa to keep it robust and relevant, is a member of the World Cocoa Foundation and works with the **International Cocoa Initiative** to improve the lives of cocoa-growing communities in Côte d'Ivoire.

Rice

- Westmill participates in the [Water and Productivity Project \(WAPRO\)](#) in Pakistan to improve the sustainability of the basmati rice supply chain. In 2020, the company purchased 4,000 tonnes of sustainable basmati from the project, which is registered under the United Nations Environment Programme ([UNEP Sustainable Rice Platform](#)), of which Westmill is a founding member.
- ABF Ingredients also sources rice and rice flours. The company is a member of the [USA Rice Millers' Association](#) which, as part of the wider USA Rice, works with local NGOs to drive conservation and sustainability initiatives across the sector.

Wheat

- All the UK wheat sourced by Allied Mills is Red Tractor Assured.

More detail on our approach to responsible sourcing can be found on pages 53–56 of the [2020 Responsibility Update](#).

Assessing supplier 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 our [Supplier 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 2019, 3,234 audits were carried out, with unannounced follow-up audits carried out at

least annually. 100% of tier 1 suppliers' factories have been audited against Primark's supplier Code of Conduct. 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;
- Illovo 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.

Suppliers are expected to have action plans and mitigation processes 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.

Remedies and grievance mechanisms

Our publicly available [Whistleblowing Policy](#) explains the mechanisms and channels available for stakeholders to raise concerns and applies to all individuals working at all levels of the organisation, including senior managers, officers, directors, employees, consultants, contractors, trainees, homeworkers, part-time and fixed-term workers, suppliers, and casual and agency staff.

As well as talking directly with line managers and heads of department, employees with concerns about malpractice or unethical behaviour can contact an anonymous hotline. This is administered by Expolink, active 24 hours a day, 365 days a year, and made available to all our businesses (except Illovo, which uses a service provided by Deloitte). The service offers a range of reporting channels in several languages, including toll-free telephone numbers.

When a report is received, senior executives are alerted so that an investigation can begin and appropriate action can be taken. The independent and confidential nature of this customised hotline helps to build trust among those who wish to speak up. Allegations were assessed and appropriate action taken.

In the year to June 2020, 136 notifications were received, of which the most common related to human resources issues, theft and incidents related to bullying and harassment. Across all allegations, 40% were unsubstantiated and no action was required, 28% were resolved and 32% remain under investigation.

Primark's and Twinings Ovaltine's supplier codes of conduct require suppliers to provide a grievance mechanism for workers to raise workplace grievances.

Associated British Foods will not tolerate the victimisation of anyone raising a genuine concern, and anyone responsible for such conduct will be subject to disciplinary action.

Our commitments

Associated British Foods is a decentralised business that responds to the needs and expectations of the particular markets it operates in. Below is a selection of the environmental and social commitments made by our businesses in line with those expectations.

Further details can be found on individual business websites.

Environmental

UK Grocery signed up to the [Courtauld Commitment 2025](#) (WRAP initiative) between 2018 and 2025 and is aiming to achieve:

- 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.

UK Grocery also supports 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.

UK Grocery is committed to sourcing 100% cage-free eggs for our UK grocery brands by 2025, and our George Weston Foods businesses in Australia and New Zealand are also transitioning to 100% cage-free eggs for their brands and products by 2025. In 2020, AB Brasil made a number of commitments to sourcing cage-free eggs for different product offerings based on local market conditions.

Full details can be found on the [AB Brasil website](#).

AB Sugar has made a number of 2030 commitments under its Global Mind, Local Champions strategy. 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.

AB Agri's Formula 24 includes 2024 aspirations to:

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

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%.

Primark has joined the United Nations Fashion Charter (UNFCCC), supporting the Charter's net-zero ambition and committing to a 30% reduction in greenhouse gas (GHG) emissions by 2030.

Social

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

AB Sugar is guided by its Global Mind, Local Champions strategy and, by 2030, aims to:

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

AB Agri's 2024 ambitions include being good for its people and making agriculture a first-choice career.

ABF Ingredients' Programme SAFE (Safety Achievement For Everyone) seeks to achieve zero accidents in the workplace.

Primark's long-term ambition is for all the cotton in its supply chain to be sourced sustainably through its Sustainable Cotton 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	
 Grocery	Group AIM-PROGRESS All-Party Parliamentary Corporate Responsibility Group Business in the Community Food Ethics Council Forum for the Future Home Office Business Against Slavery Forum Roundtable on Sustainable Palm Oil	
	Afya Foundation American Heart Association Association of National Advertisers Australian Food & Grocery Council Australian Packaging Covenant Organisation Benestar Business for Social Responsibility CARE International China Foundation for Poverty Alleviation Courtauld 2025 Ethical Tea Partnership FareShare Fair Labor Association Foodbank Foreign, Commonwealth and Development Office's Work and Opportunities for Women project Gravis Greater Chicago Food Depository Impactt Indian Tea Association Institute of Food Technology International Labour Organization International Planned Parenthood Federation	KidsCan NZ Linking Environment and Farming Marie Stopes Kenya Mercy Corps Oxfam Pebbles Project Rainforest Alliance Royal Agricultural University Salvation Army Save the Children The Packaging Forum (NZ) The Prince's Countryside Fund The RED Group The Wildlife Trusts UNEP Sustainable Rice Platform United Nations Children's Fund United Nations Foundation United Way University of Reading USAID Sustaining Health Outcomes through Private Sector (SHOPS) Plus WaterAid WRAP UK Plastics Pact
 Sugar	Group All-Party Parliamentary Group for Renewable and Sustainability Energy Association for Decentralised Energy British Beet Research Organisation British Nutrition Foundation British Soft Drinks Association East of England All-Party Parliamentary Group Energy Networks Association Environment Agency EU Commission Fairtrade Food and Drink Federation Health and Safety Executive Land: Enhancing Governance for Economic Development Landesa Midlands Sustainable Sugar Supply Chain Collaboration National Farmers' Union (NFU Sugar)	
	Noodsberg Canegrowers Red Tractor Road Haulage Association Solidaridad (Southern Africa) South African Sugar Association South African Sugarcane Research Institute Spanish Institute of Photovoltaic Energy Sugarcane Growers Association of Malawi Sustainable Agriculture Initiative Sustainable Sugarcane Farm Management System UK Power Networks University of Cambridge's Centre for Industrial Sustainability USAID WaterAid World Wide Fund for Nature	

Business segment	Partners, membership organisations and collaborations	
 Agriculture	Group Agricultural Industries Confederation Anaerobic Digestion and Biogas Association British Association of Feed Supplement and Additive Manufacturers EU Association of Specialty Feed Ingredients and their Mixtures	
	AACC International Asociación Civil Proyecto Plato Lleno Association for Children's Emotional Health Association of Parents and Friends of People California Rice CARITAS Buenos Aires Iglesia Católica Fundación Banco de Alimentos (Food Bank Foundation) Fundación EDAPI Fundación FILAS Guadalupeano	European Feed Manufacturers' Federation National Farmers' Union UK Roundtable on Sustainable Soya
 Ingredients	Group Action, Collaboration, Transformation on Living Wages ADEC Innovations AECOM Apparel Impact Institute Association for the Support of Contemporary Life BLC British Retail Consortium Bureau Veritas Business Fights Poverty Business for Social Responsibility's HERhealth project Carnstone Core (UK) Limited Cotton Campaign Pledge CottonConnect Cruelty Free International Cushman & Wakefield Delivering Good University of Dhaka DFID's Work and Opportunities for Women project ELEVATE Ellen MacArthur Foundation Make Fashion Circular Enabling Outcomes Ethical Trading Initiative Forum For The Future German Partnership for Sustainable Textiles (Textilbündnis) Girl Determined GoReport Helping Cotton Farmers' Co-operative Higg Co ILO's Better Work programme Impactt Institute of Public & Environmental Affairs – China International Lesbian, Gay, Bisexual, Trans and Intersex Association (ILGA World) Leather Working Group	
	Make Fashion Circular MicroBenefits Mott MacDonald Mudem Myanmar Centre for Responsible Business Naz Foundation Natural Capital Impact Group Newlife Organisation for Economic Co-operation and Development Oritain Oxford University Palladium Ready-Made Garments Sustainability Council REEDS (the Rural Education and Economic Development Society) Roundtable on Sustainable Palm Oil Sancroft – Industry Acting on Microfibres Self-Employed Women's Association SHEVA Social Accountability International Social Awareness and Voluntary Education St. John's Medical College Sustainable Apparel Coalition Sustainable Clothing Action Plan Swasti Textile Exchange The Microfibre Consortium TÜV Rheinland United Nations Children's Fund United Work UL Valpak Ltd Women Win Yellow Octopus Zero Discharge of Hazardous Chemicals Foundation	

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.

Climate change mitigation and adaptation

GHG emissions

Scope 1 and 2 emissions occur as a result of activities we directly control on our sites. Scope 1 emissions include the energy we generate, owned transport, agriculture and on-site waste water treatment, while scope 2 emissions are from purchased electricity, heat and steam that we use in our sites.

Scope 3 emissions are indirect GHG emissions which occur in our value chain. We report our upstream and downstream transportation and distribution emissions within our scope 3 figures, which total 764,000 tonnes of CO₂e^A this year. This is a 2% increase compared with 2019. We recognise the need to expand the number of scope 3 emission categories which we measure and report so that we can start to manage emissions relating to our value chain. Within our 2020 CDP Climate Change disclosure, we have started to report estimated data for other scope 3 categories. Our work continues in this expanded GHG emissions inventory with the aim of reporting a wider scope of these emissions in future years.

To demonstrate our commitment to continuously improve our climate related disclosure, this year, we are reporting our scope 2 market-based emissions for the first time. To date, we have reported only our location-based emissions, which are the average GHG emissions for each national grid network for the energy we have purchased. Our scope 2 location-based emissions this year are 758,000 tonnes of CO₂e^A. Using the market-based method, we are reporting 783,000 tonnes of CO₂e. This uses supplier-specific emission factors where available. The difference between our location-based and market-based data is due to using GHG emission factors from the residual mix of fuels where we have not been able to obtain or verify the supplier-specific emission factors. We will continue to work with our businesses and energy buyers to influence their energy purchases to help reduce our scope 2 emissions.

Within these tables and text, we are using our location-based emissions data. Once we have another year's worth of market-based data, we will start to report our totals using this approach.

Our total emissions (scopes 1, 2 and 3) decreased this year. For 2020, we report a 9% decrease compared with last year to 4.32 million tonnes CO₂e^A.

Our scope 1 and 2 emissions (location-based), over which we have direct control, account for 82% of our total emissions; these have reduced by 11% this year.

Total GHG emissions – scopes 1, 2 and 3

'000 tonnes CO₂e

2016	2017	2018	2019	2020 ^A
5,280	5,057	4,966	4,746	4,319

GHG emissions – scopes 1, 2 and 3 by business segment

'000 tonnes CO₂e

	2018	2019	2020 ^A
Grocery	681	669	647
Sugar	2,785	2,615	2,293
Agriculture	185	172	174
Ingredients	888	875	867
Retail	428	415	338

GHG emissions – by scope

'000 tonnes CO₂e

	2016	2017	2018	2019	2020 ^A
Scope 1	3,397	3,217	3,228	3,162	2,797
Scope 2	1,054	1,026	925	831	758
Scope 3	807	814	813	753	764
Out of scope	3,441	3,652	3,711	3,962	4,045

GHG emission intensity against revenue – scopes 1 and 2

tonnes CO₂e per £m

2016	2017	2018	2019	2020
332	276	266	252	256

GHG emissions – by business segment'000 tonnes CO₂e

	2018	2019	2020 ^A
Grocery			
Scope 1	278	283	242
Scope 2	263	261	252
Scope 3	140	125	153
Out of scope	0.22	0.23	0.24
Sugar			
Scope 1	2,314	2,255	1,942
Scope 2	234	142	112
Scope 3	238	218	238
Out of scope	3,711	3,960	4,040
Agriculture			
Scope 1	55	56	51
Scope 2	30	35	34
Scope 3	100	81	89
Out of scope	0.00	0.12	0.02
Ingredients			
Scope 1	562	548	541
Scope 2	253	253	246
Scope 3	72	74	80
Out of scope	0	2	5
Retail			
Scope 1	19	21	20
Scope 2	145	140	114
Scope 3	263	255	204
Out of scope	0.00	0.00	0.00

GHG emissions – market- and location-based'000 tonnes CO₂e

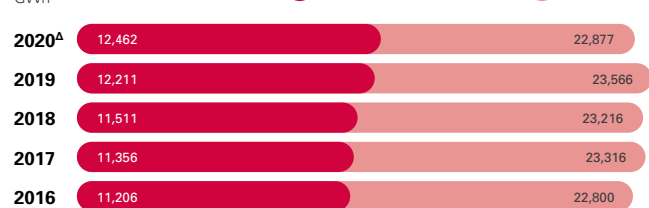
	2016	2017	2018	2019	2020
Location-based (total scope 1 and 2)	4,451	4,243	4,153	3,993	3,555 ^A
Market-based (total scope 1 and 2)	n/a	n/a	n/a	n/a	3,580

Energy

In 2020, our total energy use was 22,877GWh^A, a 3% decrease on 2019. Our Sugar businesses were responsible for consuming 83% of that total, or 18,883GWh^A. They have continually improved energy use over the last decade 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 speciality sugars, each of the 27 advanced sugar manufacturing sites produces more than 24 co-products, including molasses, sugar beet pulp and bioethanol. Of the total energy consumed this year, 55% came from renewable sources, a proportion which has increased incrementally over the last five years.

Total energy use

GWh

**Renewable energy use – consolidated**

GWh

	2016	2017	2018	2019	2020 ^A
	11,206	11,356	11,511	12,211	12,462

Renewable energy as share of total energy

%

	2016	2017	2018	2019	2020
	49	49	50	52	55

Total energy use – by business segment

GWh

	2018	2019	2020 ^A
Grocery	1,605	1,649	1,490
Sugar	18,962	19,238	18,883
Agriculture	227	267	246
Ingredients	1,883	1,836	1,779
Retail	540	575	480

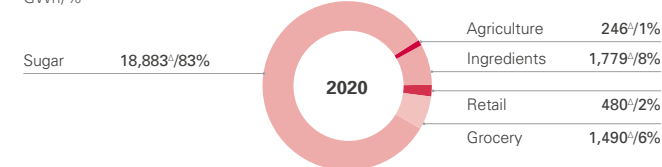
Renewable energy use – by business segment

GWh/% of business segment energy use

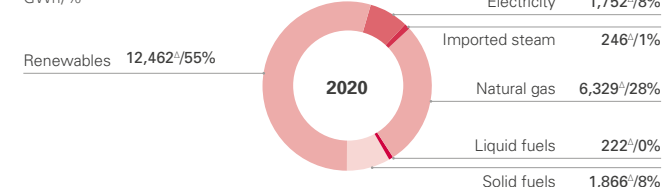
	2018	2019	2020
Grocery	12 1%	12 1%	12 ^A 1%
Sugar	11,377 60%	12,078 63%	12,327 ^A 65%
Agriculture	17 7%	15 6%	11 ^A 4%
Ingredients	105 6%	105 6%	113 ^A 6%
Retail	0 0%	0 0%	0 ^A 0%

Energy use – by business segment

GWh/%

**Energy use – by source**

GWh/%

**Total energy exported – consolidated**

GWh

	2016	2017	2018	2019	2020 ^A
	765	850	825	971	1,002

Energy exported – by business segment

GWh

	2018	2019	2020 ^A
Grocery	0	0	0
Sugar	776	920	943
Agriculture	38	43	50
Ingredients	10	8	9
Retail	0	0	0

Natural resources and the circular economy

Waste

Across the group, we generated 585,000 tonnes^A of waste, a 7% decrease compared with last year. Of this total, 84% was sent for recycling, recovery or other beneficial use. Total recycled waste decreased by 4% to 489,000 tonnes^A but, as a proportion of the total waste generated, we increased the amount recycled by 4%.

Non-hazardous waste decreased by 23% since last year, from 119,000 tonnes to 92,000 tonnes^A. The small amount of hazardous waste we generated fell by 4% to 4,500 tonnes^A in 2020. Of our manufacturing sites, 17% diverted all waste from landfill last year.

Total waste generated

'000 tonnes

2016	2017	2018	2019	2020 ^A
1,000	998	770	632	585

Total waste generated – by business segment

'000 tonnes

	2018	2019	2020 ^A
Grocery	93	100	99
Sugar	483	337	348
Agriculture	5	6	6
Ingredients	98	101	60
Retail	90	88	72

Waste recycled

'000 tonnes/%

2016	2017	2018	2019	2020
787/79%	832/83%	631/82%	508/80%	489 ^A /84%

Waste recycled – by business segment

'000 tonnes

	2018	2019	2020 ^A
Grocery	80	87	86
Sugar	381	249	283
Agriculture	4	5	5
Ingredients	80	84	45
Retail	85	84	69

Waste sent to landfill¹

'000 tonnes/%

2016	2017	2018	2019	2020
211/21%	160/16%	135/18%	119/19%	92 ^A /15.7%

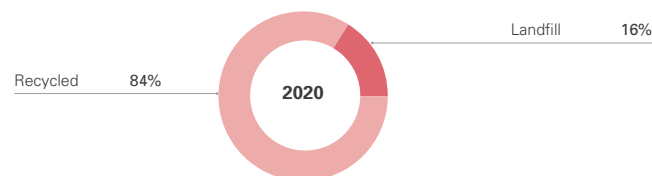
Waste sent to landfill – by business segment¹

'000 tonnes

	2018	2019	2020 ^A
Grocery	9	9	9
Sugar	102	87	64
Agriculture	1	1	0
Ingredients	18	17	15
Retail	5	4	3

Total waste generated

% recycled/% to landfill



Packaging

In 2020, Associated British Foods used 245,000 tonnes^A of packaging. This is a 5% decrease from last year, largely driven by a 2% decrease in production output due to the impact of COVID-19 and continued efforts to reduce packaging. Across the group, new customers, changes in product mix, new manufacturing facilities and smaller packaging units, driven by customer preference, also contributed to the level of packaging we used.

Our UK Grocery businesses, which account for 28% of the group's packaging, decreased their use of packaging by 12% this year.

Since 2018, our UK Grocery businesses have been committed to the UK Plastics Pact. This year, our UK Grocery businesses used 6,725 tonnes of plastic packaging of which:

- 4% was already made from post-consumer recycled material;
- 40% was widely recyclable at kerbside;
- 40% was recyclable with bread bags in major supermarkets; and
- 8% was reusable or compostable.

Quantity of packaging used

'000 tonnes

2016	2017	2018	2019	2020 ^A
248	243	256	259	245

Quantity of packaging used – by business segment

'000 tonnes

	2018	2019	2020 ^A
Grocery	159	165	165
Sugar	15	15	13
Agriculture	4	4	3
Ingredients	29	26	26
Retail	49	49	38

¹ For waste sent to landfill, we report our total hazardous and non-hazardous waste streams. However, we note that for some hazardous waste materials, they are managed and treated prior to final disposal often through high-temperature incineration.

Water

This year, we abstracted 847 million m^{3a} of water for use in our operations. This is a 4% reduction compared with 2019.

The majority of water used by our businesses is sourced from water occurring naturally on the earth's surface such as rivers and lakes, as well as man-made dams. Our sites are regulated by water permits or licenses and withdraw water within their agreed limits.

Water used by our retail division reduced by 32% compared with 2019 primarily due to temporary store closures as a result of COVID-19. Retail's water abstraction accounts for less than 1% of the group's total water use. As the sugar division accounts for 97% of the group's total water, the 4% reduction this year is mainly driven by water efficiencies realised across our sugar businesses and as a result of rainfall patterns which impact irrigation requirements, particularly for sugar cane across southern Africa. Water stewardship is a substantial issue for Illovo with water supplies declining, costs increasing such as water tariffs and irregular weather patterns all impacting water management. Three of the main water users have significant projects in place to improve the efficiency of their irrigation processes to reduce water losses. Other water stewardship activities across the Illovo sites include upgrades to water canals around the sugar cane estates to minimise evaporation, the installation of more flow meters to improve monitoring of water used for irrigation, investigating the use of more boreholes to reduce reliance on municipal water and communication campaigns to raise awareness about water conservation.

This year, more than 214 million m³ of water has been reused by our operations. This means that 25% 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 being used mainly for irrigation, land-spreading or vehicle washing. We are reporting a 27% increase in the volume of water reused this year compared with 2019 mainly due to improvements in the measurement of this KPI and accounting for additional water streams such as the reuse of water in factory boilers.

This year we report for the first time that 115 million m³ of wastewater, equivalent to 14% of the quantity of water abstracted, left our sites for final disposal via sewerage systems or was treated and then discharged to receiving watercourses. As we continue to report this data, we will provide further insights into the management of waste water, linking this with the amount of reused waste water and demonstrating how our businesses efficiently use water throughout their operational processes.

Total water abstracted

million m³

2016	2017	2018	2019	2020 ^a
800	811	837	880	847

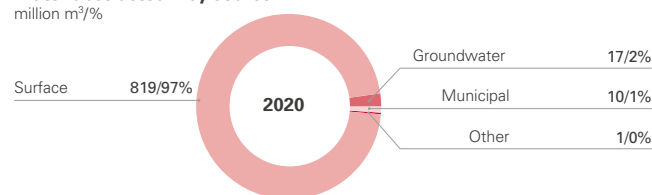
Water abstracted – by business segment

million m³

	2018	2019	2020 ^a
Grocery	5	4	4
Sugar	805	851	819
Agriculture	0.2	0.2	0.3
Ingredients	27	24	23
Retail	0	1	0.4

Water abstracted – by source

million m³/%



Total water reused

million m³

2017	2018	2019	2020
202	228	169	214

Water reused as share of total water abstracted

%

2017	2018	2019	2020
25	27	19	25

Environmental compliance, fines and certifications

In 2020, we had 46 environmental complaints, five fewer than last year. Most of these were associated with noise, dust and odour from our manufacturing sites.

This year, our businesses received 16 environmental fines^a with a cost of £51,000^a. These were largely due to the treatment of waste water, the management of waste and dust control. Just over half of this year's fines are attributable to one site which is managing legacy issues relating to waste water and dust. These are issues that are being addressed by sites across the group with targeted support to the specific sites.

We regret any issues caused as a result of these incidents, and always prioritise remedial action to ensure we meet the standards expected of us by our neighbours and other stakeholders, as well as the regulations under which we operate.

We had 396 visits from regulatory authorities, of which 361 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. In some locations, regulator visits decreased because of COVID-19-related restrictions. In some cases, regulator meetings were held via telecommunications and these have been recorded in our annual data. Visits or meetings were also held to discuss climate change adaptation, to address collaborative working with the council on waste water treatment trials and as part of ISO environmental management system audits.

This year, 77% of our manufacturing sites and Primark operations hold an internationally recognised environmental management system certification such as ISO 14001 (environmental management) or ISO 50001 (energy management). As part of the ISO certification, these facilities undergo audits to ensure they are maintaining the expected standards and continuously develop their approach in sound environmental and energy management.

During the year, £25m was invested in environmental risk management across our businesses to support the approach of continuously improving our environmental performance. Of the total, over £5m was invested in improving waste water including capital projects in waste water treatment plants. Other significant investments were made in improving dust and odour control, improvements to waste management and sludge removal, upgrades to boilers and other factory equipment to improve the efficient use of energy and costs associated with training, audits and energy management systems.

Number of environmental fines

2016	2017	2018	2019	2020 ^A
10	10	4	14	16

Cost of environmental fines £

2016	2017	2018	2019	2020 ^A
41,000	187,000	33,000	118,000	51,000

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](#), [George Weston Foods](#) and [AB Agri](#) also separately outline their approaches to protecting the health and welfare of animals.

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 BFAFW.

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 gestation 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. In 2020, AB Brasil made a number of commitments to sourcing cage-free eggs for different product offerings based on local market conditions. Full details of the commitment can be found on the [AB Brasil website](#). 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, 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 therapeutic 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.

Health and safety

Loss of life in our operations is entirely unacceptable and we are deeply saddened to report three work-related fatalities¹ this year. We investigate all fatalities and serious accidents thoroughly, share the learnings with all our operations and take remedial action where possible to minimise the risk of such events recurring.

Work-related fatalities: employees

2016	2017	2018	2019	2020 ^A
1	0	2	0	2

Work-related fatalities: contractors

2016	2017	2018	2019	2020 ^A
2	0	2	0	1

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, £46m was invested in safety risk management, of which 31% was dedicated to COVID-19 safety measures.

In total, 74% of our factories and retail operations achieved a year's operation without any Reportable Injuries (RIs) and 66% did not have an employee Lost Time Injury (LTI).

See our [2020 Responsibility Update](#) for information about some of the actions we have taken to improve health and safety.

Road safety

In 2020, we piloted a road safety reporting programme with six businesses. The aim is to report significant incidents involving vehicles transporting our goods or materials. This is in recognition that these vehicles could be involved in incidents on public roads and that we need to be aware of this at a group level so that we can improve management of this aspect of our operations, if required.

The metric reports whether a member of the public has been fatally injured due to the transportation of Associated British Foods' goods or materials, regardless of whether the vehicle is owned by the Company, owned by a third-party logistics company or is on hire. It also tracks injuries to the goods vehicle drivers. To support this performance metric, the number of kilometres driven by these goods vehicles is being captured by our businesses. As we continue to refine our approach to capturing data for this new KPI, we will continuously review when that data is accurate and complete for disclosure.

Reportable Injuries

RIs to employees fell by 47%, from 573 in 2019 to 306 this year, which equates to 0.32% of our employees having an RI. Our Retail business contributed 53% of the group's RIs but demonstrated strong performance, reporting a 61% reduction in employee RIs from 419 to 162. While the temporary store closures will have contributed to this reduction, the strong performance this year is mainly due to the investment made over recent years to improve its safety performance, led by strong leadership, the implementation of effective processes and by embedding a safe working culture. The RI rate of the Retail business supports this with a 55% reduction from 0.88% in 2019 to 0.39%.

Reportable Injuries

	2016	2017	2018	2019	2020
Employees	454	594	663	573	306
Employee rate	0.47%	0.59%	0.63%	0.54%	0.32%

Reportable Injuries – by business segment

	2018	2019	2020
Grocery			
Employees	40	44	37
Employee rate	0.25%	0.29%	0.26%
Sugar			
Employees	62	69	72
Employee rate	0.19%	0.21%	0.23%
Agriculture			
Employees	3	3	6
Employee rate	0.14%	0.13%	0.26%
Ingredients			
Employees	39	38	29
Employee rate	0.58%	0.56%	0.45%
Retail			
Employees	519	419	162
Employee rate	1.11%	0.88%	0.39%

¹ Data not collected for 2016

Lost Time Injuries

This year, LTIs among employees decreased by 40%, from 682 last year to 406^A in 2020. This equates to an LTI rate of 0.42% of staff experiencing an injury that resulted in time off work.

Our LTI rate of 0.42%, compared with 0.65% in 2019, represents a 35% reduction. For contractors, the annual LTI rate is 0.18% compared with 0.19% in 2019, which is a 6% reduction. We note that the LTI rate for contractors increased across all divisions except for retail where a significant 46% reduction influenced the overall group performance.

Lost Time Injuries

	2016	2017	2018	2019	2020
Employees	645	768	883	682	406 ^A
Employee rate	0.66%	0.76%	0.80%	0.65%	0.42%
Contractors ¹	–	80	82	58	48 ^A
Contractor rate ¹	–	0.38%	0.37%	0.19%	0.18%

Lost Time Injuries – by location

	2018	2019	2020
LTI employees			
United Kingdom	89	71	84
Europe and Africa	637	517	245
The Americas	35	31	10
Asia Pacific	72	63	67
Total	833	682	406 ^A
LTI contractors			
United Kingdom	23	20	16
Europe and Africa	47	35	22
The Americas	–	1	1
Asia Pacific	12	2	9
Total	82	58	48 ^A
LTI total			
United Kingdom	112	91	100
Europe and Africa	684	552	267
The Americas	35	32	11
Asia Pacific	84	65	76
Total	915	740	454 ^A

Lost Time Injuries – by business segment

	2018	2019	2020
Grocery			
Employees	116	96	106 ^A
Employee rate	0.73%	0.64%	0.74%
Contractor	19	3	11 ^A
Contractor rate	0.65%	0.03%	0.12%
Sugar			
Employees	52	43	54 ^A
Employee rate	0.16%	0.13%	0.17%
Contractor	23	9	13 ^A
Contractor rate	0.18%	0.07%	0.11%
Agriculture			
Employees	9	15	19 ^A
Employee rate	0.42%	0.63%	0.83%
Contractor	2	0	1 ^A
Contractor rate	1.28%	0.00%	0.14%
Ingredients			
Employees	15	15	15 ^A
Employee rate	0.22%	0.22%	0.23%
Contractor	2	3	4 ^A
Contractor rate	0.10%	0.16%	0.22%
Retail			
Employees	641	513	212 ^A
Employee rate	1.37%	1.07%	0.51%
Contractor	36	43	19 ^A
Contractor rate	0.86%	1.05%	0.57%

Factories and retail operations with zero employee LTIs

	2018	2019	2020
%			
Factories and stores with zero employee LTIs	69	67	66

Factories and retail operations with zero employee LTIs – by business segment

	2019	2020
%		
Grocery	62	45
Sugar	40	41
Agriculture	64	64
Ingredients	80	77
Retail	68	71

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.

We are continuously assessing the safety risks across our businesses and for the people who work for us and with us.

¹ Data not collected for 2016

Fines and regulatory visits

This year, we received three safety fines^A totalling £210,000. Overall, we are reporting a cost of £212,000^A for 2020 as the payment for a fine, which incurred in 2019, was made within this reporting year. The fines this year relate to manual handling and ergonomics issues, which have been addressed by the sites.

We had 354 visits from safety regulatory authorities, including 277 for routine inspections. The number of routine visits increased this year due to COVID-19-related activity and closer engagement with local safety authorities. Other visits were as a follow-up to complaints or incidents, or to support continuous improvement. We welcome these regulatory visits as an opportunity to learn from safety specialists and, particularly this year, to ensure we are meeting specific COVID-19 safe working practices.

Number of health and safety fines

2016	2017	2018	2019	2020 ^A
2	6	4	6	3

Cost of health and safety fines

2016	2017	2018	2019	2020 ^A
4,600	74,000	4,000	135,500 ¹	212,000

¹ This data has been restated.

Diversity and inclusion

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.

In South Africa, Illovo underwent an independent audit by Empowerdex to verify the company's Broad-Based Black Economic Empowerment (BBBEE) credentials and achieved Level 1, the highest possible score. A legal imperative for South African companies, the initiative is helping to redress economic marginalisation and drive the meaningful participation of all citizens.

Gender pay gap

Overall, the gender balance of Associated British Foods is fairly equal, with women making up 53% of our total global workforce. More than half of our workforce is employed outside Great Britain and is therefore not included in this Gender Pay analysis.

Consistent with previous years, we have chosen to voluntarily report on the gender pay gap that relates to our employee population in Great Britain as of 5 April 2020. However, this year's data excludes Primark employees because the majority were on the Government job retention scheme or had taken voluntary pay cuts at the reporting date. As a result, we have also restated the 2019 numbers on the same basis for comparison.

In the main, the pay gap remains similar to comparable data from last year. The pay gap remains in favour of women as we have a significant majority of male employees who work in a manufacturing environment. These employees are being compared to women who, on average, work in middle management. In our foods businesses in Great Britain, there are more women in the upper quartile than any other; however, they remain underrepresented at the most senior level of the organisation.

Gender balance at the top of the group changes slowly because we have a stable senior team. The greater presence of senior men in this bonus pool has a distorting effect on the mean bonus gap.

The median bonus, as in previous years, demonstrates a gap in favour of women. This difference reflects the varying composition of bonuses across our different businesses and the methodology of the Gender Pay calculation, which includes long service and recognition awards. These awards are typically smaller in scale, given to men in the manufacturing environment and are being compared to bonuses for women in middle management.

As required by the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, we submit data for our relevant legal entities to the UK Government through its website.

For more information on our gender pay gap, see our [2020 Annual Report and Accounts](#).

Gender metrics

	Total employees ²	Men in workforce	Women in workforce	% 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	% of senior management who are women
Grocery	16,491	11,038	5,453	33%	803	498	305	38%
Sugar	32,390	27,134	5,256	16%	277	188	89	32%
Agriculture	2,565	1,823	742	29%	346	201	145	42%
Ingredients	6,665	4,966	1,699	25%	592	422	170	29%
Retail	74,813	17,763	57,050	76%	282	131	151	54%
Central	501	304	197	39%	58	40	18	31%
Total	133,425	63,028	70,397	53%	2,358	1,480	878	37%

Gender pay gap
%

	2019	2020
Mean pay gap (women higher than men)	1.7%	4.0%
Median pay gap (women higher than men)	8.1%	8.8%
Mean bonus gap (women lower than men)	48.1%	50.3%
Median bonus gap (women higher than men)	45.9%	79.4%
% of men received bonus	39.7%	36.3%
% of women received bonus	55.8%	47.5%

Proportion of men and women in each pay quartile
%

	2019		2020	
	Male	Female	Male	Female
Upper	71.5%	28.5%	70.1%	29.9%
Upper middle	73.4%	26.6%	73.3%	26.7%
Lower middle	83.1%	16.9%	82.4%	17.6%
Lower	72.5%	27.5%	72.5%	27.5%

Employee engagement

Workforce

Our workforce consists of 133,425 people in full-time and part-time roles, as well as contractors and seasonal workers. Our people work in 53 countries across the United Kingdom, Europe and Africa, the Americas and Asia Pacific.

Location	Number of employees
United Kingdom	46,066
Europe and Africa	69,571
The Americas	5,627
Asia Pacific	12,161

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 HSE data is from 1 August to 31 July. Data is provided by all companies over which Associated British Foods has full operational control, or has financial control but does not fully own, and by 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 HSE 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 Associated British Foods' 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, liquefied petroleum gas (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.

See our [2020 Responsibility Update](#) 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 [2020 Responsibility Update](#) 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 been either 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 [2020 Responsibility Update](#) 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 [2020 Responsibility Update](#) 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 [2020 Responsibility Update](#) for information about ways in which we are reducing water use.

Waste water: we measure in cubic metres (m³) the total amount of waste water leaving our sites for final disposal via the sewerage system or a receiving watercourse. This includes waste water from factories, offices, warehouses, worker accommodation and other sites where we have responsibility. Where meter readings from discharge points or supplier invoices are not available for waste water quantities, estimations are provided based on the volume of water taken into the site and used in the operational processes, including the abstraction of water from certain raw materials such as sugar beet.

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 or has financial control but does not fully own, and from 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 the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) GHG Reporting Protocols ('GHG Protocol'). Emissions have been calculated using carbon conversion factors published by the Department for Business, Energy and Industrial Strategy in June 2020, other internationally recognised sources and bespoke factors based on laboratory calculations at selected locations.

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, in 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 CO₂ emitted from horticulture. Scope 1 also includes emissions from owned transport. Owned vehicles' emissions are calculated using fuel consumption and the latest Department for Environment, Food and Rural Affairs (Defra) emissions factors.

Scope 2 emissions are those from purchased electricity, heat or steam used on our sites. For the first time in 2020, we are reporting our scope 2 emissions using both the location-based and market-based methods. Scope 2 location-based emissions reflect the average emissions intensity of grids from which the energy consumption occurs. Scope 2 market-based emissions are calculated using the emissions from the electricity that our businesses have purchased. Where supplier-provided emissions factors are not available, we have applied the specific residual mix factor. Where the residual mix factor is not available, we have reverted to the location-based grid average emission factor.

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 movement 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. With 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 LTI rates or RI 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 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 heart attacks 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 include the number of factories providing employee numbers and production figures and, in the case of Primark, the number of stores and distribution centres.

Lost Time Injury (LTI) rate: the LTI rate is the percentage of employees or contractors having an LTI during 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 an RI 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 and distribution centres.

Reportable Injury (RI) rate: the percentage of employees or contractors having an RI during 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. In 2019, we reported six safety fines with a total cost of £34,000. On further investigation in 2020, we identified a safety fine that had not been captured in our annual reporting. We have therefore amended our 2019 data to a total of seven safety fines totalling £135,500¹.

Road safety: a fatality to a member of the public due to the transportation of Associated British Foods' goods or materials, regardless whether the vehicle is owned by the Company, owned by a third-party logistics company or is on hire. The vehicle may be driven by an employee, by an agency driver or by a driver from the third-party logistics company. To support this performance metric, the number of kilometres driven by these goods vehicles is included in the reporting.

Employee training received: the combined total number of hours of training (including online as well as face to face) received by employees.

¹ This data has been restated.

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 4 of our [2020 Responsibility Update](#) to illustrate our positive contribution to society. The table below explains the definitions and methodology behind these social and environmental data points.

2020 highlight	Description
We employ 133,425 people	<p>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.</p> <p>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.</p>
We have invested £46m in safety risk management	<p>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.</p>
53% of our total workforce and 37% of senior management are women	<p>The average numbers of men and women employed for the financial year, and the average numbers of men and women in senior management roles employed for the financial year, are calculated on the same basis as 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 in which the individual has management responsibilities, as well as within a minimum reporting line of the group or divisional CEO.</p>
1,311,177 hours of training benefitting our employees	<p>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.</p>
We have delivered 6,952 hours of supplier training	<p>Primark has provided its suppliers and their workers with thousands of hours of training in both social and environmental issues.</p> <ul style="list-style-type: none"> • Primark supports a range of local NGOs delivering projects in its suppliers' factories, including the Janbo Mora Janabo and Sudokkhu programmes in Bangladesh (see pages 30–31 of the 2020 Responsibility Update for more information). • Primark's global team of in-country environmental sustainability experts has also provided its suppliers and their workers with training to help them to apply the company's Implementation Toolkit, which contains guidance and standards on chemical management as well as wider environmental requirements. Suppliers received 997 hours of training on the Toolkit via workshops, meetings and site visits. • Total social supplier training within Primark: 2,913 hours • Total environmental supplier training within Primark: 4,039 hours <p>Total: 6,952 hours of supplier training in 2020</p>
The surplus food we donated to food banks equates to 2.6 million meals	<p>Food programmes may include formalised initiatives run for a defined duration (e.g. 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.</p> <p>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:</p> <ul style="list-style-type: none"> • our UK Grocery businesses donated 220 tonnes of food to FareShare, which equates to 524,725 meals; and • George Weston Foods businesses donated 1.1 million kg of food to Foodbank, which equates to 2,117,345 meals. <p>Total: 2,642,070 meals donated</p>
More than 475,000 people have been impacted by Twinings' Sourced with Care programme	<p>Twinings liaises with its United Nations (UN) and NGO partners to collect data on the total number of individuals reached by its Sourced with Care programme. Its many and varied initiatives are designed to improve health and nutrition status; promote gender awareness; enhance education and financial literacy; increase access to safe water, hygiene and sanitation, and clean energy; and offer training in agricultural practices, business skills and income generation. Calculations are based on local average house-size figures.</p> <p>Total: 475,000</p> <p>We will continue to drive tangible improvements for the communities in our supply chain and aim to reach 500,000 people by 2020.</p>
3,234 audits of Primark supplier factories were carried out	<p>Primark audits each of its supplier factories at least once a year, to check they meet the requirements of its Code of Conduct. In 2019, 3,234 audits were carried out, with unannounced follow-up audits carried out at least annually. 100% of tier 1 suppliers' factories have been audited against the Code.</p> <p>Once audited, factories are rated by Primark's internal Ethical Trade team. If they meet the minimum standards, they are approved for production. Any factories with critical or zero-tolerance issues would not be approved.</p>

2020 highlight	Description
55% 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 12,462GWh, a 2% increase compared with last year. At 55%, most of this renewable energy comes from bagasse from our southern African operations. Bagasse is the residual fibre left over after the sugar has been extracted from sugar cane.
£25 million invested in environmental risk management	Investments in environmental risk management are those considered above and beyond the day-to-day running costs of managing the environment-related aspects of our operations such as managing waste or maintenance costs for an effluent treatment plant. The figure reported includes costs linked to the positive actions our sites have taken to mitigate potential adverse impacts of their operations or to improve their environmental contributions, including the reduction of GHG emissions. These activities may include purchasing new equipment to reduce noise and particulate levels, the installation of flow meters on water pumps, equipment upgrades to achieve energy efficiencies such as the installation of LED lights or boiler upgrades, capital investments in new effluent treatment plants and training in specific environmental issues and solutions to employees and contractors.
84% 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 which we are required to discard or treat prior to final disposal. We have generated 585,000 tonnes of waste this year, 84% of which was recycled, recovered or had another beneficial use.
25% of total water abstracted was reused before being returned to the environment	Where possible, our sites reuse water within their operations or off-site before it returns to the watercourse. Examples of reuse include crop irrigation for use in land-spreading 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 UN 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 food banks and other organisations that support vulnerable people in need. 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 6.4), 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 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 and bursaries for young people to address skills gaps (target 8.6), as well as a variety of training and development opportunities, from formal inductions to management programmes such as Primark's Lead Our Amazing and Westmill's Leaders of Tomorrow. 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 (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 WELL-BEING	Good Health and Well-being <p>A wide range of our businesses, including Ohly, SPI Pharma, Silver Spoon, George Weston Foods, AB Mauri and AB Agri, support initiatives to improve the physical and emotional health and wellbeing of their people (target 3.4) and improve healthcare access in supplier communities (target 3.8). Campaigns such as Jordans Dorset Ryvita's Good Food commitment, Ryvita's FibreFit and AB Sugar's Making Sense of Sugar provide consumers with objective information, while many of our businesses reformulate their products to improve consumer health, for example, by reducing the added sugar and salt or fortifying them with essential vitamins and minerals.</p>
 5 GENDER EQUALITY	Gender Equality <p>Across the group's operations and supply chains, there are many initiatives to support the development of women (target 5.5), from the Building Future Leaders programme for women coming into leadership positions in our UK Grocery businesses to Twinings' partnership with the Work and Opportunities for Women programme, which seeks to prevent gender-based violence and harassment on tea estates in India.</p>
 7 AFFORDABLE AND CLEAN ENERGY	Affordable and Clean Energy <p>Seeking to improve energy efficiency (target 7.3) through energy management systems is 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 plants, and energy from waste or co-products using anaerobic digestion plants.</p>
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industry, Innovation and Infrastructure <p>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 to energy reduction programmes at our production sites.</p>
 10 REDUCED INEQUALITIES	Reduced Inequalities <p>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 worked with ILGA World to promote LGBTI rights and has amended its recruitment process to remove any barriers to candidates with a disability, while Westmill works with recruitment partners that attract talent from underrepresented ethnic groups.</p>
 13 CLIMATE ACTION	Climate Action <p>There are many projects that seek to mitigate our contribution to climate change, and assess and improve our 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.</p>
 15 LIFE ON LAND	Life on Land <p>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.</p>