

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Associated British Foods is a diversified international food, ingredients and retail group with sales of £13.9bn, 133,000 employees and operations in 53 countries across Europe, southern Africa, the Americas, Asia and Australia. Our purpose is to provide safe, nutritious, affordable food and clothing that is great value for money.

The group operates through five strategic business segments: Grocery, Sugar, Agriculture, Ingredients and Retail.

Grocery comprises consumer-facing businesses that manufacture and market a variety of well-known food brands. Some of our best-known household brands include Twinings, Ovaltine, Ryvita, Kingsmill, Silver Spoon, Tip Top and Mazola. George Weston Foods is one of Australia and New Zealand’s largest food manufacturers. Tip Top is one of the most recognised brands in Australia with an extensive range of bread and baked goods.

AB Sugar - The heart of our business is making and selling sugar but we do much more than that. As well as ‘core products’ made from beet sugar and cane, we also make ‘co-products’, which can include anything one or two ‘steps’ away from the sugar-making process: animal feed, soil conditioners, electricity, bioethanol and seed enhancements. We have the capacity to generate power sufficient to meet most of our internal needs and, in a number of locations, we export power to the national grid. The group operates in ten countries and has 27 factories with the capacity to produce 4.5 million tonnes of sugar. Our British Sugar factories produce over 1 million tonnes of beet sugar annually. Azucarera in Spain produces beet sugar from its factories in the north and south, and also refines sugar from cane raws at its refinery in the south. Illovo is Africa’s largest sugar producer with agricultural and production facilities in six countries. Typical annual sugar production is 1.7 million tonnes. We operate two beet sugar factories in China, with annual sugar production capacity over 180,000 tonnes.

AB Agri operates at the heart of the agricultural industry as the UK’s largest agri-food company and a leader in nutrition, science and technological innovation in animal feed. Our unique breadth and experience enable us to add value along the food, drink and biofuel industry supply chains. AB Agri supplies products and services to farmers, feed and food manufacturers, processors and retailers. We also buy grain from farmers and supply crop inputs through our joint venture arable operation, Frontier Agriculture.

Ingredients comprises businesses that supply a range of ingredients to food and non-food manufacturers. AB Mauri operates globally in yeast and bakery ingredients production, supplying industrial and artisanal bakers and the foodservice and wholesale channels. It is a technology leader in bread improvers, dough conditioners and bakery mixes. ABF Ingredients produces value-added products and services for food and non-food applications. It manufactures and markets enzymes, specialty lipids, yeast extracts, extruded ingredients, pharmaceutical excipients and antacids worldwide with manufacturing facilities in Europe, America and India.

Primark is an international retailer that offers high quality fashion, beauty and homeware at the best value on the high street. Primark employs over 74,000 people in 13 countries across Europe and the US. Primark offers customers value for money clothing in more than 389 stores and 15 million square feet of retail selling space.

We have a decentralised approach to doing business. We aim to achieve strong, sustainable leadership positions in markets that offer potential for profitable growth and deliver quality products and services that are central to people’s lives. Operational decisions are made locally because they are most successful when made by the people who have the best understanding of their markets. This culture of setting strategy locally gives our businesses an advantage in being able to swiftly respond to local market, environmental and people issues. The corporate centre provides a framework in which our business leaders have the freedom to pursue opportunities.

At the heart of the way we operate is a principle of ‘value together’; the benefit the group gains from each business being part of the larger organisation. Our four groupwide values – acting with integrity, respecting everyone’s dignity, progressing through collaboration and pursuing with rigour – are a common thread that ties our businesses together. We live and breathe our values through the work we do every day and reflect the way we conduct ourselves. These values have proved to be critical in determining our responses to the challenges posed by COVID-19. The strong culture of the group, which has been established and then embedded in each of our businesses over many years, provided the firm foundation for the ways in which decisions were implemented.

W-FB0.1a

(W-FB0.1a) Which activities in the food, beverage, and tobacco sector does your organization engage in?

- Agriculture
- Processing/Manufacturing
- Distribution

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	August 1 2019	July 31 2020

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

Argentina
Australia
Austria
Belgium
Brazil
Canada
Chile
China
Colombia
Czechia
Denmark
Ecuador
Eswatini
Finland
France
Germany
India
Ireland
Italy
Malawi
Malaysia
Mexico
Mozambique
Netherlands
New Zealand
Pakistan
Peru
Philippines
Poland
Portugal
Singapore
Slovenia
South Africa
Spain
Sri Lanka
Switzerland
Thailand
Turkey
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Venezuela (Bolivarian Republic of)
Viet Nam
Zambia

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

GBP

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Other, please specify (Operational entities where we have 40% + ownership)

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	Water is a primary resource for the majority of our businesses. Direct use: Sufficient, secure amounts of quality freshwater are vital in our food manufacturing businesses and in particular our Grocery, Agriculture and Ingredients segments, as well as for potable use across all our businesses. Our sugar operations require large volumes of water for irrigation and processing. The majority of water used is extracted directly from cane and beet. With cane and beet being more than 70% water, we make use of all of this water in production processes, thereby significantly reducing the amount of water abstracted from natural sources. Illovo, which accounts for 96% of ABF's water abstraction, manages sugarcane estates totalling approx. 70,000 ha, of which 82% is irrigated, with the rest rain-fed. Insufficient availability of water would have a negative impact on production output. Indirect use: As water is used throughout ABF's value chain for example, by independent farmers, within our suppliers' wet processing facilities or when added to our end products (tea, rice and cereals), sufficient amounts of good quality freshwater is critical. A reduction in either raw material supply or finished goods from our suppliers could impact the output of our businesses e.g. Westmill and PGP require reliable sources of fresh water for a consistent supply of rice. Over half the sugarcane processed by Illovo is cultivated by independent farmers. Insufficient freshwater supply could impact yield, cane quality and production facilities in the end-to-end supply chain. Future use: We anticipate that access to secure amounts of good quality freshwater will remain vitally important as we continue to require large volumes of water for irrigation and cooling purposes. In our indirect operations, secure amounts of good quality freshwater will remain important for our suppliers to enable them to produce raw materials, as well as for customers who require it to benefit from and use our products.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Sufficient and secure amounts of recycled water are used by a large proportion of ABF companies especially those in agriculture and manufacturing and most significantly across our sugar business. Direct use: For example, Illovo's mills operate primarily with recycled water generated from the sugar milling process. Water is recycled extensively through the mill in an 'open-loop' system, after which it is discharged to supplement irrigation water. Insufficient recycled water supply could specifically impact yield and production facilities, but this is very unlikely due to the volumes of water extracted from the cane itself. Indirect use: Water is used throughout ABF's value chain for example, by independent farmers or within suppliers' wet processing facilities. A reduction in either raw material supply or finished goods from our suppliers could significantly impact the output of our business. Over half of the sugarcane processed by Illovo is cultivated by independent farmers or 'outgrowers'. A reduction in outgrower sugarcane supply could significantly impact Illovo's production. Illovo requires that all outgrowers have water supply agreements with the relevant national authorities. Future use: We anticipate that access to, and the importance of, recycled and produced water will increase in both our direct and indirect operations in future, as pressure on good quality freshwater reserves intensifies. As such, we invest time and resources in our operations to identify opportunities to use all water as many times as possible before final discharge.

W-FB1.1a

(W-FB1.1a) Which water-intensive agricultural commodities that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodities	% of revenue dependent on these agricultural commodities	Produced and/or sourced	Please explain
Sugar	10-20	Both	AB Sugar operates sugar beet factories in the UK, Spain and northern China, and Illovo Sugar operates sugar cane plantations and mills, refineries and ethanol distilleries in six African countries. AB Sugar represents the largest water user in the group. In the reporting year, AB Sugar accounted for 97% of ABF's total abstracted water, and Illovo alone accounted for 96% of the group's total water. Unlike the other ABF business segments, AB Sugar uses water in both agriculture and factory facilities, including crop irrigation, cleaning sugar beet, washing, cooling machinery and in creating some co-products. Illovo Sugar manages sugar cane estates totalling approximately 70,000HA, of which 82% is irrigated, with the rest rain-fed. Of the 11 sugar cane plants, four receive cane from rain-fed farms and seven receive cane from irrigated estates. Illovo's operations in Zambia, eSwatini, Malawi and Mozambique are under full irrigation while in Tanzania, the majority of land under cane is irrigated with the balance cultivated under rain-fed conditions. With sugar cane and beet being more than 70% water, we make use of all of this water as part of production processes, thereby significantly reducing the amount of water that we need to abstract from natural sources. Many of our sugar operations use complex water systems to maximise the value of every drop, reusing water to reduce abstraction at a local level.
Other, please specify (Cotton)	10-20	Sourced	Cotton is the main natural fibre used to make many of Primark's products – from pyjamas, t-shirts and jeans, to baby grows, bedding and towels – and Primark is committed to bringing more sustainably-sourced cotton to customers at affordable prices. In the reporting year, Primark's revenue represented 42% of the group's revenue. Primark's long-term ambition is for all cotton in its supply chain to be sourced sustainably through its Sustainable Cotton Programme. Under the German Partnership for Sustainable Textiles, Primark commits to 10% sustainable cotton in its ranges by March 2020; and supports a membership goal for total cotton use to comprise 25% sustainable cotton and 10% organic cotton by 2020. Primark has a commitment to work with its supply chain to improve water efficiency in agricultural and manufacturing processes, as well as operating efficiently in its own business operations. A secure supply of water for cotton production and wet processes, such as dyeing and washing, within Primark's supply chain, are key to maintaining supply of product. Equally important is the management of wastewater and as such, Primark is committed to the adoption of ZDHC's Wastewater Guidelines (2016) and have communicated their expectations regarding wastewater to their suppliers.
Soy	Less than 10%	Sourced	Soy is an ingredient used primarily by AB Agri as a key component in animal feed. AB Agri has been instrumental in the publication of the Soy Sourcing Guidelines by European Feed Compounders Association (FEFAC) as an important first step in encouraging the use of responsibly produced soy in mainstream European supply chains. Currently 80% of soy sourced for ABN Feed Mills meets the FEFAC benchmark. AB Agri is an active member of the UK Roundtable on Sustainable Soya which compliments AB Agri's AB Agri's ambition to source 100% zero deforestation soy and palm oil by 2025. Other business segments sourcing soy include our Ingredients and Grocery segments. For example, within Ingredients, PGP International has responded to an increased market interest in consuming plant-based protein by introducing a soy ingredient that can be used to bake high-protein snacks, cookies and energy bars. AB Mauri UK has maintained its 'BM TRADA Responsibly Sourced' accreditation which means there is a direct link between the soy or soy cognate they source and place of origin, which should be an internationally certified farm dedicated to soy production.
Rice	Less than 10%	Sourced	Within our Grocery segment, Westmill Foods sources rice from a range of countries including Pakistan, Cambodia and Italy, while California-based PGP International, a business within ABF Ingredients, is a leading manufacturer of extruded protein and grain crisps, and of rice and rice flour products. Westmill Foods has identified that rice sourced from Pakistan is vulnerable to the impact of water stress. Pakistan is predicted to be chronically short of water by 2025 and the area of cultivated rice land has already dramatically reduced in recent years due to water shortages. As such, Westmill has launched a project which aims to improve water efficiency by 30% by training farmers in water saving techniques such as laser levelling, alternative wetting and drying and direct seeding. Wider dissemination of advice at village level to encourage water saving beyond direct project beneficiaries is also a key activity. Westmill invested \$150,000 in the three-year Water and Productivity Project in Punjab, Pakistan, which promotes the standards of the UN Sustainable Rice Programme (SRP) of which Westmill is a founding member. The programme has trained 600 farmers since 2018 with the aim to reach 1,200 by 2024. In 2020, Westmill purchased 4,000 tonnes of the sustainable rice. Our PGP business is a member of the USA Rice Millers Association who, as part of the wider USA Rice, are involved with Conservation and Sustainability initiatives across the industry working with local NGOs.
Other, please specify (Wheat)	Less than 10%	Sourced	Wheat is sourced primarily by our bakeries, other grocery businesses and agriculture business. All wheat used by Allied Mills in the UK, our principal purchaser in the UK grocery division, is grown to Red Tractor Combinable Crop Standards, or an international equivalent. This requires the farmer to keep a full record of all water irrigation undertaken and to take steps to prevent excessive water usage for irrigation, as well as protect sensitive water catchment areas. The Red Tractor Combinable Crop Standard is benchmarked to the Sustainable Agriculture Initiative 'Silver' standard.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	At ABF we measure water withdrawals from all of our operational sites including sugar mills, manufacturing plants, factories, distribution centres, offices and retail stores. All ABF businesses are responsible for reporting their site data for water withdrawal on an annual basis to ABF. This data is verified by ABF and independently assured by Ernst & Young. This data is used to evaluate operational performance and assists with activities such as water conservation, legal compliance and agricultural management. For example, British Sugar uses different processes to monitor water abstraction depending on the source. Environmental specialists monitor groundwater pump records, meter calibration and abstraction licenses. This is reviewed monthly by the site specialist. Municipal water is measured using water meters and reconciled with invoice data by Finance. Surface water, cooling water and effluent data is input into the data system which is reviewed by the wastewater specialist.
Water withdrawals – volumes by source	100%	All ABF businesses are responsible for reporting their site data for water withdrawals by source on an annual basis to ABF. In the 2016/17 reporting year, ABF expanded the reporting requirements within water in line with good practice for water stewardship, CDP and other external stakeholder reporting requirements. In addition to reporting total abstracted water, each site provides the volume of water abstracted by source. This data is verified by ABF and independently assured by Ernst & Young. Our facilities monitor this data for their own management decisions, for example, AB Sugar businesses all monitor 100% of their water sources to evaluate the sustainability of their supply and ensure legal compliance.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	For the majority of our factories, offices and stores, water quality is paramount for use within operations and for potable use. For other uses, the quality of sourced water is less imperative as it will not be directly consumed. For example, it will be used for irrigation, as a coolant within factory processes or for equipment cleaning. However, quality is still monitored and managed as constraints on the quality of water, impacts our ability to operate efficiently and has associated costs. For example, even though the quality of the water withdrawn is not critical for Illovo as the water is treated to the required standard on site for consumption and different process uses, Illovo still conducts full spectrum analysis (metals and biological) on the quality of water both upstream and downstream at each of its sites. In South Africa, this testing takes place on a monthly basis and in Tanzania, Malawi, Mozambique, Zambia and eSwatini, this testing takes place on a quarterly basis.
Water discharges – total volumes	100%	ABF sites report the volume of water discharge to regulators as part of their water discharge permits. All ABF businesses are required to report annually to ABF the volume of effluent discharged. This data is verified by ABF and independently assured by Ernst & Young. Some businesses have a current objective to decrease wastewater discharged. For example, Illovo's approach to water includes an aim to decrease wastewater by increasing water reuse and recycling. Water discharge is therefore monitored at 100% of Illovo's operations to identify recycling opportunities.
Water discharges – volumes by destination	100%	ABF sites report the volume of water discharge and destination to regulators as part of their water discharge permits. As well as legal compliance, our sites use this information to monitor and ensure minimal impact on surrounding natural and social environments. All ABF businesses are required to report annually to ABF the volume of effluent discharged. This data is verified by ABF and independently assured by Ernst & Young. We are expanding the reporting requirement to include the destination of wastewater. Currently the volumes to each destination are modelled on an exercise conducted via the WWF Water Risk Filter Tool and based on estimations. In future CDP disclosures, actual volumes per destination will be disclosed.
Water discharges – volumes by treatment method	Not monitored	ABF sites measure, monitor and maintain records for water discharges by treatment method for operational reasons and for regulatory purposes. Although ABF does not require this information to be reported to the group, if the data were required, it can be obtained from the individual business records. ABF sites return as much water as possible to natural watercourses by treating the wastewater on-site or by using municipal treatment plants. For Illovo the monitoring of water discharged by treatment method is important as this water is either recycled back into the mill or reused for irrigation, consequently this aspect is monitored at 100% of Illovo's facilities. At Illovo Tanzania, wastewater passes through two treatment plants before being discharged into the river (an anaerobic digester (AD) and a shallow lagoon). Daily the chemical oxygen demand (COD) is measured before and after the AD, together with the volume of water leaving the AD.
Water discharge quality – by standard effluent parameters	100%	ABF sites operate within and comply with a regulatory water and wastewater framework. Our sites regularly measure and monitor the quality of their water discharge to ensure legal compliance and minimal impact on the surrounding environments. For example, Illovo sites test the quality of water discharge through weekly samples and in line with the permits that govern the water use. Where the permit does not prescribe frequency for water discharge quality testing, Illovo has implemented weekly testing as a minimum standard. This testing includes a full spectrum analysis including metal and biological parameters. Although biological oxygen demand (BOD) is not a legal parameter at most Illovo sites, COD is, and accordingly COD is included in the testing parameters. At British Sugar, the COD values of treated wastewater are measured and samples for BOD are also taken and measured regularly. The ratio of COD:BOD is used to ensure compliance with environment permit requirements at each site.
Water discharge quality – temperature	100%	ABF sites operate within and comply with a regulatory water and wastewater framework. As such, certain sites will regularly measure and monitor the temperature of their water discharges to ensure legal compliance and minimal impact on the surrounding natural and social environments. For example, our Illovo sites test the quality of water discharge according to samples taken on a weekly basis and in line with the permits that govern the water use. Where the permit does not prescribe the frequency for water discharge quality testing, Illovo has implemented a weekly testing parameter as a minimum standard. This testing includes a full spectrum analysis including metal and biological parameters. Although the temperature of the discharge water is not governed by the permits, the Illovo standard prescribes a three-degree variation. If the discharge temperature is three degrees above the abstracted water temperature, it is considered a pollution load.
Water consumption – total volume	76-99	For the reporting year, ABF did not require our businesses to report to group their water consumption. However, a large proportion of our businesses collect this data to assist with their own management decisions. For example, monitoring water consumption is material for sugar businesses as, crop dependent, a large percentage of water entering the site comes from the raw material and used in the processes in our factories in preference to using fresh water. Therefore, AB Sugar facilities constantly monitor their total water footprints.
Water recycled/reused	100%	Of our group's total water use this year, 25% was recycled or reused within our organisational boundary for activities such as irrigation, machinery cooling and horticultural use. This accounts for 214 million m3 of water reused throughout our operations. Reused water is mainly utilised by Illovo, George Weston Foods and AB Mauri due to their operating and natural environments, availability of water and volumes required. For example, over the last 10 years, AB Mauri has delivered programmes to improve effluent treatment and optimise water reuse, using an effluent treatment management system to improve technical guidance. In many of its plants, energy-efficient concentration technologies have been adopted, generating by-products for the animal feed and fertiliser industries, and enabling water to be reused.
The provision of fully-functioning, safely managed WASH services to all workers	100%	All ABF companies provide appropriate water and sanitation facilities for our employees and contractors. As part of our publicly available Supplier Code of Conduct, we have a commitment that 'workers shall...be given access to clean toilet facilities and potable water.' In Illovo's Code of Conduct and Business Ethics under "Safe Working Conditions" it is stated that "Accommodation, where provided, should be clean, safe, and meet the basic needs of the workers." The sugar estates provide employees with basic amenities, and also some of the communities in which Illovo is situated. For example, Illovo Nchalo in Malawi houses 2000 employees and their families. Water supply and domestic effluent are managed by Illovo as part of this accommodation provision. A recent analysis of the existing domestic wastewater infrastructure yielded significant improvements to the quality of discharged water. In Zambia, Illovo provides potable water to a population of more than 16,000 people on the estate.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	847491	About the same	This year, we abstracted 847 million m3 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. 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. As many of our sugar businesses are reliant on abstracted water as opposed to rainfed water, we anticipate that our total withdrawals will remain relatively constant and will only increase in the event of less rainfall. ABF uses the following approach when determining the comparative thresholds: • Much higher: > 10% • Higher: > 5% but < 10% • About the same: between -5% and 5% • Lower: < -5% but > -10% • Much lower: < -10%
Total discharges	114975	Much higher	In the reporting year 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. We are reporting a significant increase in water discharged this year primarily driven by improved reporting and validation of the data. In 2020, our wastewater data was also independently assured by Ernst & Young.
Total consumption	732516	Much lower	Our water consumption figure is based on the group level calculation of water withdrawn subtracting water discharged. At a business level, water consumption figures are calculated based on a number of variances such as water availability within crop. This level of detailed information is not currently collated at group level.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	51-75	About the same	WWF Water Risk Filter	In 2014, we first conducted a group-wide water stress assessment for the sites withdrawing a material amount of water. We piloted the latest version of the internationally recognised WWF Water Risk Filter Tool and asked our sites to validate the findings. We repeated this assessment towards the end of 2017 and again in 2019. In 2020, to ensure that we are aware of and are appropriately addressing the risks posed by our use of water across our global operations, we conducted a further global water risk mapping exercise. As in previous years, we excluded offices from the assessment. We used two separate tools (WRI Aqueduct and WWF Water Risk Filter) and took a three-stage assessment approach. • Assessment stage 1 - All factories / laboratory locations were input into Aqueduct (this primarily assesses water risk based on location irrespective of site water usage). The tool presents the results on a scale of Low to Extremely High. Results are presented based on today's risks and future predicted risks (2030 to 2040). • Assessment stage 2 - Where the Aqueduct tool indicated sites as having High or Extremely High risk (based on location) and any sites with water usage over 100,000m3 per year, irrespective of location, were then input into the WWF Water Risk Filter. The rationale for this is that the WWF tool enables site operational factors, such as water usage to be considered as part of the assessment. The tool presents the results on a scale of 1-5 (with 4 - 5 being High Stress). • Assessment stage 3 - We then engaged with the businesses to confirm the outputs of both tools. The group-level assessment supplemented the range of tools and methodologies already used by our businesses to understand their operational water risks and the stress levels of the basins in which they operate. Based on the results of both sets of tools, as well as these discussions with the individual businesses, we have identified the sites that withdraw water from areas of high water stress. In 2020, we are reporting a 6% decrease in the amount of water withdrawn from areas of water stress when compared with the previous reporting period. This decrease is primarily as a result of a more thorough assessment of water stress across our group and engagement from the businesses to confirm the outputs. AB Mauri is aware that water stress could affect some of its sites. The global water champion is in regular contact with all sites regarding water supply and reduction in water use to mitigate any business continuity risks. Our Illovo sugar operations operating in areas of water stress in southern Africa constitute 65% of the total amount of water withdrawn by ABF in the reporting year. Water conservation, use and availability are identified as material issues to the business. Illovo's key focus area is how to ensure "more crop per drop". As part of its water aspiration, Illovo is converting its furrow and sprinkler systems to more efficient subsurface drip irrigation and looking to produce more cane, sugar and downstream products per drop of water. We continue to work with our businesses operating in other water basins on their approach to water risk management. ABF uses the following approach when determining the annual comparative thresholds: • Much higher: > 10% • Higher: > 5% but < 10% • About the same: between -5% and 5% • Lower: < -5% but > -10% • Much lower: < -10%

W-FB1.2e

(W-FB1.2e) For each commodity reported in question W-FB1.1a, do you know the proportion that is produced/sourced from areas with water stress?

Agricultural commodities	The proportion of this commodity produced in areas with water stress is known	The proportion of this commodity sourced from areas with water stress is known	Please explain
Sugar	Yes	Yes	All of AB Sugar's facilities monitor the status of the basins in which they operate and when required, respond to changes in the stress levels. In response to water scarcity issues, many of Illovo's operations invest in projects designed to increase water efficiency. Projects to convert existing irrigation systems to drip irrigation, which is more effective and efficient in terms of water use, are underway in Malawi, Zambia and eSwatini. Our sugar operations in southern Africa constitute 99.6% of the total amount of water extracted from water stressed areas. Water conservation, use and availability have all been identified as material issues to the business. Consequently, Illovo's Sustainability Policy includes water governance criteria. Two of the key objectives of the Sustainability Policy are to reduce water consumption per unit of production within the organisation and to review wastewater management to identify opportunities for improvement. Illovo's key focus area is how to ensure "More crop per drop". As part of its water aspiration, Illovo is converting its furrow and sprinkler systems to more efficient subsurface drip irrigation and looking to produce more cane, sugar and downstream products per drop of water. The groupwide water stress assessment conducted in 2014 and repeated in 2017, 2019 and 2020 included sugar that is sourced from our outgrower suppliers as they operate in the same river basins as our own sugar estates.
Other commodities from W-FB1.1a, please specify (Cotton)	Not applicable	No, not currently but we intend to collect this data within the next two years	We recognise the importance of understanding the proportion of cotton sourced from water stressed areas due to the water intensity of the commodity and the impact cotton has on ABF's revenue. Over the next two years we will identify the proportion of cotton sourced from water stressed areas.
Soy	Not applicable	No, we do not have this data and have no plans to obtain it	As less than 10% of our revenue is dependent on soy and soy derived products, and due to the costs associated therewith we have not undertaken a water stress assessment on this commodity. Therefore, we do not have a group wide figure for the proportion of soy originating from water stressed areas. However, our relevant businesses are aware of the water risks in their supply chain and address these through tailored approaches. For example, soy is an ingredient used primarily by AB Agri as a key component in animal feed and 80% of soy purchased by the ABN compound business meets the FEFAC Soy Sourcing guidelines which include consideration of water use. AB Agri's ambition is to source 100% zero deforestation soy and palm oil by 2025 to reach its zero deforestation goal.
Other commodities from W-FB1.1a, please specify (Wheat)	Not applicable	No, we do not have this data and have no plans to obtain it	Wheat is sourced primarily by our bakeries, other grocery businesses and agriculture business. As less than 10% of our revenue is dependent on wheat, and due to the costs associated therewith we have not undertaken a water stress assessment on this commodity. Therefore, we do not have a group wide figure for the proportion of wheat originating from water stressed areas; however, we are confident that our relevant businesses are aware of the water risks in their supply chain and address these through tailored approaches.
Rice	Not applicable	No, we do not have this data and have no plans to obtain it	Rice is sourced by different businesses in ABF and each has their own approach to working with their supply chain on water issues. Therefore we do not have a groupwide figure for the proportion of rice originating from water stressed areas but our relevant businesses are aware of the water risks in their supply chain and addressing these through tailored approaches. As an example, Westmill Foods has identified that rice sourced from Pakistan is vulnerable to the impact of water stress. Pakistan is predicted to be chronically short of water by 2025 and the area of cultivated rice land has already dramatically reduced in recent years due to water shortages. As such, Westmill has launched a project which aims to improve water efficiency by 30% by training farmers in water saving techniques such as laser levelling, alternative wetting and drying and direct seeding. Wider dissemination of advice at village level to encourage water saving beyond direct project beneficiaries is also a key activity. Westmill invested \$150,000 in the three-year Water and Productivity Project in Punjab, Pakistan, which promotes the standards of the UN Sustainable Rice Programme (SRP) of which Westmill is a founding member. The programme has trained 600 farmers since 2018 with the aim to reach 1,200 by 2024. In 2020, Westmill purchased 4,000 tonnes of the sustainable rice. Our PGP business is a member of the USA Rice Millers Association who as part of the wider USA Rice, are involved with Conservation and Sustainability initiatives across the industry working with local NGOs.

W-FB1.2f

(W-FB1.2f) What proportion of the produced agricultural commodities reported in W-FB1.1a originate from areas with water stress?

Agricultural commodities	% of total agricultural commodity produced in areas with water stress	Please explain
Sugar	26-50	To obtain this figure, we have used data supplied by our AB Sugar sites for their total product tonnage, including co-products and by-products which includes molasses, animal feed, agricultural fertilizer and topsoil. The amount of product output is then calculated from the sites identified as located in water stress sites. Compared with last year, there is a 10% decrease in the amount of sugar and co-/by- product output from areas of water stress. Other methodologies and internationally recognised water stress tools are used internally which provide more detailed results.

W-FB1.2g

(W-FB1.2g) What proportion of the sourced agricultural commodities reported in W-FB1.1a originate from areas with water stress?

Agricultural commodities	% of total agricultural commodity sourced from areas with water stress	Please explain
Sugar	26-50	Our sugar businesses work closely with their sugar suppliers and therefore they know the basins from which their suppliers source water for irrigation. At an AB Sugar level, we are working with our individual businesses to consolidate and harmonise this information, noting that various tools are used to identify water stress basins, and then validate the findings. However, as the majority of sugar beet and cane is sourced from local farmers we have made the assumption that the percentage of sugar sourced from areas of water stress is equivalent to the percentage of sugar produced in areas with water stress.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	818712	About the same	Fresh surface water is ABF's most significant source of water and includes water from wetlands, rivers and lakes. These sources are monitored at a site level to ensure that withdrawals are in line with extraction permits. The total volume of surface water is obtained from direct measurement and is reported by the local teams. The data are verified by ABF and assured by Ernst & Young. 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. The anticipated future trend is defined by AB Sugar's 2030 commitments to reduce its water footprint by 30%; however, withdrawal for water from rivers is expected to remain about the same due to the geographical location of our sugar operations. Any significant change is only likely if there is an acquisition or disposal of a sugar operation.
Brackish surface water/Seawater	Relevant	873	Much higher	While the volume is 11% more than reported last year for brackish surface water / seawater, the total is less than 1% of the total water withdrawn at group level and by a very limited number of sites. The increase is primarily due to one site reporting an increase in this water source. ABF is reviewing the definition of this source of water for group level reporting.
Groundwater – renewable	Relevant	17447	Much higher	This is a 16% increase compared with last year's reported renewable groundwater data. This is primarily due to the inclusion this year of water extracted from boreholes at Illovo's Nakambala site in Zambia. Without this addition, the group's groundwater abstraction would have remained very static compared with the prior year. The borehole water at Nakambala will continue to be reported with accuracy levels being assessed as the calculation for abstracted water is refined and meters are applied. AB Sugar China's two sites source groundwater from wells for use in the sugar production process, domestic water use and maintenance. There are four wells at each site in Zhangbei and Qianqi. At Zhangbei, water consumption is monitored by on-site well meters, which are managed by the site and the local water bureau, which collects water meter readings and issues monthly water consumption records. At Qianqi, water consumption is monitored by meters and is manually recorded each shift.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	
Produced/Entrained water	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	Produced or entrained water is monitored and measured by our relevant businesses. The data is not collated at group level.
Third party sources	Relevant	10459	Lower	There was a slight reduction of 6% in the amount of water used from municipal and other third party sources.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	70134	Much higher	The destination of our water discharge is estimated based on findings from the WWF Water Risk Filter Tool. Therefore while we have accurately reported data for the group's total discharged water, the proportion by destination is estimated. At site level, the destination of wastewater is known and at group level, we are working with the businesses to collate this information to be able to report more accurately in future years. This year, more than 214 million m3 of water (or 25% of water abstracted) has been reused by 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. The 27% increase in the volume of water reused this year compared with 2019 is mainly due to improvements in the measurement and accounting for additional water streams such as the reuse of water in factory boilers.
Brackish surface water/seawater	Relevant	9083	Much higher	The destination of our water discharge is estimated based on findings from the WWF Water Risk Filter Tool. Therefore while we have accurately reported data for the group's total discharged water, the proportion by destination is estimated. At site level, the destination of the wastewater is known and at group level, we are working with the businesses to collate this information to be able to report more accurately in future years. This year, more than 214 million m3 of water (or 25% of water abstracted) has been reused by 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. The 27% increase in the volume of water reused this year compared with 2019 is mainly due to improvements in the measurement and accounting for additional water streams such as the reuse of water in factory boilers.
Groundwater	Relevant	115	Much higher	The destination of our water discharge is estimated based on findings from the WWF Water Risk Filter Tool. Therefore while we have accurately reported data for the group's total discharged water, the proportion by destination is estimated. At site level, the destination of the wastewater is known and at group level, we are working with the businesses to collate this information to be able to report more accurately in future years. This year, more than 214 million m3 of water (or 25% of water abstracted) has been reused by 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. The 27% increase in the volume of water reused this year compared with 2019 is mainly due to improvements in the measurement and accounting for additional water streams such as the reuse of water in factory boilers.
Third-party destinations	Relevant	35642	Much higher	The destination of our water discharge is estimated based on findings from the WWF Water Risk Filter Tool. Therefore while we have accurately reported data for the group's total discharged water, the proportion by destination is estimated. At site level, the destination of the wastewater is known and at group level, we are working with the businesses to collate this information to be able to report more accurately in future years. This year, more than 214 million m3 of water (or 25% of water abstracted) has been reused by 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. The 27% increase in the volume of water reused this year compared with 2019 is mainly due to improvements in the measurement and accounting for additional water streams such as the reuse of water in factory boilers.

W-FB1.3

(W-FB1.3) Do you collect/calculate water intensity for each commodity reported in question W-FB1.1a?

Agricultural commodities	Water intensity information for this produced commodity is collected/calculated	Water intensity information for this sourced commodity is collected/calculated	Please explain
Sugar	No, not currently but we intend to collect/calculate this data within the next two years	No, not currently but we intend to collect/calculate this data within the next two years	We collect and calculate the water intensity of our sugar at an individual business level. For example, British Sugar which sources sugar beet, is a signatory to the voluntary Food and Drink Federation (FDF) which is helping UK food and drink manufacturers to improve their environmental sustainability by reducing water use by 20% by 2020 (baseline 2011/12). We are not in a position this year to disclose our consolidated sugar/water intensity figure.
Soy	Not applicable	No, not currently and we have no plans to collect/calculate this data within the next two years	We are not planning to calculate the water intensity of soy at a group level in the next two years due to a focus on sugar and cotton as the key agricultural commodities used by our businesses. Less than 10% of our revenue is dependent on soy, and each business is aware of the water risks concerned with soy and have agreed to purchase responsibly sourced soy. Furthermore, our Supplier Code of Conduct sets out the standards we expect of our suppliers, including our requirement that they continually strive towards improving the efficiency and sustainability of their operations.
Other commodities from W-FB1.1a, please specify (Wheat)	Not applicable	No, not currently and we have no plans to collect/calculate this data within the next two years	We are not planning to calculate the water intensity of wheat at a group level in the next two years due to a focus on sugar and cotton as the key agricultural commodities used by our businesses. Less than 10% of our revenue is dependent on wheat, and each business is aware of the water risks concerned with wheat and have agreed to purchase responsibly sourced wheat. Furthermore our Supplier Code of Conduct sets out the standards we expect of our suppliers, including our requirement that they continually strive towards improving the efficiency and sustainability of their operations.
Rice	Not applicable	No, not currently and we have no plans to collect/calculate this data within the next two years	We are not planning to calculate the water intensity of rice at a group level in the next two years due to a focus on sugar and cotton as the key agricultural commodities used by our businesses. Less than 10% of our revenue is dependent on rice, and each business is aware of the water risks concerned with rice and have agreed to purchase responsibly sourced rice. Furthermore our Supplier Code of Conduct sets out the standards we expect of our suppliers, including our requirement that they continually strive towards improving the efficiency and sustainability of their operations.
Other commodities from W-FB1.1a, please specify (Cotton)	Not applicable	No, not currently but we intend to collect/calculate this data within the next two years	As part of our approach to water stewardship, we recognise the need to evaluate and manage the sustainability of our cotton supply. Primark's long-term ambition is for all the cotton in its supply chain to be sourced sustainably. Its Sustainable Cotton Programme started with female farmers in India in 2013, was expanded into Pakistan in 2018 and was launched in China this year with male and female farmers. By the end of 2022, the business aims to have trained more than 160,000 independent cotton farmers in sustainable farming methods, including using fewer chemical pesticides and fertilisers as well as less water. The programme affords a high degree of supply chain transparency, enabling the cotton to be directly traced from farm through manufacture to store. More than 23 million Primark products made with sustainable cotton have been sold since they were first introduced in August 2017, including women's pyjamas, jeans, duvet covers and towels.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

1-25

% of total procurement spend

Unknown

Rationale for this coverage

Our Supplier Code of Conduct sets out the standards we expect of our suppliers, including our requirement that they continually strive towards improving the efficiency and sustainability of their operations. Where identified as material, our businesses engage with suppliers on water issues and monitor progress. For example, Primark works closely with suppliers and the facilities that manufacture Primark branded products, giving guidance and support around the management and monitoring of incoming water and wastewater discharge. Primark operates an international Chemicals and Pollution Management Programme that works to continuously improve efficiency and sustainability of manufacturing operations, with a specific focus in China where government reporting of incoming water use and discharge is a priority. For example, Azucarera has an Agronomic Improvement Plan which aims to improve the efficient use of water by their beet growers via training, regular communications, and irrigation system demonstrations. For over 50 years Azucarera has been supporting and co-financing with our growers the work of the Research Association for Improving the Sugar Beet Crop (AIMCRA), with which we cooperate closely, testing and analysing the performance of new beet varieties and products for pest control and plant disease. Azucarera's solar irrigation partnership with AIMCRA, a Spanish research association, aimed to reduce energy and water use among beet growers. More than 80 solar water-pumping units were installed across Spain, leading to a 90% reduction in CO2 emissions, a 70% fall in irrigation costs and a 20% decrease in water use. Through its Agronomic Improvement Plan and in collaboration with AIMCRA, Azucarera delivers regular training for beet growers to learn the benefits of irrigation powered by solar energy; demonstrated irrigation systems to show savings of up to 30% of the water needed to irrigate and shared benefits of low-pressure irrigation systems. Via an App, weekly water consumption updates are provided. Unfortunately, this year due to the pandemic, the training sessions could not be delivered.

Impact of the engagement and measures of success

The impact of the Primark's Sustainable Cotton Programme from 2013-2016: • An average profit increase of almost 200% and an increase in yield of almost 10% • A reduction of input costs by 15.8% (e.g. by reducing chemical pesticide and fertiliser usage, buying seeds collectively, and a reduction in additional labour costs) • A 24.7% reduction in the use of chemical fertiliser and a 50.3% reduction of chemical pesticide usage, indicating that environmentally sustainable farming methods are being adopted • A 4% water usage decrease, revealing sustainable water efficiency practices in action Azucarera focuses most and collaborates with AIMCRA on three agronomic areas: 1. Fertilization and adjustment of the use of fertilizers Annual soil analyses in the fields helping to reduce the use of nitrogen fertilizers, avoiding the negative effects of overuse on the crops and nitrite soil contamination. 2. Disease and pest control Dosage has been adjusted to reduce the use of herbicides, insecticides and fungicides to control weeds, pests and diseases, respectively. This reduces the quantity of product used, the associated costs of production and the exposure to and adverse effects of excessive use on the crops, growers and the environment. Integrated pest control increased within crop rotation, as well as use of the type of product best suited to the particular conditions of each area to control plant disease. 3. Irrigation During the summer beet irrigation period (June-September), growers are informed every week how much water the beet needs, based on the weather conditions in the area (temperature and humidity) and the specific stage of development of the crop. Irrigation is thus adjusted strictly to what is really needed by the crops, avoiding excessive water consumption. On the one hand, these actions, particularly those regarding the use of plant protection products, improve crop yield. On the other, the measures are taken by Azucarera to minimise the impact of our activity on the environment and biodiversity. This is especially important bearing in mind that, owing to their characteristics, beet fields provide a refuge for numerous species of animals, so they are high biodiversity zones.

Comment

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

Incentivizing for improved water management and stewardship

Details of engagement

Offer financial incentives to suppliers improving water management and stewardship across their own operations and supply chain

% of suppliers by number

1-25

% of total procurement spend

Unknown

Rationale for the coverage of your engagement

As AB Sugar contributes 97%, and Illovo 96.1%, of ABF's total abstracted water due to high water use associated with sugar cane growth, processing and manufacture, our engagement activities are focused around creating and strengthening sustainable supply chains and promoting community development. Illovo's Standard Trading Conditions and Code of Conduct and Business Ethics sets the standards expected of suppliers. These include sustainable farming and agricultural practices, a precautionary approach to environmental challenges, efficient and sustainable operations including water conservation programmes. As over 50% of the cane processed by Illovo is cultivated by a supply chain of over 14,700 growers, Illovo significantly invests in working closely with cane suppliers to ensure a sustainable supply. Through the South African Fairtrade Sugar Project, Illovo supports the development of farming and local communities to enable a sustainable future for people and the environment. 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 tonnes of Fairtrade sugar cane (1.4% of total) and 10.6 million tonnes of SUSFARMS sugar cane (67.4% of total).

Impact of the engagement and measures of success

Fairtrade farmers are encouraged to form co-operatives which are eligible to receive a Fairtrade Development Premium of £34 for every tonne of refined Fairtrade sugar produced from their sugarcane. Illovo supports the set-up of out-grower co-operatives, encouraging and helping them to acquire Fairtrade accreditation. A comprehensive range of support is provided, including helping the co-ops to obtain funding to purchase farming inputs and providing training and advice on farm management, along with partners (WWF, SEDA, and other development agencies). Illovo also helps the co-ops with the day-to-day management of their farms, from checking soil samples to planting, harvesting and milling. Illovo also helps the co-ops with the day-to-day management of their farms, from checking soil samples to planting, harvesting and milling. Illovo pays for the administration of out-growers' Fairtrade schemes, as well as providing assistance with Fairtrade audits. The successful Fairtrade accreditation of small-scale growers has facilitated direct revenue injection into rural areas through Illovo's support and coordination processes.

Comment

Type of engagement

Innovation & collaboration

Details of engagement

Provide training and support on sustainable agriculture practices to improve water stewardship

% of suppliers by number

1-25

% of total procurement spend

Unknown

Rationale for the coverage of your engagement

To ensure a continuous and sustainable cane supply, Illovo provides agronomy extension services to a number of smallholder farmers, through dedicated teams of extension officers. Illovo assists with technical and material expertise and resources, such as dredging of canals, crop diversification and adaptation, pest and disease control, and maintenance of pumping equipment. In certain countries, Illovo also provides out-grower associations with inputs to farming operations at cost-price. At Illovo Tanzania, the Kilombero Growers Department have introduced an extension department with 24 extension staff fully employed with effect from February 2019. The extension staff help growers improve productivity and have visited approximately half of the existing growers. In addition, the Kilombero Sugar Company works closely with the Sugar Research Institute of Tanzania and the Government extension officers in driving productivity efficiencies into the production value chain.

Impact of the engagement and measures of success

In order to help sugar farmers in South Africa to improve yields, increase their incomes and provide a sustainable cane supply for the Illovo mill in Noodsberg, Illovo developed a comprehensive growing guide. With many growers having little formal education, the booklet provides simple step-by-step guidance and employs infographics to illustrate the necessary actions. These are also summarised on a single-page, highly visual 'roadmap'. The materials also raise awareness of the guidelines for sugar cane production, such as the South African Sugarcane Research Institute (SASRI) standards. The roll-out of the guide tripled attendance at Illovo's field days, and more growers are now applying for supply agreements. The booklet will now be distributed to all Illovo operations across southern Africa, while a version suitable for schools and a mobile app for use in the field are also being considered.

Comment

Type of engagement

Innovation & collaboration

Details of engagement

Provide training and support on sustainable agriculture practices to improve water stewardship

% of suppliers by number

1-25

% of total procurement spend

Unknown

Rationale for the coverage of your engagement

In order for AB Sugar China to meet its business goals, it launched the Sustainable Agriculture Programme in March 2014 and updated it in 2019 to increase productivity, embrace conservation and improve lives. The agricultural strategy is focused on sugar beet crop optimisation and driving efficiencies to increase yield and sugar content, while reducing water and fertiliser use. The programme provides growers with advice on agronomy and technology to help enhance productivity and to provide them with solutions to overcome specific challenges such as those related to weather, localised soil quality, fertiliser use and water scarcity.

Impact of the engagement and measures of success

AB Sugar China utilises a Customer Relationship Management (CRM) system to collect key agricultural data for example, number of growers, percentage of area under irrigation, seed variety and planting type to inform business decision making and measure progress against its goals. The Agriculture department (approximately 70 employees) support the sugar beet growers with planting and harvesting and utilise the CRM data system to segment the grower base and tailor their engagement approach. To give sugar suppliers science-based information on using fertilisers, AB Sugar China launched the More from Less Fertiliser initiative in 2018 with the intention that by the end of 2019, all its large growers (representing around 90% of its total growing area) would have access to this new, free soil testing and fertiliser advice service. Demonstration plots are also used to show growers that lower fertiliser use reduces costs and environmental risks without adversely affecting crop quality or yields.

Comment

Key engagement channels for large-scale growers include one-on-one relationships with members of the Agricultural team, specialised training courses, as well as soil testing services. For small holder farmers, the business hosts Open Days and shares information for example, learning videos via a dedicated company WeChat platform.

Type of engagement

Innovation & collaboration

Details of engagement

Provide training and support on sustainable agriculture practices to improve water stewardship

% of suppliers by number

1-25

% of total procurement spend

Unknown

Rationale for the coverage of your engagement

British Sugar sources its sugar beet from over 3,000 growers in the UK and has noted the importance of using sustainable agricultural processes to maintain production outputs. British Sugar maintains close relationships with its growers to make sure the harvest remains resilient, cost-effective and that practices are compliant with existing and upcoming regulations. British Sugar has multiple engagement points with its growers, including contract managers who are responsible for grower relationships. Furthermore, British Sugar partners with the British Beet Research Organisation (BBRO) whose mission statement is to commission and implement research and technology transfer designed to increase the competitiveness and profitability of the UK sugar beet industry in a sustainable and environmentally acceptable manner. In the UK, the BBRO launched the Brilliant Basics campaign with British Sugar, AB Sugar and grower representative NFU Sugar during 2019. This is expected to help British Sugar's 3,000 growers in the East of England and East Midlands to maximise yields. Easy-to-follow messages advice, based on BBRO research, is shared through the British Sugar Beet Review, and feedback on how growers are interpreting and acting on the information is gathered through surveys, webinars and direct conversations. British Sugar supports the work of the BBRO and, for the past eight years, all the farms and growers supplying the company with sugar beet are fully certified Red Tractor members. BBRO works hard on behalf of the industry to find new and innovative solutions to help farmers grow a sustainable and healthy sugar beet crop. It actively engages with scientists across Europe through the International Institute of Sugar Beet Research (IIRB) but also looks to other industries to see where we can bring in existing technology to our industry.

Impact of the engagement and measures of success

The BBRO publishes an annual Sugar Beet Reference Book which provides technical advice on harvest techniques, soil management and crop nutrition and protection. As well as delivering a range of events and publications the BBRO also approved ten new research projects and three new PhD projects in 2019. It also launched a new

knowledge exchange campaign called Brilliant Basics. This partnership allows British Sugar to engage with their growers on best practices and strengthen the resilience of British sugar beet agriculture.

Comment

Type of engagement

Innovation & collaboration

Details of engagement

Provide training and support on sustainable agriculture practices to improve water stewardship

% of suppliers by number

1-25

% of total procurement spend

Unknown

Rationale for the coverage of your engagement

Cotton is a key resource in the fashion industry, making up to 50% of Primark's resource mix, and textile manufacturing depends on water at many stages, whether in dyeing material or washing the final product before it is shipped. Primark recognises the importance of water along the supply chain and Primark's long-term ambition is for all the cotton in its supply chain to be sourced sustainably. Primark's Sustainable Cotton Programme started in India in 2013, was expanded into Pakistan in 2018 and was launched in China this year. By the end of 2022, the business aims to have trained more than 160,000 independent cotton farmers in sustainable farming methods, including using fewer chemical pesticides and fertilisers as well as less water. The programme affords a high degree of supply chain transparency, enabling the cotton to be directly traced from farm through manufacture to store. More than 23 million Primark products made with sustainable cotton have been sold since August 2017.

Impact of the engagement and measures of success

In Pakistan, those who completed their first year of training have seen yields increase by 11.2%, input costs fall by 12.9%, resulting in an average rise in profits of 26.8%. Primark has also partnered with sustainable supply chains experts Solidaridad and the International Finance Corporation (IFC) on its Partnership for Cleaner Textile (PaCT) initiative in Bangladesh and its Better Mills Initiative in China. Both projects have delivered training to factory managers and invested in technologies to reduce water use and better manage the chemicals used in dyeing and washing. Primark is also committed to Greenpeace's Detox campaign, which is centred around phasing out the use of certain chemicals within the supply chain. Primark reports annually on progress in this area, and has made their restricted substance lists publicly available.

Comment

Primark has signed up to the ZDHC Foundation's programme and committed to the ZDHC's Manufacturing Restricted Substances List (MRSL) which lists the substances in chemicals that suppliers are not permitted to use in manufacturing Primark products. Primark has held workshops for many suppliers in China, India and Bangladesh to support them in implementing the MRSL.

Type of engagement

Innovation & collaboration

Details of engagement

Provide training and support on sustainable agriculture practices to improve water stewardship

% of suppliers by number

Less than 1%

% of total procurement spend

Unknown

Rationale for the coverage of your engagement

Pakistan is predicted to be chronically short of water by 2025 due to climate change and the area of cultivated rice land has already dramatically reduced in recent years due to water shortages. Our UK Grocery company Westmill Foods invested \$150,000 in a three-year Water and Productivity Project (WAPRO) in Punjab, Pakistan, which promotes the standards of the UN Sustainable Rice Programme (SRP), of which Westmill is a founding member. WAPRO partners Helvetas and Galaxy Rice provide training in SRP techniques, including water-efficient cultivation techniques to meet growing international and national demand. Since 2018, 600 farmers have been trained with the aim to train 1,200 basmati rice farmers by 2024. In 2020, Westmill purchased 4,000 tonnes of the sustainable rice and plans to increase the proportion of rice it sources through the project in future years.

Impact of the engagement and measures of success

The intended outcomes are increased yields and incomes, water savings, GHG reductions, tackling of social issues and supply chain resilience. After three years, water efficiency has improved with a reduction in water use by 25%, an increase in yields by 20% and net incomes up by 36%. In addition, there has been a 48% reduction in GHG emissions. In the reporting year, Westmill procured 4,000 tonnes of sustainable basmati and has committed to increasing the volume of sustainable basmati to be procured year on year, as more volume becomes available via the programme.

Comment

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

Our rationale is two-fold for engaging with partners in our value chain:

1 - The values of ABF include acting with integrity and progressing through collaboration. In order to respect the environment, we recognise that by working with others, we will be able to help ensure a sustainable supply of natural resources upon which our business relies, and the local communities in which we reside requires. Our businesses are entrusted to make decisions locally which are commercially relevant but also important for the long-term benefit. As such, they determine how to prioritise engagements with customers and suppliers.

2 - Maintaining brand reputation and value for our customers are also of primary importance and therefore, included in our water management. On a business to business commercial basis, our businesses respond to customer requests to collaborate on a range of environmental management projects including water activities such as water use efficiencies, water quality and reporting. For certain products, customers have been consulted on their use of water with the product to provide us with insights into potential water reduction strategies in our value chain. This engagement also extends across specific industries where positive impact is more likely if we collaborate with other organisations. For example, Primark believes the most effective way to improve environmental management in its supply chain and across the wider industry is through industry-wide monitoring and performance improvement initiatives. Primark takes the lead in developing monitoring tools and standards with ZDHC and the Sustainable Apparel Coalition (SAC), to maximise leverage and prevent duplication. In line with Greenpeace's Detox campaign, Primark aims to have 100% of its supply chain publishing water and air discharge data.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

Yes

W2.1a

(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Country/Area & River basin

Zambia	Zambezi
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Type of impact driver & Primary impact driver

Physical	Drought
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Primary impact

Supply chain disruption

Description of impact

Zambia has suffered from droughts and prolonged dry spells in recent years, impacting agricultural production. Illovo's Nakambala estate in Zambia is located in the south-western region alongside the Kafue River. To support the cultivation of sugar cane for the sugar manufacturing process, water is withdrawn from the river in terms of an extraction licence, and the water is used for irrigation as well as for factory heating, cooling and cleaning. During the reporting year, the irrigation of Illovo's sugar crop was impacted by reduced power supply from the Kariba Dam hydro-electric plant on the Zambezi River, due to the low level of Lake Kariba (14% of capacity) between September and December 2019. Extensive periods of electricity load-shedding hindered the smooth operation of the production facilities and also adversely affected the ability to fully irrigate the crop as required. From April to the end of August 2019, 93% of crop water demand was met. Only 56% of the crop water demand was met between September 2019 and March 2020. The crop forecast was therefore revised downward from 3.4 million tonnes of cane to 3.2 million tonnes of cane. Certain parts of the Estate were severely affected when water had to be diverted to keep the factory running, thereby limiting irrigation water availability to the western half of the estate. The dry weather conditions experienced during the second half of summer subjected the crop to increased stress and widespread YSA infestations.

Primary response

Adopt water efficiency, water reuse, recycling and conservation practices

Total financial impact

Description of response

Aware of the need to maintain access to water for all, the site keeps within the water abstraction limits set by the local authorities. Under a supply agreement, water is transferred to local growers, as well as the local town of Mazabuka. This supply is prioritised and maintained during times of supply restrictions, with the site adapting to lower water use if necessary. The regular upgrading of its water treatment plants provides potable (drinking) water to 16,000 residents within the Nakambala Estate. Illovo has also improved the efficiency of its water equipment, replacing old water pumps and introducing drip irrigation technology. Illovo has an ongoing project to improve the efficiency of the irrigation process at Nakambala through installing drip irrigation solutions, where existing irrigation processes have historically led to significant water losses. In addition, there is an ongoing project to line the water canals around the Nakambala estate to prevent water loss through evaporation and seepage. Illovo works with various partners such as the WWF to help enhance its own water stewardship activities. These partnerships ensure that its sustainable resources and water management activities are aligned with international best practice. Illovo is one of three private sector member companies participating in the Kafue Flats Joint Action Group (KFJAG).

Country/Area & River basin

Malawi	Zambezi
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Type of impact driver & Primary impact driver

Physical	Flooding
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Primary impact

Reduction or disruption in production capacity

Description of impact

Malawi is highly vulnerable to the impacts of extreme weather events given its location along the great African Rift Valley, rapid population growth, unsustainable urbanization, climate variability and change, and environmental degradation. The most common weather-related shocks affecting Malawi include floods, drought, stormy rains and hailstorms. Over the past five decades, Malawi has experienced more than 19 major floods and seven droughts, with these events increasing in frequency, magnitude and scope over the years. In March 2019, cyclone Idai caused heavy flooding to Illovo's Nchalo estate, incurring costs to repair the damage. Furthermore, Illovo's Dwangwa estate in Malawi experienced flooding during the 2019/2020 season. The floods affected 77 hectares and damaged 6000 tons of cane. The fields were covered in sand and the irrigation structure damaged, including damage to the supply canal and feeders. The flooding resulted in a reduced harvest area.

Primary response

Develop flood emergency plans

Total financial impact

302000

Description of response

At these operations, Illovo is working on re-delineating flood risk zones and implementing and improving flood protection mechanisms. Illovo's flood mitigation measures at their operations in Malawi have demonstrated improved resilience and yielded improved results. At Dwangwa, a consultant has been engaged to conduct a full analysis and provide designs for the bunds repair and maintenance. We will be in a position to report these developments and associated costs in future reports.

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

Yes, fines, enforcement orders or other penalties but none that are considered as significant

W2.2a

(W2.2a) Provide the total number and financial value of all water-related fines.

Row 1

Total number of fines

6

Total value of fines

20046

% of total facilities/operations associated

0.7

Number of fines compared to previous reporting year

About the same

Comment

Last year five wastewater-related fines were received across three countries. In this reporting year, six wastewater-related were received. 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.

W3. Procedures

W-FB3.1

(W-FB3.1) How does your organization identify and classify potential water pollutants associated with its food, beverage, and tobacco sector activities that could have a detrimental impact on water ecosystems or human health?

Operations:

Most ABF factories discharge their industrial wastewater into municipal treatment systems under strict discharge limits including total volume, BOD, COD, suspended solids, grease/oil/fats, pH levels and sometimes other specialist determinants. The municipal treatment systems use bacteria to 'digest' the pollutants and bring them down to concentrations which do not, when added to the discharges from other industrial, commercial and domestic premises, cause harm to aquatic ecosystems and cause loss of animals, flora and local amenities. Anything which would compromise the treatment systems is heavily controlled and enforced. The wastewater from our food factories such as bakeries is mostly biologically degradable as the ingredients are mostly natural substances such as wheat, sugar and yeast which break down naturally. To speed up the process the municipal systems introduce selected bacteria to ensure adequate treatment for the large volume of wastewaters.

Our typical food factories will have a two-pronged approach to preventing pollution. Firstly, in order to not exceed their permitted discharge concentrations, they minimise any polluting materials entering their wastewater. Secondly, they ensure that there is sufficient monitoring, quality controls and treatment on site so that whatever is eventually discharged complies with the terms of its discharge permit. Any treatment could use one or more of a range of technologies including settlement of solids, aerobic digestions and anaerobic digestion. The selection of technologies addresses the local aquatic sensitivities and water quality objectives. Our food factories need to rely on the expertise of the regulatory bodies to determine what is safe to be discharged. The role of the factories is therefore to ensure that those discharge limits are not exceeded.

Each ABF facility has dedicated HSE resources who have the technical skills and expertise to identify, assess and manage potential water pollutants in their direct operations and factories.

Supply Chain:

In line with Primark's stringent chemical requirements, we are working with our suppliers to phase out certain chemicals deemed hazardous from our supply chain, replacing them with suitable alternatives. This work has been supported by over 4,500 hours of workshops and on-site training on environmental issues, including chemicals. In the product lifecycle of a garment, various hazardous chemicals are used, particularly in the dyeing and processing stage. Chemicals involved in these processes can be hazardous when released into the environment, posing a risk to human health. Primark has taken steps to control and prevent the use of hazardous chemicals in its supply chain. Primark has provided training to its suppliers through its in-house "Implementation Toolkit" which contains guidance on restricted chemicals and legislative requirements. Primark works collaboratively with suppliers through its Ethical Trade and Environmental Sustainability team on the ground, to identify areas of improvement and monitor progress against chemical compliance. Primark is also a member of the Zero Discharge of Hazardous Chemicals (ZDHC) program. The ZDHC is an industry-wide commitment to phase out the use of toxic chemicals in companies' supply chain by 2020. Together with other apparel retailers, the industry group has created a list of restricted manufacturing substances and developed audit and training tools on chemical management to encourage more sustainable management and use of chemicals in its supply chain.

W-FB3.1a

(W-FB3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your food, beverage, and tobacco sector activities.

Potential water pollutant

Fertilizers

Activity/value chain stage

Agriculture – direct operations

Agriculture – supply chain

Description of water pollutant and potential impacts

Nitrates, ammonia and phosphates from fertiliser into surface and ground water have the potential to negatively impact aquatic life and environmental habitats by causing potential algal blooms and resultant oxygen depletion.

Management procedures

Fertilizer management

Calculation of fertilizer intensity data

Please explain

To manage our fertiliser related risks, we follow the recommendations of soil and leaf samples analysed by reputable laboratories and use enhanced nitrogen carriers where necessary. There is no advantage for us in applying excess fertilisers as the costs would outweigh the yield benefit. For example, in British Sugar, since 2001 incremental rate of growth has increased to 3% annually. Yield increases have been achieved with significantly lower inputs of fertiliser and herbicides per hectare. A further example takes place in Azucarera which collaborates with AIMCRA on fertilization and the adjustment of the use of fertilizers based on annual soil analyses in the fields to be sown. This helps to reduce the use of nitrogen fertilizers, avoiding the negative effects of overuse on the crops and nitrite soil contamination.

Potential water pollutant

Pesticides and other agrochemical products

Activity/value chain stage

Agriculture – direct operations

Description of water pollutant and potential impacts

Insecticides utilised as insect control for our sugar cane crops. Pesticides have toxic properties and have the potential to contaminate ground and surface water sources, negatively affecting ecosystems and biodiversity. In Illovo, previously the spraying of chemicals to control pests like Yellow Sugarcane Aphids and Thrips was done via aerial application. However, with the conversion to sub-surface drip irrigation, Illovo is now in a position to apply these chemicals through the irrigation system, and in particular via sub-surface irrigation, reducing the risk of contamination to the environment considerably. As the risk of runoff is reduced, so is the environmental risk of polluting the wetlands and water sources on the sugar estate.

Management procedures

Sustainable irrigation and drainage management

Pesticide management

Please explain

We promote sustainable agricultural practices across all our operations, including the conversion to sub-surface drip irrigation where financially feasible. We promote the use of the best available registered and recommended insecticides and apply these according to the manufacturer standards. As an example, Azucarera collaborates with AIMCRA on disease and pest control. Dosage has been adjusted to cut back on the use of herbicides, insecticides and fungicides to control weeds, pests and diseases. This reduces the quantity of product used, the associated costs of production and the exposure to and adverse effects of excessive use on the crops, growers and the environment. Integrated pest control was also included within crop rotation, as well as use of the type of product best suited to the particular conditions of each area to control plant disease.

Potential water pollutant

Other, please specify (Discharges from food factories)

Activity/value chain stage

Manufacturing – direct operations

Description of water pollutant and potential impacts

Most of our food factories discharge industrial wastewater into municipal treatment systems under strict discharge limits including total volume, BOD, COD, suspended solids, grease/oil/fats and pH levels. The wastewater from our food factories such as bakeries is mostly biologically degradable as the ingredients are mostly natural substances such as wheat, sugar and yeast which break down naturally. To speed up the process the sewage systems introduce selected bacteria to ensure adequate treatment for the large volume of wastewaters. Therefore, the concentrations limits applied to these factors are there to protect the digesting bacteria so that they operate to the desired level of efficacy. Our typical food factories will have a two-pronged approach to preventing pollution. Firstly, in order to not exceed their permitted discharge concentrations, they minimise any polluting materials entering their wastewater. Secondly, they ensure that there is sufficient monitoring, quality controls and treatment on site so that whatever is eventually discharged complies with the terms of its discharge permit. Any treatment could use one or more of a range of technologies including settlement of solids, aerobic digestions and anaerobic digestion. The selection of technologies addresses the local aquatic sensitivities and water quality objectives. Our food factories need to rely on the expertise of the regulatory bodies to determine what is safe to be discharged. The role of the factories is therefore to ensure that those discharge limits are not exceeded. Lack of or ineffective wastewater treatment could lead to exceeding limits applied to volume, chemicals, solids, pH levels and other determinants impacting the balance of the receiving watercourse.

Management procedures

Waste water management

Please explain

For example, AB Mauri's production processes require a significant amount of water to produce yeast. AB Mauri established an effluent steering group to develop tools and standards to manage its water use. Through this committee, AB Mauri asked its sites to predict future effluent legal requirements so that any operational upgrades can be future-proofed. At the Pederneiras site in Brazil, AB Mauri is upgrading the site's effluent treatment plant so that it can meet federal requirements and standards. The new plant will have both aerobic and anaerobic treatment of wastewater. Furthermore, with groundwater in water-stressed Lahore, Pakistan, falling by around a metre a year, the AB Mauri yeast factory in the city is using the latest water management system to separate wastewater from reusable water while creating a feedstock for organic fertiliser. The high-pressure reverse osmosis membrane system installed in 2019 separates organic-matter-enriched concentrate, which is supplied for organic fertiliser manufacturing, while the rest is recovered as clean water. There are clear circular economy benefits to the process. The wastewater is transformed to a high-quality permeate, enabling an average 25% of the total permeate generated to be reused on-site – amounting to over 7,500 m3 since the introduction of the new treatment system in November 2019. In addition, the solids are transformed into organic fertiliser for commercial use by a local manufacturer, which reduces the environmental impact from the yeast factory and provides a useful raw material. Over 13,000 tonnes of fertiliser have been donated to date.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment

More than once a year

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Enterprise Risk Management
International methodologies
Other

Tools and methods used

Environmental Impact Assessment
Internal company methods
External consultants
Other, please specify (Independent river basin studies)

Comment

Our process for identifying and assessing water-related risks is integrated in our group-wide approach to risk management. The delivery of our strategic objectives and the sustainable growth of ABF is dependent on effective risk management. We regularly face business uncertainties and it is through a structured approach to risk management that we are able to mitigate and manage these risks. The diversified nature of our operations, geographical reach, assets and currencies are important factors in mitigating the risk of a material threat to the group's sustainable growth and long-term shareholder value. The Board is accountable for effective risk management, for agreeing the principal risks facing the group and ensuring they are successfully managed. The Board undertakes an annual assessment of the principal risks, including those that would threaten the business model, future performance, solvency or liquidity. The Board also monitors the group's exposure to risks as part of the business-level performance reviews conducted at each Board meeting. Each year, the Audit Committee on behalf of the Board reviews the effectiveness of the group's approach to risk management including the internal control procedures and resources devoted to them. Our decentralised business model empowers the management of our businesses to identify, evaluate and manage the risks they face to ensure compliance with relevant legislation, our business principles and group policies.

Supply chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed in an environmental risk assessment

Frequency of assessment

Not defined

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise Risk Management
International methodologies
Other

Tools and methods used

Environmental Impact Assessment
Internal company methods
External consultants
Other, please specify (Engage with management catchment agencies)

Comment

Engagement with suppliers directed by each business if they have identified this as a material issue through their risk and opportunity assessments and other methodologies applied depending on the nature of the raw material, security of supply and geography. Communities in which we work or source our materials may also face challenging risks. By working to internationally recognised standards and partnering with global experts, we can address these risks and strengthen our supply chains.

Other stages of the value chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed as a standalone issue

Frequency of assessment

Not defined

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise Risk Management
Databases

Tools and methods used

Other, please specify (SMETA Audits)

Comment

Where required as part of a commercial relationship with a customer, our businesses undertake water risk assessments using the tools agreed with the customer.

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	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. Water availability and quality parameters are included in ABF's assessment of water risk using GPS co-ordinates of the facility and best available peer reviewed data sets via the WWF Water Risk Filter Tool. In addition, individual businesses conduct local level availability and quality checks to help ensure supply meets demand and quality requirements. For example, Illovo supplies surrounding mill estates and third-party users with potable water that needs to meet consumer standards. Over the past few years, a number of Illovo's operations have experienced issues with water supply not meeting demand or quality requirements. Internal company knowledge, water footprinting, river basin studies and catchment management agency engagement are all means through which Illovo assesses this risk and ensures standards are upheld.
Water quality at a basin/catchment level	Relevant, always included	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. Water availability and quality parameters are included in ABF's assessment of water risk using GPS co-ordinates of the facility and best available peer reviewed data sets via the WWF Water Risk Filter Tool. In addition, individual businesses conduct local level availability and quality checks to help ensure supply meets demand and quality requirements. For example, Illovo supplies surrounding mill estates and third party users with potable water that needs to meet consumer standards. Over the past few years, a number of Illovo's operations have experienced issues with water supply not meeting demand or quality requirements. Internal company knowledge, water footprinting, river basin studies and catchment management agency engagement are all means through which Illovo assesses this risk and ensures standards are upheld.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	Competition for water is an issue for a number of basins in which we operate. Where affected our businesses are represented in catchment bodies or basin management agencies and work with others to address concerns. As a means of understanding and responding to other stakeholder needs, Illovo are members of local catchment organisations for all their operations and actively work to improve the effectiveness of water use across their operations. Each operation has a dedicated Senior Manager to represent Illovo in the catchment related forums. As an example, Illovo plays a key role in collaboration with WWF to undertake catchment research in Zambia and has been recognised by being awarded second place in the Zambia Water Stewardship Awards.
Implications of water on your key commodities/raw materials	Relevant, always included	The availability of water has a direct bearing on the production of some of our key commodities such as sugar, tea, wheat and other grocery ingredients. For example, wheat and sugar beet in the UK is rain fed with little reliance on irrigation and therefore the crop may be affected by drought conditions. Approximately half of the sugar cane processed by Illovo is received from third party sugarcane providers. The impact of water supply issues on these operations has a significant impact on our key raw material. Illovo undertake extensive engagement with their outgrowers to identify and manage this risk. Some of our other businesses also work with the most vulnerable raw material suppliers to ensure their sustainable water supply.
Water-related regulatory frameworks	Relevant, always included	All of our businesses operate within a water and wastewater regulatory framework and tariff system. Some of our operations are also regulated by trans-boundary water agreements. As such, monitoring changes and engaging with national and local regulators is important to anticipate potential impacts to our operations. As an example, George Weston Foods' Western Australia sites are part of the mandatory Water Efficiency Management Plan (WEMP). Water Supply Authorities have taken proactive steps to encourage a reduction in the quantity of water used by large water using businesses. These programmes are supported by local regulation and heavily influenced by dam levels within the water supply grid and seasonal conditions. Currently GWF's Perth WA facilities are subject to these WEMPs. The Perth WA WEMP Waterwise Business Programme is a mandatory scheme which requires annual reporting on targets, actions and plans by GWF's Canningvale and Bentley sites. Annual progress reports are a requirement under the Western Australia Water Agencies (Water-Use) By-laws of 2010. Activities by the sites have included redirecting wash water to a holding tank for reuse, use of trigger nozzles on hoses and restrictions on the hosing of hard surfaces. ZDHC's Wastewater Guidelines (2016) set an aligned expectation on wastewater quality for the entire textile and footwear industry. This standard in wastewater release goes beyond regulatory compliance to ensure wastewater from manufacturing sites does not adversely affect the environment and surrounding communities. As a member of ZDHC, Primark has adopted the ZDHC Wastewater Guidelines and asks suppliers to use these parameters.
Status of ecosystems and habitats	Relevant, always included	ABF's water risk assessment reviews ecosystems at facility level. Some businesses rely on ecosystem services such as water purification, flood defence and pollination. The loss or degradation of these may affect production efficacy and operating costs while some businesses support ecosystem conservation as part of their sustainability objectives. Jordans Ryvita Dorset supports an award-winning farming model which pays British farmers a premium for their crop in return for enhancing wildlife biodiversity on their land. The business has supported tree planting programmes in the UK and Bolivian Amazon, and biodiversity habitat placement in California linked to its almond supply chain. Our sugar businesses work with growers to minimise soil damage and compaction which can affect performance and yields. This includes selecting fields carefully for the right soil type and developments in weight reduction and tyre technology on modern harvesters. Our agronomists seek ways to minimise the amount of soil left on the beet during harvesting, storing and transportation. The environment committee at British Sugar's Wisington site planted more than 100 saplings – a mixture of rowan, hazel, wild cherry, hawthorn, dogwood and silver birch – supplied by the Woodland Trust. Azucarera has an agreement with the Andalusia Environment Department for managing La Laguna de Las Quinientas near the Guadalete factory in Jerez de la Frontera, as an industrial pond and wetland. Some years ago, the lagoon received water from the factory's production process and served as the habitat for protected species of birds. Even though the factory no longer sends water to the lagoon, Azucarera maintains the site as a wetland for the birds. Illovo sites are located next to resources of conservation importance including the Selous National Park, Tanzania, Kafue Flats Wetland, Zambia and the Incomati Estuary, Mozambique. In Malawi, Illovo participates in annual tree planting to retard environmental degradation and soil erosion, and regularly make substantial donations of tree seedlings to local communities. Illovo continues to maintain biodiversity corridors throughout its sugar estates. A 400-hectare reserve known as Nyala Park has been set aside within the Nchalo estate boundary and is maintained with species of the original flora and fauna of the Shire Valley. Important to Illovo's risk assessments is to ensure that operations do not negatively impact the surrounding natural environment.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	ABF businesses provide fully-functioning WASH services for all employees and contractors and these are assessed by many of our businesses as part of their internal risk assessments. Most of Illovo's operations also supply workers with basic amenities, such as water and electricity and in addition, supply some of the communities in which they are located. Illovo Zambia provides potable water to a population of more than 16 000 on the Estate and further supplies bulk raw water to the Southern Water and Sewerage Company (SWSCO) which in turn supplies clean and treated water to the entire Mazabuka District. The Company supplies a total of 6 million litres per day to SWSC. WaterAid and our tea company Twinings have joined forces to transform the lives of 4,000 people in Darjeeling through access to clean water, decent toilets and good hygiene. The partnership provides these basic needs to communities and schools in all 30 villages across two tea estates in the Darjeeling District of West Bengal, India. Funded donations from Twinings, WaterAid will ensure all 30 villages have a well-maintained piped water supply system that protects the springs from contamination and provides clean, easily accessible water. They will also help build adequate toilets and waste management systems and run hygiene education in the villages and schools.
Other contextual issues, please specify	Relevant, sometimes included	River basin management plans – Many of our facilities participate in their local basin management planning or take them into account when making operational decisions which may involve water as changes in the management of the basins on which they rely can have a significant impact on the productivity of their business. Consequently, our onsite risk managers keep abreast of all proposed and planned changes to river basin management through river basin publication and studies and catchment agency engagement.

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Maintaining brand reputation and value for our customers are of primary importance and therefore, included in our water management, we manage water risks which may impact reputation and / or have an impact on costs. On a business to business commercial basis, a number of our businesses share information about operational water use with their customers. For certain products, customers have been consulted on their use of water with the product in order to provide us with insights into potential water reduction strategies in our value chain. Illovo benefits from independent external third-party sustainability assessments conducted on behalf of their customers. Illovo operations have been assessed against the Pro Terra standard on behalf American Sugar Refining Inc (ASR). Illovo facilities were also assessed by Partner Africa who conducted an audit on behalf of the Coca Cola Company using the Coca Cola Company's Supplier Guiding Principles (SGP). The very nature of some of our ingredients helps our customers to enhance their own manufacturing processes such as by minimising energy and water consumption or replacing the use of harsh chemicals. Our ingredients can also help to boost the performance of products when used by the end-consumer. We develop innovative and value-adding products and services to help solve problems for our customers. As leaders in speciality ingredients, we have strong technological expertise, which means we are able to convert science and our know-how into products which have a wide breadth of functions. For example, we manufacture enzymes which, beside their technical performance, are able to address specific environmental challenges. These challenges include cutting food waste by extending the shelf life of bread, reducing the need for chemicals for bleaching in textiles, and lowering the energy consumption required for the production of paper.
Employees	Relevant, always included	ABF's first priority is to keep our people safe at work. Businesses using, for example, large volumes of water, water which requires intensive cleaning or heating incorporate employee safety into their water management. Employees are also briefed on water activities. For example, George Weston Foods incorporates water saving initiatives and water scarcity in its mandatory employee training. Across Illovo, several operations are responsible for the supply of essential services, including potable water, to their employees and their families.
Investors	Relevant, always included	Maintaining brand reputation and value for our customers are of primary importance and therefore, included in our water management, we manage water risks which may impact reputation and / or have an impact on costs. Increasingly investors and other shareholders ask for our water data and management approach at a group and individual business level and as such, investor concerns are increasingly included in water risk assessments. For example, sharing with investors how we are managing our impact on water resources and addressing their key concerns such as assessing our exposure to water stressed areas, supports our brand reputation and approach to responsible business practices. We primarily communicate with and respond to investors through our Responsibility and ESG Reports, our annual CDP submissions and individual meetings or written correspondence.
Local communities	Relevant, always included	For most of our businesses, we share water with others in the local community. Their needs and impacts on the water sources are vital to our long-term assessments of water availability and quality for all. We are also cognisant of social flow requirements downstream of our operations. For example, Illovo Zambia provides potable water to a population of more than 16 000 on the Estate and further supplies bulk raw water to the Southern Water and Sewerage Company (SWASCO) which in turn supplies clean and treated water to the entire Mazabuka District. The Company supplies a total of 6 million litres per day to SWSC. The Twinings Community Needs Assessment (TCNA) is designed to help Twinings understand the needs of farmers, workers and communities in its supply chains. It is a holistic participatory framework, developed in consultation with expert organisations including UNICEF, WaterAid, Solidaridad and GAIN. Of the 10 topics covered Water and Sanitation; Natural Resources and Farming Practices are included. To date, assessments have been conducted in China, India, Indonesia, Sri Lanka, Kenya, Malawi, Sudan, Chile, South Africa and Egypt. The assessments provide the basis for an action plan with producers to address human rights issues and community needs. Twinings believe that having a deeper, first-hand understanding of the issues will help them decide how best to address them through appropriate interventions, and support producers to have the greatest impact on tea communities.
NGOs	Relevant, always included	We engage with NGOs on a range of environmental issues including water use and quality. We benefit from their local knowledge and networks as well as sharing with them our own water performance to help us with our continuous improvements in water activities. For example, Illovo Zambia works with various partners such as the WWF to help enhance its own water stewardship activities. These partnerships ensure that its sustainable resources and water management activities are aligned with international best practice. For example, Primark has an ambitious Chemicals & Pollution Management Programme incorporating requirements from their commitment to the Greenpeace DETOX campaign (2014) and clean chemical use, storage and release, in collaboration with the ZDHC (Zero Discharge of Hazardous Chemicals Foundation) industry brand collaboration group. Primark is also an active member of the Sustainable Apparel Coalition (SAC) which covers water issues from an industry wide perspective. Twinings recognises that industry-wide change will only happen if all activities can be scaled-up and leveraged. Twinings partners with NGOs, supply chain partners, companies, governments, industry associations and local communities to help tackle the broader structural challenges affecting the tea sector. Twinings is also a founding member of the Ethical Tea Partnership (ETP), which works to improve conditions across the industry, from discrimination to safe use of agrochemicals.
Other water users at a basin/catchment level	Relevant, sometimes included	Competition for water is an issue within a number of basins in which we operate. As a means of understanding and responding to the risks associated with water, many of our sites are represented within the local catchment organisations. We work in partnership with other local users to improve the long-term sustainability of the local water resources. Primark is working closely with the Institute of Public and Environmental Affairs (IPE) China to target supplier violations relating to environmental discharge and to improve environmental management in factories. British Sugar continues to be represented by the Company Environment Manager on a water stewardship business board CameO; the catchment area for the Bury St Edmunds site. It has been recognised as one of the four most depleted water basins in the UK, therefore identifying possible collaboration opportunities with other local business and organisations is of high importance and currently ongoing. The water stewardship business board meets approximately four times per year and includes involvement with the water operator (Anglian Water), local businesses and the Environment Agency in the local area discussing potential opportunities for water stewardship and water sharing. Key areas for British Sugar would include the potential for water sharing and collaborating to review and optimise borehole water abstraction. Illovo Zambia actively participates as one of three private sector member companies, in the Kafue Flats Joint Action Group (KFJAG). In addition to substantial and long-standing investments in water supply and sanitation for the business' own irrigation and factory requirements, Illovo Zambia also supplies raw water to the town of Mazabuka. The regular upgrading of its water treatment plants provides potable (drinking) water to 16,000 residents within the Nakambala Estate. In addition to its own requirements, the business helps to channel the resource to its farmers as well as the local municipality through the Southern Water and Sewerage Company (SWASCO). As a result, the company is very active in water resource management best practice through major investments to its systems and infrastructure; including irrigation taking its role as one of the many users of the Kafue River seriously.
Regulators	Relevant, always included	All our businesses operate within a water and wastewater regulatory framework, including permits and licenses for water abstraction and discharge allowances, and so the concerns and plans of local regulators are critical within our water risk assessments. Certain jurisdictions where we operate require water management plans, outcomes of water use audits and monitoring data on water use and outputs. For example, George Weston Foods' Western Australian sites adhere to state-based water efficiency programmes which require selected facilities to have Water Efficiency Management Plans (WEMPs) in place.
River basin management authorities	Relevant, sometimes included	Changes in the management of the basins in which we operate can have a significant impact on the productivity of our businesses. This is for upstream activity which may impact water quality and quantity and downstream which may have repercussions for our wastewater treatment. For most of our businesses, our onsite risk or operational managers kept abreast of all proposed and planned changes to river basin management through river basin studies and catchment agency engagement. The complexity of engagement with basin authorities is heightened in Illovo's operations in eSwatini and Mozambique which are regulated by trans-boundary water agreements.
Statutory special interest groups at a local level	Relevant, always included	The needs and concerns of local interest groups are important in terms of brand reputation and our licence to operate. For example, George Weston Foods participates in the local activities of industry bodies such as the Australian Food and Grocery Council including making submissions and presentations on site level water performance. In China, the Institute of Public and Environmental Affairs (IPE) promotes the public disclosure of environmental information by local government and businesses. IPE's work has led to manufacturing sites in China remedying environmental issues. Primark works with IPE to ensure that sites making products and materials for Primark are acting to address such issues through training and on-site remediation. Primark supports the IPE approach which encourages supplier sites to take ownership of their environmental performance. In 2017, Primark supported supplier sites in China to disclose their environmental performance data including water consumption and wastewater discharge and emissions.
Suppliers	Relevant, always included	Our businesses engage with their suppliers on water issues where it is fundamental for the growth and sustainable supply of raw materials, for production and to build resilience to the impacts of climate change. For example, Azucarera has been building information on the water irrigation practices of their main beet growers to ensure water is used at the right time and quantity. Primark's programme with CottonConnect has reduced the environmental impact of cotton production through a reduction in the amount of water, chemical fertilisers and pesticides used.
Water utilities at a local level	Relevant, always included	Engagement with local water utilities and suppliers is critical for our licence to operate. Understanding their plans for short and long-term water management are vital for our access to clean and sustainable water. As an example, in addition to substantial and long-standing investments in water supply and sanitation for the business' own irrigation and factory requirements, Illovo Zambia also supplies raw water to the town of Mazabuka. The regular upgrading of its water treatment plants provides potable (drinking) water to 16,000 residents within the Nakambala Estate. In addition to its own requirements, the business helps to channel the resource to its farmers as well as the local municipality through the Southern Water and Sewerage Company (SWASCO). As a result, the company is very active in water resource management best practice through major investments to its systems and infrastructure; including irrigation taking its role as one of the many users of the Kafue River seriously.
Other stakeholder, please specify	Relevant, always included	Regional and national governments - Some of our businesses engage directly with governments on water issues. For example, British Sugar engages with UK and EU Trade Associations and directly with the UK Government. Voluntary special interest groups - British Sugar is a signatory to the voluntary Food and Drink Federation (FDF) which is helping UK food and drink manufacturers to improve their environmental sustainability by reducing water use by 20% by 2020 (2011/12 baseline). Water and industry experts - Azucarera takes its water responsibility very seriously and took the step to join the pioneering network Esagua, an industry partnership which brings together more than 25 innovative companies to promote their shared commitment to reduce their water footprint and achieve a more sustainable use of fresh water. AB Sugar China has been running the Sugar Beet Academy for ten years; a partnership between academics, industry professionals and scientists to address sustainable beet production which includes effective use of water.

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

Our process for identifying, assessing and responding to water-related risks and opportunities is integrated into our group-wide approach to risk management. The delivery of our strategic objectives and the sustainable growth of ABF are dependent on effective risk management. We regularly face business uncertainties and it is through a structured approach to risk management that we are able to mitigate and manage these risks and embrace opportunities when they arise. The diversified nature of our operations, geographical reach, assets and currencies are important factors in mitigating the risk of a material threat to the group's sustainable growth and long-term shareholder value. The Board is accountable for effective risk management, for agreeing the principal risks facing the group and ensuring they are successfully managed. The Board undertakes an annual assessment of the principal risks, including those that would threaten the business model, future performance, solvency or liquidity. The Board also monitors the group's exposure to risks as part of the business-level performance reviews conducted at each Board meeting.

Our decentralised business model empowers the management of our businesses to identify, evaluate and manage the risks they face to ensure compliance with relevant legislation, our business principles and group policies. Our businesses perform risk assessments that consider materiality, risk controls and specific local risks. Risk assessments start at the asset level with each site taking responsibility for assessing their immediate environmental sensitivities, often related to water, energy use, all emissions and odours. These site-level risks are mapped onto a risk and opportunities matrix which considers stakeholder concern, potential financial impact and assesses likely level of impact. They are classified into 'business', 'operational', 'financial' and 'project' risks. It is the responsibility of the business level CEO to embed assessments into their business and implement necessary response strategies. The CEOs are supported by senior roles which are accountable for the short and long-term environmental performance of their business. This includes creating the business case for investing in opportunities to use water more efficiently in their operations. The risk registers have been developed by each business so that they are relevant to the nature of their operations; either integrating up and downstream risks into one risk register or maintaining separate registers for each stage in their value chain.

The Director of Financial Control receives the business-level risk assessments twice a year and, with the Group Finance Director, reviews and challenges them with the segment chief executives. These discussions consider operational, environmental and other external risks. These risks and their impact on business performance are reported during the year and are considered as part of the monthly management review process. Group functional heads including Legal, Treasury, Tax, IT, Pensions, HR, Procurement and Insurance also provide input to this process, sharing with the Director of Financial Control their view of key risks and what activities are in place or planned to mitigate them. A combination of these perspectives with the business risk assessments creates a consolidated view of the group's risk profile. A summary of these risk assessments is shared and discussed with the Group Finance Director and Chief Executive twice a year.

The Director of Financial Control holds meetings with each ABF non-executive director seeking their feedback on the reviews and discussing the key risks and mitigating activities. A Board report is then prepared summarising the full process and providing an assessment of the status of risk management across the group. The key risks, mitigating controls and relevant policies are summarised and the Board confirms the group's principal risks. These are the risks that could prevent ABF from delivering its strategic objectives. This report also details when formal updates relating to the key risks will be provided to the board throughout the year.

The Internal Audit function, which reports to the Board, maintains regular liaison with each business. It identifies and evaluates the risks and opportunities arising from business activities and, working with the relevant risk and environmental specialists within the businesses, confirms the detailed measures intended to deal with major risks by averting, minimising, transferring or retaining them or by maximising the potential opportunities. Major risks are those which could impair the business to continue operating in the short, medium or long-term. These include risks associated with secure supply of materials and resources including water to maintain production; access to markets and risk to reputation if we were not to respectfully manage our water abstraction and wastewater treatment.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

The delivery of our strategic business objectives and long-term shareholder value are of paramount importance to ABF and are dependent on effective risk management. An event, or series of events, resulting in the inability to deliver the strategic objectives of the business and long-term shareholder value would be considered an event that would have a substantive financial or strategic impact on our business. As with any business, risks and uncertainties are inherent in our business activities. ABF regularly faces business uncertainties, and it is through a structured approach to risk management that it is able to mitigate and manage these risks and embrace opportunities when they arise. The diversified nature of our operations, geographical reach, assets and currencies are important factors in mitigating the risk of a material threat to the group's sustainable growth and long-term shareholder value.

The Board has identified £30 million as a material financial impact threshold for the group. An event or series of events that exceed this financial threshold could be considered to have a substantive financial or strategic impact as it would most likely impact the delivery of the group's strategic objectives or have a detrimental effect on the group's sustainable growth and long-term shareholder value. The Board undertakes a robust annual assessment of the principal risks, including emerging risks, that would threaten the business model, future performance, solvency or liquidity. These are the principal risks of the group as a whole and the risks which could prevent ABF from delivering its strategic objectives. These are the principal risks which ABF believes are likely to have the greatest current or near-term impact on our strategic and operational plans and reputation.

In 2020, the Board identified "Our use of natural resources and managing our environmental impact" as one of the principal risks. In our assessment of climate-related business risks, we recognise that the cumulative impacts of changes in weather and water availability could affect our operations at a group level. Our businesses rely on a secure supply of natural resources, some of which are vulnerable to external factors such as natural disasters and climate change. If climate risk is not managed effectively, operating and production costs relating to the impact of carbon and of crop risk could be substantive especially in our carbon-intensive operations such as sugar. As such there is a strong focus on managing energy, driving energy efficiency and reducing our carbon emissions. We recognise the importance of integrating climate-related risks and opportunities into our business decisions to help with the transition to a low carbon economy.

While the principal risks considered all have the potential to affect future performance, none of them are considered individually or collectively to be capable of exceeding this financial threshold resulting in a substantive financial or strategic impact on our business within a reporting year. The diversity of our businesses, in different sectors with different customers, products and markets removes the possibility of any single adverse event, or series of climate-related events, having a material impact. However, at business or segment level, substantive risk from climate-related events is a possibility and we, therefore, report within CDP potential risks and responses at the segment level within subsequent questions.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	13	1-25	As ABF consists of five business segments a substantive risk to the group as a whole is very rare because if something impacts one segment, the other four will continue to operate and it is unlikely to move the group's share price. There is sufficient diversity in the group, and across our supply chains, that the impact of water risks consolidated at the group level is low and unlikely to meet the material financial impact threshold of £30 million. Nonetheless, we recognise that individual sites and businesses have the potential to be impacted by water risks and we therefore still report these within CDP for transparency. The term 'facility' for our water risk assessment covers ABF's direct operations which includes factories, warehouses, distribution centres and retail space but excludes offices. In 2014, we first conducted a group wide water stress assessment for the sites withdrawing a material amount of water. We piloted the latest version of the internationally recognised WWF Water Risk Filter Tool and asked our sites to validate the findings. We repeated this assessment towards the end of 2017, in 2019 and most recently in 2020. In 2020, to ensure that we are aware of and are appropriately addressing the risks posed by our use of water across our global operations, we conducted a further global water risk mapping exercise. We used two separate tools (WRI Aqueduct and WWF Water Risk Filter) and took a three-stage assessment approach. • Assessment stage 1 - All factories / laboratory locations were input into Aqueduct (this primarily assesses water risk based on location irrespective of site water usage). The tool presents the results on a scale of Low to Extremely High. Results are presented based on today's risks and future predicted risks (2030 to 2040). • Assessment stage 2 - Where the Aqueduct tool indicated sites as having High or Extremely High risk (based on location) and any sites with water usage over 100,000m3 per year, irrespective of location, were then input into the WWF Water Risk Filter. The rationale for this is that the WWF tool enables site operational factors such as water usage to be considered as part of the assessment. The tool presents the results on a scale of 1-5 (with 4 - 5 being High Stress). • Assessment stage 3 - We then engaged with the businesses to confirm the outputs of both tools. The group-level assessment supplemented the range of tools and methodologies already used by our businesses to understand their operational water risks and the stress levels of the basins in which they operate. Based on the results of both sets of tools, as well as these discussions with the individual businesses, we have identified the sites that withdraw water from areas of high water stress. This assessment supplemented the range of tools and methodologies already used by our businesses to understand their operational water risks and the stress levels of the basins in which they operate. Use of the Tool enabled ABF to list the sites ranging from those operating in basins with negligible stress to those operating in high stress basins. We have adopted the WWF's 'total basin score' as to whether a basin is considered to be stressed. Using WWF's guidance for its individual risk indicators, we have applied the same parameters for the total basin score, splitting the score of 1 to 5 into: 1 - 1.9 = No or very limited stress 2 - 2.9 = Limited stress 3 - 3.9 = Some stress 4 - 5 = High stress. In order to determine where we prioritise resources, we are using the score of 3 to 5 as our group of water stressed basins. This parameter means we include sites determined by the WWF Tool as experiencing some or high levels of stress. We continue to work with our businesses operating in other water basins on their approach to water risk management.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Zambia	Zambezi
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Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

Illovo's site in Zambia accounts for 25% of ABF's total abstracted water.

Country/Area & River basin

Mozambique	Incomati
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Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

Illovo's site in Mozambique accounts for 2% of ABF's total abstracted water.

Country/Area & River basin

Australia	Murray - Darling
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Number of facilities exposed to water risk

3

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

George Weston Foods' three sites operating in the Murray Darling basin account for 0.1% of ABF's total abstracted water.

Country/Area & River basin

Malawi	Zambezi
--------	---------

Number of facilities exposed to water risk

2

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

Illovo's two sites in Malawi account for 38% of ABF's total extracted water.

Country/Area & River basin

China	Other, please specify (Ziya He)
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Number of facilities exposed to water risk

2

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

AB Sugar's two sites in China account for 0.1% of ABF's total extracted water.

Country/Area & River basin

Spain	Other, please specify (Guadalete)
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Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

Azucarera's site in the Guadalete basin accounts for 0.04% of ABF's total abstracted water.

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland	Other, please specify (Lark)
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Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

British Sugar's site operating the Lark / Cam & Ely Ouse river basin accounts for 0.05% of ABF's total abstracted water.

Country/Area & River basin

South Africa	Other, please specify (Mgeni)
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Number of facilities exposed to water risk

2

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

Illovo's two sites in South Africa account for 0.3% of ABF's total extracted water.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Malawi	Zambezi
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Type of risk & Primary risk driver

Physical	Flooding
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Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Flooding can result in damage to the actual sugarcane crop, as well as to infrastructure resulting in loss of productivity. In 2019 Illovo's Nchalo site in Malawi was impacted by cyclone Idai which resulted in heavy rains and flooding which affected the crop and communities surrounding the site. Illovo's Dwangwa site in Malawi also experienced flooding of approximately 125ha of sugarcane fields with cane submerged. Concrete canals and field feeders collapsed while bridges and field culverts were also damaged. The flood protection dyke along the Dwangwa River and the dyke fields were breached in many places. This all resulted in disruption to manufacturing processes and, for a short period of time, impacted the output of product to market. Illovo's Dwangwa estate in Malawi experienced flooding again during the 2019/2020 season. The floods affected 77 hectares and damaged 6,000 tonnes of cane. The fields were covered in sand and the irrigation structure damaged, including damage to the supply canal and feeders. The flooding resulted in a reduced harvest area.

Timeframe

Current up to one year

Magnitude of potential impact

Medium

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

Potential increase in costs arising from lack of access to raw materials of sufficient quality could impact revenues significantly depending on the severity and the location of the change in climate. Due to ABF's decentralised structure we do not have a consolidated impact figure however, each business manages this risk and related costs.

Primary response to risk

Develop flood emergency plans

Description of response

At these operations, Illovo is working on re-delineating flood risk zones and implementing and improving flood protection mechanisms. Investment in water infrastructure, pumps and pump stations including delineating flood risk zones and improving flood protection mechanisms. At Dwangwa, a consultant has been engaged to conduct a full analysis and provide designs for the bunds repair and maintenance. We will be in a position to report on these developments and associated costs in future reports.

Cost of response

302000

Explanation of cost of response

The costs reported here are specifically for the rehabilitation of infrastructure at Nchalo and Dwangwa after the 2019 floods, and flood mitigation activities for potential future flooding. At Dwangwa, approximately £100,000 was spent on flood mitigation. At Nchalo, the cost of dealing with floods between April - August 2019 was £53,000 and additional £149,000 was spent between September 2019 - February 2020 to repair the damage.

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Mozambique	Incomati
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Stage of value chain

Supply chain

Type of risk & Primary risk driver

Physical	Seasonal supply variability/inter annual variability
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Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Illovo Maragra site's supply chain is largely made up of small-scale growers producing rain-fed cane with 24% under sprinkler systems. A recent study undertaken by CRIDF (Climate Resilient Infrastructure Development Facility) identified the key risks to this supply being: 1. Higher and more irregular rainfall events 2. Flooding 3. Shorter rainy season 4. Increased temperatures. In 2019, Mozambique experienced severe flooding when cyclone Idai made landfall, with 700ha needing to be replanted due to flood damage.

Timeframe

4-6 years

Magnitude of potential impact

Medium

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

The financial impact of this risk has been quantified but not disclosed. It is based on lost opportunity between 16/17 and 21/22 from potential revenue generated through the processing of grower cane supplies.

Primary response to risk

Direct operations	Other, please specify (Water-related capital expenditure)
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Description of response

The site's infrastructure to protect from floods (dykes) and to drain water out of the cultivation area were paid for by an EU sponsored project (2016-2017) and were designed to benefit the growers. However, there is an annual cost to Illovo to maintain this infrastructure. Illovo has outsourced oversight of the whole infrastructure to a private company and carries the annual associated costs. There is a two-year cycled of surveying and maintenance. 2019 was a surveying year while maintenance (with higher costs) will take place in 2020.

Cost of response

Explanation of cost of response

An annual cost to maintain the flood protection and water drainage infrastructure.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

Water demand and scarcity is increasing, to varying degrees, within most of the basins in which Illovo operates. This is projected to impact availability as well as abstraction permit allocations. By working to improve the effective use of water within operations, Illovo aims to increase production without significantly altering overall consumption. Illovo identified the greatest water supply risk as well as the greatest water efficiency opportunities at each operation and has developed water strategies specific to each operation focused on improving water monitoring and management. Illovo Malawi has implemented a project that involved a complete review and overhaul of the water and wastewater management systems that serve Nchalo's milling operations and residential villages. An external consultant was appointed to assist Nchalo with comprehensive support of their effluent wastewater management systems. A detailed Operational Framework was implemented throughout the site which focused on Effluent Management, Infrastructure and Reporting (Phase 1) and Capacity Building and Training (Phase 2). The project commenced with a gap analysis of prevailing issues, and the development of a risk mitigation implementation plan once baseline conditions were established. Phase 2 was implemented to increase the local capacity and knowledge within the Illovo Nchalo team and to ensure all staff are provided with training for full responsibility of daily tasks. Over nine months, the external consultant's technical specialists, supervisors, trainers and auditing staff provided full-time support to workers, supervisors and managers to deliver a holistic and sustainable solution to the site's long-standing water challenges. Support ranged from the establishment of water, wastewater and domestic effluent management systems, sampling, analysis and risk tracking, to infrastructure/ maintenance planning, reporting and hands-on training to improve internal knowledge. The aim was to invest in local teams to provide long term sustainable mill operations. At the end of the nine-month period the condition and performance of the operation, the infrastructure and maintenance protocols had exceeded predetermined targets. 100% risk mitigation and full compliance has been achieved in respect of chemical oxygen demand, biological oxygen demand, ammonia, nitrates and pH. Upstream process area audits contributed an additional 25% reduction in effluent strength from project initiation.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Low-medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

Projects include the upgrading of irrigation systems, infrastructure and water storage capacity.

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

Agricultural operations require significant energy to pump water for abstraction and irrigation, at significant cost. Illovo has identified three primary opportunities to reduce the energy requirement and improve water use efficiency: 1. Improving the efficiency of conveyance systems to minimise losses 2. Improving irrigation efficiency to reduce the water required to grow a stick of sugarcane 3. Improving the accuracy of irrigation scheduling to ensure the crop is irrigated effectively. As part of Illovo's aim to be more energy efficient, to produce more cane, sugar and downstream products per drop of water and to utilise water responsibly and retain its quality during its usage cycle, Illovo has approved long-term irrigation upgrade projects at its Ubombo, eSwatini, Nchalo, Malawi and Nanga, Zambia sites. The six-year upgrade plan for Ubombo was approved in March 2017 with Phase 1 and 2 successfully implemented. The project is on hold until the business can support the funding required. At Nchalo, Phase 3 of a five phased irrigation system conversion project continued during the reporting year. This phase was due to convert 480ha of an existing drag line irrigation system with a drip irrigation system, resulting in more efficient use of the current water quota and reduced electricity costs increasing average cane yield from 90 to 121 t/ha. The current irrigation system has an application efficiency of 70% as opposed to drip irrigation efficiency of 95%. The efficiency increases will yield an increase of 31.7 Tc/ha/an off a baseline yield of 89.3 Tc/ha/an (over the previous yield cycle) as demonstrated by the Phase 1 and Phase 2 harvested field yields. During the execution stage, all envisaged benefits were realised and 526ha of the 480ha identified sprinkler irrigation was converted to drip irrigation and planted to cane. At Nanga in 2016, Phase 1 of a five phased project to replace drag line and floppy sprinkler irrigation systems with sub surface drip (SSD) irrigation has been completed. Phase 2 of the Nanga project involves the replacement of the inefficient 157ha of sprinkler irrigation systems. This project was approved after the end of the reporting period. A post-implementation review of completed projects has been positive showing a solid payback with increases in water productivity (more crop per drop) and reductions in input costs including electricity, and manpower for both irrigation operations and other operational inputs.

Estimated timeframe for realization

More than 6 years

Magnitude of potential financial impact

High

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

In 2013, Illovo developed water footprints for each of their operations. The assessment modelled each agricultural system in terms of precipitation (green water) and irrigation (blue water) requirements. This analysis enabled Illovo to identify and quantify losses within each operation which were correlated to potential cost savings. Today Illovo is using this information as part of their cost planning and forecasting within the company's water strategy. The financial impact of this opportunity is based on the assumed cane production improvements associated with the implementation of drip irrigation technologies across 6,370ha.

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

In line with AB Sugar's 2030 commitments, British Sugar cut water use by 23% since 2012 through equipment upgrades, investments in wastewater treatment and reusing condensate water for cooling, saving the equivalent of the average annual use of 3,000 UK homes. Water reduction at sites over the past year has primarily been delivered through Continuous Improvement (CI) activities, ongoing focus on reducing water usage, addressing leaks and promoting good practice. At its Cantley factory, British Sugar has put in place changes to its ultrafiltration system, which removes solid material from feed water, and its reverse osmosis plant, which removes smaller impurities. These alterations have enabled the factory to use more borehole water, under licence, and less high-quality mains water for the purification plants that supply its high-pressure boilers. To implement the project, the reverse osmosis plant was altered to allow borehole water to be heated (which increases throughput and allows for more effective cleaning). A heat exchanger was fitted to use waste heat to warm the feed water. As a result of these upgrades, the plant has been restored to maximum capacity while mains water use has fallen by more than 50% over the last two years.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Low-medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

To attract bold new ideas to help deliver on its 2030 commitment to reduce water use by 30%, AB Sugar launched the Innovate Irrigation Challenge in 2019, alongside WaterAid and the University of Cambridge's Centre for Industrial Sustainability. The hackathon-style challenge was open to any individual or team with a transformative idea to reduce water use and loss in irrigation and attracted inspiring entries from around the world. An expert panel of judges unanimously agreed that a smart irrigation system designed by two graduate engineers from Uganda was the winning submission. Their idea accounts for water used in irrigation, detects water loss, plans irrigation schedules, monitors crop growth and determines the water required by the crop at different growth stages. It can be connected into existing processes, managed remotely and used in remote locations, allowing estate managers and smallholders to understand and act on the data provided. A feasibility study to consider the potential impact of the system will now be implemented. The Proof of Concept (PoC) has demonstrated a viable approach that can be rolled-out across any of the operating sites where there is irrigation in place. One of the outcomes of the PoC was an identified opportunity for significant water reduction. Water consumption will be reduced through minimising both transport and in-field losses and through scheduling; water is only delivered to the crop when required. Scheduling is proven to increase yield and by using the same amount of water delivered to crop, there is an increase in the tonnes of cane / beet per hectare. Illovo Nchalo has been identified as the pilot site for the implementation of the Smart Water Management Tool with the intention that by 2023 six Illovo sites will be using the Tool. Once scaled up to all these sites, water savings of 151 million m3 are projected. This is the first time that an initiative of this scale has been delivered across AB Sugar, seeking out transformational opportunities to drive the next wave of innovation, and utilising ideas from those outside of our business.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Low-medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

Azucarera's solar irrigation partnership with AIMCRA, a Spanish research association, aimed to reduce energy and water use among beet growers. More than 80 solar water-pumping units were installed across Spain, leading to a 90% reduction in CO2 emissions, a 70% fall in irrigation costs and a 20% decrease in water use. AIMCRA has now extended the system to Italy, Portugal and Morocco through other projects. During the summer beet irrigation period (June-September), growers are informed every week how much water the beet needs, based on the weather conditions in the area (temperature and humidity) and the specific stage of development of the crop. Irrigation is thus adjusted strictly to what is really needed by the crops, avoiding excessive water consumption. On the one hand, these actions, particularly those regarding

the use of plant protection products, improve crop yield. On the other, the measures are taken by Azucarera to minimise the impact of our activity on the environment and biodiversity. Our growers manage their own irrigation water for the beet crop. The mission of the field technicians of Azucarera and AIMCRA is to help them to be more efficient and enhance the time and manner of consuming water in order to achieve optimum development of the crop and avoid unnecessary consumption and, consequently, reduce the cost of production of the beet. These are the main actions taken in respect of water management in the field: • Implemented the use of technology such as remote detection by satellite. This, together with studying the data histories of our beet growers, has enabled us to counsel them better on the crop, maximising the crop yield and quality of the beet obtained while helping them to reduce consumption. • Continued to promote 'solar irrigation'. Since 2014, more than five thousand beet growers have, through AIMCRA, discovered the environmental and economic benefits of the solar irrigation system. Approximately five hundred farmers now produce 90% less carbon emissions by not using fuel oil, have reduced the cost of irrigation by 50 to 70% and have achieved a 20% reduction in irrigation water. As a result of these actions, along with those taken in agronomic training and dissemination, water consumption for irrigation was reduced by an estimated 3.4% in the north and 22% in the south in the crop year 2017/2018.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Low-medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number

Facility 1

Facility name (optional)

Country/Area & River basin

Australia	Murray - Darling
-----------	------------------

Latitude

-36.34541

Longitude

143.971972

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

388

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

153

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

235

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

0

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

388

Comparison of total consumption with previous reporting year

About the same

Please explain

There is zero effluent at this site.

Facility reference number

Facility 2

Facility name (optional)

Country/Area & River basin

Australia	Murray - Darling
-----------	------------------

Latitude

-37.052253

Longitude

144.207107

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

445

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

445

Total water discharges at this facility (megaliters/year)

358

Comparison of total discharges with previous reporting year

Much lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

87

Comparison of total consumption with previous reporting year

About the same

Please explain

As we are currently working on the group-level data gathering for wastewater destinations at site level, we are not providing the split of discharges by destination this year. We will be able to report this information with more accuracy in the coming years.

Facility reference number

Facility 3

Facility name (optional)

Country/Area & River basin

Australia	Murray - Darling
-----------	------------------

Latitude

-37.055863

Longitude

144.208559

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

107

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

54

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

53

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

0

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

107

Comparison of total consumption with previous reporting year

About the same

Please explain

There is zero effluent at this site.

Facility reference number

Facility 4

Facility name (optional)**Country/Area & River basin**

China	Other, please specify (Ziya He)
-------	---------------------------------

Latitude

41.149869

Longitude

114.722325

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

360

Comparison of total withdrawals with previous reporting year

Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

360

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

368

Comparison of total discharges with previous reporting year

Much lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

-8

Comparison of total consumption with previous reporting year

Much lower

Please explain

As we are currently working on the group-level data gathering for wastewater destinations at site level, we are not providing the split of discharges by destination this year. We will be able to report this information with more accuracy in the coming years.

Facility reference number

Facility 5

Facility name (optional)**Country/Area & River basin**

China	Other, please specify (Ziya He)
-------	---------------------------------

Latitude

40.784685

Longitude

113.212249

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

297

Comparison of total withdrawals with previous reporting year

Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

297

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

316

Comparison of total discharges with previous reporting year

Much lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

-19

Comparison of total consumption with previous reporting year

Much lower

Please explain

As we are currently working on the group-level data gathering for wastewater destinations at site level, we are not providing the split of discharges by destination this year. We will be able to report this information with more accuracy in the coming years.

Facility reference number

Facility 6

Facility name (optional)

Country/Area & River basin

Spain	Other, please specify (Guadalete)
-------	-----------------------------------

Latitude

36.6556

Longitude

6.1269

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

381

Comparison of total withdrawals with previous reporting year

Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

373

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

9

Total water discharges at this facility (megaliters/year)

345

Comparison of total discharges with previous reporting year

Much lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

36

Comparison of total consumption with previous reporting year

Much lower

Please explain

As we are currently working on the group-level data gathering for wastewater destinations at site level, we are not providing the split of discharges by destination this year. We will be able to report this information with more accuracy in the coming years.

Facility reference number

Facility 7

Facility name (optional)

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland	Other, please specify (Lark)
------------------------------------------------------	------------------------------

Latitude

52.254292

Longitude

0.726952

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

418

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

403

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

15

Total water discharges at this facility (megaliters/year)

1186

Comparison of total discharges with previous reporting year

Much higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

-768

Comparison of total consumption with previous reporting year

Much higher

Please explain

As we are currently working on the group-level data gathering for wastewater destinations at site level, we are not providing the split of discharges by destination this year. We will be able to report this information with more accuracy in the coming years.

Facility reference number

Facility 8

Facility name (optional)

Country/Area & River basin

Malawi	Zambezi
--------	---------

Latitude

12.313207

Longitude

34.356495

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

97617

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

97617

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

0

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

97617

Comparison of total consumption with previous reporting year

Higher

Please explain

There is zero effluent at this site.

Facility reference number

Facility 9

Facility name (optional)

Country/Area & River basin

Mozambique	Incomati
------------	----------

Latitude

-25.703413

Longitude

32.357483

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

14368

Comparison of total withdrawals with previous reporting year

Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

13691

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

677

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

274

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

14094

Comparison of total consumption with previous reporting year

Much higher

Please explain

As we are currently working on the group-level data gathering for wastewater destinations at site level, we are not providing the split of discharges by destination this year. We will be able to report this information with more accuracy in the coming years.

Facility reference number

Facility 10

Facility name (optional)

Country/Area & River basin

Zambia	Zambezi
--------	---------

Latitude

-15.82325

Longitude

27.77548

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

215244

Comparison of total withdrawals with previous reporting year

Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

212848

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

2396

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

80710

Comparison of total discharges with previous reporting year

Much higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

134534

Comparison of total consumption with previous reporting year

Much lower

Please explain

As we are currently working on the group-level data gathering for wastewater destinations at site level, we are not providing the split of discharges by destination this year. We will be able to report this information with more accuracy in the coming years.

Facility reference number

Facility 11

Facility name (optional)

Country/Area & River basin

Malawi	Zambezi
--------	---------

Latitude

-16.203532

Longitude

34.840856

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

220782

Comparison of total withdrawals with previous reporting year

Much higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

220782

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

92

Comparison of total discharges with previous reporting year

Much lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

220690

Comparison of total consumption with previous reporting year

Much higher

Please explain

As we are currently working on the group-level data gathering for wastewater destinations at site level, we are not providing the split of discharges by destination this year. We will be able to report this information with more accuracy in the coming years.

Facility reference number

Facility 12

Facility name (optional)

Country/Area & River basin

South Africa	Other, please specify (Mgeni)
--------------	-------------------------------

Latitude

-29.946

Longitude

30.9585

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

751

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

751

Total water discharges at this facility (megaliters/year)

1041

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

-290

Comparison of total consumption with previous reporting year

Lower

Please explain

As we are currently working on the group-level data gathering for wastewater destinations at site level, we are not providing the split of discharges by destination this year. We will be able to report this information with more accuracy in the coming years.

Facility reference number

Facility 13

Facility name (optional)

Country/Area & River basin

South Africa	Other, please specify (Mgeni)
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Latitude

-30.40969

Longitude

30.67738

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

2043

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

1795

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

84

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

164

Total water discharges at this facility (megaliters/year)

865

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

1178

Comparison of total consumption with previous reporting year

About the same

Please explain

As we are currently working on the group-level data gathering for wastewater destinations at site level, we are not providing the split of discharges by destination this year. We will be able to report this information with more accuracy in the coming years.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been externally verified?

Water withdrawals – total volumes

% verified

76-100

What standard and methodology was used?

All of ABF sites report their water withdrawal data annual to group level and this data is then verified in alignment with the International Standard for Assurance Engagements (ISAE) 3000 Revised provided by Ernst & Young. For details of the Assurance Statement, see pages 58 and 59 of ABF's 2020 Responsibility Report. As such all the sites reported in 5.1 have had their water withdrawal data externally verified.

Water withdrawals – volume by source

% verified

76-100

What standard and methodology was used?

All of ABF sites report their water withdrawal data - by source on an annual basis to group level. This data is verified in alignment with the International Standard for Assurance Engagements (ISAE) 3000 Revised provided by Ernst & Young. For details of the Assurance Statement, see pages 58 and 59 of ABF's 2020 Responsibility Report. As such all the sites reported in 5.1 have had their water withdrawal data externally verified.

Water withdrawals – quality

% verified

1-25

What standard and methodology was used?

While ABF does not seek independent verification of this data at the group level nor require confirmation from the businesses when they seek verification, individual businesses do engage independent verifiers to provide them with assurance over their water and/or wastewater data and management processes. We, therefore, estimate that 1 - 25% of the sites reported in 5.1 have their water withdrawals - quality data assured. A range of methodologies is adopted by the businesses.

Water discharges – total volumes

% verified

1-25

What standard and methodology was used?

All of ABF sites report their water discharge data on an annual basis to group level. The data was reported in our 2020 Annual Report and Accounts, page 82 and 2020 ESG Appendix, page 15. We worked with our independent assurance providers, Ernst & Young to conduct an internal verification of this data to give us confidence in the quality of the data. The intention is to have this data independently assured in 2021 by Ernst & Young. All the sites reported in 5.1 had their water discharge data internally verified. We estimate that 1-25% of water discharges were verified by individual businesses engaging their own external verifiers to provide them with assurance over their wastewater data and management processes.

Water discharges – volume by destination

% verified

1-25

What standard and methodology was used?

While ABF does not seek independent verification of this data at the group level nor require confirmation from the businesses when they seek verification, individual businesses do engage independent verifiers to provide them with assurance over their water and/or wastewater data and management processes. We, therefore, estimate that 1 - 25% of water discharges - volume by destination data is assured.

Water discharges – volume by treatment method

% verified

1-25

What standard and methodology was used?

While ABF does not seek independent verification of this data at the group level nor require confirmation from the businesses when they seek verification, individual businesses do engage independent verifiers to provide them with assurance over their water and/or wastewater data and management processes. We, therefore, estimate that 1 - 25% of water discharges - volume by treatment method data is assured.

Water discharge quality – quality by standard effluent parameters

% verified

76-100

What standard and methodology was used?

The quality of waste discharge by effluent parameters is considered as part of the group's environmental compliance audit programme and the data is therefore subjected to independent verification. While ABF does not require the sites to report their water discharge quality data at the group level nor require confirmation from the businesses when they seek their own verification, individual businesses do engage independent verifiers to provide them with assurance over their water and/or wastewater data and management processes. In parallel, if the compliance programme identifies issues, these are reported to group the HSE function. We, therefore, estimate that 76- 100% of water discharge quality - quality by standard effluent parameters data is assured by the sites reported in 5.1. A range of methodologies is adopted by the businesses.

Water discharge quality – temperature

% verified

1-25

What standard and methodology was used?

While ABF does not seek independent verification of this data at the group level nor require confirmation from the businesses when they seek verification, individual businesses do engage independent verifiers to provide them with assurance over their water and/or wastewater data and management processes. We, therefore, estimate that 1 - 25% of water discharge quality - temperature data is assured. A range of methodologies is adopted by the businesses.

Water consumption – total volume

% verified

1-25

What standard and methodology was used?

While ABF does not seek independent verification of this data at the group level nor require confirmation from the businesses when they seek verification, individual businesses do engage independent verifiers to provide them with assurance over their water and/or wastewater data and management processes. We, therefore, estimate that 1 - 25% of water consumption data is assured. A range of methodologies is adopted by the businesses.

Water recycled/reused

% verified

76-100

What standard and methodology was used?

All of ABF sites report their water recycled / reused on annual basis to group level. ABF's water recycled or reused water data is verified in alignment with the International Standard for Assurance Engagements (ISAE) 3000 Revised provided by Ernst & Young. For details of the Assurance Statement, see pages 58 and 59 of ABF's 2020 Responsibility Report.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of water-related performance standards for direct operations Commitments beyond regulatory compliance Commitment to water stewardship and/or collective action	ABF's Environment Policy states that "...as a minimum, we comply with current applicable legislation in the countries in which we operate and our operations are conducted with a view to ensuring that...releases to water...do not have an unacceptable environmental impact and do not offend the surrounding community...and that natural resources are used efficiently." The responsibility for compliance with our Environment Policy is devolved to the chief executive or managing director of our businesses. ABF's water policy falls within the Environment Policy that recognises that "our businesses use natural resources and create emissions and waste. We aim to be responsible stewards of the environment by minimising any negative impacts." ABF's approach to environmental stewardship includes "monitoring, auditing and reporting our environmental performance, particularly in energy and water consumption, waste generation and greenhouse gas emissions, to support continual improvements and be transparent in our performance." ABF's Supplier Code of Conduct stipulates sound environmental management should be followed by suppliers; this includes "improving efficiency and sustainability of...operations which will include water conservation programmes." Suppliers are also expected to provide their workers with "access to clean toilet facilities and to potable water...". Although specific commitments and targets are not included in ABF's Environment Policy due to our decentralized operating model, certain individual businesses have publicly set out their commitments and the manner in which they intend to achieve them. For example, AB Sugar has set a commitment to reduce end-to-end supply chain water use by 30% by 2030. As part of its risk assessments, British Sugar identified carbon emissions and water use reduction as two long-term priorities, focusing on energy efficiency measures across its sites and improvements to its wastewater treatment plants. To support this, the business has environmental and wastewater specialists at each operational site to support these ambitions.

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Board-level committee	The Board as a whole is responsible for ABF's overall risk management and agreeing the group's principal risks. During the reporting year the Board agreed that 'Our use of natural resources and managing our environmental impact' as a principal risk for ABF (as reported in the 2020 Annual Report and Accounts). This principal risk includes all water-related issues. The risks are mitigated by implementing efficiencies, use of technologies and adapting our operations to climate change-related risks which include changing precipitation patterns, flooding, and drought. As water-related issues are integrated into group wide risk assessments, the Board has ultimate responsibility for all risk related to water use. The directors of the Board have a duty to act in a way which promotes the success of ABF with regards, amongst other matters, the impact of the Group's operations on the environment.
Chief Executive Officer (CEO)	The Group CEO receives and reviews a summary of risks, including water-related risk, from each business segment at least annually. ABF's five business segments are Grocery, Agriculture, Sugar, Ingredients and Retail. Where water-related risks are considered material and likely, it is the responsibility of the CEO to keep the other Board of directors fully informed of how the risks are being managed. In addition, water-related risks that have a high and immediate likelihood are reported to the Group CEO via the Group Chief People and Performance Officer, and the Group Company Secretary. Otherwise, water-related risks are incorporated into the group's standard risk processes.
Chief Financial Officer (CFO)	ABF has implemented an enterprise-wide risk management system for which the Group Finance Director is accountable to the Board of Directors. The Group Finance Director (equivalent title to Chief Risk Officer and Chief Financial Officer) is a member of the Board. The CEO and Group Finance Director are accountable to the Board for matters relating to risk. This includes keeping the Board informed of water-related risks through the group's risk management procedures. Water-related issues and potential financial implications are reviewed, monitored and escalated to the Board through this risk management system for which the Group Finance Director has responsibility.
Other C-Suite Officer	The Group Company Secretary is accountable at Board level for matters relating to corporate responsibility including water stewardship. The Company Secretary position reports into the Chief Executive Officer and therefore has the ability to review, influence and monitor changes at a group level. Any water-related risks that have a high and immediate likelihood are reported to the Group CEO via the Group Chief People and Performance Officer and the Group Company Secretary. The Company Secretary acts as a focal point for communications to the Board and with shareholders on responsibility matters. During the year, the Company Secretary responded to requests for meetings, telephone meetings or written information from both existing and potential shareholders and research bodies on a broad range of environmental, social and governance risk matters including matters related to climate change, greenhouse gas emissions, water, supply chain management and sustainable agriculture.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Reviewing and guiding business plans Reviewing and guiding risk management policies Reviewing and guiding corporate responsibility strategy	ABF's Board of directors is responsible to shareholders for the direction and oversight of the group to ensure its long-term success. The Board met eleven times throughout 2020 to approve the group's strategic objectives, to lead the group within a framework of effective controls which enable risk to be assessed and managed, and to ensure that sufficient resources were available to meet the objectives set. The Board is accountable for effective risk management; for agreeing the principal risks facing the group and ensuring they are successfully managed. As water-related issues are integrated into group wide risk assessments, the Board has ultimate responsibility for all risk related to water use. The Board had specific focus on ESG matters within their June 2020 strategy sessions as part of the Board meeting as well as an update on Health, Safety and Environmental matters in the February 2020 Board meeting, delivered by the Group Director of Health, Safety and Environment. The Group Director of Finance (equivalent title to Chief Risk Officer and Chief Financial Officer) receives from the five business segments their consolidated risk assessments twice a year and, with the Director of Financial Control, reviews and challenges them with the segment chief executives. A summary of these segment risks is discussed between the Group Finance Director and Chief Executive annually and shared with the Board twice a year as part of the formal risk assessment process. The Board undertakes an annual assessment of the principal risks which are believed to likely have the greatest current or near-term impact on the group's strategic and operational plans and reputation. During these meetings, the Board reviews ABF's strategic objectives including climate change, water use and other material environmental impacts. The use of natural resources and managing our environmental impact has been identified as one of the group's principal risks and uncertainties, as reported in the 2020 Annual Report. These risks and their impact on business performance are also considered as part of the senior management presentations from each of the group businesses delivered to the Board at each meeting on a rolling basis. Each year, the Audit Committee on behalf of the Board reviews the effectiveness of the group's approach to risk management. The Audit Committee comprises a minimum of three members, all of whom are independent non-executive directors of the group. The committee held four meetings in 2020 with the external auditor. The external auditor is responsible for providing assurance over the group's Annual Report and Accounts and conducted a limited assurance of the group's 2020 Responsibility Report and ESG Appendix. The Responsibility Report and Annual Report include our water performance data and approach to water management. The committee Chairman reported the outcome of the meetings to the Board.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Other C-Suite Officer, please specify (Director of Legal Services and Company Secretary)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Half-yearly

Please explain

The Group Company Secretary has overall accountability for all responsibility issues, including water-related issues. Responsibility lies here because the Company Secretary reports to the Board and into the CEO and therefore has the ability to review, influence and monitor water-related activities at a group level. Any water-related risks that have a high and immediate likelihood are reported to the CEO via the Group Chief People and Performance Officer and the Group Company Secretary. The role is supported by the Director of Group Secretariat.

Name of the position(s) and/or committee(s)

Other C-Suite Officer, please specify (Director of Financial Control)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Half-yearly

Please explain

The Group's Director of Financial Control (equivalent title to Chief Risk Officer) receives risk assessments twice a year and, with the Group Finance Director, reviews and challenges them with the business segment CEOs. These risks and their impact on business performance are considered as part of the segment performance updates to the Board presented at each Board meeting. Responsibility for monitoring water-related risk lies here as water is integrated into the group's risk management procedures. In addition, an aggregated summary of risks, including water use, is reviewed by the Director of Financial Control, Group Finance Director, CEO and ABF's Board at least annually.

Name of the position(s) and/or committee(s)

Other, please specify (Group Safety and Environment Manager)

Responsibility

Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Annually

Please explain

The Group Safety and Environment Manager supports the businesses with their environmental performance and reporting; working with the Director of Group Secretariat and environment managers in the businesses. This role reports annually to the Board on the group's environmental performance including water use and water stewardship. Responsibility lies here as the role has direct engagement with the sites and business level environment managers to support the tracking of water use and related activities as well as responsibility for the annual disclosure of environmental performance data. This role reports to the Group Chief People and Performance Officer who reports to the CEO. This role chairs the Health, Safety and Environment (HSE) Leaders Group which addresses a range of environmental issues including sharing best water use practices.

Name of the position(s) and/or committee(s)

Business unit manager

Responsibility

Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Less frequently than annually

Please explain

The CR and HSE Leaders Groups have representatives from the businesses and group-level finance, procurement, risk and communications. These leadership groups meet throughout the year to discuss group wide and business- or geographic-specific issues such as climate change, water stewardship and deforestation.

Name of the position(s) and/or committee(s)

Corporate responsibility committee

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Half-yearly

Please explain

The CR Leaders Group has representatives from the businesses and group-level finance, procurement, risk and communications. This leadership group meet throughout the year to discuss group-wide and business- or geographic-specific issues such as climate change, water stewardship and deforestation.

Name of the position(s) and/or committee(s)

Other, please specify (Director of Group Secretariat)

Responsibility

Assessing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

As important matters arise

Please explain

The Director of Group Secretariat, who reports to the Group Company Secretary, is responsible for internal communication and external reporting of ABF's sustainability performance. The role facilitates positive change and supports the businesses with their sustainability matters; sharing good practice, providing tools, resources and being a central point for sustainability which includes climate risks and opportunities.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	The group takes a long-term approach to investment and is committed to increasing shareholder value to deliver steady growth in earnings and dividends. As reported in the 2019 Annual Report and Accounts, the personal performance element of the Short-Term Incentive Plan for executive remuneration was to be modified to focus on in-year execution of multi-year priorities related to environmental, social and governance (ESG) measures and business health as well as to business performance. This change was welcomed by our shareholders in consultation and was implemented in the reporting year. As reported in the 2020 Annual Report and Accounts, personal performance is aligned to key business health and business performance goals, including ESG measures.

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Chief Executive Officer (CEO) Other, please specify (Business Unit Manager)	Other, please specify (ESG matters)	CEO: As reported in the 2020 Annual Report and Accounts, the personal performance element of the short-term incentive plan has been modified to focus on in-year execution of multi-year priorities related to environmental, social and governance (ESG) measures and business health as well as to business performance. In 2019, this change was welcomed by our shareholders in consultation. Business unit managers are the equivalent role of the chief executives of each ABF business. As reported in the 2020 Annual Report and Accounts, the personal performance element of the short-term incentive plan has been modified to focus on in-year execution of multi-year priorities related to environmental, social and governance (ESG) measures and business health as well as to business performance. In 2019, this change was welcomed by our shareholders in consultation.
Non-monetary reward	Other, please specify (Management group)	Reduction of water withdrawals Improvements in efficiency - direct operations Improvements in efficiency - product-use Improvements in waste water quality - direct operations Improvements in waste water quality - product-use Supply chain engagement	Due to the importance of sugar to the group, we include here the example from Illovo Sugar Africa (Pty) Ltd: Water-related indicators are directed at initiatives and advancements in water efficiency including conversion to drip irrigation and the increase of recycling of water within operations.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

- Yes, direct engagement with policy makers
- Yes, trade associations
- Yes, funding research organizations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

ABF is both diversified and decentralised. We are successful because we trust the people who run our businesses. Close to their markets, they use their knowledge, skills and judgement to serve their customers. The group centre engages with our business leaders but it doesn't dictate the agendas or methods used by the businesses, which operate within unique markets where solutions to complex sustainability issues may vary.

Our Group Company Secretary acts as a focal point for corporate governance and corporate responsibility communications. This role regularly liaises with Corporate Responsibility, Public Relations and other advocacy-related roles within the businesses to ensure alignment. This happens when required and through a formal annual reporting process whereby the businesses provide information on their internal activities, work with their value chain and any public policy activities related to a range of corporate responsibility issues including water stewardship. Any public policy engagement conducted by the businesses must be approved at a senior level. The businesses review engagement activities to ensure they are aware of current and future legislation that will impact their value chains. Policy engagement covers energy, waste, water and other issues that the businesses and the group as a whole consider to represent a risk or an opportunity. Engagement activities are reviewed at least annually to ensure alignment with group strategy and the policy landscape.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

- Yes (you may attach the report - this is optional)
- ABF_2020_Annual Report and Accounts.pdf

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Integrated into ABF's long-term business objectives is to remain a socially useful company where we remain vigilant of, and consider, the needs of others around us. Therefore, when we review our business strategy, we consider the environmental impacts of our plans. When our businesses are considering their growth or divestment plans, they conduct risk assessments which incorporate environmental risks including water management and the requirements of others around our operations. In 2018, AB Sugar published its 2030 global commitments which includes reducing its end-to-end supply chain water footprint by 30%. AB Sugar businesses integrate water related themes into their plans – considering opportunities to use water more efficiently and invest in performance improvement and CAPEX across the supply chain. For example, ensuring access to a reliable supply of water is a critical strategic priority for Illovo to meet both its business needs and those of surrounding communities. The company has undertaken a number of initiatives to improve the management of water, including substituting sprinkler and furrow irrigation with more efficient centre pivot irrigation application systems, the installation of water-efficient linear irrigation systems, the concrete lining of bulk water supply canals to decrease water losses and the undertaking of water mass-balance assessments at all Illovo operations to provide accurate water consumption data.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	Our businesses are responsible for their environmental impact. Where water risks and opportunities are most prevalent, particularly in our direct and upstream agricultural activities, they form part of regular decision-making, are integrated into strategy development and are part of the group's risk management. All businesses are responsible for annually reporting to ABF their water performance (abstraction, reuse and discharge) using KPIs determined by ABF. Physical climatic changes impacting the supply of sugar cane, beet and other commodities have placed pressures on our supply chains. In some cases, we have had to source raw materials from new regions or change our strategy around current supply. Our businesses continuously adapt to this new environment and engage with key suppliers to address climate and water issues. For example, Illovo has identified three risks related to water usage, namely reducing sugar cane supply, bulk water supply and changes in weather patterns. As a result, a water strategy development team was established to drive the development of water strategies for Head Office and per site. To inform this strategy, the sites have completed risk profiles that maps out water and production KPIs under a BAU scenario and an action plan to 2025. This strategy looks to account for potential future risks borne out of climate change.
Financial planning	Yes, water-related issues are integrated	5-10	Revenues: If water issues impact our ability to produce or source raw materials, there will be a direct influence on our ability to generate revenue. However, as our group consists of five segments, a substantive risk to ABF as a whole is rare because if a variable impacts one segment, the other four will continue and it will unlikely lead to a move in the share price of the group. Operating costs: When existing approaches to production and supply costs increase due to water stress, this could become an issue to the sustainability of our business model. There are also reductions in operating costs as we invest in water efficiency projects. Capital expenditures: Our businesses invest substantially in environmental risk management of which significant amounts are spent on water efficiency projects. Capital funding is made available to our businesses where returns meet or exceed clearly defined criteria. Investment into the management of water stress is managed at the local level. For example, capital has been allocated for the installation of drip irrigation at Illovo's Nanga, Nchalo and Ubombo sites taking a phased approach that spans many years. There are no time horizons or barriers associated with these projects and they are considered on an individual basis. AB Sugar businesses generate performance improvement programmes and CAPEX proposals to address water related issues with the objective of using less resource, improving efficiency and improving yield.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

0

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

0

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

Over the last year, our businesses have invested just over £7m in effluent treatment plants and improvements in managing wastewater. This CAPEX includes the upgrade of effluent ponds to prevent pollution and improve treatment efficiency, as well as new ETPs and drainage upgrades. 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

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	No, but we anticipate doing so within the next two years	The use of climate-related scenario analysis has been explored by ABF's corporate centre and is work in progress for us to determine the best approach for our decentralised business model. We commissioned The Met Office to inform us of the potential implications of likely scenarios for our operations and major supply chains. We continue to explore this approach in parallel with our response to the TCFD and the work conducted by our individual businesses. For example, scenarios have been investigated by British Sugar with the expertise of Weatherquest and the BBRO. The conclusion is that warmer wetter winters, hotter drier summers and more volatility are expected across the UK. There are potentially positive impacts such as a longer season and therefore higher yield but equally, there will be negative impacts ranging from the potential of new and increased pest and diseases, previously controlled by colder climates, to yield and supply volatility because of unstable weather patterns.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

The structure of our decentralised, diversified and the geographic reach of our group means that an internal price on water would not provide value to our operations or in how they manage water. Instead, our businesses manage their operations in the most efficient manner which includes the efficient use of water. For many of our businesses, using water requires energy which has a cost; efficiently using water results in lower energy costs.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Business level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level	Our decentralised business model empowers the management of our businesses to identify and manage the risks they face to ensure compliance with relevant legislation, our business principles and group policies. Our businesses set their own environmental goals if it is an issue against which they choose to monitor their performance. ABF does not require the businesses to report their environmental performance against goals to group level although absolute performance data is required on an annual basis. Examples of business level commitments are: - George Weston Foods is aligned to the Australian Food & Grocery Council's Sustainability Commitment. This incorporates the target to reduce water consumption per tonne of production by 20% by 2020 (2010/2011 baseline). - In 2018, AB Sugar launched its 2030 commitments, as part of its Global Mind, Local Champions sustainability framework. Global Mind, Local Champions sets out AB Sugar's global principles and priorities for how to address the emerging challenges faced across its sugar value chain. The delivery of the framework is implemented on the ground by each of the AB Sugar manufacturing businesses. AB Sugar has committed to reducing its end-to-end supply chain water footprints by 30% (baseline 2018). In this reporting year, AB Sugar completed a comprehensive baseline for each of the 2030 commitments based on current data and methodologies. The water baselines have been completed by country, business, site and supply chain. The baselines have comprehensive data and include considerable details about factory, in-field and growers data but also usage, loss, evaporation and transportation data at a site level. The baselines are being used to identify levers and projects to materially change the water footprint. In addition, in this reporting year AB Sugar launched the Innovate Irrigation Challenge to find solutions to reduce water losses in the field, with the winning idea currently under development to be rolled out in Illovo Sugar Africa in 2021. AB Sugar continues to work on water reduction strategies, for example in Azucarera a successful precision farming tool is giving farmers water alerts to support water management required on their plot. The system provides information based on two factors (1) the vegetative development of the plant calculated according to the satellite view, and (2) the amount of rainfall in the area, supplied by the climatic stations close to the crop area which supports our farmers in using water in the most efficient way. Using the water reporting methodology adopted by ABF of calculating the total water abstracted, this year AB Sugar is not able to report a reduction against our 2018 baseline within the CDP reporting timeline. Within its sugar businesses, AB Sugar has adopted a more detailed methodology which accounts for water within its raw products and the use of this across its processes; this has been incorporated in AB Sugar's 2019 to 2020 baseline work.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Water withdrawals

Level

Business

Primary motivation

Water stewardship

Description of target

In April 2018, AB Sugar launched its 2030 commitments, as part of its Global Mind, Local Champions sustainability framework. Global Mind, Local Champions sets out AB Sugar's global principles and priorities for how to address the emerging challenges faced across our sugar value chain. The delivery of the framework is implemented on the ground by each of the AB Sugar businesses; AB Sugar China, Azucarera, British Sugar and Illovo Sugar Africa. AB Sugar has committed to reducing its end-to-end supply chain water footprints by 30% (baseline 2018). As an example of a water reduction strategy being implemented, Azucarera has a successful precision farming tool which gives farmers alerts to support water management required on their plot. The system provides information based on (1) the vegetative development of the plant calculated according to the satellite view, and (2) the amount of rainfall in the area, supplied by the climatic stations close to the crop area.

Quantitative metric

Absolute reduction in total water withdrawals

Baseline year

2018

Start year

2018

Target year

2030

% of target achieved

Please explain

In the reporting year, AB Sugar completed a comprehensive baseline for each of the 2030 commitments based on current data and methodologies. The water baselines have been completed by country, business, site and supply chain. The baselines have comprehensive data and include considerable detail about factory, in-field and growers data, and also usage, loss, evaporation and transport data at site level. The baselines are being used to identify levers and projects to materially change our water footprint. Using the water reporting methodology adopted by ABF of calculating the total water abstracted, this year AB Sugar is not able to report a reduction against our 2018 baseline within the CDP reporting timeline. Within our sugar businesses, we have adopted a more detailed methodology which accounts for water within our raw products and the use of this across our processes and this has been incorporated in AB Sugar's recent 2019 to 2020 baseline work.

Target reference number

Target 2

Category of target

Product water intensity

Level

Business

Primary motivation

Reduced environmental impact

Description of target

As a responsible business, George Weston Foods is always looking to improve what they do for the benefit of customers, their people, local communities and the environment for the long term. The business's environmental performance includes alignment with the Australian Food & Grocery Council's (AFGC) Sustainability Commitment. George Weston Foods water target is derived from the Australian Food & Grocery Council's Sustainability Commitment and is to reduce water consumption per kg of goods produced by 20% by 2020, relative to a 2010 - 2011 baseline. Initiatives include water re-circulation, more efficient cleaning practices and rainwater harvesting.

Quantitative metric

% reduction per product

Baseline year

2011

Start year

2011

Target year

2020

% of target achieved

100

Please explain

In 2020, George Weston Foods has achieved a 24% reduction in water consumption per production volume compared with its 2011 baseline performance. This progress exceeds the AFGC aligned 20% reduction target.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

In progress

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Director of Legal Services and Company Secretary	Other C-Suite Officer

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

No

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	13900000000

SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

Yes

SW0.2a

(SW0.2a) Please share your ISIN in the table below.

	ISIN country code	ISIN numeric identifier (including single check digit)
Row 1	GB	0006731235

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

This is confidential

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	No, this is confidential data	We have the data and will share with customers on a case by case basis as part of our commercial engagements. Given the number of our operating sites, it is not viable to provide all the geolocation data within CDP.

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

Requesting member

J Sainsbury Plc

Category of project

Other

Type of project

Other, please specify (UK supply chain collaboration)

Motivation

Estimated timeframe for achieving project

Please select

Details of project

Allied Bakeries is open to discuss potential UK supply chain collaboration.

Projected outcome

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms