Responsibility Update 2021

Creating value together
At ABF, we are committed to creating value responsibly together with all our stakeholders:

- **With our suppliers:** to build more ethical, equitable and sustainable supply chains
- **With our employees:** to ensure their health, safety and wellbeing while building diverse, inclusive, and altogether brilliant teams
- **With our customers, consumers, and their local communities:** to provide safe, healthy and ethical products and help local people and local economies thrive
- **For our shareholders:** to deliver long-term value in ways that address their Environmental, Social and Governance (ESG) concerns
- **For our planet:** to use finite resources more wisely, maintain or enhance natural habitats and help tackle climate change

## Doing the right thing

We are a group of diverse businesses that all believe in doing the right thing: working with integrity even if it is not always the easiest or most immediately rewarding thing to do. Why? Because the world’s challenges are our challenges, and our future success depends on helping to successfully address them. If finite resources run out, we cannot make our products. If climate change continues unchallenged, extreme weather events may affect our suppliers, operations, customers and consumers, and if the people we work with lack recognised human rights or fair income, they suffer.

## Doing what matters

Doing what really matters drives us but there are many factors involved. This can range from supporting universal principles on human rights across all our businesses to joining global movements for action on climate change, resource scarcity or biodiversity. At other times, what really matters is addressing a specific challenge in a single location – for example, tackling noise pollution at one of our factories or donating surplus food to a local charity.

### About our Responsibility Update 2021

This year we have structured our reporting in line with our value chain, breaking it down into four chapters. These focus on our supply chains, our manufacturing operations, the amazing contribution our people make and the products enjoyed by our customers.
Chief Executive’s introduction

It is with a profound sadness that I write that we have now lost 43 of our employees in different parts of the world to COVID-19. We mourn them all. Over the year we have continued to put into place many actions to try to protect everyone who works at ABF, from additional PPE, amended working practices at Primark, and vaccinations for our employees in Africa. We also continue to support workers in our supply chain and further details can be found in this report. I am proud of how our people have continued to respond to the many challenges presented by COVID-19.

This company has a clear sense of its social purpose. We work to provide safe, nutritious and affordable food, and to provide quality, affordable clothing to hundreds of millions of customers worldwide. Only if we do these things well should we make a profit.

Furthermore, from our earliest days our companies’ leaders have believed that acting responsibly and with integrity is the only way to build and manage a business over the long term. The belief that companies do well when they act well is deeply ingrained in all of us, from the Board and the leadership team, across all our businesses and at all levels of our workforce.

We have a strong belief in our duty to respect the dignity and diverse characteristics of everyone who works for us, both within our workforce and in our supply chains.

And we have always been firmly committed to operating to the highest standards of corporate citizenship, acting as a good and supportive neighbour to the communities around us, while recognising our wider obligations to society as a whole.

Those obligations now include the need to produce food and sell clothes with minimal impact on the planet. In time we have to get rid of all the carbon we currently produce. Our target is zero.

And our focus is on the present. We act now and worry less about when the missing solutions or technologies might be available.

A tonne of carbon saved today is better than one saved tomorrow.

Equally important, we have the opportunity to provide solutions that allow others to reduce their carbon footprint as well. We are recommissioning our bioethanol plant in Hull which when fully operational will allow UK motorists to reduce their carbon footprint by more than 2%. Our enzymes are enabling families to wash their clothes well at low temperatures and our businesses are leading the way in the development of precision agriculture to grow more with less.

We recognise there is an increasing market focus on ESG factors across all companies in all industries. We welcome this scrutiny. It is right that asset owners and others should focus on the role of business in addressing critical challenges; and so we will continue to engage openly on these topics as we have done this year.

George Weston
Chief Executive
Associated British Foods plc
Our grocery brands occupy leading positions in markets across the globe. In the UK, 9 out of 10 households use our brands.

AB Sugar is one of the largest sugar producers in the world. Illovo is the largest sugar producer in Africa and British Sugar is the sole processor of UK sugar beet.

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

Our Ingredients businesses are leaders in yeast and bakery ingredients and supply specialty ingredients to the food, feed and pharmaceutical industries.

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

Primark is one of the largest fashion retailers in Europe and the largest clothing, footwear and accessories retailer by volume in the UK. In total, we have 398 stores in 14 countries, including the United States.

“We believe the root to enduring value creation lies in our focus of building objectives from the bottom up rather than from the top down. That is also exactly how we approach ESG. It is the same philosophy, put into action every day across all of our businesses, owned by the people within those businesses, at all levels, not simply in response to an edict from a global head office.”

George Weston,
Chief Executive
Associated British Foods plc

>70%
of our people have access to an employee assistance programme

>1m
People in Primark supply chain

54%
of energy we used came from renewables*

£39 million
invested in safety risk management, of which 24% was dedicated to COVID-19 safety measures

11%
annual reduction in Scope 1 and 2 greenhouse gas emissions

* This renewable energy is mainly generated on our sites from biogenic sources. Please refer to page 29 for more information.
About us continued

Our purpose
We are united by our purpose to provide safe, nutritious and affordable food, and clothing that is great value for money. Together, as ABF, we work hard every day to create long-term value for stakeholders, from our customers, employees and suppliers to our shareholders. In our annual report this year we highlight how we create value across our businesses – innovating, growing, collaborating and investing to ensure we continue to deliver ever more sustainable growth.

Our diversified business model
Good governance is defined by values, behaviours and relationships as much as by process. Our diversified business model makes sense because our businesses know their supply chains, markets, employees, customers, consumers and local communities better than anyone in groupwide teams ever will. Our diversified business model gives every business autonomy to operate in ways that create maximum value and respond to short-term local challenges rapidly. We maintain a detailed understanding of the material opportunities and risks for our businesses, while leaving them to take operational decisions as they see fit. What this means in practice is an extensive level of discussion and scrutiny of each business by the Group leadership team, together with consistent oversight from the Board through a formal and structured governance framework.

The leadership team works with the business leaders to set relevant objectives whenever they’re needed, and then hold people to account against those objectives to ensure the effective stewardship of our assets for the long term.

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

Acting with integrity
We proudly promote and protect a culture of trust, fairness and accountability that puts ethics first. From farms and factories right through to our boardroom, we are committed to embedding integrity into every action.

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

Progressing through collaboration
We work with others to leverage our global expertise for local good. Through collaboration with our stakeholders, including non-governmental organisations (NGOs), we are working to create safer, fairer workplaces and promoting thriving, resilient communities.
Improving quality of life for communities in Twinings’ supply chains

Setting the context
Working together with our producers to build more ethical, equitable and sustainable supply chains is the best way to reduce critical risks in our supply chains. The Twinings Sourced with Care responsible sourcing programme focuses on what the people who grow and harvest the tea and herbs really need to achieve a good quality of life for themselves, their families and communities.

Progressing together
Sourced with Care focuses on three key areas:
• improving life opportunities for women, young people and children through health and education, while also protecting them from violence or harassment;
• raising living standards by helping communities on tea plantations improve their housing, sanitation, access to clean water and hygiene;
• supporting livelihoods and land by protecting workers’ rights and improving incomes. This includes learning to farm alongside nature and finding new ways to adapt to climate change.

Twinings set a target to positively impact 500,000 people through Sourced with Care and passed this at the end of 2020. The programme has now reached almost 544,000 people and delivered lasting change with:
• 100,000+ women and 22,000+ children reached by health initiatives in Kenya and India, with programmes to raise health awareness and improve access to services, particularly reproductive rights and family planning;
• 12,000+ people gained access to sanitary latrines on tea plantations in north India, thus improving their health and hygiene, and ensuring decent living conditions;
• 140,000+ people supported through hygiene programmes, which was particularly relevant during the COVID-19 pandemic;
• 1,600 people supported to undertake income-generating activities in many countries where tea only makes up part of the family income;
• 39,000+ people empowered through Community Development Forums which enable better dialogue between workers and management to reach collective decisions about community development and labour conditions;
• 13,000+ women and girls took part in protection interventions. The aim is to empower workers and management to help prevent and respond to harassment and gender-based violence.

The Sourced with Care journey is ongoing, with a vision for healthier, happier, empowered and sustainable communities in the Twinings supply chain. Working with producers, suppliers, NGOs, government agencies and industry platforms is essential to achieve lasting transformational change that is needed to address the complex challenges faced by the industry.

Testing an award-winning irrigation idea in Malawi

In 2019 AB Sugar launched its Innovate Irrigation Challenge, inviting individuals or teams to submit ideas about ways to reduce water losses from irrigation. AB Sugar’s operations account for 97% of ABF’s total water abstraction. Illovo Sugar Africa, in particular, manages sugar cane estates totalling approximately 70,000 hectares, of which 82% is irrigated and the remainder is rain-fed.

We partnered with experts, WaterAid and the Centre for Industrial Sustainability at the University of Cambridge, who played an integral role in selecting the winning idea.

The winning idea, submitted by two civil engineers in Uganda, has now been developed into ‘Project SWIM’, which stands for Smart Water Irrigation Management.

In simple terms, SWIM uses a network of flow and power meters with remote sensors which feedback to a cloud-based Smart Water Management Tool. Estate managers and smallholder farmers can use the tool to detect leaks, adjust irrigation schedules and carry out water audits, all based on the real-time data it provides.

Proof of concept for SWIM was completed at Illovo Sugar Malawi’s Nchalo Estate in 2020. This process produced promising results. The system functioned well, and the web-based reporting platform was intuitive to use. In terms of performance, early indications were that SWIM could save up to 9% of water currently lost through unidentified leaks and reduce power consumption by 11%.

A consortium of suppliers has been selected to develop the concept further by running a pilot across 742 hectares at Nchalo in 2022. This will test SWIM at scale and assess how it might dovetail with other innovations, including drip irrigation.

Illovo Sugar Africa believes that SWIM could ultimately increase sugar cane yields by up to three tonnes per hectare using the same net water, whilst supporting its ‘more crop per drop’ mantra. Currently, around 82% of land cultivated by Illovo Sugar Africa is irrigated and could benefit from SWIM in future.
Mapping Primark’s carbon footprint

Setting the context
Mapping our businesses’ carbon footprints is essential to becoming more carbon efficient. Primark has completed this complex undertaking using a methodology based on best practice guidance from the Greenhouse Gas Protocol Standard. Primark has calculated its direct and indirect carbon emissions for 2018/19 and for 2019/20, with the Scope 3 methodology and calculation independently verified by The Carbon Trust.

Primark’s target is to halve carbon emissions by 2030. This is far ahead of the 30% emissions reduction ambition already committed to through their membership of the Fashion Industry Charter for Climate Action under the United Nations Framework Convention on Climate Change (UNFCCC).

Progressing together
Primark’s carbon data for 2018/19 showed that 3% of its GHG emissions were from its operations. Its customers’ use of Primark products accounted for 12% and its supply chain for 85%. Primark’s total direct and indirect CO₂ emissions for that year were 6.4 million tonnes.

With a better understanding of its carbon footprint, Primark aims to reduce emissions by:

• increasing suppliers’ energy efficiency: through the Clean by Design programme, Primark has already helped reduce energy, water and chemicals use at three supplier mills in China, and based on the results will continue to support more mills through this programme. In addition, Primark is setting up further pilot projects to test energy efficiency measures in other major sourcing regions, which can ultimately be scaled;

• supporting the switch to renewable energy: by providing hands-on support for suppliers to transition to renewables, such as installing on-site renewable technologies where feasible, buying off the grid where it is available, or through power purchase agreements with private renewable energy providers;

• reaping the benefits of regenerative agriculture: Primark is collaborating with CottonConnect and local implementation partners to pilot additional regenerative farming techniques with cotton farmers in the Primark Sustainable Cotton Programme (PSCP); and

• managing their own energy efficiency: through their Energy Reduction Group, Primark has achieved ISO 50001 certification across stores, offices and distribution centres in many locations and aims to do this in every market it serves.

The aim of Primark and our other businesses is sustainable growth decoupled from increases in carbon emissions, that supports global action on climate change. Their scale means they can make a positive difference to climate change by tackling their own emissions and collaborating with industry partners.

Read more on pages 24-29
Making our packaging more planet friendly

Setting the context
Food packaging is vital to keep products intact during transit, then fresh and safe for customers to consume.

There is mounting pressure from consumers, customers and governments to use less packaging and make more of what we do use recyclable and easy to recycle. This second point is not something our industry can tackle alone. In many markets better recycling infrastructure is needed.*

Alongside consumers’ demand for action, many governments are introducing legislation and taxes to disincentivise the use of plastic packaging. In the UK, Extended Producer Responsibility (EPR) is expected to place the full net cost of packaging waste onto brand owners from 2023/24 and the new Plastic Packaging Tax will set a tax of £200 per tonne for all packaging with less than 30% recycled content from April 2022. (Source: WRAP Presentation/FFP Conference/3rd March 2020).

Progressing together
Our businesses follow the same general principles for all our packaging, including plastic materials, to use as little as necessary to ensure maximum safety and quality, make more of our packaging recyclable and make our packaging easy to recycle.

To offer expert advice and encourage the cross-fertilisation of good ideas we run a number of Packaging Community of Excellence forums. These bring together multi-skilled teams from our businesses, including packaging technologists and procurement professionals, to discuss everything from innovation to legislation. Our Communities of Excellence continue to evolve and grow, ensuring we remain connected and informed, sharing packaging developments and successes to support businesses with their packaging agendas. For example:

- several of our businesses are testing coated papers as a safe alternative to plastic film, including Twinings, Wander, Westmill and Allied Bakeries;
- Allied Bakeries has worked with supplier St Johns Packaging to run trials to incorporate recycled materials such as resins from consumer products into its Kingsmill No Crusts 50/50 bread bags;
- Allied Bakeries is exploring new technologies to develop recyclable films to replace some of its laminates;
- Twinings continues to implement industrially compostable tea paper across the global business;
- Jordans Dorset Ryvita aims to use 100% recyclable or recycled packaging within five years – it has made its black recycled PET punnets detectable by recycling scanners, reduced the materials in its cereal boxes and bags and is testing out more sustainable films for its granola pouches;
- AB World Foods is focused on eliminating remaining problematic plastics including PVC, PS and black plastics, and light-weighting packaging, with a priority focus on plastics and glass. It is proactively seeking alternatives for non-recyclable packaging and has run a number of trials using novel recyclable film and flexible plastic materials in support of the WRAP UK Plastic Pact targets;
- Tip Top Australia and New Zealand is rolling out new card bread bag clips to replace the current polystyrene clips. Consumers can place the new 100% recycled and recyclable cardboard clips into a used envelope and then into kerbside bins for recycling through the paper stream; and
- George Weston Foods’ Don brand has launched its crafted range of bacon in recycle-ready material.

* Take the UK as an example. Out of 391 local authorities, 387 collect plastic bottles as refuse, 310 collect plastic pots, tubs and trays, but only 67 collect plastic films. Currently in the UK, 59% of plastic bottles, 33% of pots, tubs and trays and 4% of plastic films are actually recycled. With the right infrastructure, these percentages could all be close to 100%.
Making sure we do the right thing

Quite simply, acting responsibly is the right thing to do, but doing the right thing for all our stakeholders and our planet does not just happen. The current business environment is dynamic and unpredictable; it requires effective ways of understanding what really matters most, of maximising opportunities while minimising risks and of being transparent.

Understanding what matters most
Understanding what matters most, what is material to our businesses, our stakeholders and our planet’s future is all about engaging actively and sharing knowledge. These stakeholders include:

- The media and opinion formers
- Communities
- Suppliers
- Customers and consumers
- Employees and contractors
- NGOs
- Investors and ESG research agencies
- Industry and trade associations
- Governments and regulators
- Rankings and ratings agencies

Our stakeholders

Understanding these different groups’ priorities and concerns complements our own extensive knowledge and expertise to help us set the right priorities and make our reporting more relevant. We also actively collaborate with many different stakeholders to deliver positive change.

We answered investors’ questions about our sustainability and the rationale behind it at Environmental, Social and Governance (ESG) events, including two ESG investor days in March and September 2021 with a third planned for early 2022.

Together with colleagues: we amplify their expertise through communities of expertise or practice, and prioritise any concerns about any aspects of our performance as a responsible business, from safety to ethical standards, through an independent ‘Speak Up’ service. We also check in with them through pulse opinion surveys.

Together with farmers: we share knowledge about how to build sustainable livelihoods for themselves, their families and their communities, by embracing regenerative farming techniques.

Together with governments: we help to shape policy by sharing our expertise – for example, David Webster, Director of Sustainability and External Affairs for UK Grocery, shared information on biodiversity and ecosystems with the UK Parliament Environmental Audit Committee in December 2020 and Katharine Stewart, our Group Corporate Responsibility Director, discussed ‘Fixing Fashion’ with the same committee in April 2021.

Together with local partners including NGOs and community organisations: we support people’s health, wellbeing and skills development within our supply chains.

Together with our suppliers: we find new ways to build more responsible supply chains and innovate to make our products more planet-friendly, with the work of the Primark Ethical Trade and Environmental Sustainability team, a great example of collaborative action.

Being transparent
To give all our stakeholders additional confidence that our Responsibility Update 2021 is accurate, it has been independently assured by Ernst and Young (EY) against the International Federation of Accountants’ International Standard for Assurance Engagements Other Than Audits or Review of Historical Financial Information – known as ISAE 3000 (Revised). EY have provided limited assurance about the reliability of 18 key performance indicators and their associated data sets for the year ending 31 July 2021. These are highlighted in this update with the symbol Δ.

Trustling employees to call out risks
Our people are often closest to real or potential risks, whether these are related to safety, ethics or other aspects of our operations. To make it easy for employees and contractors to voice any concerns they have, we provided a whistleblowing telephone line. At any time of any day our people can use this free multi-language service to tell us what they are concerned about.

In 2021 the whistleblowing hotline received 79 notifications, most of which related to human resource issues, theft and bullying or harassment: 49% required no further action, 30% are still being investigated and 21% were resolved. Outcomes ranged from process reviews and support for individuals through to termination of contract.

Launched in September 2021, ‘Speak Up’ is our new approach for reporting and dealing with concerns about inappropriate behaviour at work. This includes both a telephone line and a new web reporting device.

‘Speak Up’ replaces the Whistleblowing Policy and is designed to protect our culture of fairness, trust, accountability and respect, encouraging effective and honest communication at all levels. ‘Speak Up’ empowers our people to tell us whenever they see anything inappropriate, improper, dishonest, illegal or dangerous and their concerns will be handled confidentially and professionally.
What matters most to us

Deciding what really matters starts with understanding the world, our dependence and our impact on it. We do this by engaging with stakeholders and paying close attention to current and emerging global and local trends.

What we ask from our businesses

- Help address the global issues that matter to us all
- Address the sustainability and responsibility challenges that matter most
- Work with integrity
- Do the right thing wherever in the world the businesses are
- Pursue continuous improvement through motivating and relevant short-term targets

“We have a fundamental belief in giving people scope and authority to create and run the best businesses they can and to take accountability for their actions. With encouragement, engagement and support they will do the right thing in the right way.”

George Weston, Chief Executive
Associated British Foods plc

We are united by our purpose to provide safe, nutritious and affordable food, and clothing that is great value for money. Together, as ABF, we work hard every day to create long-term value for stakeholders, from our customers, employees and suppliers to our shareholders. In our annual report this year we highlight how we create value across our businesses – innovating, growing, collaborating and investing to ensure we continue to deliver ever more sustainable growth.

What matters most to us is ensuring security of supply in an increasingly volatile world, protecting the natural ecosystems and biodiversity that underpin soil quality to grow crops, and accessing water to nourish them; all the while respecting and supporting the people we work with.

Climate change affects all of these priorities, as do many other factors along our value chain – from human rights for tea growers to compostable teabags for consumers. To thrive successfully, each of our businesses must address the range of issues that are most material to them.

Maximising opportunities, minimising risks

The opportunity to make a positive difference often starts with reducing or removing risks. We have well-tested risk management systems, processes and resources – all of which we are continuously reviewing and looking to improve. Within individual businesses, responsibility and accountability sits with their chief executive. They produce risk mitigation plans for all types of business risk, including safety, environment and other material responsibility issues that are reviewed annually by our Board. You can read more about our approach to risk management in our annual report at www.abf.co.uk

Contributing to the world around us

Addressing responsibility and sustainability issues makes us a more resilient and competitive group. It also supports the collective response to a number of global issues, including those identified in the Sustainable Development Goals (SDGs).

We believe that any business will make its greatest contribution to the SDGs by ensuring decent work for its employees and the people in its supply chains, and delivering economic growth (SDG 8) along with responsible production and the responsible use or consumption of its products or services (SDG 12). The specific actions a business needs to take to deliver SDG 8 and SDG 12 will then make significant contributions to other relevant SDGs.

Given the diversity of our products, markets, geographies and stakeholders it is not feasible to have a homogeneous view of responsibility and sustainability for all of our businesses. It is vital that each of our businesses identifies the issues that are most material matter most to them and on which they will take meaningful action through their core business processes.

Our diversified business model empowers the management of our businesses to do this; the approach also makes sense because they are closest to their stakeholders such as suppliers and customers.

Our businesses carry out assessments as part of their overall risk management process. These take into account their use of natural resources, environmental impact and ethical business in supply chains relevant to the markets in which they operate. Our Group Director of Financial Control receives the assessments annually, and, with the Finance Director, reviews and challenges the divisional chief executives on an individual basis. All identified risks and opportunities, and their impact on business performance, are reported during the year and considered as part of the monthly management review process.

The material issues listed below are shared by many of our businesses and provide a view of where those issues are faced within our value chain.
What matters most to us continued

We work to understand and focus our actions on what matters most; what is material to our businesses and our stakeholders, including society and the planet.

Our supply chains
- Respecting human rights and labour rights
- Increasing traceability and transparency
- Improving farming
- Improving standards in our suppliers’ factories

Our operations
- Focusing on climate change
- Becoming more energy efficient
- Making finite resources go further
- Valuing water

Our people
- Prioritising safety
- Supporting health and wellbeing
- Embracing diversity, and encouraging equity and inclusion
- Building engagement and supporting their development

Our products, consumers and communities
- Offering safe, healthier and affordable products
- Helping others cut their carbon emissions
- Widening customer awareness
- Adding value to local communities
Supply chains

Building together

Our supply chains
Examples of leading practice include:

- Primark: Supporting supply chain workers during the COVID-19 pandemic;
- Primark: Tracking gender-based violence and harassment in the workplace;
- AB World Foods: Learning and achieving more through collaboration;
- Jordans Dorset Ryvita: Working in partnership with farmers for the benefit of nature;
- Westmill Foods: Making rice growing more sustainable and profitable for basmati farmers in Pakistan;
- AB Agri: Turning environmental risks into sustainable business opportunities;
- Twinings: Improving biodiversity and supporting livelihoods in Guatemala.
What really matters and why
Respecting human rights and labour rights, because when you respect people, treat them with dignity and make sure they can make a good living, you can build mutually beneficial relationships.
Addressing modern slavery, it is a global issue that requires global action.
Increasing traceability and transparency, so that we, our customers, and concerned consumers can make choices and take action to address common issues, based on quality, sustainability and ethical factors.
Improving farming, working together with farmers and nature to help develop more sustainable farming practices, now and for the future.
Improving standards in our suppliers’ factories, tackling ethical, environmental and safety issues.

Why we take action
• building fairer supply chains is always the right thing to do for a responsible business;
• it is the best way to reduce risks in our supply chains, including ensuring security of supply;
• understanding our suppliers current and future needs helps us make the right choices together; and
• it is an opportunity to do things even better and ensure long-term value for all our stakeholders.

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

We want to respect the human rights and labour rights of everyone involved in our supply chains and help to strengthen these rights when they fall short of international standards and our own high expectations.

To do this we need to see the world from our farmers' and factory workers' perspective and our diversified business model helps us do this. Our businesses try to stay as close to their supply chains as possible, to monitor what is happening to ensure they can identify any issues. For example, Primark’s Ethical Trade and Environmental Sustainability (ETES) team based in all of their key sourcing countries carry out regular supplier factory audits, most of which are unannounced.

**Global challenges, local issues**
The scale of the challenge we face is significant. We employ 128,000 people across 53 countries and millions more work in our supply chains. Human rights, labour rights and other ethical issues can vary widely from one farm or factory to another, but we encounter some risks consistently.

These are related to:
- Safety and health at work
- Forced and compulsory labour
- Gender-based violence
- Child labour
- Gender equality
- Working hours, benefits and remuneration including living wages
- Freedom of association and negotiation rights

We also see that particular groups, such as women and migrant workers, are often more vulnerable to human rights violations. In many instances, the COVID-19 pandemic has amplified existing issues or created new inequalities, for example loss of income during lockdowns and ‘vaccine inequality’. In India, Bangladesh, Pakistan and other locations, Primark has taken decisive action with local partners to support supply chain workers during the ongoing COVID-19 pandemic. You can read more about this work on page 14.

**Our standards and codes**
All of our businesses ask and expect their suppliers to work in line with recognised standards, including the UN Guiding Principles on Business and Human Rights, International Labour Organization’s Declaration on Fundamental Principles and Rights at Work and our Supplier Code of Conduct. This code, which incorporates the Ethical Trading Initiative Base Code, underpins any relevant policies or standards the businesses set themselves.

Twining uses a comprehensive community needs assessment framework, which has been developed in consultation with export organisations to help understand what supply chain communities really need. In addition to human and labour rights, it covers housing, water and sanitation, health and nutrition, gender and children’s rights, land rights, and farming practices.

**Addressing modern slavery**
All forms of modern slavery are prohibited by ABF, including child labour, forced labour and human trafficking.

Our Supplier Code of Conduct covers all relevant issues and we are a member of the Business Against Slavery Forum coalition, established as a partnership between the UK Government and numerous businesses to accelerate progress in the fight against modern slavery. Most importantly, our businesses are taking action on the ground where the risk is highest – at farm, mill and factory level.

In June 2021, the Business Against Slavery Forum coalition hosted a Ministerial Forum at which the chief executives of member companies discussed relevant issues with ministers. Our Chief Executive George Weston attended this event and contributed to discussions on several themes, including the UK Government’s forthcoming Modern Slavery Strategy Review, the challenges involved in modern slavery due diligence and how to harness the power of transparency and other levers for positive change.

In addition across the businesses:
- Primark have reviewed and updated their Code of Conduct, strengthening the requirements that guard against forced labour and adding a new clause that requires all their suppliers to have in place effective grievance procedures for workers;
- AB Agri’s Human Rights policy addresses modern slavery and other issues;
- Twining published their own Human Rights policy in 2021, and several of our other Grocery businesses are developing or enhancing their human rights-related policies.
- AB Sugar developed their modern slavery policy and created their ‘We Listen, We Act, We Remedy’ toolkit.
- Read the Modern Slavery Act statements at www.abf.co.uk
Supporting supply chain workers during the COVID-19 pandemic

The COVID-19 pandemic continues to disrupt and devastate lives and livelihoods for workers across the Primark supply chain, with the impacts being felt disproportionately by women. Alongside upholding its workplace standards, as embodied in the Supplier Code of Conduct, the Primark Ethical Trade and Environmental Sustainability team has also provided additional support. This support varies across sourcing countries according to need and opportunity to engage. Responses and support have been designed with international and local partners, some new and some existing. Examples of this work includes:

In India
With longstanding partner St Johns Medical College, Bangalore:
- Covid-related webinars for management of factories and mills across India and Pakistan; and
- online training for factory mental health counsellors through the My Space initiative in Bangladesh.

In Bangladesh
- a partnership with Care International (CI) to support vaccination centres in factories - with 2,000 workers vaccinated at two factories in July 2021;
- Covid-awareness training for over 54,000 workers in 20 factories through Care International;
- Covid-awareness training for 300 managers in six factories, and through them 13,000 workers, in collaboration with the Ethical Trading Initiative; and
- information materials including posters, songs and two COVID-19 audio dramas reaching over 350,000 workers in 150 factories.

In Pakistan
- information packs in Punjabi and Urdu distributed to 80,000 workers in 26 factories

In Myanmar
- extra money for around 1,500 women workers through a project run together with Impactt, Women Win, local NGO Girl Determined and the UK government

In Cambodia
- a digital information campaign run through the Better Factories Cambodia programme

Primark Sustainable Cotton Programme
- funding to seven emergency treatment centres in rural communities in Gujarat, India;
- help for farmers to find testing centres and arrange vaccinations
Increasing traceability and transparency

We want to make sure our products are sourced, manufactured, and transported responsibly. Growing numbers of customers and consumers share our concerns, and increasing transparency ensures they have better information to inform their actions. Better traceability enables us to understand more about our supply chains. Many of our businesses are doing this by making supply chain data publicly available through online global sourcing maps.

Some of our businesses use collaborative online data platforms to gather and share information about their supply chains and suppliers, for example SEDEX. To help the businesses review relevant data about their suppliers on SEDEX more efficiently, our UK Grocery division has created a new team of data specialists to support with monitoring and reporting.

Colleagues closest to our supply chains are doing more to help the businesses fully understand the complexities of their supply chains and other aspects of sustainability. Group functions are also supporting by offering them specialist advice and training resources. These resources include expanded modern slavery awareness training, which over 1,000 people have completed since it was launched, and a new online learning package delivered in 2021 to support the implementation of our Supplier Code of Conduct.

Our Group experts can help businesses develop whatever resources and solutions they need to understand and influence their supply chains more effectively, for example by creating risk assessment tools to help them map their high-risk suppliers.

Our membership of AIM-Progress, a voluntary collaboration of over 40 European businesses that aims to promote responsible supply chains and address human rights in them, also supports greater transparency. Some of our businesses use AIM-Progress to access shared supplier audits, removing the need for them to carry out their own. AIM-Progress also offers advice and training on supply chain issues. We have been a member of this collaboration since 2014.

Ultimately, no one knows their supply chains better than our businesses and they are best placed to do the right thing on ethical issues.

Prioritising responsible procurement

We have run procurement conferences for many years, in Europe, Asia and North America. Our groupwide procurement conference in October 2020 included several sessions focused on responsible sourcing.

At an online conference in June 2021, more than 170 participants attended an ESG (Environmental, Social and Governance) session, led by our Group Corporate Responsibility Director, Katharine Stewart. The conference also included briefings on climate change, including the use of expenditure data to calculate greenhouse gas emissions, human rights and due diligence and sustainable packaging.

Fast fact:
- AB Agri provides training to every new employee about the risks of modern slavery in the supply chain during induction training

Raw materials

There is increasing demand for greater transparency about the possible links that a wide range of consumer products, including food and clothing, have on deforestation.

Feeding and clothing a growing global population is undoubtedly increasing the pressure on available farmland all over the world. Deforestation, including the depletion of tropical rain forests, has been a cause of concern for many governments, businesses and large parts of society and the negative impacts of this depletion are potentially profound, reducing natural carbon sinks, decimating biodiversity and displacing indigenous peoples.

Achieving better and ultimately full traceability of raw materials will help the businesses to identify relevant issues and consequently find ways to address them.

We want to work with nature not against it, by buying commodities that respect the environment and addressing any relevant risks in our supply chains. We also understand the need to be transparent about our successes and shortcomings.

Palm oil

Palm oil and its derivatives are versatile vegetable oils used in food and household products. Palm is very land efficient compared to other equivalent crops but must be grown in the tropical belt. Palm plantations in countries including Malaysia and Indonesia have caused rainforest destruction leading to biodiversity loss and increased CO2 emissions from the cutting and burning of trees. Several of our businesses use palm oil-based ingredients. Our overall consumption is low compared to many other global food and beverage businesses. In fact 66% of our usage in palm-based derivatives has more complex supply chains and can be hard to physically certify. We have been a member of the Roundtable on Sustainable Palm Oil (RSPO) as ABF plc since 2010, although Jordans joined in 2006. We report annually to the RSPO on all our palm oil-related purchasing and consumption.

Palm oil data 2021

- 100% of our palm oil-related consumption has come through RSPO-recognised models since 2015
- 29.8% of our palm oil-related consumption was from more stringenty physically certified sources
- 71.2% came through book and claim sources
- 26 of our sites across nine countries are RSPO Supply Chain Certified
- 76% of our total consumption is in livestock feed

AB Agri believes in responsible supply chains, including zero-deforestation from palm oil and soya, and has worked collaboratively with suppliers to understand the country of origin of purchased feed materials. So far AB Agri has identified the country of origin for more than 95% of its materials and supplier combinations, and is 100% certified for all palm oil and palm oil derivatives.
Focus on soya
Soya, of which around 75% is used to feed animals globally, is often linked to tropical deforestation through farming in South America. However, we also source soya from North America and Europe where tropical deforestation is not a major issue. We are a member of the UK Roundtable on Soya and a signatory of the Feed Sustainability Charter, launched in September 2020 by FEFAC, which sets out five ambitions that contribute to more sustainable feed production.

Our businesses are focussed on increasing their use of responsibly sourced soya and also exploring more sustainable alternatives. AB Mauri is using 100% UK-grown sustainably certified soya beans in the naturaSoy brand, cutting food miles in the process. AB Agri has now mapped the origin of 98% of ingredient, supplier, and country combinations and is committed to 100% responsible sourcing of everything purchased by 2030, based on clearly defined ethical and environmental criteria. To support this goal, AB Agri is mapping their supply chains to highlight all high-risk areas and suppliers. This new goal builds on AB Agri’s existing commitment to zero deforestation from soya and palm oil by 2025.

Cotton
Primark has prioritised the traceability of cotton given it is Primark’s most commonly used fibre. Through the Primark Sustainable Cotton Programme (PSCP) the business works directly with cotton farmers and its supply chain partners to achieve traceability from farming communities to store. Since 2018, Primark has worked with Oritain, a company that identifies where raw materials originate from by using scientific techniques such as trace element and isotope testing.

Animal welfare
Some of our other businesses purchase animal-based ingredients, including eggs, meat, fish and dairy, following our responsibility principles. Primark sources some textiles from animals. None of Primark’s own-brand cosmetics are tested on animals and the entire Primark PS cosmetics range is certified by the Leaping Bunny marque to help customers make better informed choices. In 2021 Primark sold around 58 million Leaping Bunny-certified products and 4 million products accredited by the Vegan Society.

Improving farming
We want to work with farmers and nature to produce the food and fibres we need now and for the future. This collaboration can work for farmers, their families and communities, for consumers and for our planet.

Some of our businesses are encouraging and helping growers to explore regenerative farming techniques, designed to naturally support soil quality and enhance critical biodiversity, including crop-pollinating insect species. These techniques can be ‘angled’ to help farmers become more climate resilient, for example, by using more water-efficient irrigation methods, while also reducing greenhouse gas emissions. This may involve reducing their use of synthetic fertilisers or switching to new animal feeds, including products made from organic by-products. For example, Germains develops innovative seed treatments which can help to minimise herbicide and pesticide applications as well as reducing the need to apply nitrogen.

Helping farmers to improve their livelihoods is also integral to our approach. The training our businesses provide, often through local partners, covers ways to make responsible, regenerative farming more profitable for farmers, their families and their communities.

Fast facts:
- AB World Foods can provide full crop traceability back to farm-level for all the chillies used in Blue Dragon Sweet Chilli products
- Twinings have sustainably sourced 100% of their tea since 2020. As a minimum the business only sources from gardens that have been independently certified by organisations such as Rainforest Alliance, Fairtrade or UTZ

Fast fact:
- Ovaltine uses 100% RSPO-certified palm oil and palm kernel oil in the products it makes; purchases are transparent right through to the mills where they are produced
Working in partnership with farmers for the benefit of nature

More than 70% of the UK is farmland, which makes farmers the natural custodians of the countryside with a key role to play in protecting biodiversity.

Through the Jordans Farm Partnership (JFP) launched in 2016, with Wildlife Trusts, LEAF and The Prince’s Countryside Fund, 30 farmers growing oats for Jordans cereals across more than 15,000 hectares have committed to protect and manage an area equal to at least 10% of their farmed land for wildlife. In fact, farmers are actually protecting an average 17% of farmed land.

Each farmer works with a local adviser from the Wildlife Trust. All participating farms are LEAF-Marque certified, which means they grow their oats as sustainably as possible by focusing on soil health, carbon, water and everything they add to the soil, such as fertilisers. LEAF is also helping farmers trial new ways of farming even more regeneratively.

The Prince’s Countryside Fund (PCF) helps to fund farmer networks, community-run shops and pubs, and is involved in the JFP to ensure participating farmers don’t suffer economically. PCF also helps young people gain rural qualifications and as its ‘Arable Partner’, Jordans provides a sustainable agriculture bursary to support young people studying sustainable farming practices at university.
Learning more and achieving more through collaboration

To strengthen its existing Sourcing with Care programme, AB World Foods is collaborating with other organisations, including businesses and NGOs, to learn more and achieve more for workers in its supply chains.

‘Harvesting with Care’ in Turkey

In Turkey, where they source a range of ingredients, including herbs, spices and vine fruits, AB World Foods, alongside Jordans Dorset Ryvita (JDR), have joined Phase 2 of the Fair Labor Association’s ‘Harvesting the Future’ project. JDR have been actively involved in this project since its beginning in 2019.

The Fair Labor Association (FLA) promotes and protects workers’ rights and improved workplace conditions through collaborations with businesses and public institutions. For this project, the FLA is partnering with multiple stakeholders to improve recruitment and employment practices among seasonal migrant agriculture workers in Turkey.

Seasonal agriculture labour is a huge industry as every summer, tens of thousands of seasonal workers move across Turkey to work in agricultural production in certain months of the year. This project is a great opportunity to learn more about our supply chains, visibility of social practices at farm level and support in capacity-building on social best practices.

Fast fact:
• In the past three years, Westmill Foods’ collaboration with the Self-Employed Women’s Association (SEWA) has empowered 2,400 women cumin farmers in India, helping them to become more self-reliant, achieve better yields and incomes, and build better resilience to climate change.

Sustainable Spice Initiative

AB World Foods have also joined the Sustainable Spice Initiative (SSI) – a collaboration of more than 40 businesses and several NGOs to develop a collective strategy for creating a sustainable spices and herbs sector. The SSI provides another way to learn and achieve more. Some of AB World Foods’ suppliers are already members and their objectives fit well with existing Sourcing with Care components, including Project Spice and Harvesting the Future.

Looking forward

Both these collaborations have great potential and AB World Foods hopes to share regular updates on progress and impact.
Making rice growing more sustainable and profitable for farmers in Pakistan

In Pakistan, where Westmill Foods source basmati rice, water has become scarcer over the past 20 years as the result of farming methods and climate change. Water has become an increasingly contentious issue because agriculture uses more than 90% of the country’s fresh water. Traditional rice-growing methods are particularly water-intensive and release a significant amount of GHGs into the atmosphere. Traditional rice cultivation is estimated to be responsible for 10% of the world’s methane emissions.

Together with their partners, the Swiss Development Corporation (SDC), Helvetas and Galaxy Rice, Westmill Foods are helping to galvanise positive change in the Punjab region by promoting the standards of the Sustainable Rice Platform protocol (SRP), – a multi-stakeholder partnership set up by the United Nations.

What has been achieved?
By the end of this year impressive results had been achieved:

- 48% reduction in GHG emissions
- 20% increase in yields
- 25% reduction in water use
- 38% increase in net incomes
- 48% reduction in GHG emissions

Looking ahead
After starting out with 600 farmers, the project has been expanded for another three years until 2024 to reach 1,200 farmers.

Westmill Foods are now exploring the potential of replicating this approach in Thailand.

Fast facts:
- When UK sugar beet crops came under attack from aphids spreading the virus yellow disease in 2020, British Sugar worked with NFU Sugar (part of the National Farmers Union), BBRO (a non-profit-making business) and growers, to rapidly safeguard crops while minimising environmental impacts.
- Twinings now purchases 60% of their key herbs from more sustainable sources.

Fast facts:
- Ovaltine in the European market is made using 100% Rainforest Alliance-certified cocoa and the business is committed to 100% certification by 2025 worldwide.
- Ryvita have improved the yield of rye by 25% since 1993 through farmer and end user collaboration to develop growing guidance. This has released 450 hectares of farmland for other uses.
Improving biodiversity and supporting livelihoods in Guatemala

To give smallholder farmers the best chance of earning a stable and sustainable income, communities need to farm with consideration for nature. Loss of biodiversity can lead to poor soil quality, with knock-on negative effects for crop yield.

In the Alta Verapaz region of Guatemala, Twinings are working with Mercy Corps to help train cardamom farmers in regenerative farming techniques. Their focus is on sharing the skills and tools that farmers need to improve their agroforestry practices, and increase their income and livelihoods. One key action is the introduction of additional crops, including cinnamon, cloves and black pepper, and tree species like cedar and mahogany. This increased diversity improves the soil, which in turn supports biodiversity, provides natural pest and disease management and also diversifies the farmers’ income streams.

The importance of growing harder shade trees, using more organic materials, managing water more effectively and caring for natural resources such as forest trees and riverbanks is also prioritised.

Twinings are currently working with over 500 cardamom-producing families to improve their income by 15%.

Looking ahead, Twinings aim to help 25,000 smallholders in their supply chain build their climate resilience and improve their incomes through similar practices.

Improving standards in our suppliers’ factories

Our businesses often use their influence as customers to support better ethical, environmental and safety standards in their suppliers’ factories. In many instances, these factories fulfil contracts for other customers, so it is not simply a case of demanding change. Our businesses have to help suppliers to see the benefits to them of making positive changes.

Primark have made a significant impact on supplier factory practices through the work of their Ethical Trade and Environmental Sustainability team. Primark were one of the first brands to sign up to the Accord on Fire and Building Safety and recently to the International Accord for Health and Safety in the Textile and Garment Industry which replaced the prior agreements. Primark launched their own structural integrity programme in 2013, drawing on expertise provided by the engineering firm Mott MacDonald. This programme now covers Bangladesh, Pakistan and Myanmar.

You can read about how our businesses are helping to improve human rights and working conditions in supplier factories and other locations, earlier in this chapter on pages 14-15.

Fast fact:
- In factories around the world, Primark is running projects with supplier factories and local partners, which include those designed to make it easier for workers to report grievances, and be sure they will be dealt with fairly.
Tackling gender-based violence and harassment in the workplace

Primark want to stop all gender-based violence and harassment (GBVH) in their suppliers’ factories and grievance mechanisms are key to doing this. A key challenge is building trust and ensuring no retaliation. Primark are continuing to develop programmes to support more gender-friendly workplaces, by building a network of partners and focusing on the use of workplace committees as one way to report, investigate, and deal with GBVH.

In India
Together with their longstanding partner St. John’s Medical College, Primark have adapted an existing training programme, My Space, to train selected staff in 13 factories on GBVH and encourage their participation in their factory’s internal complaints committee.

In Cambodia and Vietnam
Primark’s partner, NGO Care International has provided training and awareness activities on GBVH in 7 factories and helped management to establish and run sexual harassment prevention committees.

In Bangladesh
Together with the Ethical Trading Initiative, Primark have helped 6 factories to set up and manage sexual harassment committees and train their members on GBVH.

Looking ahead
We will continue to do more and recognise the need for increased reporting.

Read more [here](#)
Examples of leading practice include:

- Twinings: Reducing our carbon footprint in the UK and beyond;
- AB Mauri: Improving energy efficiency in Mexico;
- George Weston Foods: Driving a renewable energy future in Australia; and
- ABF Ingredients: Putting fermentation waste to work in Finland.
Our operations

Examples of leading practice include:
• Twinings: Reducing our carbon footprint in the UK and beyond;
• AB Mauri: Improving energy efficiency in Mexico;
• George Weston Foods: Driving a renewable energy future in Australia; and
• ABF Ingredients: Putting fermentation waste to work in Finland.

A growing global population needs more accessible, ethical and affordable food and clothing but with less cost to our planet’s finite resources and climate. We are meeting people’s present needs but also helping to shape a more sustainable future with them. This means cutting carbon emissions in our manufacturing operations, making them more energy efficient, and using resources such as water in more circular ways to reduce the impact of serving our customers.

What really matters and why

Focusing on climate change: because it presents an existential risk and the world needs to cut emissions to secure a net zero future. Becoming more energy efficient by producing more from less energy and switching to renewable options are both key to cutting carbon and costs in the long term.

Making finite resources go further: because the future is circular, with resources used, re-used, recycled and reconstituted for as long as possible.

Valuing water: because we recognise water is a valuable shared resource for our operations and the communities in which we operate.

Why we take action

• Making our operations more planet-friendly is the right thing to do, both from a human and a commercial perspective
• We need to act now to adapt and reduce risks later
• Achieving the energy, food and fashion system transitions that our world needs can give us opportunities to create value with our stakeholders in innovative ways

Fast fact:
• AB Agri aim to achieve net zero business operations by 2030
Focus on climate change

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

Our businesses are committed to cutting carbon emissions from their operations. For example, from combined heat and power plants or using machinery and vehicles (Scope 1), and indirect emissions, including those from purchased electricity (Scope 2). In addition, our businesses are currently making progress in calculating the indirect emissions upstream in their supply chains and downstream through their products (Scope 3).

Governance

Our Board is responsible for overseeing the ways in which our businesses manage climate-related risks and opportunities. The Board receives an annual update from the Group Corporate Responsibility Director and the Chief People and Performance Officer on environmental issues, which includes climate-related topics.

Each business also updates the Board regularly on key issues which may include climate-related matters. The Audit Committee and the Board have received specific briefings on climate-related matters and on the recommendations of the Taskforce for Climate-related Financial Disclosure (TCFD). Further briefings will be provided as appropriate. We have engaged external experts to support our TCFD programme and established a cross-functional steering committee to oversee governance.

Strategy and action

Climate change, with its associated risks and opportunities, is not a new issue. It has long been important to us and our stakeholders. Although we have not previously completed formal scenario analysis, taking action to address the effect of climate change impacts has been embedded into our businesses as part of normal commercial decision-making.

Primark’s longstanding Sustainable Cotton Programme and the assessment of drought risk to the wheat supply in our Australian bakery business are just two examples.

This year, we engaged formally with each business on TCFD, building on existing awareness and action on climate change issues.

To better understand how the potential long-term impacts of climate change might affect our businesses, our performance and our balance sheet, this year we began scenario analysis, engaging the support of third-party experts.

We decided to undertake a detailed assessment of our most financially material businesses, Primark, AB Sugar and Twinings, which account for 73% of Group adjusted operating profit and 69% of Scope 1 and 2 GHG emissions. We will also comprehensively review our other businesses to ensure we capture all material risks and opportunities.

We must also be able to adapt rapidly, as governments in the countries where we operate consider and implement carbon taxes, and other regulatory responses that could affect our future.

Risk management

The Board is responsible for risk-related matters including climate risk. Climate risk has been identified as a material risk, recognising the impact it may have on our business in the short, medium and long term (2025, 2030 and 2050 respectively).

We operate a diversified and decentralised business model. The process for identifying, assessing and managing climate-related risks is the same as for other risks and sits with the business where the risk resides.

The Group undertakes an annual assessment to identify and assess material risks. These risks, including climate risks, are collated and reviewed at both a business and divisional level, and then reported to the Director of Financial Control who reviews the key risks with the Board.

The Board also monitors the Group’s exposure to risks as part of performance reviews with the businesses.

Metrics and targets

The high level of diversity across our businesses means that it is not appropriate to set groupwide targets for different elements of climate change risk. Our businesses are responsible for setting targets appropriate to their specific business and taking action to achieve these.

AB Sugar, Primark and Twinings have all set emissions reductions targets appropriate to their operations. AB Sugar have set a target to reduce their end-to-end supply chain carbon footprint. Primark will halve their absolute carbon footprint by 2030 across their whole supply chain.

Twinings have set a target of becoming carbon neutral, from bush to shelf for tea and herbal infusions by 2030.

Our Scope 1 and 2 emissions (location-based), over which we have direct control, have reduced by 11% this year from 3.55 million tonnes CO2e Δ to 3.16 million tonnes CO2e Δ. Our Group’s total Scope 3 emissions have increased by 5% this year. We currently only account for third-party transport in our Scope 3 emissions for the Group. However, as Primark are reporting their full Scope 3 emissions inventory this year, Primark’s emissions from third-party transport are accounted for in the data shown overleaf in the GHG emissions table.

We will continue to build our understanding of climate change and take action to manage the risks and opportunities that will come as a result of decarbonising economies, and the physical impacts of climate change.
Understanding greenhouse gas emissions

The Greenhouse Gas Protocol of 2001 used the word ‘scope’ to categorise different kinds of greenhouse gas (GHG) emissions:

• Scope 1: all the emissions that a business makes directly, for example in running machines that make its products
• Scope 2: all the emissions a business makes indirectly, for example through the energy it buys and uses
• Scope 3: the indirect emissions not included in Scope 2 that occur in the value chain, upstream through its product supply chains and downstream through the use of its products
• Biogenic carbon: CO₂ emissions from biofuel combustion and yeast production (reported by ABF as out-of-scope emissions)

- 80% of our total emissions (direct control) for 2021 are Scope 1 and 2 (location based)
- 11% reduction in Scope 1 and 2 emissions (location based) compared with 2020
- 7th consecutive year-on-year reduction in Scope 1 and Scope 2 emissions
- When accounting for our Scope 1 and 2 emissions using the market-based method, we have reduced our emissions by 10% compared with last year, totaling 3.23 million tonnes of CO₂e Δ.
- The reductions we have achieved this year are largely attributable to ongoing COVID-19 related disruptions to our operations, continuing energy-efficiency improvements, increasing our use of renewable energy and improving the accounting of our emissions
- In 2021 we have started to assess the materiality of Scope 3 emissions across the Group

Fast facts:

- George Weston Foods have met their target to cut Scope 1 and 2 emissions by 20% by 2020
- Since 2017, AB World Foods have achieved an 8% absolute reduction in Scope 1 and 2 emissions
- Allied Bakeries have cut their annual distance driven by 23% since last year

Our GHG emissions ('000 tonnes CO₂e)

<table>
<thead>
<tr>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>2,719</td>
</tr>
<tr>
<td>Generation and use of renewables</td>
<td>78</td>
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<tr>
<td>Total Scope 1</td>
<td>2,797</td>
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<tr>
<td>Scope 2</td>
<td>758</td>
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<tr>
<td>Emissions from purchased energy – location method</td>
<td>783</td>
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<tr>
<td>Total Scopes 1 and 2 – location method</td>
<td>3,555</td>
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<tr>
<td>Scope 3</td>
<td>764</td>
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<tr>
<td>Indirect emissions from use of third-party transport</td>
<td>4,606Δ</td>
</tr>
<tr>
<td>Primark’s Scope 3 emissions</td>
<td>5,227Δ*</td>
</tr>
<tr>
<td>Total Scope 3</td>
<td>4,045</td>
</tr>
</tbody>
</table>

Emission intensity (Scopes 1 and 2)

| Tonnes per £1m of revenue | 256 | 228 |

* We report our GHG inventory using the WRI/WBSCD GHG Protocol Corporate Accounting and Reporting Standard Revised Edition as our framework for calculations and disclosure. We use carbon conversion factors published by the UK’s Department for Business, Energy and Industrial Strategy (BEIS) in July 2021, other internationally recognised sources, and bespoke factors based on laboratory calculations at selected locations. This includes all activities where we have operational control. Scope 2 market-based emissions have been calculated in accordance with the GHG Protocol Scope 2 Guidance on procured renewable energy. For 2020 and 2021, the Group’s Scope 3 emissions are our third-party transport emissions only. For 2021, we have excluded Primark’s third-party transport emissions from the Group figure as these are accounted for in the reported Primark Scope 3 emissions. See our ESG Insights 2021 Climate Change for more details.
Cutting our transport emissions

We are exploring ways to cut transport emissions in our own fleets and in those of our logistics partners. Our businesses are doing this by using more renewable fuels, by more efficient driving through training and also by reducing payload weight thanks to lighter packaging, improving route planning and making greater use of back-hauling journeys.

Following the successful introduction of gas-powered trucks in Spain, Primark have introduced a fleet of energy-efficient delivery trailers and gas-powered trucks to help reduce the environmental impact of their UK logistics network. The new fleet comprises 15 longer trailers that each carry twice the amount of stock as standard ones, resulting in around 1,600 fewer delivery journeys every year, avoiding 728,000 km.

Fast fact:
- Jordans Dorset Ryvita have reduced their CO₂e emissions by 22% since 2015, streamlining their manufacturing sites from five to three locations and making a whole range of energy-saving changes, including LED lighting, heat recovery systems, upgrades to more efficient plant and better energy management and monitoring.

Fast fact:
- Kingsmill is the only bread brand to carry the Carbon Trust logo and has been reducing emissions for the past 11 years.

Reducing our carbon footprint and working to become carbon neutral

Twinings are on a journey to become carbon neutral in their operations and in their tea and herb supply chain, by making changes that will benefit the planet and the people living in tea and herb growing communities.

Through their Sourced with Care programme, Twinings already helps communities improve livelihoods in ways that make them more resilient to climate change. In their operations, they are improving energy-efficiency, increasing renewable energy use and balancing unavoidable carbon emissions through carbon-reduction initiatives that also benefit local communities in the supply chain.

Ovaltine in Switzerland

The Neueneegg plant in Switzerland, which produces a range of Ovaltine Malt drinks, is reducing carbon emissions by 24% and becoming more energy efficient by replacing an old 1960s oil-powered generator with one that runs on liquefied natural gas (LNG). The new system is the first of its kind in Switzerland, but only the first step towards reducing carbon emissions by a further 30% in the next five years through optimisation projects at Ovaltine’s Wander plant.

Becoming carbon neutral worldwide

Twinings’ operations in the UK are carbon neutral as a result of energy-efficiency projects and greater use of renewable energy. Twinings now aim to make all their tea and herbal infusion operations through the supply chain carbon neutral by 2030. Twinings are working with the Carbon Trust to assess their carbon footprint. They will use what they learn to develop an action plan to reduce greenhouse gas emissions across their supply chain and operations, and then compensate for any remaining emissions by investing in high-quality offsets, to make all their tea and infusions carbon neutral from bush to shelf by 2030.

Twinings are also partnering with ClimateCare to balance unavoidable carbon emissions through projects in their supply chain that cut carbon and benefit local communities. For example, supplying clean cookstoves to tea communities in Kenya, which burn less wood and help to reduce deforestation.
Becoming more energy efficient

Our businesses are constantly looking for ways to produce more from less energy, which can help reduce our emissions and also reduce costs in the long-term. The 20 factories used for processing sugar beet and cane in our Sugar division are our biggest energy users, accounting for more energy between them than our other non-sugar factories combined. They have focused on improving energy efficiency for several decades. For example since 1980 British Sugar have halved the energy required to produce a tonne of sugar.

All of our sugar factories use combined heat and power (CHP) technology to convert fossil or renewable fuels into electricity and steam rather than purchasing electricity. In some locations this is essential because the local electricity grid is insufficient to meet their needs or is simply unavailable.

A great benefit of using CHP generators is that they are more efficient than using energy from conventional power plants. Around 80% of the energy in the fuels we burn is extracted and used in our factories, compared with around 40% of the inherent energy provided by standard coal-power stations. Some of our factories also sell excess energy to the national grid and because of our use of CHP this electricity is more carbon efficient than standard grid supply.

Energy data 2021

- 4% reduction in our total energy use, down to 21,900 GWh
- 82% of our total energy use 17,950 GWh is from our Sugar division
- 82% of total energy consumed has been generated on-site by using combined heat and power technology

Our GHG emissions

Streamlined energy and carbon reporting

<table>
<thead>
<tr>
<th>Energy consumed (GWh)</th>
<th>2020</th>
<th>2021Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK operations</td>
<td>5,292</td>
<td>4,692</td>
</tr>
<tr>
<td>Outside UK operations</td>
<td>17,585</td>
<td>17,298</td>
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</table>

<table>
<thead>
<tr>
<th>Scope 1 and 2 location-based emissions ('000 tCO2e)</th>
<th>2020</th>
<th>2021Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK operations</td>
<td>1,299</td>
<td>1,130</td>
</tr>
<tr>
<td>Outside UK operations</td>
<td>2,256</td>
<td>2,031</td>
</tr>
</tbody>
</table>

Fast fact:
- AB World Foods have improved energy efficiency in their factories by 10% since 2015 and reduced the carbon footprint of their Leigh site in the UK by around 30%, with green certificates covering 100% of the electricity used by the site.
Improving energy efficiency in Mexico

The AB Mauri site at Veracruz, Mexico has been operating since 2013 and the team there has been looking for ways to continuously improve energy efficiency through increased use of the best technology. During 2021 Veracruz completed three projects that improve energy and operating efficiency.

**Better boiler efficiency:** Veracruz has installed better controls and automation on the water feeding system and oxygen regulation so they can operate continuously at optimum performance levels. Together these projects have helped Veracruz achieve an 11% reduction in natural gas consumption.

**Solar parking bays:** the parking bays at Veracruz are now sheltered by 205 solar panels. Together, these generate half of all the energy required in their offices and to power external lights.

**LED lighting:** Veracruz has replaced 90 lamps in its large packaging area with an LED system. Products are packaged 24 hours a day, so lighting is essential. The new system has reduced the energy used in this area by 44%.

Energising the climate challenge for our people

The ISO 14001 accreditation of Jordans Dorset Ryvita’s energy management systems has transformed the culture and attitudes to climate challenge across the business. Jordans Dorset Ryvita (JDR) had already achieved some important energy-efficiency wins, for example by switching to LED lighting across the operations. Now ISO 14001 has encouraged people to drill down to the next level of efficiency opportunities, often through small, incremental changes in daily operational patterns. Rather than engage people by calling for percentage reductions, JDR are drawing attention to the cost of doing things, and the cost reductions as a result of switching to more energy-efficient methods.

Using alternatives to fossil fuels

Around the world, our businesses are looking for ways to reduce their dependence on fossil fuels by not only switching to renewable energy, but also utilising their crop by-products to generate energy. For example our Illovo Sugar Africa operations generate renewable energy from bagasse, the residual fibre left after sugar is extracted from sugar cane. Other businesses use onsite anaerobic digesters to generate biogas from materials that might otherwise be sent to waste. At the end of 2021, around 11% of our manufacturing sites, across 11 countries, were using anaerobic digestion to produce renewable energy. These included British Sugar and AB Agri operations in the UK and AB Mauri facilities in the UK, Mexico and Argentina. A number of our businesses, including AB Mauri and George Weston Foods, are also using solar power.

Fast fact:

- AB Mauri have installed charging stations for 100% electric cars used by workers and visitors at all their Italian production sites.
Renewable energy data 2021

54% of total energy usage in our own operations were from renewable fuels*

89% of our renewable energy was from bagasse

2% of renewable energy generated at our sites was from biogas

910 GWh of surplus energy from our operations was exported to national grids or other organisations

Exported energy comprised of 95% electricity and 5% biogas

76% of our surplus energy was generated at our AB Agri and British Sugar sites in the UK

Improving renewable energy use and efficiency in the UK

AB Mauri have completed an important upgrade at the Hull site that will help cut their carbon footprint by enabling the more efficient use of renewable energy.

For some time the site has used biogas produced in an anaerobic digester, by treating organic residues from yeast fermentation. Now they are making better use of this renewable energy by replacing an old combined heat and power engine (CHP) with a new, more electrically efficient and reliable one.

In addition, the site has updated its biogas flaring controls to make more gas available for the new engine, coupled with improved controls of the gas cleaning process.

The result is even more renewable energy from the biogas produced on-site, helping to reduce the carbon footprint and control energy costs. Compared to the old engine’s performance two years ago, the new engine is delivering impressive improvements. The Hull site aims to increase the renewable energy generated onsite from waste to 25% or more of total energy use, compared with 15% at present.

* This renewable energy is mainly generated on our sites from biogenic sources.
Making finite resources go further

Right across our Group we are looking for ways to use resources more efficiently, and by-products are used, re-used, recycled or reconstituted multiple times. Our focus is on addressing single-use plastics, managing water use, wastewater, as well as organic and inorganic waste.

Some of our businesses are already achieving important breakthroughs. For example, Illovo Sugar Africa are trialling a range of new irrigation techniques and technologies, including drip feeding and real-time reporting apps, to use less water more efficiently. Our UK Grocery businesses are signatories to the Courtauld Commitment, a voluntary agreement by UK food and beverage companies to cut carbon, water and waste associated with their products. The recently launched Courtauld 2030 Commitment extends these targets to 50% absolute reduction in GHG emissions associated with the consumption of food and drink in the UK by 2030.

Rethinking waste

We are increasingly changing our approach to waste and rethinking it in line with the widely accepted waste hierarchy. This requires businesses to first avoid the creation of waste as much as they can, then to re-use, recycle or recover as energy any waste they cannot avoid landfilling or other final disposal techniques as the last resort.

Our businesses are doing this in lots of different ways: by sending plastic packaging to be recycled for industrial feedstocks, by transforming organic waste into products that improve soil, or provide animal feed, or by generating renewable energy from sugar cane by-products. These and other processes are already operating at commercial scale and the potential of other co-products, by-products and innovative transformations are also underway.

Our food businesses also avoid products going to waste by donating surpluses to food banks, community groups and charities, including FareShare, the UK’s national network of charitable food distributors.

Waste data 2021

2% decrease in Group waste at 571,000 tonnes Δ

79% of all waste sent for recycling, recovery or other beneficial use

12% of factories achieved zero waste to landfill

39% of factories recycled or reused 95% or more of their total waste

27% increase in non-hazardous waste to 117,000 tonnes Δ

4% decrease in hazardous waste to 4,400 tonnes Δ

Fast fact:

• Jordans Dorset Ryvita set a target in 2016 to cut food waste by 10% over five years against a 2011 baseline, however they have achieved a 31% reduction
Putting fermentation waste to work in Finland

AB Enzymes and their manufacturing partner Roal Oy are both committed to better separation of different types of waste, so that as much as possible can be recycled or reused to generate energy, rather than being incinerated.

At the Roal Oy manufacturing site, located in Rajamäki, 50km north of Finland’s capital Helsinki, three successful projects have put waste that previously would have been incinerated to useful work, either for farm or garden composting, or to produce energy at a biogas plant.

AB Enzymes and Roal Oy took a pragmatic approach, first tackling the three most significant waste streams by volume. Consequently, since 2017 waste from pressure filters in downstream processes is now reused as compost and since 2018 waste from candle and pressure filters is used for clarification, and recovery of solids from liquids, is being used in the same way. In fact, only waste from the cultivation of protease enzymes is still incinerated, for safety reasons.

The most recent waste project, completed in July 2020, means that dry waste containing enzymes is used at a biogas plant to produce vehicle fuel, with any residues repurposed as fertiliser.

As a result of these projects, the amount of waste sent for incineration at the site has decreased by 91%. This is an impressive achievement, but AB Enzymes and Roal Oy are now looking for ways to avoid burning even more waste.

Fast fact:
- As part of an expansion project at the production plant in Finland, ABF Ingredients have installed recirculation processes for the clean rinsing water used there. These improved washing processes mean that the site uses almost 50% fewer washing chemicals.

Valuing water

We use water in our operations and the communities around them need it too, so we recognise water as a very valuable, shared resource that can also be scarce in some parts of the world. Our approach focuses on reducing the amount of water we abstract from local sources to make our products, while reusing process water where possible, for cleaning or cooling and in certain locations using wastewater for irrigation.

We have carried out our third iteration of water risk assessments for our operations using internationally recognised methodologies to identify the sites that may have a high or extremely high ‘water risk’. The risk assessments include water availability, water quality, legal risks and reputational risks. We provide a more detailed report about water risks in our CDP submission.

Returning any wastewater to nature after use or reuse is a priority, but it must meet or exceed all local and national water standards. We treat wastewater at our sites or by using municipal treatment plants. All our businesses monitor the oxygen demand of the water we want to discharge, and carry out an assessment of the biological and chemical pollution in it, as well as other key parameters to ensure we protect aquatic ecosystems.
As part of wider sustainability and carbon reduction commitments, Jordans Dorset Ryvita set a target in 2016 to reduce water usage by 20% over five years against a 2012 baseline. To date they have reduced the water they use by 27% compared with the 2016 total, a reduction of 19,500m³. The business have done this by optimising recipes, particularly for baked products, and by moving cereal bar manufacturing to the Jordans site at Biggleswade in the UK, which uses more water-efficient processes than the previous manufacturing site.

**Water data 2021**

- 2% increase in water abstracted, at 864 million m³Δ
- 25% of the total water abstracted was reused before being returned to the watercourse
- Our Sugar division accounted for 97% of the Group’s total abstracted water
- Over £3 million invested to further improve wastewater treatment systems

**Fast fact:**
• Jordans Dorset Ryvita have been a zero to landfill business across all their sites since 2012

**Improving the treatment of factory wastewater in Italy**

AB Mauri’s Casteggio factory has produced yeast for use in baking, wine making, spirit distillation and the pharmaceutical industry since the 1950s. AB Mauri acquired the factory in 2007 and have invested consistently in making it more efficient and sustainable. The factory currently employs around 200 people.

Casteggio provides a great example of circular economics in action. The whole production process starts and finishes in the fields, creating a virtuous circle. Yeast is a living organism bred in molasses that is derived from beet or cane sugar. The residues created during yeast fermentation, known as ‘vinasse’, are converted into useful co-products that are returned to the fields as natural fertilisers or feed for livestock.

As part of AB Mauri’s ongoing investment in state-of-the-art technology to support economic and environmental sustainability, the engineering team at Casteggio has completely redesigned the process used to treat effluent waters, investing almost €5 million over several years to achieve better-quality effluent water and reduce environmental impacts.

The new plant uses an initial nanofiltration system followed by four different biological processes to treat effluent water. With an increased capacity the plant removes nitrogen and other compounds, improves the colour of wastewater, and uses significantly fewer chemicals to do so, further enhancing its environmental footprint and energy efficiency. In addition, the biogas generated during the anaerobic phase of effluent treatment is recovered for use in yeast production.

Furthermore, the Casteggio plant carries out more than 50 analyses every day to measure water quality at different stages of the treatment process.
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Examples of leading practice include:

- ABF Ingredients: Giving our people the support they need to prioritise safety;
- AB Agri: Thanking each other through AgriFest 2021;
- ACH Foods: Adopting a new holistic approach to employee wellness in the USA;
- AB Mauri: Developing inclusive leadership skills in Brazil;
- Twinings: Using neuroscience to help employees ‘Thrive’.

AB Mauri’s new Global Technology Centre in the Netherlands.
Our approach

Our people are exceptional. We benefit every day from the breadth of their backgrounds, ideas, opinions and skills. We invest in their development and prioritise their safety, health and wellbeing.

What really matters and why

Prioritising health, safety and wellbeing: nothing matters more than our people. It is as simple and fundamental as that. We must keep them safe at work and support their health and wellbeing.

Embracing diversity and encouraging equity and inclusion: we aim to break down barriers to talent. Welcoming and developing talented people whatever their unique characteristics and irrespective of their ethnicity or race, religion, gender, age, nationality, sexual orientation, disability or socio-economic background.

Building engagement and supporting development: people as proactive, passionate and productive as ours deserve to be heard and supported at every stage of their careers.

Why we take action

• It is the right thing to do
• The best performance comes when people are safe at work and enjoy good health and wellbeing
• Diverse and inclusive businesses and teams deliver better results for us and our customers
• We need our businesses to reflect and understand the customers, consumers and communities they serve

“Our philosophy is that most people are inherently good and with encouragement, engagement and support they will do the right thing in the right way.”

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Prioritising health, safety and wellbeing

We want everyone who works for us, as employees or contractors, to be and feel safe at work. Their health and wellbeing have been more important than ever during the second year of the COVID-19 pandemic.

Health and safety

We work towards zero harm in the workplace, zero fatalities and continuous improvement in safety performance. We pursue this with rigour across the Group, and many businesses supplement the Group policy with their own business-specific requirements. Each business leader is accountable for their safety performance and the Board has final oversight of their actions, but ultimately, responsibility for safety is shared by everyone who works for our businesses.

Our approach

Our approach to H&S focuses on four aspects: ensuring strong leadership from senior managers, identifying and addressing high-risk activities, providing expert support for line managers, and actively involving all our people, including contractors, who are included in our H&S performance data.

Through this collaborative approach, our senior executives are supported by committees and teams that help to identify and address key issues, while the Group Safety and Environment Manager provides regular updates on safety trends, reports progress against key performance indicators to the Board, and facilitates the sharing of learnings and good practice.

Across our businesses, H&S programmes are running to address many different aspects of workplace and process safety, including the use of motor vehicles, working at height, using machinery, the storage and handling of hazardous materials and lifting heavy loads.

Health and safety data 2021

77% of our factories and retail operations completed one year’s operation with zero Reportable Injuries (RIs); 18% reduction in employee RIs to 250, equivalent to 0.28% of the workforce experiencing a RI during the year; 15% reduction in employee Lost Time Injuries (LTIs) to 346Δ, equivalent to 0.39% of FTE employees experiencing an LTI during the year; 388 of our factories and retail operations, the equivalent of 67%, reported zero LTIs this year; and 13% reduction in contractor LTIs to 42Δ, equivalent to 0.18% of contractors experiencing an LTI during the year.

Helping our people prioritise safety

In addition to our safety-related infrastructure and the processes we follow, we help our people to make safety a personal and team priority through on-the-job, digital and hands-on training. Every business also focuses on transport safety, both on and off-site.

Factories and stores without lost time injuries

Number and percentage of factories and retail operations without LTIs

Fast facts:

• George Weston Foods’ Don factory at Castlemaine took rapid action to limit the number of COVID-19 infections among their 1,300 workers to just seven cases, with their methods highlighted by the Special Envoy on COVID-19 for the World Health Organization
• AB World Foods completes more than 1,000 proactive H&S measures every month and have 50 trained Safety Champions working across their manufacturing sites
Giving our people the support they need to prioritise safety

Employees’ safety at work is our absolute priority and ABF Ingredients has developed an effective tool to help its workforce stay safe at work.

Behavioural safety is a fundamental element of good safety management, but employees need knowledge and resources to make informed, rational decisions that help improve the safety of their work tasks.

Following interviews with all their employees during 2019, ABF Ingredients created a ‘Safety Culture’ programme during 2020, under four broad pillars, one of them, the ‘evaluation of acceptable risks’.

To help employees do precisely this, a multi-skilled team created a comprehensive safety risk matrix. They then enhanced this matrix with simple, relevant safety questions that employees should always ask in a range of workplace situations, for example, dealing with electricity, working at height, or handling moving parts.

These questions were brought together in an information booklet for every employee, called MASQUOT, which stands for MA Sécurité au QUOTidien or in English, My Daily Safety.

Once trained, employees use their MASQUOT whenever they are unsure about any non-standard safety issues. The matrix helps them decide whether or not they should perform a task and the questions support them if they go ahead and do it or decide to request further advice.

This simple but effective pocket tool is now in use by ABF Ingredients employees working in many different roles.

Fast facts:
• Throughout the ongoing COVID-19 pandemic, Germains Seed Technology enhanced their wellbeing programme to meet employees’ changing needs. As the pandemic continued, the programme evolved to offer more online advice and support, rapidly developed policies to enable agile working and focused on health, safety and wellbeing in the home office, including advice on how to avoid ‘COVID-fatigue’ by adjusting their working practices.
• Illovo Sugar Africa’s use of powerful graphics to alert colleagues to ‘line of fire’ safety risks has contributed to a year-on-year reduction in Lost Time Injuries of 16%
Supporting health and wellbeing

Supporting our people’s physical and mental health as well as their sense of wellbeing has been vitally important during the COVID-19 pandemic and continues to be a priority, especially with many employees returning to customer-facing workplaces, for example in Primark stores.

Our businesses run health and wellbeing programmes that focus on their people’s specific needs. Some are ongoing, others highlight specific aspects of health and wellbeing.

Mental health has been an ongoing focus for most businesses since the emergence of the COVID-19 pandemic.

Jordans Dorset Ryvita have trained a team of 40 Mental Health First Aiders and a Wellbeing Team that promotes awareness and runs a calendar of events throughout the year.

Twinings have launched a new wellbeing digital portal that provides information about physical and mental wellbeing, other topics such as menopause, and financial matters. Their employees in the UK are enrolled with Simply Health, through which they can access medical, dental and wellbeing support as part of their employment benefits.

Germain’s offer mental health awareness training to all employees. Around 90% of managers have now completed this training and they are working with their supervisors to encourage all other employees to attend training too. The company’s wellbeing programme during 2020 included events focused on neurodiversity, LGBT+, Black History and festivals including Mental Health Awareness week in May and Wellbeing week in July.

ACH Mexico have created a wellness programme called Bien Estar Bien, based on feedback from employees, which covers physical, emotional and financial wellbeing. It is similar in scope to the Total Rewards package that ACH offer in the US (p38).

ABF head office has trained 20 Mental Health First Aiders and introduced mental health training for managers, with plans to roll this out for all employees. During 2020 we ran events to mark Pride Month.

AB World Foods have trained over 100 line managers to be Mental Health Aware, accredited by Mental Health First Aid England. AB World Foods will continue to focus on educating and upskilling line managers in mental health awareness during 2021/22 and creating healthier work environments.

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The AgriFest agenda covered a different theme each day and included briefings on business performance, refocusing on goals and vision, a celebration of business and personal success stories, highlighting diversity and inclusion, a virtual awards ceremony during which employees thanked each other for their support. The week closed on Friday morning when every employee was given the day off as a paid holiday. This enabled many to turn this into a long weekend, whilst others, such as those in frontline roles, took this additional time out during the following weeks.

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Adopting a new holistic approach to employee wellness in the USA

The COVID-19 pandemic has reminded people the world over of the importance of health and wellbeing.

In the USA, where it is unusual for companies to adopt a total reward approach, the team behind ACH Foods’ Total Rewards benefits package have prioritised the physical, emotional, and financial dynamics that contribute to good health and wellbeing in a new holistic offer to employees.

The Total Rewards support they have created, all of it accessible virtually, challenges conventional approaches to health and wellbeing, which often reflect what organisations think people need. It enables employees to match the support offered to meet their own unique needs at different points in their careers. The end to one-size-fits-all thinking.

There are multiple components to the complete package structured around physical health, emotional wellbeing and financial security, especially planning for retirement. Much of the support offered during 2021 focused on these aspects in the context of the pandemic.

Highlights of the experiences include:
• monthly workshops about resilience and other mental health topics, which almost 60% of the ACH Foods workforce joined;
• advice about how to keep physically fit;
• access to subsidised therapy sessions online or by telephone through PhysicianNow;
• preventative health support, for example, spotting the warning signs for type 2 diabetes;
• financial advice focused on ways to save for later life and retirement more efficiently through the US ‘401K’ defined-contribution pension that ACH Foods contributes to, under the banner RetireWise; and
• practical assistance to access COVID-19 testing, vaccinations, and if necessary, treatment.

Pulse surveys run since this new Total Rewards package was launched show an 89% approval rating. This reflects its relevance and accessibility, highlighting the benefits that virtual access brings in terms of flexibility and confidentiality. A better understanding of employees’ needs has also enabled senior leaders to provide positive support in company Town Halls and other internal communications.

Looking forward, Total Rewards will undoubtedly remain a positive differentiator for ACH Foods in recruiting and retaining talented people.

Fast facts:
• Senior leaders in our Grocery businesses have connected with employees regularly throughout the COVID-19 pandemic, including AB World Foods’ managing director who provides ‘Coronavirus Chronicles’ updates;
• Several of our businesses, including Westmill Foods, Allied Bakeries and Silver Spoon, ran ‘Coffee Roulette’ schemes during lockdowns to encourage colleagues to support each other through virtual catchups.

Fast facts:
• AB Agri organised activities for employees during Mental Health Awareness Week in May 2021, as they did in 2020.
• AB World Foods have run annual Safety and Wellbeing days since 2011 and a Positive Wellbeing programme for employees since 2020 and also offer Line Manager Mental Health Awareness Training to help managers support their teams.
Embracing diversity and encouraging equity and inclusion

We believe everyone has the right to belong and to be heard, respected and supported, free to develop their careers subject only to their ambition and talent, regardless of gender, ethnicity, or any other characteristic.

We focus on equity because not everyone starts with the same advantages when it comes to maximising their workplace potential.

Why and how

Our businesses benefit by embracing diversity, equity and inclusion (DEI). It widens their talent pools, makes them more attractive employers and connects them to the diverse communities they serve. Their DEI activities are underpinned by the ethos ‘no barriers to talent’. Many of our businesses have their own policies, programmes and teams in addition to our groupwide initiatives. Our Group DEI Network brings together people from across the Group to share knowledge, best practices and ideas. We also provide unconscious bias training for people in our businesses, and run a mentoring programme that connects more than 100 employees and senior leaders across 13 countries.

Addressing gender imbalances

At present, 53% of all our employees are women, although this percentage varies from business to business, across different professional roles and at different management levels.

We are working to achieve a gender balance that reflects the wider world, at all levels. This means bringing more talented women into our businesses at all levels. This starts with recruitment, by ensuring we have gender-balanced shortlists, and achieving a level playing field for women in terms of their training, career development support and opportunities.

With this rebalancing in mind, for several years we have run the ‘Women in ABF’ network, which supports more than 900 colleagues in managerial and professional roles across our businesses. Members of the network are invited to regular sessions throughout the year. These are structured to help them develop their capabilities, find out more about career opportunities with our Group and widen their contact networks. In 2021, members of our Board participated at all of our events alongside other colleagues and guest speakers. We have now expanded this network to include colleagues in the Americas.

Fast facts:

- Primark, Jordans Dorset Ryvita, AB World Foods, Silver Spoon, Westmill Foods, Speedibake, Germaines, AB Sports Nutrition, AB Agri and Corporate Head Office all celebrated Pride Month and ran supporting events
- George Weston Foods’ ‘Wear it purple day’ was attended by around 400 colleagues, helping to raise awareness and inclusion of LGBT+ people

Reporting our gender pay gap

Overall, the gender balance of ABF is fairly equal, with women making up 53% of our total global workforce. Consistent with previous years, we have chosen voluntarily to report on the gender pay gap that relates to our employee population in Great Britain as of 5 April 2021. However, more than half of our workforce is employed outside Great Britain and therefore not included in this Gender Pay analysis.

In the main, the pay gap remains similar to in prior years. The overall Group pay gap is in favour of men as we have a significant number of female employees who work as retail assistants. 75% of roles in the lower quartile of the pay data are taken by women. Men on the other hand take up more of the highest paid roles.

Our median hourly pay rate for women is 11.5% higher than for men and their median bonus rate is 36.3% higher in the food businesses. We benefit from the long tenure of our people. The rate of change in our gender balance at the top of the Group is slow as we have a stable senior team and having more senior men than women in our bonus pool distorts the mean bonus gap.

Removing barriers to talent

We have work to do to remove all barriers to talent. and we continue to look for and act on opportunities to improve the way we work and support all our colleagues’ development and progression.

Our businesses are driving change through targeted programmes including for women, for those with disabilities, for those from ethnic minorities and for those who identify as LGBT+.
Developing inclusive leadership skills in Brazil
AB Mauri recognise that businesses thrive through diversity and inclusion. They also understand the critical importance of effective leadership in building more diverse, inclusive and empowered teams.
To help their leaders in Brazil play a decisive role in business cultural transformation, AB Mauri’s Inclusion and Diversity Committee introduced training to help leaders ‘walk the talk’, ensuring all employees are treated fairly and working hard to make them feel safe and that they truly belong.
The training helped increase leaders’ awareness of relevant issues and improve their inclusive leadership skills. It covered topics such as unconscious bias and how to recognise and avoid their own biases, ways of developing talented women and the importance of gender equality, as well as the importance of supporting disabled colleagues.
During the year 122 leaders participated, completing around 1,100 training hours in total. As part of the follow-up, leaders were encouraged to join affinity groups, each of which focused on championing a specific aspect of inclusion across five parameters; gender, ethnicity, age, disability and LGBT+. 

Gender balance: All employees

- Men 47%
- Women 53%

Gender balance: Senior management

- Men 65%
- Women 35%

Fast facts:
- Westmill Foods is offering 20 employees career coaching with senior leaders, with 75% of those being coached from under-represented groups. The business have also reduced their gender pay gap from 4.9% to 0.4% for 2021.
- Jordans Dorset Ryvita have provided Leading Inclusively training for 43 colleagues.

Fast fact:
- ABF Ingredients have developed a fully virtual leadership development training offer. They are using highly interactive, fully customisable learning experiences to cover five core leadership competencies; communication, managing performance, building talent, leading teams and influencing.
Building engagement and supporting development

We need to attract the most talented people available into our businesses and work with them throughout their careers with us. This means constantly engaging them in what we are doing and why, and providing them with opportunities to learn and grow as they develop their careers.

A culture of care
We see career development as a shared responsibility. Employees are supported by their managers and human resources professionals, who help them drive their careers by setting personal objectives and development goals that work for them and their business. All our businesses need to build strong talent pipelines, especially for leadership and specialist roles, so they invest to identify and support potential leaders and high achievers. They can use our Group talent and expertise database to understand the talent, skills, knowledge and experience that is available beyond their own businesses.

Helping our people learn
The learning journey starts on day one through employee induction programmes and then continues on pathways that best suit each individual. Our training is wide-ranging, and varies from role to role, and person to person. The focus is on building skills and interpersonal effectiveness, and addresses specific issues such as health and safety, mental health, driving safety and food safety. If it is appropriate, we also offer colleagues leadership training, coaching or mentoring. We deliver this through a widening choice of media, from traditional classroom tuition to e-learning.

We have embraced virtual training methods to support better career development conversations in 23 of our businesses, operating in nine countries. We ran four groupwide career masterclasses, which were attended by 97 leaders and human resources professionals. We also trained 47 colleagues through a train-the-trainer programme to support the businesses to embed career development conversations. We have also adapted our Group Leadership induction and development programmes to be delivered virtually.

Issue-focused learning
We employ specialists to support our businesses, but we also use training to widen other colleagues’ understanding of responsible business in general and specific issues relevant to their roles. For example, our central procurement team offers modern slavery awareness training for buyers. This started with an entry-level module but was expanded to provide detailed knowledge, and reflect country-specific issues such as new modern slavery legislation in Australia. Around 1,300 people have now completed this training and our businesses are integrating it into their learning resources.

We rolled out a learning package to help colleagues understand and implement our Supplier Code of Conduct. The package is comprehensive, covering each of the 15 key aspects identified in the Code. These include human rights, grievance mechanisms and gender-based injustices.

Rewarding our people competitively
We want to reward our people for their contribution to our success. We do this through their salaries and their workplace benefits. We review these regularly to make sure they are fair and competitive.

Alongside other workplace benefits some of our businesses are also adopting more flexible working practices. The COVID-19 pandemic accelerated this in some ways, as some colleagues were forced to work from home during lockdowns. Businesses became more adept at making ‘virtual’ working effective from one-to-one conversations to online international conferences.

Post-pandemic working life for many of our businesses and people will involve returning to stores or offices, taking advantage of the opportunity to build and strengthen relationships and networks that are key for us. However, we also see the potential of virtual technologies and the opportunities they afford us and our people.

Fast facts:
- AB Agri have embedded their own two-way mentoring programme which is now available for all employees
- Twinings use regular pulse surveys to keep in close touch with employees’ opinions and concerns, wherever in the world they work
Closing the skills gap

To help close national skills gaps, for example in engineering disciplines and food science, we run apprenticeship programmes.

In the UK, apprenticeships are supported by the Government’s Apprenticeship Levy. Several of our UK Grocery businesses also offer relevant training in technical skills. Outside the UK, some of our businesses have focused on engaging younger people to encourage the study of science, technology, engineering and mathematics (STEM) subjects and promote STEM-based careers.

Closing skills gaps can also be a challenge in our supply chains, as younger people move away from traditional career choices. Our support for supply chain workers and their communities often focuses on training the farmers of the future and slowing rural to urban migration.

Building employee engagement

We always want to learn from our people about how to build better workplaces and processes. We also want to understand how they feel about our performance and future plans.

Our businesses engage their employees in these discussions in different ways, including focus groups, employee forums and opinion surveys. Surveys are often held once a year, with ‘pulse’ surveys more frequently. These approaches provide valuable insights and are increasingly two-way in nature, with participants sharing business improvement ideas or framing questions for future surveys or conversations.

Using neuroscience to help employees ‘Thrive’

To make performance management more effective and connected to those who participate, Twinings Ovaltine are using insights from neuroscience to re-set their performance processes.

They are shifting the focus away from talking about performance, to the concept of contribution, with conversations between managers and team members refocusing on contribution and highlighting personal development and engagement.

This reset requires managers to learn new ways of working and enhance their coaching skills. To help them, Twinings Ovaltine have developed a series of six manager capability training modules, that together provide the skills and techniques required to hold great ‘Thrive’ conversations. The ‘Thrive’ approach also encourages managers to have regular coaching conversations with their team members.

The neuroscientific principles underlying this approach help managers to create the right brain state for peak contribution, learning and creativity while minimising the likelihood of the brain’s threat response being triggered. Other positive side effects include activating the dopamine reward response, raising levels of the trust hormone oxytocin, and reducing cognitive load.

This may sound rather technical and scientific, but the approach actually maximises human instincts and preferred behaviours. Trials have shown positive impacts, and from September 2021, the ‘Thrive’ approach will be used more widely to help inspire everyone in Twinings Ovaltine to give their best every day.

Fast fact:
- The Westmill Foods ‘Westmill Say’ engagement survey run in March 2021 achieved a response rate of 86% and an overall engagement score of 78%
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Examples of leading practice include:

• AB Sugar: Taking the Making Sense of Sugar campaign global;
• Primark: More sustainable fashion;
• ABF Ingredients: Making medicines more resource efficient;
• George Weston Foods: Introducing recyclable bread tags in Australia and New Zealand;
• ABF Ingredients: Providing a meat replacement taste toolbox for customers worldwide;
• AB Mauri: Promoting scientific education in the Netherlands;
• Vivergo Fuels: Helping customers cut their carbon emissions
We are here to help people thrive by providing safe, nutritious and affordable food and clothing that is great value for money. We also want to support the local communities in which consumers enjoy our products because their strength supports our success.

What really matters and why

- Offering safe, nutritious and more sustainable products that consumers can afford: safety is non-negotiable and increasingly consumers want products that support their health and overall sense of wellbeing, including their environmental and social 'conscience'.
- Helping customers and consumers to cut their carbon emissions: from seeds that reduce the need for fertilisers to enzymes that enable lower clothes washing temperatures.
- Widening customer and consumer awareness: helping them make more informed choices about our products.
- Adding value to local communities: because our stores, operations and products connect us to the places where consumers and our employees live and their strength supports our success.

Why we take action

- Product safety is non-negotiable
- Products that support healthier lifestyles and wellbeing reflect consumers' preferences and can also help address national and global health issues
- More of our customers and consumers want products with positive ethical credentials
- Supporting our local communities helps us all to thrive

Fast facts:

- AB World Foods has launched Blue Dragon Reduced Sugar Sweet Chilli Sauce with 35% less sugar
- Kingsmill 50/50 Vitamin Boost Soft White loaf is made with 50% wholemeal wheat flour and fortified with a range of vitamins and minerals
Offering safe, nutritious and affordable products

Customers expect our products to be safe for human and animal consumption. They also expect a choice of fresh and convenient foods, including those that support a healthy diet and lifestyle. We meet their expectations by focusing on the ingredients that go into our products, often working together with our customers, and through the way we label our products and promote their nutritional attributes, including recognised health benefits.

Guaranteeing food safety
Maintaining food safety and quality is a core part of our work. The food safety standards we set build trust in our products. Our businesses’ food safety procedures and standards align with relevant external accreditations, regulations, and the requirements of the Global Food Safety Initiative. We never take food safety for granted and constantly monitor evolving safety advice.

Maintaining a balanced portfolio of foods
We create many different foods from bread to breakfast cereals, cooking sauces, bagged sugar and flour, to noodles and pancakes.

While most of our grocery brands are everyday staples, we also produce some foods that are designed to be eaten for pleasure as treats, rather than every day. We believe there is a role for both as part of a healthy balanced diet. The balance of our portfolio is weighted towards essential staples, and we have acquired new businesses that complement healthier diets and lifestyles. Over the past 10 years, for example, our Grocery division has expanded through the acquisition of Dorset Cereals, the High5 and Reflex sports nutrition brands, Yumi’s hommus and Acetum, Italy’s largest producer of Balsamic Vinegar of Modena.

Our commitment is to continue to focus on producing food staples that form an essential component of a healthy balanced diet.

Reformulating our products to meet our customers needs
We listen carefully to the views of nutrition scientists and will take action to reformulate our recipes where improvements are required, in a way that ensures that our products continue to appeal to their core consumers. Our businesses set their own targets for reformulation based on their assessment of the priorities within their portfolio. Where foods are eaten more regularly, or in larger quantities, such as some of our cooking sauces, the business will prioritise these for reformulation on a case-by-case basis over foods that are eaten in smaller amounts.

For example, since 2004 the businesses have reduced the salt in our UK bread portfolio by 25%, and all added salt from our breakfast cereals range. Added sugars in Jordans cereals have been cut by nearly 14% (SWA) since 2014, and by over 20% (SWA) across the Dorset cereals range, as well as launching a specially formulated low-sugar granola. We continue to approach reformulation on a business-by-business basis, and will seek to make adjustments to recipes carefully over time, such that we can maintain consumer preference and do not risk people simply switching back to foods with higher levels of sugar, salt and fat because they prefer the taste.

As a responsible grocery staples producer, we fully support steps to make nutrition labelling on the front of packaged foods clearer and more consistent in all markets.

Fast fact:
• One of our Australian businesses has agreed a deal to downcycle the multi-layer plastic laminates it uses for packaging, into other useful materials – look out for an update on this in 2022

Fast facts:
• Our UK Grocery division is exploring ways to create packaging using by-products from other ABF businesses
• Primark is working with its suppliers to reduce transit packaging as part of a wider carbon optimisation programme, actions include reducing the empty space in cartons, using less corrugated paper and adjusting packaging size so it is a better fit in shipping containers and on pallets
Turning environmental risks into sustainable business opportunities

AB Agri is using a Global Feed Lifecycle Institute database to map its products’ environmental database, which will inform decisions about how to reformulate more sustainable products. In fact, they are already reformulating some products for customers in the UK and beyond, using what has already been learned.

A new feed ingredients hierarchy

The business has also developed a distinctive hierarchy for action on feed ingredients, a pyramid with ‘reduce’ at its apex, supported by ‘recycle’, ‘innovate’ and ‘manage’. This is inspired by the widely recognised waste hierarchy, reduce, reuse, recycle, recovery (as energy) and disposal.

Sugar

Taking the Making Sense of Sugar campaign global

In 2018, AB Sugar set a commitment to provide access to objective scientific information about sugar, diet and health to more than 25 million people worldwide by 2030. This ambitious commitment is intended to support tackling obesity, malnutrition and other dietary issues affecting countries where we are located.

To meet its commitment, AB Sugar launched its Making Sense of Sugar campaign in 2014, focusing on the UK. Now the campaign has been expanded to reach more people in more locations, including Spain, Malawi, Tanzania, Zambia, China and Latin America. Around 2.6 million people in 24 countries have been reached so far.

Making Sense of Sugar sets out to provide people with accurate information about sugar, diet and nutrition. In addition to the information campaign, it also comprises food and nutrition education kits, and ongoing collaboration with diet and nutrition experts.

Looking ahead, AB Sugar will continue to evolve the Making Sense of Sugar campaign and channels, roll out to new countries and explore working with other partners.
Retail

More sustainable fashion

Fashion is increasingly in the spotlight due to environmental impacts and social challenges.

This year, Primark launched the Primark Cares strategy. Primark believes that customers shouldn’t have to choose between affordability and sustainability, so it is building in a more sustainable approach as a standard benchmark, not an optional extra that costs more. This means changing how Primark works across own operations and supply chains, using Primark’s scale for good, to make more sustainable fashion affordable for all.

The Primark Cares strategy sets out nine new commitments to become a more sustainable and circular business over the next nine years. The commitments are divided into three pillars:

• giving clothes a longer life: our clothes will be recyclable by design, made of recycled or sustainably sourced materials and they will last for longer;
• protecting life on the planet: we will halve our carbon footprint, eliminate non-clothing waste and work to restore biodiversity; and
• improving people’s lives: we will pursue a living wage for workers in our supply chain, work to improve their health and wellbeing, and promote equal opportunities for women.

One of the ways Primark is delivering more sustainable products to their customers is through the Primark Cares label. This label, which denotes products made with recycled fibres or more sustainably sourced materials, can now be found on a quarter of all the clothes Primark sells. Primark has grown this proportion by almost 10% in just a year.

Products carrying the Primark Cares label include jeans made using cotton grown by farmers trained through the Primark Sustainable Cotton Programme, as well as items made using recycled materials.

During the past year Primark has added a series of exciting new ranges to its Primark Cares label, developed in partnership with some of the most innovative leaders in more sustainable fashion. These include:

• Cradle to Cradle Certified® Gold jeans are fully recyclable and independently certified as a more sustainable product, with a lower impact on people and the planet;
• sustainable women’s leisurewear collection, launched in May and produced in partnership with Recover™, the recycled cotton innovator. Each item in this eight-piece collection of pieces is made using between 15% and 25% recycled cotton. The remainder comprises a mix of materials including sustainable cotton from the Primark Sustainable Cotton Programme.

Read more here

Sustainable Cotton Programme, organic cotton and recycled polyester; and

• fashion and home collections made using natural dyes from plant and food waste, in partnership with Archroma, the global speciality chemical company. The range uses waste generated by the food and plant industry to create fabric dyes and is made using organic cotton and cotton from the Primark Sustainable Cotton Programme.
Labelling our products
We are transparent about the ingredients our products contain, their potential to be recycled and their ethical credentials. We understand that ‘transparency’ in this context means using language, graphics and icons that consumers understand. This can be challenging as labelling regulations vary from market to market and are evolving all the time. Our customers sometimes have their own ingredient labelling programmes for food, which can also add another level of complexity.

Many products now carry recycling information and provenance details, including their point of origin and sustainability credentials. We have to incorporate this information alongside ingredients labelling on our products’ packaging, in ways that make all elements visible and understandable.

Circular thinking about animal feed
AB Agri is also a member of REACT-FIRST, a consortium involving business and academia that is exploring the potential of growing single cell protein as an animal feed ingredient using carbon emissions from industry. This could provide a truly scalable, circular source of raw material for fish and poultry feed.

A multifaceted challenge
We believe the three, interlinked challenges that we, our industry, and almost every other sector face, are: first, to build better recyclability into plastics; second, to find alternatives to plastic that offer equivalent or better levels of performance; and third, to dramatically increase the amount of plastic that is actually reused and recycled. This third challenge matters because at present a surprisingly high proportion of the plastic we use is recyclable, but in many countries kerbside collection infrastructure and recycling capacity are insufficient.

Working in collaboration
We are collaborating to help improve the recyclability of plastic packaging and create a more circular model for its use, including the incorporation of recycled content in our packaging when it is safe and practical to do so. We are also exploring alternatives to plastics but at present, certainly for foods, the availability of bio-based alternatives and films incorporating a recycled content that meet current hygiene regulations is limited.

In 2018, our UK Grocery signed the UK Plastics Pact and committed to stop using a number of plastics including PVC and polystyrene. It also agreed to make all its packaging 100% recyclable, reusable or compostable plastic packaging and contain an average of 30% recycled content. All these targets have a target year of 2025. The Plastics Pact has given us a positive impetus and clear direction of travel.

This year, the UK Government also announced that it intends to introduce a UK plastic packaging tax from April 2022, requiring businesses to pay £200 per tonne of plastic packaging that contains less than 30% recycled content. Fulfilling this requirement will not be easy as certified food-safe recycled plastic is not widely available at present.

The UK Government also aspires to achieve consistent domestic waste collection systems across around 400 local authorities by 2026. If this happens and flexible plastic films are included in the collection schemes, we could potentially recycle significantly more plastic waste. The same will be true in other countries if they also introduce more consistent systems.

Fast facts:
- Westmill Foods’ Elephant Atta has added Vitamin D to its atta flour to help address Vitamin D deficiency in the UK. Public Health England reports that 1 in 5 people there have low levels of Vitamin D, with some people such as those with south Asian heritage potentially at higher risk.
- AB World Foods is focused on eliminating remaining problematic plastics, including PVC, PS and black plastics; and has reduced the plastic in Patak’s Paste Pots by 40% since 2017, saving more than 5.5 tonnes of plastic every year, and reduced the glass it uses by 42 tonnes a year.
A challenging future

The future of plastic is not fixed and an understanding of which plastics are most suitable for a circular model is still evolving. Plastics generally have a lower carbon footprint and contain less embedded energy than paper or glass. The challenge is finding ways to recycle and reuse them through truly effective recovery and reprocessing systems. In the UK, the Government is progressing its plans to introduce Extended Producer Responsibility (EPR) as a way to embed a national system and we are actively engaged in discussions about how this might work in practice.

Fast fact:
Over the past two years our Iberian sugar business, Azucarera, has introduced new 100% paper or paper blend formats, introduced packaging made from FSC-certified wood fibres, and launched a new brown sugar bag made of cellulose, which also has an anti-humidity element. The caps on some of its products and the cups provided for measuring have also been switched from plastic to material made from vegetable sources.

Fast fact:
Allied Bakeries is the first major baker in the UK to use recycled content in Kingsmill No Crusts 50/50 bread bags. The trial started in late August 2021 and will continue for 12 months, at which point the results will be evaluated.

Making medicines more resource efficient

The aspiration to produce better and more sustainable products is a driver for many businesses, including SPI Pharma, part of ABF Ingredients, and its customers in the nutritional and pharmaceutical sectors.

SPI Pharma has made this aspiration a reality with the launch of its new product – UltraBurst™ Flash Dose, a disintegrating tablet that dissolves in the mouth in under 10 seconds with no drinking water required to take it.

This innovative product will allow drugs manufacturers to make smaller tablets using fewer materials. It will be particularly suitable for consumers who find it hard to swallow pills and also saves water.

This small solution looks set to bring sustainability benefits for SPI Pharma and its customers.
Grocery

Introducing recycled and recyclable bread tags in Australia and New Zealand

In Australia and New Zealand, Tip Top Bakeries, which manufactures an average 1 million baked products a day, has found a small but significant way to reduce its use of plastic. The key element is the little tags that consumers use to reseal bread bags and keep their loaves fresher for longer. Until quite recently, Tip Top used polystyrene ones but has now switched to recycled cardboard, which is also 100% recyclable.

So far Tip Top has introduced cardboard tags across South Australia, New South Wales and Victoria, removing 100 million tags or 35 tonnes of polystyrene from waste streams annually. As the tags are rolled out across the rest of Australia and New Zealand, over 400 million tags and 140 tonnes of polystyrene will be removed from waste streams.

The tags are fully recyclable via existing kerbside collection programmes, making it easy for households to participate. Additionally, the tags will naturally decompose, so if they do find their way into the environment, they do not pose a risk to wildlife in the way plastic ones can.

Tip Top aims to use 100% recyclable packaging by 2025 and the tag project is just one of several underway, including shifts to more sustainable packaging for other products, including pancakes and crumpets. Tip Top is also involved in a national scheme in Australia to make all soft packaging, such as bread bags, fully recyclable with sufficient kerbside collection services in place to help consumers do this more easily.

Helping customers and consumers to cut their carbon emissions

Our customers are increasingly looking to their suppliers to provide ways to reduce their carbon footprint. Our responses to this demand include seeds that reduce the need for fertilisers and enzymes that enable clothes to be successfully washed at lower temperatures.

At our Vivergo Fuels plant near Hull in the UK, we are set to become one of Europe’s biggest bioethanol producers and the UK’s largest single source supplier of animal feed. The UK and EU are committed to reducing emissions from transport through the Renewable Transport Fuel Obligation (RTFO) and Fuel Quality Directive, and sustainable biofuels will be the main approach for achieving this target.

In September 2021, the UK Government introduced E10 petrol – a cleaner, greener fuel – at UK petrol forecourts up and down the country. Vivergo Fuels’ production capacity will represent around one third of the current UK demand under the RTFO, contributing to a more diverse energy mix, and helping to tackle energy security and climate change. The inclusion of Vivergo Fuels bioethanol is anticipated to save CO2 emissions equivalent to more than 260,000 cars in each year.

The local feed wheat that Vivergo Fuels will use has previously been used for animal feed but much of it was exported.

After the production of bioethanol, Vivergo also produces up to 400,000 tonnes of high-protein animal feed. This potentially displaces imported animal feed materials such as soybean. This will supply the protein required for around 20% of the UK dairy herd.

The scale of the Vivergo Fuels plant means that the business will play an important role in UK agriculture and it is committed to supporting local farmers.

Read more here

Fast fact:
• The AB Agri feed additive business, AB Vista, is trialling a new service to help customers measure and report their GHG emissions related to animal production
• In the UK, approximately 900,000 tonnes of bread is wasted every year, that’s about a million loaves a day. By keeping bread fresher for longer, by 21 days or more, the new product VERON® MAXIMA from ABF Ingredients business, AB Enzymes, could help to reduce food waste
• AB Enzymes is also helping to make the textiles industry more sustainable, by combining the bio-finishing process (using enzymes to remove piling from the fabric) with the dyeing stage. This makes the process is about a third faster and uses 36,000 m³ a year less water
Widening customer and consumer awareness

A balanced diet is important to overall health and wellbeing. We want to help consumers enjoy our products as part of a balanced diet. We also want to help to educate customers and consumers about the sustainability credentials of products.

Health education focused on food starts with the way we label our products, but we can also help customers make their own informed choices through other communication and engagement channels. Some good examples of this include the Ryvita FibreFit campaign and AB Sugar’s Making Sense of Sugar campaign, which has recently expanded to a global audience.

Since 2019 Jordans Dorset Ryvita, together with the Prince’s Countryside Fund, has offered a Sustainable Agriculture bursary to students at the Royal Agricultural University and the University of Reading. It provides funding, mentoring and wider support for a new generation of sustainable farmers.

Westmill Foods is inviting customers who enjoy its Rajah spice range to make a direct contribution to women cumin farmers in India when they purchase its top five products. Westmill Foods has worked with the Self-Employed Women’s Association (SEWA) to support these farmers since 2018, and this initiative effectively brings SEWA and consumers together. The message is simple: every time you buy a participating spice pack, five pence funds women farmers through SEWA. Every pack carries a QR code that directs you to the sustainability section of the Rajah website where you can learn more about this project.

Read more [here](#)

**Fast fact:**

- Associated British Foods supports the British Nutrition Foundation’s important work – it provides educational materials about nutrition and health to schools across the UK.

Providing a Meat Replacement Taste Toolbox for customers worldwide

For various reasons, including concerns about sustainability and personal health, there is an increasing demand for plant-based meat alternatives.

Manufacturers are working hard to create products that set new standards for sensory quality, nutritional value, and environmental impact. One of the key challenges they face is to replicate meat’s taste, texture and ‘mouth feel’ in everything from non-meat burgers to ready meals. To help them do this, the ABF Ingredients business Ohly® has developed and refined its Meat Replacement Taste Toolbox – a comprehensive selection of ingredients that can be combined to achieve specific end results in a range of recipes.

Ohly® ingredients are used in commercial meat replacement products all over the world and extending the Taste Toolbox can help more the manufacturers create more new products, now and in the future.

Read more [here](#)
Adding value through the business we do
We add value to local communities directly: through the products we provide for residents, as an employer, a potential customer for local suppliers and a tax-payer.

Volunteering and fundraising
We also invest to help communities thrive through targeted social investments, financial donations and by giving products to charities and other organisations that benefit from them. This year UK Grocery donated around 316 tonnes of surplus food, equivalent to more than 747,000 meals for distribution to those in need through FareShare, while AB World Foods’ Leigh operation sent around 5,000 food parcels to food banks, local NGOs and workers in the NHS.

Our people give up their time to raise funds and volunteer for charities and causes they care about, and we support them by providing paid volunteering days in some of our businesses, including AB Agri and George Weston Foods.

Fast facts:
• George Weston Foods offers employees two paid volunteering days a year
• AB Mauri runs a Be A Good Neighbour programme, focused on supporting local communities, at more than 80 locations across 32 countries

Ingredients
AB Mauri’s new Global Technology Centre in the Netherlands will serve as an international hub for research and development in bakery solutions and technology. The business also wants to share its outstanding resources, including laboratories, bakery, pilot plant, lecture halls and classrooms for the benefit of local communities. They are collaborating with partners from the education sector to ensure schools and academies can use their resources and that students will benefit from a range of bakery-related education programmes.

Looking ahead, AB Mauri GBI believes all three of these initiatives will help to raise awareness of its industry as an exciting career choice.

Promoting scientific education in the Netherlands
AB Mauri is one of many businesses that rely on a pipeline of talented people with qualifications in science, technology, engineering or mathematics (STEM) subjects. To promote an interest in STEM subjects and promote education and training opportunities connected to them, AB Mauri GBI in the Netherlands is running a number of successful initiatives.

Together with Wageningen University it is offering technical training opportunities to students through assignments and internships. Since 2019 it has also run a ‘Girls’ Day’ to give girls and young women a flavour of jobs in the bakery sector and promote STEM subjects. The next Girls’ Day is scheduled for April 2022.

Fast fact:
• Westmill Foods supported the British Asian Trust’s emergency appeal, Oxygen for India, and colleagues raised £4,135. In April 2021, the business’s ‘Westmill Gets Moving’ challenge motivated colleagues to walk more than 2 million steps in one month to raise money for the charity Food Cycle.
Pledging a ‘Slice of Kindness’ to help people and the planet in the UK

In 2021 Kingsmill launched the ‘Slice of Kindness’ Pledge aimed at making a difference to health, local communities and the planet. Kingsmill is targeting lasting change in several ways.

Through a new relationship with Save the Children to help tackle child poverty in the UK, the brand will support the charity to help ensure that the most disadvantaged children have access to early learning packs, supermarket vouchers and household essentials. Their shared mission is to ‘Power UK Families Every Day’. Kingsmill will donate a minimum of £150,000 in the first year and support Save the Children through on-pack initiatives, advertising campaigns and TV sponsorship.

The Kingsmill Kindness Fund will provide financial support to reward community superstars who make a difference every day, as well as Kingsmill employees who volunteer in communities close to their heart.

In addition to the healthier white bread choices it already offers, Kingsmill will provide dedicated products to help increase the UK’s fibre and whole grain intake, with a focus on increasing healthier choices for UK families.

Championing kerbside collection for bread bags and other soft plastics sooner than 2026. 25 million recyclable bread bags are used in the UK every week, but the majority end their life in landfill rather than being recycled. Kingsmill believes it has a role and responsibility to help change that and create a stronger circular economy for soft plastics.

Kingsmill has started using recycled content in Kingsmill No Crusts 50/50 bread bags, a first for any bakery brand.

These actions build on a legacy of community activity from the bakery brand, including a five-year history with FareShare. In 2020, Kingsmill donated over two million meals to the charity and communities local to its UK bakeries in response to the COVID-19 pandemic.

Adding value to supply chain communities

In our supply chains we invest to help workers, their families and their communities, focusing on topics from agricultural training, financial literacy and women’s empowerment to children’s education and better access to water and sanitation.

Offering all our supply chain partners a fair price for their labour and goods helps to improve livelihoods and specialist training can enhance this by helping them improve yields and quality. Increasingly we support local communities in ways that support sustainable futures and help in our efforts to reduce Scope 3 carbon emissions.

The Garfield Weston Foundation

Our commercial success indirectly benefits thousands of charities that develop practical solutions to a range of social problems.

Wittington Investments Limited (a privately-owned holding company) owns 54.5% of Associated British Foods plc shares, and the majority shareholder in Wittington Investments, with 79.2% of shares, is the UK Garfield Weston Foundation, which supported and made donations of over £98 million to more than 2,000 charities in the most recent financial year (to 5 April 2021).

The Garfield Weston Foundation was established in 1958 by Garfield Weston, our current Chief Executive’s grandfather, who placed 80% of his family business into trust for the benefit of the UK; further information is available on the Foundation’s website www.garfieldweston.org

Fast fact:
- AB Mauri has helped disadvantaged school children during the COVID-19 pandemic by donating unneeded business laptops to help them continue learning online during lockdowns. To date, children from around 15 families in Peterborough, where AB Mauri has its headquarters, have benefitted from this scheme, which may provide a model for other businesses to use in future
Independent Assurance statement to the Directors of Associated British Foods plc

We have been engaged by Associated British Foods plc (“the Group”) to perform a ‘limited assurance engagement,’ as defined by International Standard for Assurance Engagements (ISAE 3000 Revised1), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, hereafter referred to as the engagement, to report on the Group’s selected performance data and statements (the ‘Subject Matter Information’) presented in the Group’s 2021 Responsibility Update Report, ESG Insights Report and Annual Report and Accounts 2021 (collectively referred to as “the Reports”).

In preparing the Subject Matter Information, Associated British Foods applied the methodology as defined in the ‘Methodologies’ sections throughout the Environmental, Social and Governance (ESG) Insights 2021 document (the ‘Criteria’).

Respective responsibilities

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

Our responsibility, in accordance with our engagement terms with Associated British Foods’ management, is to carry out a ‘limited level’ assurance engagement on the Subject Matter Information set out below. The Subject Matter Information has been indicated with a Δ symbol in the Reports. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance such any third party may place on the Reports is entirely at its own risk.

What we did to form our conclusions

Our assurance engagement has been planned and performed in accordance with the ISAE 3000 Revised. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter Information is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

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

The ‘Subject Matter Information’ comprises the following data sets in the Reports regarding the Health, Safety and Environmental (HSE) performance of the Group.

HSE data sets (Associated British Foods Group)

- Number of work-related deaths to employees
- Number of work-related deaths to independent contractors as a result of Associated British Foods’ work activities
- Number of Lost Time Injuries (LTIs) to employees
- Number of Lost Time Injuries (LTIs) to contractors as a result of Associated British Foods’ work activities
- Number of health and safety fines against sites
- Cost of health and safety fines received
- Number of environmental fines against sites
- Cost of environmental fines received
- Energy consumption (GWh) consisting of: electricity imported, natural gas used, coal and anthracite used, heavy fuel oil used, renewable fuel (biogas, bagasse, residue, trash and wood), imported steam used, gas oil used, diesel used, kerosene used, petrol used, coke used, and LPG used
- Electricity exported (GWh)
- Greenhouse gas emissions (tCO2e) consisting of:
  - Scope 1 emissions
  - Scope 2 location-based emissions
  - Scope 2 market-based emissions
  - Scope 3 emissions (transportation and distribution only)
- Total volume of water used (m³)
- Water reused or recycled (m³)
- Effluent leaving the site for final disposal (m³)
- Quantity of non-hazardous waste sent for disposal (tonnes)
- Quantity of hazardous waste sent for disposal (tonnes)
- Quantity of waste sent for recycling or recovery or other beneficial use (tonnes)
- Quantity of packaging used for the containment, protection, handling, delivery and presentation of goods (tonnes)
- Tonnes of product
- HSE data sets (Business segment specific)
- Greenhouse gas emissions (Scope 3) (tCO2e) for the Primark Retail business

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

1 Interviewed a selection of the Group’s Climate Change and Sustainability teams and Site Sustainability Managers to gather information on the system used to calculate the emissions.
2 Reviewed the coverage of key issues within the Reports against the topics discussed in our management interviews and business and site-level reviews.
3 Conducted remote and in-person meetings with Group and local teams to review local level HSE performance and data collection processes and to test back to underlying source evidence.
4 Reviewed the coverage of key issues within the Reports against the topics discussed in our management interviews and business and site-level reviews.
5 Performed detailed testing on Group and Business Segment HSE data and carried out the following activities to review the ‘Subject Matter Information’:

i. Reviewed the disaggregated HSE data for a sample of businesses within each of the five strategic business segments (Retail, Sugar, Grocery, Ingredients and Agriculture) back to source evidence.
ii. Assessed whether the HSE data has been collected, consolidated and reported appropriately at a Group and Business Segment level in line with the Group’s reporting guidance.

5 Reviewed information or explanation about selected statements and assertions regarding the HSE performance of the Group.

1 International Federation of the Accountants’ International Standard for Assurance Engagements (ISAE3000) Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.
Independent Assurance statement to the Directors of Associated British Foods plc continued

Limitations of our review
Our evidence gathering procedures were designed to obtain a ‘limited level’ of assurance (as set out in ISAE 3000 Revised) on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement (such as a financial audit) and, therefore, a lower level of assurance is provided.

Completion of our testing activities has involved placing reliance on Associated British Foods’ controls for managing and reporting HSE information, with the degree of reliance informed by the results of our review of the effectiveness of these controls. We have not sought to review systems and controls at Associated British Foods beyond those used for the ‘Subject Matter Information’ (as presented above). The responsibility for the prevention and detection of fraud, error and non-compliance with laws or regulations rests with Associated British Foods’ management. Our work should not be relied upon to disclose all such material misstatements, frauds, errors or instances of non-compliance that may exist.

We have only sought evidence to support the performance data of the 2021 reporting period. We do not provide conclusions on any other data from prior years. We have not sought any supporting evidence for data that has been sourced from Associated British Foods’ Annual Report and Accounts, and we have not provided assurance over claims made by Associated British Foods that are statements of belief or forward looking in nature.

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

Completeness and accuracy of performance information
How complete and accurate is the ‘Subject Matter Information’ presented in the Reports?
• With the exception of the limitations identified in the Reports, we are not aware of any material reporting units that have been omitted from the ‘Subject Matter Information’ relating to the topics above.
• Nothing has come to our attention that causes us to believe that the ‘Subject Matter Information’ was not prepared, in all material respects, in accordance with the Criteria, which were applied by management.

How plausible are the statements and claims within the Reports?
• We have reviewed information or explanation on selected statements regarding the Group’s HSE activities presented in the Reports and we are not aware of any misstatements in the assertions made.

Observations and areas for improvement
Our observations and areas for improvement will be raised in a report to the Group’s management. Selected observations are provided below. These observations do not affect our conclusions on the Reports set out above.
• We have identified instances where safety and environment data review processes were not always effective at the site and business level in identifying errors prior to year-end submission to the Group, particularly for fuel usage, safety fines and waste KPIs. In some cases, the site-level errors were material at both the Group and division level. Whilst these errors were ultimately corrected before publication, data accuracy and supporting review processes should continue to be areas of focus for the Group. Associated British Foods should consider further refinement to the group-wide reporting guidance and target engagement (including potential training) with the sites, businesses, and geographical regions to enhance data accuracy and completeness.

• Associated British Foods has disclosed Primark Scope 3 emissions within the Reports and the data has been subject to our limited assurance. We reviewed the methodology and its application to the data model. There were material errors in the original calculation, which have been corrected in the course of our review. The reporting and monitoring of the Primark Scope 3 emissions is a significant step forward in Associated British Foods understanding and management of climate-related risks of these risks as encouraged by the Task Force on Climate Related Financial Disclosures (TCFD).

Our independence and competence
We have implemented measures to comply with the applicable independence and professional competence rules as articulated by the IFAC Code of Ethics for Professional Accountants and ISOC12. EY’s independence policies apply to the firm, partners and professional staff. These policies prohibit any financial interests in our clients that would or might be seen to impair independence. Each year, partners and staff are required to confirm their compliance with the firm’s policies.

We confirm annually to the Group whether there have been any events including the provision of prohibited services that could impair our independence or objectivity. There were no such events or services in 2020/2021. Our assurance team has been drawn from our global Climate Change and Sustainability Services Practice, which undertakes engagements similar to this with a number of significant UK and international businesses.

Ernst & Young LLP, London
5 November 2021