

W0. Introduction

W0.1

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

Associated British Foods (ABF) is a diversified international food, ingredients and retail group with sales of £13.9bn, 128,000 employees and operations in 53 countries across Europe, Africa, the Americas, Asia and Australia. Our purpose is to provide safe, nutritious, affordable food and clothing that is great value for money. With the breadth of our business, our brands and global reach, ABF aims to consistently deliver value to its stakeholders. We operate a devolved operating model across our five business segments of Grocery, Sugar, Agriculture, Ingredients and Retail and believe the best way to create enduring value involves setting objectives from the bottom up, rather than top down. We make operational decisions locally because they are most successful when made and owned by the people with the best understanding of their customers and markets. The Group provides a framework for sharing ideas and best practice, is in constant dialogue with the people who run our businesses, giving our corporate leaders a detailed understanding of their material opportunities and risks, and enabling us to collaborate when making material decisions.

**Grocery** comprises brands with leading positions in markets across the globe, including Twinings, Ovaltine, Patak's, Kingsmill, Jordans, Tip Top, Yumi's and Mazola. Our grocery businesses pursue independent strategies appropriate to their particular market position and stage of development. Twinings Ovaltine, Acetum, Jordans Dorset Ryvita and AB World Foods have had considerable success extending their reach into new and emerging markets whilst some are focused on developing brands in their core domestic markets.

**AB Sugar** is a leading producer of sugar and sugar-derived co-products in Africa, the UK, Spain and China, with 32,000 employees, operating 27 plants in 10 countries. We have capacity to produce 4.5million tonnes of sugar annually. Our products are sold into sectors including food and drink, pharmaceutical, industrial, agricultural, power and energy. Azucarera is the largest producer in Iberia and British Sugar is the sole processor of the UK beet sugar crop. Illovo Sugar Africa is the biggest sugar processor in Africa with operations across six countries. Our beet sugar business in northeast China is cost-competitive with sugar cane production. Whilst sugar is at the heart of what we do, the sugar production process provides opportunities to do more than manufacture an ingredient. We are an innovative and advanced manufacturer, producing a wide range of sugar and co-products. We are an energy and power supplier and, as part of the wider agri-business value chain, we are an important contributor to the economy across our locations.

**AB Agri** is a leading international agri-food business operating across the supply chain, producing and marketing animal feed, nutrition and technology-based products. With an expert understanding of agriculture and animal nutrition, our philosophy is to improve feed production so that nutritious and affordable food is produced safely and responsibly. Across the supply chain, our products, data insight and technological innovation enable our customers to produce and process high-yielding, safe and nutritious food in a responsible way, using fewer chemicals and antibiotics, safeguarding natural resources and creating less waste and lower emissions.

Our **Ingredients** businesses are leaders in yeast and bakery ingredients and supply specialty ingredients to the food, nutrition, feed and pharmaceutical industries. Ingredients comprises two specialty businesses, AB Mauri and ABF Ingredients. AB Mauri has a global presence in bakers' yeast with significant market positions in the Americas, Europe and Asia. We are a technology leader in bakery ingredients, supplying bread improvers, dough conditioners and bakery mixes to industrial and craft bakers across the globe. ABF Ingredients is a global leader in specialty ingredients, offering innovative, differentiated and value-added products to the food, nutrition, pharmaceutical, animal feed and industrial sectors.

**Primark** is an international fashion retail group with 16.8 million sq ft of selling space across over 400 stores in 14 countries and has more than 65,000 employees, serviced by a network of nine depots. We offer great value and pride ourselves on our selection of affordable products, from everyday essentials to the latest trends. Our business model is based on doing things differently, allowing us to keep prices low while offering the best value. We achieve this by doing very little advertising, only selling our products in-store and making savings on things like packaging. In 2021, Primark unveiled a wide-reaching new Primark Cares sustainability strategy aimed at minimising fashion waste, reducing our impact on the planet and improving the lives of the people who make our clothes.

ABF reports on data from countries where we have direct manufacturing, processing and retail operations.

W-FB0.1a

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

- Agriculture
- Processing/Manufacturing
- Distribution

W0.2

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

	Start date	End date
Reporting year	August 1 2020	July 31 2021

W0.3

**(W0.3) Select the countries/areas in which you operate.**

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

**W0.4**

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

GBP

**W0.5**

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

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

**W0.6**

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

No

**W0.7**

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**(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	0006731235

**W1. Current state**

**W1.1**

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

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

**W-FB1.1a**

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

Agricultural commodities	% of revenue dependent on these agricultural commodities	Produced and/or sourced	Please explain
Sugar	10-20	Both	<p>AB Sugar operates sugar beet factories in the UK, Spain and northern China, and within the AB Sugar division, Illovo Sugar operates sugar cane plantations and mills, refineries and ethanol distilleries in six African countries. AB Sugar represents the largest water user within ABF. In the reporting year, AB Sugar accounted for 97% of ABF's total abstracted water for direct operations, and Illovo alone accounted for 96% of this figure.</p> <p>Unlike the other ABF business segments, AB Sugar uses water in both agriculture and factory facilities, including crop irrigation, cleaning sugar beet, washing, cooling machinery and in creating some co-products. Illovo Sugar manages sugar cane estates totalling approximately 70,000 ha, of which 82% is irrigated, with the rest rain-fed. Of the 11 sugar cane plants, four receive cane from rain-fed farms and seven receive cane from irrigated estates. Illovo's operations in Zambia, eSwatini, Malawi and Mozambique are under full irrigation while in Tanzania, the majority of land under cane is irrigated with the balance cultivated under rain-fed conditions. With sugar cane and beet constituting of more than 70% water, AB Sugar makes use of all of this water as part of production processes, thereby significantly reducing the amount of water that we need to abstract from natural sources. Many of our sugar operations use complex water systems to maximise the value of every drop, reusing water to reduce abstraction at a local level.</p>
Other, please specify (Cotton)	10-20	Sourced	<p>In the reporting year, Primark's revenue represented 40% of the group's revenue. From pyjamas to t-shirts, baby grows, jeans, towels and bedding, cotton is a key natural fibre relied upon by Primark to make its products.</p> <p>Primark is committed to bringing more sustainably-sourced cotton to customers at affordable prices. By 2027, Primark has committed that all the cotton in its clothes will be organic, recycled or sourced from the Primark Sustainable Cotton Programme (PSCP). Primark's Sustainable Cotton Programme trains farmers on using fewer chemical pesticides and fertilisers and less water, thereby lowering input costs and improving profits for the farmer.</p> <p>A secure supply of water for cotton production and wet processes, such as dyeing and washing, within Primark's supply chain, are key to maintaining supply of product. Equally important is the management of wastewater and as such Primark works with the Apparel Impact Institute Clean by Design programme and is a member of the ZDHC (Zero Discharge of Hazardous Chemicals) Roadmap to Zero programme. Primark is also committed to improving water efficiency in its own business operations.</p>
Other, please specify (Wheat)	Less than 10%	Sourced	<p>Wheat is sourced primarily by our bakeries, mills and other grocery businesses for use in the production of bulk and bagged flour, bread and associated bakery products. Our agriculture business also sources wheat. All wheat used by Allied Mills in the UK, our principal purchaser in the UK Grocery division, is grown to Red Tractor Combinable Crop Standards, or an international equivalent. This requires the farmer to keep a full record of all water irrigation undertaken and to take steps to prevent excessive water usage for irrigation, as well as protect sensitive water catchment areas. The Red Tractor Combinable Crop Standard is benchmarked to the Sustainable Agriculture Initiative 'Silver' standard Allied Mills purchases approximately 12% of the UK milling wheat crop.</p> <p>Wheat is supplied to our bakery business in George Weston Foods (GWF) in Australia and New Zealand where assessment of drought risk to the wheat supply is embedded in business as usual.</p>

W1.2

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

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	At ABF we measure water withdrawals from all of our operational sites including sugar mills, manufacturing plants, factories, distribution centres, offices and retail stores. All ABF businesses are responsible for reporting their site data for water withdrawal on an annual basis to ABF. This data is verified by ABF and has independent limited assurance by EY. This data is used to evaluate operational performance and assists with activities such as water conservation, legal compliance and agricultural management. For example, British Sugar uses different processes to monitor water abstraction depending on the source. Environmental specialists monitor groundwater pump records, meter calibration and abstraction licenses. This is reviewed monthly by the site specialist. Municipal water is measured using water meters and reconciled with invoice data by Finance. Surface water, cooling water and effluent data is input into the data system which is reviewed by the wastewater specialist.
Water withdrawals – volumes by source	100%	At ABF we measure water withdrawals from all of our operational sites including sugar mills, manufacturing plants, factories, distribution centres, offices and retail stores. In addition to reporting total abstracted water, each site provides the volume of water abstracted by source; groundwater, municipal, surface water and other. This data is verified by ABF and has independent limited assurance by EY. Our facilities also monitor this data for their own management decisions and for compliance with local permits. For example, AB Sugar businesses all monitor 100% of their water sources for direct operations to evaluate the sustainability of their supply and ensure legal compliance.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	For the majority of our factories, offices and stores, water quality is paramount for use within operations and for potable use. For other uses, the quality of sourced water is less imperative as it will not be directly consumed. For example, it will be used for irrigation, as a coolant within factory processes or for equipment cleaning. However, quality is still monitored and managed as constraints on the quality of water impact our ability to operate efficiently and has associated costs. For example, even though the quality of the water withdrawn is not critical for Illovo as the water is treated on-site to the required standard for consumption and different process uses, Illovo still conducts full spectrum analysis (metals and biological) on the quality of water both upstream and downstream at each of its sites. In South Africa, this testing takes place on a monthly basis and in Tanzania, Malawi, Mozambique, Zambia and eSwatini, this testing is conducted quarterly.
Water discharges – total volumes	100%	ABF sites report the volume of water discharge to regulators as part of their water discharge permits. All ABF businesses are required to report annually to ABF the volume of effluent discharged. This data is verified by ABF and has independent limited assurance by EY. Some businesses have a current objective to decrease wastewater discharged. For example, Illovo's approach to water includes an aim to decrease wastewater by increasing water reuse and recycling. Water discharge is therefore monitored at 100% of Illovo's operations to identify recycling opportunities.
Water discharges – volumes by destination	100%	At ABF we report the volume of water discharge and destination to regulators as part of their water discharge permits from all of our operational sites including sugar mills, manufacturing plants, factories, distribution centres, offices and retail stores. As well as legal compliance, our sites use this information to monitor and ensure minimal impact on surrounding natural and social environments. In addition, all ABF operational sites are required to report annually to ABF the volume of wastewater discharged to third parties, as fresh surface water, to groundwater or as brackish water. This data is verified by ABF and has independent limited assurance by EY.
Water discharges – volumes by treatment method	76-99	ABF sites measure, monitor and maintain records for water discharges by treatment method for operational reasons and for regulatory purposes. Although ABF does not require this information to be reported to the group, if the data were required, it can be obtained from the individual business records. ABF sites return as much water as possible to natural watercourses by treating the wastewater on-site or by using municipal treatment plants. For Illovo the monitoring of water discharged by treatment method is important as this water is either recycled back into the mill or reused for irrigation, consequently this aspect is monitored at 100% of Illovo's facilities.
Water discharge quality – by standard effluent parameters	76-99	ABF sites operate within and comply with a regulatory water and wastewater framework. Our sites regularly measure and monitor the quality of their water discharge to ensure legal compliance and minimal impact on the surrounding environments. Illovo sites test the quality of water discharge through weekly samples, in line with the permits that govern water use. Where the permit does not prescribe frequency for water discharge quality testing, Illovo has implemented weekly testing as a minimum standard. This testing includes a full spectrum analysis including metal and biological parameters. Although Biological Oxygen Demand (BOD) is not a legal parameter at most Illovo sites, Chemical Oxygen Demand (COD) is. Accordingly, COD is included in the testing parameters. At British Sugar, the COD values of treated wastewater are measured and samples for BOD are also taken and measured regularly. The ratio of COD:BOD is used to ensure compliance with environment permit requirements at each site.
Water discharge quality – temperature	100%	ABF sites operate within and comply with a regulatory water and wastewater framework. As such, certain sites will regularly measure and monitor the temperature of their water discharges to ensure legal compliance and minimal impact on the surrounding natural and social environments. For example, our Illovo sites test the quality of water discharge according to samples taken on a weekly basis and in line with the permits that govern the water use. Where the permit does not prescribe the frequency for water discharge quality testing, Illovo has implemented a weekly testing parameter as a minimum standard. This testing includes a full spectrum analysis including metal and biological parameters. Although the temperature of the discharge water is not governed by the permits, the Illovo standard prescribes a three-degree variation. If the discharge temperature is three degrees above the abstracted water temperature, it is considered a pollution load.
Water consumption – total volume	76-99	For the reporting year, ABF did not require our businesses to report to group their water consumption. However, a large proportion of our businesses collect this data to assist with their own management decisions. For example, monitoring water consumption is material for sugar businesses as, crop dependent, a large percentage of water entering the site comes from the raw material and used in the processes in our factories in preference to using fresh water. Therefore, AB Sugar facilities constantly monitor their total water footprints.
Water recycled/reused	100%	Of our group's total water use this year, 25% was recycled or reused within our organisational boundary for activities such as irrigation, machinery cooling and horticultural use. This accounts for 220 million m3 of water reused throughout our operations. Reused water is mainly utilised by Illovo, George Weston Foods and AB Mauri due to their operating and natural environments, availability of water and volumes required. For example, over the last 10 years, AB Mauri has delivered programmes to improve effluent treatment and optimise water reuse, using an effluent treatment management system to improve technical guidance. In many of its plants, energy-efficient concentration technologies have been adopted, generating by-products for the animal feed and fertiliser industries, and enabling water to be reused.
The provision of fully-functioning, safely managed WASH services to all workers	100%	All ABF companies provide appropriate water and sanitation facilities for our employees and contractors. As part of our publicly available Supplier Code of Conduct, we have a commitment that 'workers shall...be given access to clean toilet facilities and potable water.' In Illovo's Code of Conduct and Business Ethics under "Safe Working Conditions" it is stated that "Accommodation, where provided, should be clean, safe, and meet the basic needs of the workers." The sugar estates provide employees with basic amenities, and also some of the communities in which Illovo is situated. For example, Illovo Nchalo in Malawi houses 2,000 employees and their families. Water supply and domestic effluent are managed by Illovo as part of this accommodation provision. A recent analysis of the existing domestic wastewater infrastructure yielded significant improvements to the quality of discharged water. In Zambia, Illovo provides potable water to a population of more than 16,000 people on the estate.

W1.2b

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

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	863685	About the same	<p>This year, we abstracted 864 million m3 of water for use in our operations. This is a slight increase of 2% compared with 2020. Most of the water used by our businesses is sourced from water occurring naturally on the earth's surface, such as rivers and lakes, as well as man-made dams. Our sites are regulated by water permits or licences and they withdraw water within their agreed limits.</p> <p>Water stewardship is a substantial issue for Illovo with water supplies declining, costs increasing such as through water tariffs and irregular weather patterns all impacting water management. Three of the main water users have significant projects in place to improve the efficiency of their irrigation processes to reduce water losses.</p> <p>Other water stewardship activities across the Illovo sites include upgrades to water canals around the sugar cane estates to minimise evaporation, the installation of more flow meters to improve monitoring of water used for irrigation, investigating the use of more boreholes to reduce reliance on municipal water and communication campaigns to raise awareness about water conservation. As many of our sugar businesses are reliant on abstracted water as opposed to rainfed water, we anticipate that our total withdrawals will remain relatively constant and will only increase in the event of less rainfall.</p> <p>ABF uses the following approach when determining the comparative thresholds:</p> <ul style="list-style-type: none"> <li>● Much higher: &gt; 10%</li> <li>● Higher: &gt; 5% but &lt; 10%</li> <li>● About the same: between -5% and 5%</li> <li>● Lower: &lt; -5% but &gt; -10%</li> <li>● Much lower: &lt; -10%</li> </ul>
Total discharges	126895	Higher	<p>This year 127 million m3 of wastewater, equivalent to 15% of the total quantity of water abstracted, left our sites for final disposal via sewerage systems or was treated and then discharged to receiving watercourses. This is a 10% increase of total wastewater discharged compared with 2020. This water was used more than once before being discharged and therefore reduced the various sites' needs to withdraw fresh water.</p>
Total consumption	736790	About the same	<p>Our water consumption figure is based on the group level calculation for direct operations of water withdrawn subtracting water discharged. This year there was a less than 1% increase in water consumption compared with 2020. At a business level, water consumption figures are calculated based on a number of variances such as water availability within crop. This level of detailed information is not currently collated at group level.</p>

**W1.2d**

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

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	51-75	About the same	WWF Water Risk Filter	<p>In 2014, we first conducted a group-wide water stress assessment for the sites withdrawing a material amount of water. We piloted the latest version of the internationally recognised WWF Water Risk Filter Tool and asked our sites to validate the findings. We repeated this assessment towards the end of 2017 and again in 2019.</p> <p>In 2020, we conducted a further global water risk mapping exercise. As in previous years, we excluded offices from the assessment.</p> <p>In 2021, to ensure that we are aware of and are appropriately addressing the risks posed by our use of water across our global operations, we reviewed the results of the 2020 assessment that combined the use of the WRI Aqueduct and WWF Water Risk Filter tools. Once again, we engaged the businesses to obtain their local and operational knowledge. Thereafter we applied ABF's substantive financial or strategic impact threshold noting that aggregated sites per division may meet the ABF financial threshold of £39 million or be considered a potential strategic risk based on reputational issues.</p> <p>We used two separate tools, WRI Aqueduct and WWF Water Risk Filter, and took a four-stage assessment approach.</p> <ul style="list-style-type: none"> <li>• Assessment stage 1 - All factories, laboratory, stores and distribution centre locations were input to Aqueduct which primarily assesses water risk based on location irrespective of site water usage. The tool presents the results on a scale of Low to Extremely High. Results are presented based on today's risks and future predicted risks (2030 to 2040).</li> <li>• Assessment stage 2 - Where the Aqueduct tool indicated sites as having High or Extremely High risk (based on location) and any sites with water usage over 100,000m3 per year, irrespective of location, were then input to the WWF Water Risk Filter. The rationale for this is that the WWF tool enables site operational factors, such as water usage to be considered as part of the assessment. The tool presents the results on a scale of 1-5 with 4 - 5 being High Stress.</li> <li>• Assessment stage 3 - We then engaged with the businesses to confirm the outputs of both tools. The group-level assessment supplemented the range of tools and methodologies already used by our businesses to understand their operational water risks and the stress levels of the basins in which they operate. Based on the results of both sets of tools, as well as these discussions with the individual businesses, we identified the sites that withdraw water from areas of high water stress.</li> <li>• Assessment stage 4 - We applied ABF's substantive financial or strategic impact threshold, as defined in C4.1a. At an aggregated level, the sites consolidated within a division may meet the ABF financial threshold of £39 million or be considered a potential strategic risk based on reputational issues.</li> </ul> <p>Our businesses operating in other water basins continue to address water risk as relevant to their operations and local catchment requirements. As an example, alongside group-wide WWF and Aqueduct assessments, AB Mauri has an in-house water risk assessment tool, incorporating water stress and flood risk, to ensure water-related risks are identified, understood and managed. AB Mauri is aware that water stress could affect some of its sites. The global water champion is in regular contact with all sites regarding water supply and reduction in water use to mitigate any business continuity risks. To reduce AB Mauri's impact across its operations it has collected best practice related to water use reduction from across its network and actively share this to bring its overall water footprint down.</p> <p>The volume of water abstracted by Illovo operating in areas of water stress in southern Africa accounted for 66% of the total amount of water withdrawn by ABF in the reporting year. Water conservation, use and availability are identified as material issues to the business. Illovo's key focus area is how to ensure "more crop per drop". As part of its water aspiration, Illovo is converting its furrow and sprinkler systems to more efficient subsurface drip irrigation and looking to produce more cane, sugar and downstream products per drop of water.</p> <p>ABF uses the following approach when determining the comparative thresholds:</p> <ul style="list-style-type: none"> <li>• Much higher: &gt; 10%</li> <li>• Higher: &gt; 5% but &lt; 10%</li> <li>• About the same: between -5% and 5%</li> <li>• Lower: &lt; -5% but &gt; -10%</li> <li>• Much lower: &lt; -10%</li> </ul>

W-FB1.2e

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

Agricultural commodities	The proportion of this commodity produced in areas with water stress is known	The proportion of this commodity sourced from areas with water stress is known	Please explain
Sugar	Yes	Yes	<p>All of AB Sugar's facilities monitor the status of the basins in which they operate and when required, respond to changes in the stress levels. In response to water scarcity issues, many of Illovo's operations invest in projects designed to increase water efficiency. Projects to convert existing irrigation systems to drip irrigation, which is more effective and efficient in terms of water use, are underway in Malawi, Zambia and eSwatini.</p> <p>Illovo's sugar operations in southern Africa account for 99.6% of ABF's total volume of water abstracted from water-stressed areas. Water conservation, use and availability have all been identified as material issues to the business. Consequently, Illovo's Sustainability Policy includes water governance criteria. Two of the key objectives of the Sustainability Policy are to reduce water consumption per unit of production and to review wastewater management to identify opportunities for improvement.</p> <p>Illovo's key focus is to ensure "More crop per drop". As part of its water aspiration, Illovo is investing in upgrading current sprinkler technology, investing further in drip irrigation in locations including Nchalo in Malawi and aiming to produce more cane, sugar and downstream products per drop of water.</p>
Other commodities from W-FB1.1a, please specify (Cotton)	Not applicable	No, we do not have this data and have no plans to obtain it	We recognise the importance of understanding the proportion of cotton sourced from water stressed areas due to the water intensity of the commodity and the impact cotton has on ABF's revenue.
Other commodities from W-FB1.1a, please specify (Wheat)	Not applicable	No, we do not have this data and have no plans to obtain it	Wheat is sourced primarily by our bakeries, other grocery businesses and agriculture business. As less than 10% of our revenue is dependent on wheat, and due to the costs associated therewith we have not undertaken a water stress assessment on this commodity. Therefore, we do not have a group wide figure for the proportion of wheat originating from water stressed areas. However, our relevant businesses are aware of the water risks in their supply chain and address these through tailored approaches.

W-FB1.2f

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

Agricultural commodities	% of total agricultural commodity produced in areas with water stress	Please explain
Sugar	26-50	To obtain this figure, we have used data supplied by our AB Sugar sites for their total product tonnage, including co-products and by-products which includes molasses, animal feed, agricultural fertilizer and topsoil. The amount of product output is then calculated from the sites identified as located in water stress sites. Compared with last year, there is a 23% decrease in the amount of sugar and co-/by- product output from areas of water stress. Other methodologies and internationally recognised water stress tools are used internally which provide more detailed results.

W-FB1.2g

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

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

W1.2h

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	835042	About the same	Fresh surface water is ABF's most significant source of water and includes water from wetlands, rivers and lakes. These sources are monitored at a site level to ensure that withdrawals are in line with extraction permits. The total volume of surface water is obtained from direct measurement and is reported by the local teams to ABF on an annual basis. The data is verified by ABF and assured by EY.  The increase this year is largely driven by two Illovo sites based in Mozambique and Tanzania. These sites increased their production during a year of less rainfall, which resulted in the need to abstract more water than the prior year. The anticipated future trend is defined by AB Sugar's 2030 commitment to reduce its water footprint by 30%.
Brackish surface water/Seawater	Relevant	1944	Much higher	The significant increase in reported brackish or seawater use this year is primarily driven by a site in one of our USA facilities which had not previously captured this data. An additional site also reported an increase in brackish water use due to an increase in availability of this source of water.
Groundwater – renewable	Relevant	17542	About the same	The slight increase of less than 1% in groundwater use this year is due to improved reporting at an individual site level.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	
Produced/Entrained water	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	Produced or entrained water is monitored and measured by our relevant businesses. The data is not collated at group level.
Third party sources	Relevant	9158	Much lower	There was a significant reduction of 12% in the amount of water used from municipal and other third-party sources. This reduction is as a result of the re-classification of municipal water to groundwater at one of our sites.

W1.2i

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	101429	Much higher	Previously we estimated the volumes of water discharged by destination based on the total volume of water discharged and data obtained from the businesses via the group's assessment in 2014 of water stress and a sample of data provided by sites within the relevant reporting year. This year our sites reported to ABF the actual volume of water discharged by destination. This data was verified by ABF. EY conducted limited assurance of the total volumes discharged. The data provided here is based on sourced data provided by our sites and is more accurate than prior year reporting. The comparison with the previous reporting year is against a set of data estimated in the prior year. There are limitations to this annual comparison of using actual data with estimated data. This year we report a 44% increase in the volume of water discharged as fresh surface water. This increase is due to improvements in the ABF approach to collating the data for the destination of wastewater.
Brackish surface water/seawater	Relevant	1354	Much lower	Previously we estimated the volumes of water discharged by destination based on the total volume of water discharged and data obtained from the businesses via the group's assessment in 2014 of water stress and a sample of data provided by sites within the relevant reporting year. This year our sites reported to ABF the actual volume of waste discharged by destination. This data was verified by ABF. EY conducted limited assurance of the total volumes discharged. The data provided here is based on sourced data provided by our sites and is more accurate than prior year reporting. The comparison with the previous reporting year is against a set of data estimated in the prior year. There are limitations to this annual comparison of using actual data with estimated data. This year we report an 85% decrease in the volume of water discharged as brackish surface water or seawater. This decrease is due to improvements in the ABF approach to collating the data for the destination of wastewater.
Groundwater	Relevant	3479	Much higher	Previously we estimated the volumes of water discharged by destination based on the total volume of water discharged and data obtained from the businesses via the group's assessment in 2014 of water stress and a sample of data provided by sites within the relevant reporting year. This year our sites reported to ABF the actual volume of waste discharged by destination. This data was verified by ABF. EY conducted limited assurance of the total volumes discharged. The data provided here this year is based on sourced data provided by our sites and is more accurate than prior year reporting. The comparison with the previous reporting year is against a set of data estimated in the prior year. There are limitations to this annual comparison of using actual data with estimated data. This year we report a significant increase in the volume of water discharged to groundwater. This increase is due to improvements in the ABF approach to collating the data for the destination of wastewater.
Third-party destinations	Relevant	20633	Much lower	Previously we estimated the volumes of water discharged by destination based on the total volume of water discharged and data obtained from the businesses via the group's assessment in 2014 of water stress and a sample of data provided by sites within the relevant reporting year. This year our sites reported to ABF the actual volume of waste discharged by destination. This data was verified by ABF. EY conducted limited assurance of the total volumes discharged. The data provided here this year is therefore based on sourced data provided by our sites and is more accurate than prior year reporting. The comparison with the previous reporting year is against a set of data estimated in the prior year. There are limitations to this annual comparison of using actual data with estimated data. This year we report a 42% decrease in the volume of water discharged to third party destinations, primarily due to improvements in the collation of data for the destinations of wastewater.

W1.2j



**(W1.2) Within your direct operations, indicate the highest level(s) to which you treat your discharge.**

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	Tertiary treatment is relevant for the majority of our sites and is monitored and managed at the site level. ABF does not collate this data from our sites.
Secondary treatment	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	Secondary treatment is relevant for many of our sites and is monitored and managed at the site level. ABF does not collate this data from our sites.
Primary treatment only	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	Primary treatment is relevant for some of our sites and is monitored and managed at the site level. ABF does not collate this data from our sites.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	ABF does not discharge to the natural environment without treatment.
Discharge to a third party without treatment	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	Discharge to a third party without treatment is relevant for some of our sites and is monitored and managed at the site level. ABF does not collate this data from our sites.
Other	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	Other methods of discharge may be relevant for some of our sites and is monitored and managed at the site level. ABF does not collate this data from our sites.

**W1.3**

**(W1.3) Provide a figure for your organization's total water withdrawal efficiency.**

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	13884000000	863685	16075.3052328106	

**W-FB1.3**

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

Agricultural commodities	Water intensity information for this produced commodity is collected/calculated	Water intensity information for this sourced commodity is collected/calculated	Please explain
Sugar	No, not currently but we intend to collect/calculate this data within the next two years	No, not currently but we intend to collect/calculate this data within the next two years	We collect and calculate the water intensity of our sugar at an individual business level.
Other commodities from W-FB1.1a, please specify (Cotton)	Not applicable	No, not currently and we have no plans to collect/calculate this data within the next two years	As part of our approach to water stewardship, we recognise the need to evaluate and manage the sustainability of our cotton supply. Primark's long-term ambition is for all the cotton in its supply chain to be sourced sustainably. Primark's Sustainable Cotton Programme (PSCP) started with female farmers in India in 2013, was expanded into Pakistan in 2018 and was more recently launched in Bangladesh. By the end of 2023, the business aims to have trained more than 275,000 independent cotton farmers in sustainable farming methods, including using fewer chemical pesticides and fertilisers as well as less water. PSCP affords a high degree of supply chain transparency, enabling the cotton to be directly traced from farming community through manufacture to store. Between 2017 and 2019, more than 23 million Primark products were sold which were made with sustainable cotton, including women's pyjamas, jeans, duvet covers and towels.
Other commodities from W-FB1.1a, please specify (Wheat)	Not applicable	No, not currently and we have no plans to collect/calculate this data within the next two years	We are not planning to calculate the water intensity of wheat at a group level in the next two years. Each business is aware of the water risks concerned with wheat and have agreed to purchase responsibly sourced wheat. Furthermore, our Supplier Code of Conduct sets out the standards we expect of our suppliers, including our requirement that they continually strive towards improving the efficiency and sustainability of their operations.

**W1.4**

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

- Yes, our suppliers
- Yes, our customers or other value chain partners

**W1.4a**

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

**Row 1**

**% of suppliers by number**

1-25

**% of total procurement spend**

Unknown

**Rationale for this coverage**

Our Supplier Code of Conduct sets out the standards we expect of our suppliers, including our requirement that they continually strive towards improving the efficiency and sustainability of their operations. Where identified as material, our businesses engage with suppliers on water issues and monitor progress.

As an example, ABF's Spanish sugar business, Azucarera recognises that beet growing and sugar production are vital industries for large rural areas of Spain and for the sugar supply in Spain. Azucarera works in collaboration with field technicians, AIMCRA (in beet research and promotion) and Agroteo (in services for growers) to promote productive activity. For over 50 years Azucarera has been supporting and co-financing with our growers the work of the Research Association for Improving the Sugar Beet Crop (AIMCRA), closely cooperating with their researchers and technical staff in testing and analysing the performance of new beet varieties and products for pest control and plant disease, among other initiatives.

A further example, Primark is a member of the SAC (Sustainable Apparel Coalition) and has introduced the Higg Index FEM (Facility Environmental Module) to its top 100 suppliers and their facilities which represents approximately 80% of Primark's turnover. The FEM data is a holistic measure of a factory's sustainability performance and includes a water module which assesses its annual water consumption and management practices. In all, 1271 facilities completed the assessment in 2021.

**Impact of the engagement and measures of success**

We have engaged our beet growers across a number of areas including:

- Precision agriculture: Progress in precision agriculture using Big Data and remote sensing systems. This technique offers a new approach to agricultural work and the most important aspects of crop management, such as nitrogen management, water stress, state of ripening and the sugar content of the beet.
- Irrigation recommendations: These recommendations take into account the state of the plant and land and use information from satellites and local weather stations to optimise the irrigation systems used.
- Fertilization of areas through a pilot project: To establish the nitrogen curve and allow growers to adopt decisions on fertilization based on the nutritional state of the crop.
- Boosting of solar irrigation: We have continued to promote solar irrigation through a campaign with growers and visits to fields in which these systems have already been implemented and are fully operational.
- Efficient control of disease: Joint projects with AIMCRA to test beet species resistant to beet leaf spot.
- Training for beet growers: Jointly with AIMCRA and Agroteo, we provide training courses in pursuance of the training requirements established in the "Agri-Environment and Climate Aids".
- "Irrigation advice" and other initiatives: Through this plan, among other actions, we send our growers weekly indications through an app of how much water the beet needs.
- Free energy counselling: With the aim of helping growers reduce their energy consumption. In addition, over the past year we renegotiated the rates they are charged.
- Advice on the use of nitrogen and other fertilizers: To avoid as far as possible an excessive use of pesticides in keeping with the goals set in the European Green Deal.
- Improvement of soil quality: We are collaborating with others in the testing of different actions to increase and improve soil microbiota. We already have an integrated production method in this regard for La Rioja and Andalusia.

**Comment**

**W1.4b**

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

**Type of engagement**

Incentivizing for improved water management and stewardship

**Details of engagement**

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

**% of suppliers by number**

1-25

**% of total procurement spend**

Unknown

**Rationale for the coverage of your engagement**

As AB Sugar contributes 97%, and Illovo 96%, of ABF's total abstracted water for direct operations and due to high water use associated with sugar cane growth, processing and manufacture, our engagement activities are focused around creating and strengthening sustainable supply chains and promoting community development. Illovo's Standard Trading Conditions, Code of Conduct and Business Ethics sets the standards expected of suppliers. These include sustainable farming and agricultural practices, a precautionary approach to environmental challenges, efficient and sustainable operations including water conservation programmes.

Over 50% of the cane processed by Illovo is cultivated by a supply chain of over 14,700 growers. Illovo therefore significantly invests in working closely with cane suppliers and supporting their long-term plans to ensure a sustainable supply. Through the South African Fairtrade Sugar Project, Illovo supports the development of farming and local communities to enable a sustainable future for people and the environment.

Illovo has a binding cane supply agreement with growers in every country and participates in a range of sustainability platforms including the Sustainable Sugarcane Farm Management System (SUSFARMS) (founding member), Fairtrade and ProTerra (Mozambique mill only). The company produces 222,105 tonnes of Fairtrade sugar cane (1.4% of total) and 10.6 million tonnes of SUSFARMS sugar cane (67.4% of total).

**Impact of the engagement and measures of success**

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

**Comment**

**Type of engagement**

Innovation & collaboration

#### Details of engagement

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

#### % of suppliers by number

1-25

#### % of total procurement spend

Unknown

#### Rationale for the coverage of your engagement

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

#### Impact of the engagement and measures of success

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

#### Comment

#### Type of engagement

Innovation & collaboration

#### Details of engagement

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

#### % of suppliers by number

1-25

#### % of total procurement spend

Unknown

#### Rationale for the coverage of your engagement

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

#### Impact of the engagement and measures of success

AB Sugar China utilises a Customer Relationship Management (CRM) system to collect key agricultural data for example, number of growers, percentage of area under irrigation, seed variety and planting type to inform business decision making and measure progress against its goals. The Agriculture department (approximately 70 employees) support the sugar beet growers with planting and harvesting and utilise the CRM data system to segment the grower base and tailor their engagement approach.

To give sugar suppliers science-based information on using fertilisers, AB Sugar China launched the More from Less Fertiliser initiative in 2018 with the intention that by the end of 2019, all its large growers (representing around 90% of its total growing area) would have access to this new, free soil testing and fertiliser advice service. Demonstration plots are also used to show growers that lower fertiliser use reduces costs and environmental risks without adversely affecting crop quality or yields.

#### Comment

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

#### Type of engagement

Innovation & collaboration

#### Details of engagement

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

#### % of suppliers by number

1-25

#### % of total procurement spend

Unknown

#### Rationale for the coverage of your engagement

British Sugar sources its sugar beet from over 3,000 growers in the UK and recognises the importance of using sustainable agricultural processes to maintain production outputs. British Sugar maintains close relationships with its growers to make sure the harvest remains resilient, cost-effective and that practices are compliant with existing and upcoming regulations. British Sugar has multiple engagement points with its growers, including contract managers who are responsible for grower relationships.

Furthermore, British Sugar partners with the British Beet Research Organisation (BBRO) whose mission statement is to commission and implement research and technology transfer designed to increase the competitiveness and profitability of the UK sugar beet industry in a sustainable and environmentally acceptable manner. In the UK, the BBRO launched the Brilliant Basics campaign with British Sugar, AB Sugar and grower representative NFU Sugar during 2019. This is expected to help British Sugar's 3,000 growers in the East of England and East Midlands to maximise yields. Easy-to-follow messages advice, based on BBRO research, is shared through the British Sugar Beet Review, and feedback on how growers are interpreting and acting on the information is gathered through surveys, webinars and direct conversations.

British Sugar supports the work of the BBRO and, for the past eight years, all the farms and growers supplying the company with sugar beet are fully certified Red Tractor members. BBRO works hard on behalf of the industry to find new and innovative solutions to help farmers grow a sustainable and healthy sugar beet crop. It actively

engages with scientists across Europe through the International Institute of Sugar Beet Research (IIRB) but also looks to other industries to see where we can bring in existing technology to our industry.

#### Impact of the engagement and measures of success

The delivery of knowledge to the industry is a key part of the BBRO mission and the BBRO has changed the way it works with its growers by moving away from large outdoor events and holding more smaller focussed activities. This has seen interaction with growers increase and a closer working relationship with crop advisors. Demonstration sites were located on 5 farms, providing local hubs for BBRO, growers and agronomy knowledge exchange throughout the 2021 season. In addition, the BBRO publishes an annual Sugar Beet Reference Book which provides technical advice on harvest techniques, soil management and crop nutrition and protection. This partnership allows British Sugar to engage with their growers on best practices and strengthen the resilience of British sugar beet agriculture.

#### Comment

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##### Type of engagement

Innovation & collaboration

##### Details of engagement

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

##### % of suppliers by number

1-25

##### % of total procurement spend

Unknown

##### Rationale for the coverage of your engagement

Primark's long-term ambition is for all the cotton in its supply chain to be sourced sustainably with a commitment that 100% of the cotton in its clothes will be sourced from the Sustainable Cotton Programme, organic or recycled by 2027 and to make all its products from recycled fibres or more sustainably sourced materials by 2030. Primark's Sustainable Cotton Programme trains farmers on using fewer chemical pesticides and fertilisers and less water, thereby lowering input costs and improving profits for the farmer. We refer here to farmers within Primark's supply base.

#### Impact of the engagement and measures of success

Primark launched the first pilot in India in 2013 with 1,251 female farmers, in collaboration with agronomic experts, Cotton Connect, and the grassroots organisation, the Self-Employed Women's Association, with the aim of reducing Primark's impact on the environment, changing the way the business sources its cotton and improving the livelihoods of farmers.

Equipping smallholder farmers with the knowledge and means to grow cotton using more sustainable farming methods has resulted in improved cotton yields. PSCP has successfully trained almost 150,00 farmers in more sustainable farming methods. Cotton farmers are trained over three years to address an over-dependence on chemical fertilizers and pesticides in order to preserve biodiversity and help mitigate against climate change.

On average, farmers in the programme use 40% less chemical pesticides and fertilisers and 10% less water used by acre, with a 14% increase in yield and growth in profits by 200%. Percentages are in comparison to control farmers. Average results from the Primark Sustainable Cotton Programme in India, 2013-2019, based on results from 6,274 programme farmers and 363 control farmers over the same period.

PSCP has now expanded into other countries, including Pakistan and Bangladesh, where Primark is working with CottonConnect and local partners. Overall, Primark has committed to train 275,000 farmers by the end of 2023, equipping them with the knowledge and means to grow cotton using more sustainable farming methods.

#### Comment

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##### Type of engagement

Innovation & collaboration

##### Details of engagement

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

##### % of suppliers by number

Less than 1%

##### % of total procurement spend

Unknown

##### Rationale for the coverage of your engagement

In Pakistan, where Westmill Foods source basmati rice, 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 is encouraging 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. Helvetas and Galaxy Rice provide training in SRP techniques, and Westmill purchases the rice produced. The training is wide-ranging and benefits both farmers and their communities. It covers the use of water-saving technologies including land laser levelling and alternate wetting and drying, as well as other interconnected topics such as pesticide management and agribusiness techniques.

#### Impact of the engagement and measures of success

By the end of the 2020/21 reporting year impressive results had been achieved:

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

After starting out with 600 farmers, the project has been expanded for another four years until 2025 to reach 1,200 farmers. Westmill Foods are now exploring the potential of replicating this approach in Thailand.

#### Comment

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

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

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

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

**W2. Business impacts**

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**W2.1**

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

Yes

**W2.1a**

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

**Country/Area & River basin**

Zambia	Zambezi
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**Type of impact driver & Primary impact driver**

Acute physical	Drought
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**Primary impact**

Supply chain disruption

**Description of impact**

Zambia has suffered from droughts and prolonged dry spells in recent years, impacting agricultural production. Illovo's Nakambala estate in Zambia is located in the south-western region alongside the Kafue River. To support the cultivation of sugar cane for the sugar manufacturing process, water is withdrawn from the river in terms of an extraction licence, and the water is used for irrigation as well as for factory heating, cooling and cleaning.

The 2015/2016 drought experienced in Zambia was followed by another severe drought in 2018/2019. These droughts had an impact on hydro power generation and triggered extensive periods of electricity load-shedding that hindered the smooth operation of the production facilities and also adversely affected the ability to fully irrigate the crop as required. There was a 7% drop in cane production as a result of load shedding. Nakambala then experienced a wetter than normal 2020/2021 season. This erratic nature of rainfall and its impact on hydro power generation creates operational challenges for Illovo Nakambala.

**Primary response**

Adopt water efficiency, water reuse, recycling and conservation practices

**Total financial impact**

**Description of response**

Zambia Sugar keeps within the water abstraction limits set by the local authorities. Under a supply agreement, water is transferred to local growers, as well as the local town of Mazabuka. This supply is prioritised and maintained during times of supply restrictions, with the site adapting to lower water use if necessary. The regular upgrading of water treatment plants provides drinking water to 16,000 residents within the Nakambala Estate.

Illovo has an ongoing project to improve the efficiency of the irrigation process at Nakambala through installing drip irrigation solutions, where existing irrigation processes have historically led to significant water losses. In addition, there is an ongoing project to line the water canals around the Nakambala estate to prevent water loss through evaporation and seepage.

Illovo works with various partners to help enhance its own water stewardship activities. These partnerships ensure that its sustainable resources and water management activities are aligned with international best practice. Illovo is one of three private sector member companies participating in the Kafue Flats Joint Action Group. In 2021 Zambia Sugar was accepted to the Zambian Chapter of the Alliance for Water Stewardship and has entered into partnership with the WWF to commence the implementation of the AWS Standard; the second organisation in Zambia to rise to this standard.

**Country/Area & River basin**

Eswatini	Maputo
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**Type of impact driver & Primary impact driver**

Acute physical	Cyclone, hurricane, typhoon
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**Primary impact**

Reduction or disruption in production capacity

**Description of impact**

In 2021 cyclone Eloise made landfall resulting in extreme weather and flooding. At Ubombo eSwatini heavy storms and rain damaged irrigation infrastructure, roads, buildings and cane. The site received 181mm rainfall in 24 hours and the total rainfall for a week was 221mm. The rainfall for January and February was much higher than the long-term mean (LTM) and that of the previous year. Pump stations along the river were affected due to flooding caused by the continuous high river level. For growers the total cane area affected by infrastructure storm damage was estimated at 3000ha. The nature of damage was flooding of pump stations, erosion of farm access roads and waterways and damage to cane. Cyclone Eloise brought with it poor cane growing conditions characterized by overcast weather, excessive leaching of nutrients and poor drainage due to a high-water table. Radiation and temperature, key climatic factors which drive cane growth were both below LTM, negatively affecting crop growth and cane volume across both Illovo farms and growers.

The impacts of cyclone Eloise were also experienced at:

- Nakambala: the site received 170mm of rainfall in two hours resulting in flooded areas, a reduction in cane production as well as the displacement of people.
- Maragra: flooding resulted in significant crop loss to grower areas and damage to the estate dykes. The site recorded over 500mm of rainfall which caused additional yield losses inside the flood protected areas.

**Primary response**

Develop flood emergency plans

**Total financial impact**

290000

**Description of response**

Illovo continues to re-evaluate flood risk zones and improve flood protection mechanisms at its sites.

The financial impact figure reported here is the amount lodged as an insurance claim in eSwatini as a result of damage caused by cyclone Eloise.

**W2.2**

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

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

W2.2a

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

Row 1

**Total number of fines**

5

**Total value of fines**

5651

**% of total facilities/operations associated**

0.7

**Number of fines compared to previous reporting year**

About the same

**Comment**

Last year six wastewater-related fines were received. In this reporting year five wastewater-related fines were received. These are issues that are being addressed by the relevant sites across the ABF group with targeted support to the specific sites.

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

W3. Procedures

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W-FB3.1

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

Operations:

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

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

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

Supply Chain:

The production of materials and products used within the global fashion industry requires the use of energy, water, and chemicals. This is particularly the case for during the dyeing and processing stage. Chemicals and water involved in these processes therefore need to be properly managed to ensure that impacts to the environment are reduced or eliminated. Primark has taken steps to control and prevent the use of hazardous chemicals in its supply chain by providing training to its suppliers and produced Chemicals and Pollution Management Guidance to help its suppliers implement Primark's Restricted Substances list, which includes both substances restricted in products and those intentionally used during manufacture. Legislative requirements are also covered by Primark's Chemical Testing Manual. During the reporting year, over 4,000 hours of on-site training on environmental issues, including chemicals, was delivered to their suppliers. Primark works collaboratively with suppliers through its Environmental Sustainability team on the ground, to identify areas of improvement and monitor progress against chemical compliance.

Primark is also a member of the Zero Discharge of Hazardous Chemicals (ZDHC) organisation. The Roadmap to Zero Programme, by ZDHC, leads the fashion industry to eliminate harmful chemicals from its global supply chain by building the foundation for more sustainable manufacturing to protect workers, consumers and our planet's ecosystems. Together with other retailers, involved with apparel, textile, leather and footwear, ZDHC has created a list of restricted manufacturing substances and developed audit and training tools on chemical management to encourage more sustainable management and use of chemicals in its supply chain. ZDHC also provides robust training to improve how workers use chemicals and set strict guidelines for wastewater discharge. To allow Primark to assess chemical management and water management practices within the supply base, the Sustainable Apparel Coalition's Facility Environment Module (FEM) has been deployed extensively across different tiers of the supply chain; including those facilities that perform dyeing and finishing processes. In addition to using the FEM, Primark closely monitors wastewater quality in key facilities across Bangladesh against the ZDHC Wastewater Guidelines. In 2021, Primark scaled up its number of facilities testing wastewater to 41 facilities.

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

#### Potential water pollutant

Fertilizers

#### Activity/value chain stage

Agriculture – direct operations

Agriculture – supply chain

#### Description of water pollutant and potential impacts

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

#### Management procedures

Fertilizer management

Calculation of fertilizer intensity data

#### Please explain

To manage our fertiliser related risks, we follow the recommendations of soil and leaf samples analysed by reputable laboratories and use enhanced nitrogen carriers where necessary. As an example, Azucarera which collaborates with AIMCRA on fertilization and the adjustment of the use of fertilizers based on annual soil analyses in the fields to be sown. This helps to reduce the use of nitrogen fertilizers, avoiding the negative effects of overuse on the crops and nitrite soil contamination.

#### Potential water pollutant

Pesticides and other agrochemical products

#### Activity/value chain stage

Agriculture – direct operations

#### Description of water pollutant and potential impacts

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

#### Management procedures

Sustainable irrigation and drainage management

Pesticide management

#### Please explain

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

#### Potential water pollutant

Other, please specify (Discharges from food factories)

#### Activity/value chain stage

Manufacturing – direct operations

#### Description of water pollutant and potential impacts

Our food factories discharge industrial wastewater into municipal treatment systems under strict discharge limits including total volume, BOD, COD, suspended solids, grease/oil/fats and pH levels. The wastewater from our food factories such as bakeries is mostly biologically degradable as the ingredients are mostly natural substances such as wheat, sugar and yeast which break down naturally. To speed up the process the sewage systems introduce selected bacteria to ensure adequate treatment for the large volume of wastewaters. Therefore, the concentrations limits applied to these factors are there to protect the digesting bacteria so that they operate to the desired level of efficacy.

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

#### Management procedures

Waste water management

#### Please explain

For example, AB Mauri's production processes require a significant amount of water to produce yeast. AB Mauri established an effluent steering group to develop tools and standards to manage its water use. Through this committee, AB Mauri asked its sites to predict future effluent legal requirements so that any operational upgrades can be future-proofed. At the Pedemeiras site in Brazil, AB Mauri is in the process of commissioning an upgraded effluent treatment plant so that it can meet federal requirements and standards, expected to be operational from the second half of 2022 and fully operational in 2023.

With groundwater in water-stressed Lahore, Pakistan, falling by around a metre a year, the AB Mauri yeast factory in the city is using the latest water management system to separate wastewater from reusable water while creating a feedstock for organic fertiliser. The high-pressure reverse osmosis membrane system installed in 2019 separates organic-matter-enriched concentrate, which is supplied for organic fertiliser manufacturing, whilst the rest is recovered as clean water. There are clear circular



economy benefits to the process.

Since being installed the system has met all of its targets. The process effluent is transformed to a high-quality permeate, of which AB Mauri re-use an average 29% to be reused for on-site utilities. This has reduced abstraction by over 30,000 m3 since the introduction of the new treatment system in November 2019. In addition, the retained solids are transformed into raw material for organic fertiliser production which reduces the environmental impact of the yeast factory; over 33,000 tonnes of this material has been provided to AB Mauri's commercial partner to date. Some additional water is provided either to the Pakistan Horticultural Authority or local farmers for irrigation purposes.

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### W3.3

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

Yes, water-related risks are assessed

### W3.3a

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

##### Value chain stage

Direct operations

##### Coverage

Full

##### Risk assessment procedure

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

##### Frequency of assessment

More than once a year

##### How far into the future are risks considered?

More than 6 years

##### Type of tools and methods used

Enterprise risk management

International methodologies and standards

Other

##### Tools and methods used

Environmental Impact Assessment

Internal company methods

External consultants

Other, please specify (Independent river basin studies)

##### Contextual issues considered

Water availability at a basin/catchment level

Water quality at a basin/catchment level

Stakeholder conflicts concerning water resources at a basin/catchment level

Implications of water on your key commodities/raw materials

Water regulatory frameworks

Status of ecosystems and habitats

Access to fully-functioning, safely managed WASH services for all employees

##### Stakeholders considered

Customers

Employees

Investors

Local communities

NGOs

Regulators

Suppliers

Water utilities at a local level

Other water users at the basin/catchment level

##### Comment

Our process for identifying and assessing water-related risks is integrated in our group-wide approach to risk management. The delivery of our strategic objectives and the sustainable growth of ABF is dependent on effective risk management. We regularly face business uncertainties and it is through a structured approach to risk management that we are able to mitigate and manage these risks.

The Board is accountable for effective risk management, for agreeing the principal risks facing the group and ensuring they are successfully managed. The Board undertakes an annual assessment of the principal risks, including those that would threaten the business model, future performance, solvency or liquidity. The Board also monitors the group's exposure to risks as part of the business-level performance reviews conducted at each Board meeting. Each year, the Audit Committee on behalf of the Board reviews the effectiveness of the group's approach to risk management including the internal control procedures and resources devoted to them. Our decentralised business model empowers the management of our businesses to identify, evaluate and manage the risks they face to ensure compliance with relevant legislation, our business principles and group policies.

All of our businesses operate within a water and wastewater regulatory framework and tariff system.

As an example, currently George Weston Foods' Perth Western Australia sites are part of the mandatory Water Efficiency Management Plan (WEMP). The Perth WA WEMP Waterwise Business Programme is a mandatory scheme which requires annual reporting of targets, actions and plans by GWF's Canningvale and Bentley sites.

Annual progress reports are a requirement under the Western Australia Water Agencies (Water-Use) By-laws of 2010. Activities by the sites have included redirecting wash water to a holding tank for reuse, use of trigger nozzles on hoses and restrictions on the hosing of hard surfaces.

Some of our operations are also regulated by trans-boundary water agreements. As such, monitoring changes and engaging with national and local regulators is important to anticipate potential impacts to our operations.

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**Value chain stage**

Supply chain

**Coverage**

Partial

**Risk assessment procedure**

Water risks are assessed in an environmental risk assessment

**Frequency of assessment**

Not defined

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market

Enterprise risk management

International methodologies and standards

Other

**Tools and methods used**

Environmental Impact Assessment

Internal company methods

External consultants

Other, please specify (Engage with management catchment agencies)

**Contextual issues considered**

Water availability at a basin/catchment level

Water quality at a basin/catchment level

Stakeholder conflicts concerning water resources at a basin/catchment level

Implications of water on your key commodities/raw materials

Water regulatory frameworks

Status of ecosystems and habitats

Access to fully-functioning, safely managed WASH services for all employees

**Stakeholders considered**

Customers

Employees

Investors

Local communities

NGOs

Regulators

Suppliers

Water utilities at a local level

Other water users at the basin/catchment level

**Comment**

If identified as a material issue through their risk and opportunity assessments, and considered important depending on the nature of the raw material, security of supply and geography, our businesses will engage with their suppliers. Our sugar businesses work with growers to minimise soil damage and compaction which can affect performance and yields. This includes selecting fields carefully for the right soil type and developments in weight reduction and tyre technology on modern harvesters. Our agronomists seek ways to minimise the amount of soil left on the beet during harvesting, storing and transportation.

Important to Illovo's risk assessments is to ensure that operations do not negatively impact the surrounding natural environment. Illovo sites are located next to resources of conservation importance including the Selous National Park, Tanzania, Kafue Flats Wetland, Zambia and the Incomati Estuary, Mozambique. In Malawi, Illovo participates in annual tree planting to retard environmental degradation and soil erosion, and regularly make substantial donations of tree seedlings to local communities. Illovo continues to maintain biodiversity corridors throughout its sugar estates. A 400-hectare reserve known as Nyala Park has been set aside within the Nchalo estate boundary and is maintained with species of the original flora and fauna of the Shire Valley.

British Sugar continues to be represented by the Company Environment Manager on a water stewardship business board CamEO; the catchment area for the Bury St Edmunds site. The water stewardship business board meets approximately four times per year and includes involvement with the water operator (Anglian Water), local businesses and the Environment Agency in the local area discussing potential opportunities for water stewardship and water sharing. Key areas for British Sugar include the potential for water sharing and collaborating to review and optimise borehole water abstraction.

Azucarera takes its water responsibility very seriously and took the step to join the pioneering network Esagua, an industry partnership which brings together more than 25 innovative companies to promote their shared commitment to reduce their water footprint and achieve a more sustainable use of fresh water.

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**Value chain stage**

Other stages of the value chain

**Coverage**

Partial

**Risk assessment procedure**

Water risks are assessed as a standalone issue

**Frequency of assessment**

Not defined

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market

Enterprise risk management

Databases

**Tools and methods used**

Other, please specify (SMETA Audits)

#### Contextual issues considered

Water availability at a basin/catchment level  
Water quality at a basin/catchment level  
Stakeholder conflicts concerning water resources at a basin/catchment level  
Implications of water on your key commodities/raw materials  
Water regulatory frameworks  
Status of ecosystems and habitats  
Access to fully-functioning, safely managed WASH services for all employees

#### Stakeholders considered

Customers  
Employees  
Investors  
Local communities  
NGOs  
Regulators  
Suppliers  
Water utilities at a local level  
Other water users at the basin/catchment level

#### Comment

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

For example, Illovo benefits from independent external third-party sustainability assessments conducted on behalf of their customers. Illovo operations have been assessed against the Pro Terra standard on behalf American Sugar Refining Inc (ASR). Illovo facilities were also assessed by Partner Africa who conducted an audit on behalf of the Coca Cola Company using the Coca Cola Company's Supplier Guiding Principles (SGP).

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### W3.3b

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

Our process for identifying, assessing and responding to water-related risks and opportunities is integrated into our group-wide approach to risk management. The delivery of our strategic objectives and the sustainable growth (or long-term shareholder value) of our business, is dependent on effective risk management. We regularly face business uncertainties and it is through a structured approach to risk management that we are able to mitigate and manage these risks and embrace opportunities when they arise.

The diversified nature of our operations, geographical reach, assets and currencies are important factors in mitigating the risk of a material threat to the Group's sustainable growth and long-term shareholder value. However, as with any business, risks and uncertainties are inherent in our business activities. These risks may have a financial, operational or reputational impact. The Board is accountable for effective risk management, for agreeing the principal, including emerging, risks facing the Group and ensuring they are successfully managed. The Board undertakes a robust annual assessment of the principal risks, that would threaten the business model, future performance, solvency or liquidity. The Board also monitors the Group's exposure to risks as part of the performance reviews conducted at each Board meeting. Financial risks are specifically reviewed by the Audit Committee. Our decentralised business model empowers the management of our businesses to identify, evaluate and manage the risks they face, on a timely basis, to ensure compliance with relevant legislation, our business principles and Group policies.

Our business Chief Executives are empowered to include the prioritisation of mitigation of environmental impacts as a central aspect of their business plans, sharing learnings from the leaders in other Group businesses and from the Group and applying industry best practice. The Board reviews each business segment in-depth every year, and ESG factors are central to the analysis and discussion.

Our businesses perform risk assessments which consider materiality, risk controls and specific local risks relevant to the markets in which they operate. The collated risks from each business are shared with the respective divisional chief executives who present their divisional risks to the Group Executive. Emerging risks are identified and considered at both a Group and individual business level, with key management being close to their geographies. These risks are identified, as part of the overall risk management process, through a variety of horizon-scanning methods including geopolitical insights; ongoing assessment of competitor activity and market factors; workshops and management meetings focused on risk identification; analysis of existing risks using industry knowledge and experience to understand how these risks may affect us in the future; and representation and participation in key industry associations. The Group's Director of Financial Control receives the risk assessments on an annual basis and, with the Finance Director, reviews and challenges them with the divisional chief executives, on an individual basis. These discussions are wide-ranging and consider operational, environmental and other external risks. These risks and their impact on business performance are reported during the year and are considered as part of the monthly management review process.

Group functional heads including Legal, Treasury, Tax, IT, Pensions, HR, Procurement and Insurance also provide input to this process, sharing with the Director of Financial Control their view of key risks and what activities are in place or planned to mitigate them. A combination of these perspectives with the business risk assessments creates a consolidated view of the Group's risk profile. A summary of these risk assessments is then shared and discussed with the Finance Director and Chief Executive at least annually.

The Director of Financial Control holds meetings with each of the non-executive directors seeking their feedback on the reviews performed and discussing the key risks, which include emerging risks, and mitigating activities identified through the risk assessment exercise. Once all non-executive directors have been consulted, a Board report is prepared summarising the full process and providing an assessment of the status of risk management across the Group. The key risks, mitigating controls and relevant policies are summarised and the Board confirms the Group's principal risks. These are the risks which could prevent the Group from delivering its strategic objectives. This report also details when formal updates relating to the key risks will be provided to the Board throughout the year. A key area of focus this year has been environmental risk management. ESG factors, including water stewardship, are considered as part of our risk management framework and frame opportunities for our businesses to become better.

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### W4. Risks and opportunities

## W4.1

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

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

## W4.1a

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

The delivery of our strategic business objectives and long-term shareholder value are of paramount importance to ABF and are dependent on effective risk management. An event, or series of events, resulting in the inability to deliver the strategic objectives of the business and long-term shareholder value would be considered an event that would have a substantive financial or strategic impact on our business.

As with any business, risks and uncertainties are inherent in our business activities. ABF regularly faces business uncertainties, and it is through a structured approach to risk management that it is able to mitigate and manage these risks and embrace opportunities when they arise. The diversified nature of our operations, geographical reach, assets and currencies are important factors in mitigating the risk of a material threat to the group's sustainable growth and long-term shareholder value.

The Board has identified £39 million as a material financial impact threshold for the group. An event or series of events that exceed this financial threshold could be considered to have a substantive financial or strategic impact as it would most likely impact the delivery of the group's strategic objectives or have a detrimental effect on the group's sustainable growth and long-term shareholder value.

The Board undertakes a robust annual assessment of the principal risks, including emerging risks, that would threaten the business model, future performance, solvency or liquidity. These are the principal risks of the group as a whole and the risks which could prevent ABF from delivering its strategic objectives. These are the principal risks which ABF believes are likely to have the greatest current or near-term impact on our strategic and operational plans and reputation.

In 2021, the Board identified "Our use of natural resources and managing our environmental impact" as one of the principal risks. Our businesses and their supply chains rely on a secure supply of finite natural resources, some of which are vulnerable to external factors such as natural disasters and climate change and others are vulnerable based on the operational choices we take. Our material environmental impacts come from fuel use, energy use and agricultural operations giving rise to greenhouse gas emissions, use of land related to agricultural operations, the abstraction and management of water in water-stressed areas and waste which is not yet eliminated at source, reused or recycled, including single-use plastics.

Our businesses and supply chains operate in many areas subject to climate change risks and opportunities as we transition to a lower-carbon world. Our ongoing success depends on mitigating these risks and making the most of the opportunities. In our assessment of climate-related business risks, we recognise that the cumulative impacts of changes in weather and water availability could affect our operations at a Group level. The diversified and decentralised nature of the Group means that mitigation or adaptation strategies are considered and implemented by individual businesses and divisions.

Climate change, with its associated water-risks and opportunities, is not a new issue. It has long been important to us and our stakeholders. We have considered some of these issues for many years as part of normal commercial decision-making, for example Primark's long-standing Sustainable Cotton Programme, the assessment of drought risk to the wheat supply in our Australian bakery business, and long-standing progress in reducing energy in sugar refining. It is not a separate and parallel discipline; it is already part of the normal course of business and we are working to understand and improve this further.

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

To better understand how the potential long-term impacts of climate change, of which water is a central issue, might affect our businesses, our performance and our balance sheet, in 2021 we began scenario analysis. Our overall focus is on the specific businesses and raw materials with the greatest identified climate risk exposure, and those that offer the greatest transition opportunities, at a Group level. We identified Primark, AB Sugar and Twinings as the businesses with potentially the most material climate-related risks and opportunities. In 2020, these three businesses comprised in aggregate 73% of adjusted operating profit and 69% of Scope 1 and 2 emissions.

## W4.1b

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

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	12	1-25	<p>As ABF consists of five business segments a substantive risk to the group as a whole is very rare because if something impacts one segment, the other four will continue to operate and it is unlikely to move the group's share price. The impact of site-level water risks at the group level is low and unlikely to meet the material financial impact threshold of £39 million or have a strategic impact.</p> <p>Nonetheless, we recognise that individual sites have the potential to be impacted by water risks, and particularly when consolidated within a business or segment could reach our thresholds. We therefore still report these within CDP for transparency. The term 'facility' for water risk assessment covers ABF's direct operations which includes factories, warehouses, distribution centres and retail space but excludes offices.</p> <p>In 2014, we first conducted a group wide water stress assessment for the sites withdrawing a material amount of water. We piloted the latest version of the internationally recognised WWF Water Risk Filter Tool and asked our sites to validate the findings. We repeated this assessment in 2017, in 2019 and most recently in 2020. In 2021, to ensure that we are aware of and are appropriately addressing the risks posed by our use of water across our global operations, we again engaged with the businesses to confirm the sites that withdraw water from areas of high water stress using their operational and local knowledge to check the findings.</p> <p>We used two tools - WRI Aqueduct and WWF Water Risk Filter - and took a four-staged approach.</p> <ul style="list-style-type: none"> <li>• Assessment stage 1 - All factories / laboratory locations were input into Aqueduct, which primarily assesses water risk based on location irrespective of site water usage. The tool presents the results on a scale of Low to Extremely High. Results are presented based on today's risks and future predicted risks up to 2030 to 2040.</li> <li>• Assessment stage 2 - Where the Aqueduct tool indicated sites as having High or Extremely High risk (based on location) and any sites with water usage over 100,000m<sup>3</sup> per year, irrespective of location, were then input to the WWF Water Risk Filter. The rationale for this is that the WWF tool enables site operational factors such as water usage to be considered as part of the assessment. The tool presents the results on a scale of 1-5, with 4 - 5 being High Stress.</li> <li>• Assessment stage 3 - We then engaged with the businesses to confirm the outputs of both tools. The group-level assessment supplemented the range of tools and methodologies already used by our businesses to understand their operational water risks and the stress levels of the basins in which they operate. Based on the results of both sets of tools, as well as these discussions with the individual businesses, we identified the sites that withdraw water from areas of high water stress.</li> <li>• Assessment stage 4 - Thereafter we applied ABF's substantive financial or strategic impact threshold, as defined in C4.1a. At an aggregated level, the sites consolidated within a division may meet the ABF financial threshold of £39 million or be considered a potential strategic risk based on reputational issues. These consolidated sites within AB Sugar and GWF could amount to a potential substantive financial risk or strategic risk based on reputation, for example, the risk of not meeting water commitments or maintaining employment levels.</li> </ul> <p>Use of the tools enabled ABF to list the sites ranging from those operating in basins with negligible stress to those operating in high stress basins. We have adopted the WWF's 'total basin score' as to whether a basin is considered to be stressed.</p> <p>Using WWF's guidance for its individual risk indicators, we have applied the same parameters for the total basin score, splitting the score of 1 to 5 into: 1 - 1.9 = No or very limited stress 2 - 2.9 = Limited stress 3 - 3.9 = Some stress 4 - 5 = High stress. In order to determine where we prioritise resources, we use the score of 3 to 5 as our group of water stressed basins. This parameter means we include sites determined by the WWF Tool as experiencing some or high levels of stress. Our businesses operating in other water basins continue to address water risk as relevant to their operations and local catchment requirements.</p>

**W4.1c**

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

**Country/Area & River basin**

Zambia	Zambezi
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

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

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

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

**Country/Area & River basin**

Mozambique	Incomati
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

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

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

Illovo's site in Mozambique accounts for 3% of ABF's total abstracted water.

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**Country/Area & River basin**

Australia	Murray - Darling
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**Number of facilities exposed to water risk**

3

**% company-wide facilities this represents**

Less than 1%

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

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

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

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**Country/Area & River basin**

Malawi	Zambezi
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**Number of facilities exposed to water risk**

2

**% company-wide facilities this represents**

Less than 1%

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

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

Illovo's two sites in Malawi account for 37% of ABF's total extracted water.

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**Country/Area & River basin**

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

2

**% company-wide facilities this represents**

Less than 1%

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

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

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

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**Country/Area & River basin**

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

1

**% company-wide facilities this represents**

Less than 1%

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

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

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

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**Country/Area & River basin**

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

2

**% company-wide facilities this represents**

Less than 1%

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

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

Illovo's two sites in South Africa account for 0.4% of ABF's total extracted water.

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**W4.2**

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

**Country/Area & River basin**

Malawi	Zambezi
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**Type of risk & Primary risk driver**

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
----------------	------------------------------------------------

**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

Flooding can result in damage to the actual sugarcane crop, as well as to infrastructure resulting in loss of productivity. In 2019 Illovo's Nchalo site in Malawi was impacted by cyclone Idai which resulted in heavy rains and flooding which affected the crop and communities surrounding the site. Illovo's Dwangwa site in Malawi also experienced flooding of approximately 125ha of sugarcane fields with cane submerged. Concrete canals and field feeders collapsed while bridges and field culverts were also damaged. The flood protection dyke along the Dwangwa River and the dyke fields were breached in many places. This all resulted in disruption to manufacturing processes and, for a short period of time, impacted the output of product to market.

Illovo's Dwangwa estate in Malawi experienced flooding again during the 2019/2020 season. The floods affected 77 hectares and damaged 6,000 tonnes of cane. The fields were covered in sand and the irrigation structure damaged, including damage to the supply canal and feeders. The flooding resulted in a reduced harvest area.

During the reporting year, favourable weather conditions supported successful agricultural operations at both estates; this, combined with the drip irrigation enabled increased cane yields during the financial year.

**Timeframe**

Current up to one year

**Magnitude of potential impact**

Medium

**Likelihood**

More likely than not

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

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

**Primary response to risk**

Develop flood emergency plans

**Description of response**

At these operations, Illovo is working on re-delineating flood risk zones and implementing and improving flood protection mechanisms. Investment in water infrastructure, pumps and pump stations including delineating flood risk zones and improving flood protection mechanisms.

**Cost of response**

302000

**Explanation of cost of response**

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

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W4.2a



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

**Country/Area & River basin**

Mozambique	Incomati
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**Stage of value chain**

Supply chain

**Type of risk & Primary risk driver**

Chronic physical	Seasonal supply variability/inter annual variability
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**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

Illovo Maragra site's supply chain is largely made up of small-scale growers producing rain-fed cane with 24% under sprinkler systems.

A recent study undertaken by CRIDF (Climate Resilient Infrastructure Development Facility) identified the key risks to this supply being:

1. Higher and more irregular rainfall events
2. Flooding
3. Shorter rainy season
4. Increased temperatures.

In 2019, Mozambique experienced severe flooding when cyclone Idai made landfall, with 700ha needing to be replanted due to flood damage. In the reporting year, Illovo's operations in Mozambique as well as its suppliers were severely impacted by the volume of water discharged from eSwatini following cyclone Eloise. The water discharge from eSwatini impacted operations at Maragra where flooding resulted in significant crop loss to grower areas and damage to the estate dykes. Over 500mm of rainfall was recorded causing additional yield losses.

**Timeframe**

4-6 years

**Magnitude of potential impact**

Medium

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

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

**Primary response to risk**

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

**Description of response**

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

**Cost of response**

**Explanation of cost of response**

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

**W4.3**

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

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

**W4.3a**

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

**Type of opportunity**

Efficiency

**Primary water-related opportunity**

Improved water efficiency in operations

**Company-specific description & strategy to realize opportunity**

Water demand and scarcity is increasing, to varying degrees, within most of the basins in which Illovo operates. This is projected to impact availability as well as abstraction permit allocations. By working to improve the effective use of water within operations, Illovo aims to increase production without significantly altering overall consumption. Illovo identified the greatest water supply risk as well as the greatest water efficiency opportunities at each operation and has developed water strategies specific to each operation focused on improving water monitoring and management.

Illovo Malawi has implemented a project that involved a complete review and overhaul of the water and wastewater management systems that serve Nchalo's milling operations and residential villages.

An external consultant was appointed to assist Nchalo with comprehensive support of their effluent wastewater management systems. A detailed Operational Framework was implemented throughout the site which focused on Effluent Management, Infrastructure and Reporting (Phase 1) and Capacity Building and Training (Phase 2). The project commenced with a gap analysis of prevailing issues, and the development of a risk mitigation implementation plan once baseline conditions were established. Phase 2 was implemented to increase the local capacity and knowledge within the Illovo Nchalo team and to ensure all staff are provided with training for full responsibility of daily tasks.

Over nine months, the external consultant's technical specialists, supervisors, trainers and auditing staff provided full-time support to workers, supervisors and managers to deliver a holistic and sustainable solution to the site's long-standing water challenges. Support ranged from the establishment of water, wastewater and domestic effluent management systems, sampling, analysis and risk tracking, to infrastructure/ maintenance planning, reporting and hands-on training to improve internal knowledge. The aim was to invest in local teams to provide long term sustainable mill operations. At the end of the nine-month period the condition and performance of the operation, the infrastructure and maintenance protocols had exceeded predetermined targets. Full compliance and 100% risk mitigation have been achieved in respect of chemical oxygen demand, biological oxygen demand, ammonia, nitrates and pH. Upstream process area audits contributed an additional 25% reduction in effluent strength from project initiation.

**Estimated timeframe for realization**

Current - up to 1 year

**Magnitude of potential financial impact**

Low-medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

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

---

**Type of opportunity**

Efficiency

**Primary water-related opportunity**

Improved water efficiency in operations

**Company-specific description & strategy to realize opportunity**

Agricultural operations require significant energy to pump water for abstraction and irrigation, at significant cost. Illovo has identified three primary opportunities to reduce the energy requirement and improve water use efficiency:

1. Improving the efficiency of conveyance systems to minimise losses
2. Improving irrigation efficiency to reduce the water required to grow a stick of sugarcane
3. Improving the accuracy of irrigation scheduling to ensure the crop is irrigated effectively.

As part of Illovo's aim to be more energy efficient, to produce more cane, sugar and downstream products per drop of water and to utilise water responsibly and retain its quality during its usage cycle, Illovo has approved long-term irrigation upgrade projects at its Nanga, Zambia, Ubombo, eSwatini and Nchalo, Malawi sites.

At Nanga, Phase 1 of a five phased project to replace drag line and floppy sprinkler irrigation systems with sub surface drip (SSD) irrigation has been completed and successfully running since 2016. Phase 2 of the Nanga project involves the replacement of the 157 hectares of sprinkler irrigation systems which are old and inefficient. This project was approved during the reporting period. Further phases are expected to roll out to 2023/2024.

The six-year upgrade plan for Ubombo was proposed and approved in March 2017 and Phase 1 and Phase 2 have been successfully implemented. The project has now been put on hold until the business can support the funding required.

At Nchalo, Phase 4 of the irrigation system conversion program was implemented. This phase converted 330ha of an existing drag line irrigation system with a drip irrigation system. A post-implementation review of completed projects has been positive showing a solid payback with increases in water productivity (more crop per drop) and reductions in input costs (electricity, and manpower for both irrigation operations and for other operational inputs).

Phase 5 of the irrigation system conversion program at Nchalo has now been approved. This phase will replace 480ha of ineffective drag line sprinkler irrigation system with sub surface drip irrigation. The drip irrigation infrastructure will support mechanised green cane harvesting when deployed in future.

The drip systems have accelerated precision irrigation in Illovo through scheduling tools and software that assist the Farm Manager to supply water and agronomic inputs on time, in full, and at the right quality.

**Estimated timeframe for realization**

More than 6 years

#### Magnitude of potential financial impact

High

#### Are you able to provide a potential financial impact figure?

No, we do not have this figure

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact

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

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#### Type of opportunity

Efficiency

#### Primary water-related opportunity

Improved water efficiency in operations

#### Company-specific description & strategy to realize opportunity

In line with AB Sugar's 2030 commitments, British Sugar cut water use by 23% since 2012 through equipment upgrades, investments in wastewater treatment and reusing condensate water for cooling, saving the equivalent of the average annual use of 3,000 UK homes.

Water reduction at sites over the past year has primarily been delivered through Continuous Improvement (CI) activities, ongoing focus on reducing water usage, addressing leaks and promoting good practice.

As an example, British Sugar's Newark site is constantly looking to reduce water usage, and one area of particular focus is maintaining existing infrastructure. At the plant, good water management practices include looking after the water pipes, continuing to uphold high standards of maintenance, and stopping leaks. In 2021, the consumption and extraction data of the site revealed a discrepancy and on investigation a leak was identified. Our teams partnered with the water provider Water Plus to replace part of Newark town's main water pipe which was leaking onto our site. By taking the quick action to repair the pipes, we will save approximately 72 cubic meters (m3) per day, or 26,280 cubic metres (m3) per year.

Previously, at its Cantley factory, British Sugar put in place changes to its ultrafiltration system, which removed solid material from feed water, and its reverse osmosis plant, which removed smaller impurities. These alterations enabled the factory to use more borehole water, under licence, and less high-quality mains water for the purification plants that supply its high-pressure boilers. To implement the project, the reverse osmosis plant was altered to allow borehole water to be heated (which increases throughput and allows for more effective cleaning). A heat exchanger was fitted to use waste heat to warm the feed water. As a result of these upgrades, the plant has been restored to maximum capacity while reducing mains water use.

#### Estimated timeframe for realization

Current - up to 1 year

#### Magnitude of potential financial impact

Low-medium

#### Are you able to provide a potential financial impact figure?

No, we do not have this figure

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact

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#### Type of opportunity

Efficiency

#### Primary water-related opportunity

Improved water efficiency in operations

#### Company-specific description & strategy to realize opportunity

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 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 group 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.

#### Estimated timeframe for realization

1 to 3 years

#### Magnitude of potential financial impact

Low-medium

#### Are you able to provide a potential financial impact figure?

No, we do not have this figure

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact

---

#### Type of opportunity

Efficiency

#### Primary water-related opportunity

Improved water efficiency in operations

#### Company-specific description & strategy to realize opportunity

Azucarera's solar irrigation partnership with AIMCRA, a Spanish research association, aimed to reduce energy and water use among beet growers.

More than 80 solar water-pumping units were installed across Spain, leading to a 90% reduction in CO2 emissions, a 70% fall in irrigation costs and a 20% decrease in water use. AIMCRA has now extended the system to Italy, Portugal and Morocco through other projects.

During the summer beet irrigation period (June-September), growers are informed every week how much water the beet needs, based on the weather conditions in the area (temperature and humidity) and the specific stage of development of the crop. Irrigation is thus adjusted strictly to what is really needed by the crops, avoiding excessive water consumption. On the one hand, these actions, particularly those regarding the use of plant protection products, improve crop yield. On the other, the measures are taken by Azucarera to minimise the impact of our activity on the environment and biodiversity.

Our growers manage their own irrigation water for the beet crop. The mission of the field technicians of Azucarera and AIMCRA is to help them to be more efficient and enhance the time and manner of consuming water in order to achieve optimum development of the crop and avoid unnecessary consumption and, consequently, reduce the cost of production of the beet. These are the main actions taken in respect of water management in the field:

- Implemented the use of technology such as remote detection by satellite. This, together with studying the data histories of our beet growers, has enabled us to counsel them better on the crop, maximising the crop yield and quality of the beet obtained while helping them to reduce consumption.
- Continued to promote 'solar irrigation'. Since 2014, more than five thousand beet growers have, through AIMCRA, discovered the environmental and economic benefits of the solar irrigation system. Approximately five hundred farmers now produce 90% less carbon emissions by not using fuel oil, have reduced the cost of irrigation by 50 to 70% and have achieved a 20% reduction in irrigation water.

As a result of these actions, along with those taken in agronomic training and dissemination, water consumption for irrigation was reduced by an estimated 3.4% in the north and 22% in the south in the crop year 2017/2018.

#### Estimated timeframe for realization

1 to 3 years

#### Magnitude of potential financial impact

Low-medium

#### Are you able to provide a potential financial impact figure?

No, we do not have this figure

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact

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## W5. Facility-level water accounting

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### W5.1

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

**Facility reference number**

Facility 1

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

Zambia	Zambezi
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**Latitude**

-15.82325

**Longitude**

27.77548

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

&lt;Not Applicable&gt;

**Oil & gas sector business division**

&lt;Not Applicable&gt;

**Total water withdrawals at this facility (megaliters/year)**

216718

**Comparison of total withdrawals with previous reporting year**

About the same

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

214245

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

2473

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

93624

**Comparison of total discharges with previous reporting year**

Much higher

**Discharges to fresh surface water**

93624

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

123094

**Comparison of total consumption with previous reporting year**

Lower

**Please explain**

The water consumption data reported here is a simple calculation of withdrawal minus discharge. It does not take into account site-level measurements which may include evaporation, water incorporated in crops or controlled water storage.

**Facility reference number**

Facility 2

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

Mozambique	Incomati
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**Latitude**

-25.703413

**Longitude**

32.357483

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

28060

**Comparison of total withdrawals with previous reporting year**

Much higher

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

27554

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

506

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

664

**Comparison of total discharges with previous reporting year**

Much higher

**Discharges to fresh surface water**

239

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

405

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

27416

**Comparison of total consumption with previous reporting year**

Much higher

**Please explain**

The water consumption data reported here is a simple calculation of withdrawal minus discharge. It does not take into account site-level measurements which may include evaporation, water incorporated in crops or controlled water storage.

**Facility reference number**

Facility 3

**Facility name (optional)**

**Country/Area & River basin**

Australia	Murray - Darling
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**Latitude**

-36.34541

**Longitude**

143.971972

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

349

**Comparison of total withdrawals with previous reporting year**

Lower

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

152

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

197

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

0

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

349

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

There is zero effluent at this site.

The water consumption data reported here is a simple calculation of withdrawal minus discharge. It does not take into account site-level measurements which may include evaporation, water incorporated in crops or controlled water storage.

---

**Facility reference number**

Facility 4

**Facility name (optional)**

**Country/Area & River basin**

Australia	Murray - Darling
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**Latitude**

-37.052253

**Longitude**

144.20717

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

440

**Comparison of total withdrawals with previous reporting year**

About the same

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

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

440

**Total water discharges at this facility (megaliters/year)**

362

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

362

**Total water consumption at this facility (megaliters/year)**

77

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

The water consumption data reported here is a simple calculation of withdrawal minus discharge. It does not take into account site-level measurements which may include evaporation, water incorporated in crops or controlled water storage.

---

**Facility reference number**

Facility 5

**Facility name (optional)**

**Country/Area & River basin**

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

**Latitude**

-37.055863

**Longitude**

144.208559

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

91

**Comparison of total withdrawals with previous reporting year**

Much lower

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

54

**Withdrawals from brackish surface water/seawater**

37

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

0

**Comparison of total discharges with previous reporting year**

About the same



**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

91

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

There is zero effluent at this site.

The water consumption data reported here is a simple calculation of withdrawal minus discharge. It does not take into account site-level measurements which may include evaporation, water incorporated in crops or controlled water storage.

---

**Facility reference number**

Facility 6

**Facility name (optional)**

**Country/Area & River basin**

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

**Latitude**

-16.203532

**Longitude**

34.840856

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

222524

**Comparison of total withdrawals with previous reporting year**

About the same

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

222524

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

319

**Comparison of total discharges with previous reporting year**

Much higher

**Discharges to fresh surface water**

319

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

222204

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

The water consumption data reported here is a simple calculation of withdrawal minus discharge. It does not take into account site-level measurements which may include evaporation, water incorporated in crops or controlled water storage.

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**Facility reference number**

Facility 7

**Facility name (optional)**

**Country/Area & River basin**

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

**Latitude**

12.313207

**Longitude**

34.356495

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

100723

**Comparison of total withdrawals with previous reporting year**

About the same

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

100723

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

0

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

100723

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

There is zero effluent at this site.

The water consumption data reported here is a simple calculation of withdrawal minus discharge. It does not take into account site-level measurements which may include evaporation, water incorporated in crops or controlled water storage.

---

**Facility reference number**

Facility 8

Facility name (optional)

Country/Area & River basin

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

Latitude

40.784685

Longitude

113.212249

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

360

Comparison of total withdrawals with previous reporting year

Much higher

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

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

360

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

341

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

341

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

19

Comparison of total consumption with previous reporting year

Much higher

Please explain

The water consumption data reported here is a simple calculation of withdrawal minus discharge. It does not take into account site-level measurements which may include evaporation, water incorporated in crops or controlled water storage.

---

Facility reference number

Facility 9

Facility name (optional)

Country/Area & River basin

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

Latitude

41.149869

Longitude

114.722325

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

530

**Comparison of total withdrawals with previous reporting year**

Much higher

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

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

530

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

583

**Comparison of total discharges with previous reporting year**

Much higher

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

583

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

-53

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

The water consumption data reported here is a simple calculation of withdrawal minus discharge. It does not take into account site-level measurements which may include evaporation, water incorporated in crops or controlled water storage.

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**Facility reference number**

Facility 10

**Facility name (optional)**

**Country/Area & River basin**

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

**Latitude**

36.6556

**Longitude**

6.1269

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

367

**Comparison of total withdrawals with previous reporting year**

About the same

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

358

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

9

**Total water discharges at this facility (megaliters/year)**

251

**Comparison of total discharges with previous reporting year**

Much lower

**Discharges to fresh surface water**

251

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

116

**Comparison of total consumption with previous reporting year**

Much higher

**Please explain**

The water consumption data reported here is a simple calculation of withdrawal minus discharge. It does not take into account site-level measurements which may include evaporation, water incorporated in crops or controlled water storage.

---

**Facility reference number**

Facility 11

**Facility name (optional)**

**Country/Area & River basin**

South Africa	Other, please specify (Mgeni)
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**Latitude**

-29.946

**Longitude**

30.9585

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

997

**Comparison of total withdrawals with previous reporting year**

Much higher

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

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

997

**Total water discharges at this facility (megaliters/year)**

962

**Comparison of total discharges with previous reporting year**

Lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

962

**Total water consumption at this facility (megaliters/year)**

35

**Comparison of total consumption with previous reporting year**

Much higher

**Please explain**

The water consumption data reported here is a simple calculation of withdrawal minus discharge. It does not take into account site-level measurements which may include evaporation, water incorporated in crops or controlled water storage.

---

**Facility reference number**

Facility 12

**Facility name (optional)**

**Country/Area & River basin**

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

**Latitude**

-30.40969

**Longitude**

30.67738

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

2065

**Comparison of total withdrawals with previous reporting year**

About the same

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

1839

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

29

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

197

**Total water discharges at this facility (megaliters/year)**

769

**Comparison of total discharges with previous reporting year**

Much lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

769

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

1296

**Comparison of total consumption with previous reporting year**

Higher

**Please explain**

The water consumption data reported here is a simple calculation of withdrawal minus discharge. It does not take into account site-level measurements which may include evaporation, water incorporated in crops or controlled water storage.

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**W5.1a**

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

**Water withdrawals – total volumes**

**% verified**

76-100

**Verification standard used**

All of ABF sites report their water withdrawal data annual to group level and this data is then verified in alignment with the International Standard for Assurance Engagements (ISAE) 3000 Revised provided by EY. For details of the Assurance Statement, see pages 54 and 59 of ABF's 2021 Responsibility Update. As such all the sites reported in 5.1 have had their water withdrawal data externally verified.

**Please explain**

<Not Applicable>

**Water withdrawals – volume by source**

**% verified**

76-100

**Verification standard used**

All of ABF sites report their water withdrawal data - by source on an annual basis to group level. This data is verified in alignment with the International Standard for Assurance Engagements (ISAE) 3000 Revised provided by EY. For details of the Assurance Statement, see pages 54 and 55 of ABF's 2021 Responsibility Update. As such all the sites reported in 5.1 have had their water withdrawal data externally verified.

**Please explain**

<Not Applicable>

**Water withdrawals – quality by standard water quality parameters**

**% verified**

1-25

**Verification standard used**

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

**Please explain**

<Not Applicable>

**Water discharges – total volumes**

**% verified**

76-100

**Verification standard used**

All of ABF sites report their water discharge volumes data on an annual basis to group level. This data is verified in alignment with the International Standard for Assurance Engagements (ISAE) 3000 Revised provided by EY. For details of the Assurance Statement, see pages 54 and 55 of ABF's 2021 Responsibility Update. As such all the sites reported in 5.1 have had their water withdrawal data externally verified.

**Please explain**

<Not Applicable>

#### Water discharges – volume by destination

##### % verified

1-25

##### Verification standard used

While ABF does not seek independent verification of this data at the group level, the data provided by the businesses this year was verified by ABF. Individual businesses engage independent verifiers to provide them with assurance over their water and/or wastewater data and management processes. We, therefore, estimate that 1 - 25% of water discharges - volume by destination data is assured.

##### Please explain

<Not Applicable>

#### Water discharges – volume by final treatment level

##### % verified

1-25

##### Verification standard used

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

##### Please explain

<Not Applicable>

#### Water discharges – quality by standard water quality parameters

##### % verified

76-100

##### Verification standard used

The quality of waste discharge by effluent parameters is considered as part of the group's environmental compliance audit programme and the data is therefore subjected to independent verification.

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

##### Please explain

<Not Applicable>

#### Water consumption – total volume

##### % verified

1-25

##### Verification standard used

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

##### Please explain

<Not Applicable>

## W6. Governance

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### W6.1

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

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

### W6.1a

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

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Commitments beyond regulatory compliance Commitment to water stewardship and/or collective action	<p>ABF's water policy falls within the Environment Policy which states that "...as a minimum, we comply with current applicable legislation in the countries in which we operate and our operations are conducted with a view to ensuring that...releases to water...do not have an unacceptable environmental impact and do not offend the surrounding community...and that natural resources are used efficiently."</p> <p>Responsibility for compliance with our Environment Policy is devolved to the chief executive or managing director of our businesses.</p> <p>ABF's approach to environmental stewardship includes "monitoring, auditing and reporting our environmental performance, particularly in energy and water consumption, waste generation and greenhouse gas emissions, to support continual improvements and be transparent in our performance."</p> <p>Although specific commitments and targets are not included in ABF's Environment Policy due to our decentralized operating model, certain individual businesses have publicly set out their commitments and the manner in which they intend to achieve them.</p> <p>For example, AB Sugar has committed to a 30% reduction in water usage by 2030 (baseline 2018). As part of its risk assessments, British Sugar identified carbon emissions and water use reduction as two long-term priorities, focusing on energy efficiency measures across its sites and improvements to its wastewater treatment plants. To support this, the business has environmental and wastewater specialists at each operational site to support these ambitions.</p> <p>As a further example, in April 2021, Primark became signatories of Textiles 2030, a WRAP initiative to accelerate the whole fashion and textiles industry's move towards circularity and system change in the UK. The voluntary agreement builds on the learning and success of the Sustainable Clothing Action Plan (SCAP 2020) and aims to engage the majority of UK fashion and textiles organisations in collaborative climate action. As a signatory, Primark will collaborate on carbon, water and circular textiles targets, including a 30% reduction water target.</p>

**W6.2**

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

Yes

**W6.2a**

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

Position of individual	Please explain
Board-level committee	<p>The Board as a whole is responsible for ABF's overall risk management and agreeing the group's principal risks. During the reporting year the Board agreed that 'Our use of natural resources and managing our environmental impact' as a principal risk for ABF (as reported in the 2021 Annual Report and Accounts). This principal risk includes all water-related issues. The risks are mitigated by implementing efficiencies, use of technologies and adapting our operations to climate change-related risks which include changing precipitation patterns, flooding, and drought. As water-related issues are integrated into group wide risk assessments, the Board has ultimate responsibility for all risk related to water use. The directors of the Board have a duty to act in a way which promotes the success of ABF with regards, amongst other matters, the impact of the Group's operations on the environment.</p> <p>The Board receives an annual update from the Group Corporate Responsibility Director and the Chief People and Performance Officer on environmental issues, which includes water-related topics. Specific and routine Board agenda items also address environmental issues.</p> <p>The Board has received specific briefings on water-related issues and on the Taskforce for Climate-related Financial Disclosures (TCFD) which includes climate-related water risks. We have engaged external experts to support our TCFD programme and established a steering committee to oversee its governance led by the Group Finance Director (equivalent title to Chief Risk Officer and Chief Financial Officer). The steering committee includes senior group functional representation from Corporate Social Responsibility, EHS, Finance, Risk Management and Corporate Affairs, together with senior representation from AB Sugar and Primark.</p>
Chief Executive Officer (CEO)	<p>The Group CEO receives and reviews a summary of risks, including water-related risk, from each business segment at least annually. ABF's five business segments are Grocery, Agriculture, Sugar, Ingredients and Retail. Where water-related risks are considered material and likely, it is the responsibility of the CEO to keep the other Board of directors fully informed of how the risks are being managed. In addition, water-related risks that have a high and immediate likelihood are reported to the Group CEO via the Group Chief People and Performance Officer, and the Group Company Secretary. Otherwise, water-related risks are incorporated into the group's standard risk processes.</p>
Chief Financial Officer (CFO)	<p>ABF has implemented an enterprise-wide risk management system for which the Group Finance Director is accountable to the Board of Directors. The Group Finance Director (equivalent title to Chief Risk Officer and Chief Financial Officer) is a member of the Board. The CEO and Group Finance Director are accountable to the Board for matters relating to risk. This includes keeping the Board informed of water-related risks through the group's risk management procedures. Water-related issues and potential financial implications are reviewed, monitored and escalated to the Board through this risk management system for which the Group Finance Director has responsibility.</p>
Other C-Suite Officer	<p>The Director of Legal Services and Company Secretary is accountable at Board level for matters relating to corporate responsibility including water stewardship. The Director of Legal Services and Company Secretary position reports into the Chief Executive Officer and therefore has the ability to review, influence and monitor changes at a group level. Any water-related risks that have a high and immediate likelihood are reported to the Group CEO via the Group Chief People and Performance Officer and the Group Company Secretary. The Company Secretary acts as a focal point for communications to the Board and with shareholders on responsibility matters.</p>

**W6.2b**

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

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing major capital expenditures Reviewing and guiding annual budgets Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy	<p>ABF's Board of directors is responsible to shareholders for the direction and oversight of the group to ensure its long-term success. The Board met regularly throughout the year, either in person or virtually, to approve the Group's strategic objectives, to lead the Group within a framework of effective controls which enable risk to be assessed and managed, and to ensure that sufficient resources are available to meet the objectives set.</p> <p>The Board is accountable for effective risk management; for agreeing the principal risks facing the Group and ensuring they are successfully managed. The Board undertakes a robust annual assessment of the principal risks, including emerging risks, that would threaten the business model, future performance, solvency or liquidity. The Board also monitors the Group's exposure to risks as part of the performance reviews conducted at each Board meeting.</p> <p>During the year, key activities of the Board relating to ESG matters and water included supporting the enhanced reporting activity on ESG matters and receiving regular management reports as well as annual presentations on environmental issues.</p> <p>The Board receives a formal update from the Group Corporate Responsibility Director, the Chief People and Performance Officer and the Group Safety and Environment Manager on environmental issues annually including on water stewardship. In addition, environmental issues are addressed as part of both specific and routine Board agenda items.</p> <p>During the year, the Audit Committee and the Board received specific briefings on our approach to achieving TCFD compliance. We have engaged external experts to support our TCFD implementation and established a steering committee to oversee its governance, which reports to the Audit Committee. The steering committee comprises senior functional leaders from Corporate Social Responsibility, Environment, Finance, Risk Management, Corporate Affairs and HR, together with senior representation from AB Sugar and Primark.</p> <p>The Board undertakes an annual assessment of the principal risks which are believed to likely have the greatest current or near-term impact on the group's strategic and operational plans and reputation. During these meetings, the Board reviews ABF's strategic objectives including climate change and other material environmental impacts. The use of natural resources and managing our environmental impact have been identified as one of the group's principal risks and uncertainties, as reported in the 2021 Annual Report.</p>

**W6.2d**

**(W6.2d) Does your organization have at least one board member with competence on water-related issues?**

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	<p>We believe that members of the Board should collectively possess a diverse range of skills, expertise, industry knowledge, business and other experience necessary for the effective oversight of the Group. In our 2021 Annual Report and Accounts we published a director skill sets matrix which seeks to provide a snapshot of the range of skills including Board members with environmental skills.</p> <p>Board members are appropriately informed, skilled and with a range of experiences from other roles to make informed decisions to create long-term value for our shareholders, business partners, employees and the communities and environments in which we operate.</p> <p>In addition, the Board have received specific briefings on climate change matters and on TCFD throughout the year, with external experts engaged to support our knowledge growth and TCFD implementation.</p> <p>As demonstrated through our series of ESG investor events in 2021, members of our board possess knowledge and skills related to climate-related risks and opportunities relevant to our businesses. The first event was held in March 2021, with presentations by the Chairman, Chief Executive, Finance Director, Director of Legal Services and Company Secretary, Group Corporate Responsibility Director and Chief People and Performance Officer. Investors had the opportunity to ask questions and three subsequent events were held for banks, insurers and employees respectively, giving them the opportunity to ask questions which included those relating to climate-related issues which could include the impact of climate change on water.</p>	<Not Applicable>	<Not Applicable>

**W6.3**

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

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

Other committee, please specify (TCFD Steering Committee)

**Responsibility**

Assessing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

As important matters arise

**Please explain**

The TCFD Steering Committee led by Group Finance Director (equivalent title to Chief Risk Officer and Chief Financial Officer) was established this year to oversee the governance of our TCFD programme. Given that climate change and water stewardship runs across all business and functions, the steering committee includes senior group functional representation from Corporate Social Responsibility, EHS, Finance, Risk Management and Corporate Affairs, together with senior representation from AB Sugar and Primark.

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

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

**Responsibility**

Assessing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

As important matters arise

**Please explain**

The Director of Legal Services and Company Secretary has overall accountability to the Chief Executive for corporate responsibility issues, including climate change and water stewardship, and acts as the focal point for communications to the Board and with shareholders on corporate responsibility matters. Responsibility lies here because The Director of Legal Services and Company Secretary reports to the CEO and therefore has the ability to review, influence and monitor climate and water activities at a group level.

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

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

**Responsibility**

Assessing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

As important matters arise

**Please explain**

The Group's Director of Financial Control receives annual risk assessments from the group and reviews the key risks with the Board. Responsibility for monitoring climate-related and water-related risk lies here as climate is integrated into the group's risk management procedures. In addition, an aggregated summary of risks, including environment is reviewed by the Director of Financial Control, Group Finance Director, CEO and ABF's board at least annually.

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

Other, please specify (Group Corporate Responsibility Director)

**Responsibility**

Assessing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

As important matters arise

**Please explain**

The Group Corporate Responsibility Director, who reports to the Director of Legal Services and Company Secretary, is responsible for monitoring climate-related and water-related activities across the Group and for reviewing the robustness of external non-financial targets set by our businesses. This role leads the Corporate Responsibility Hub, which supports all our businesses on environmental and human rights issues and brings together all the professionals in our businesses working in these areas to share knowledge and best practice. The Group Corporate Responsibility Director chairs the CR Leaders Group has representatives from the businesses and group-level finance, procurement, risk and communications. This leadership group meets throughout the year to discuss and address group-wide and business- or geographic-specific issues such as climate change, water stewardship and deforestation.

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

Other, please specify (Chief People and Performance Officer)

**Responsibility**

Other, please specify (Oversight of environmental performance)

**Frequency of reporting to the board on water-related issues**

Annually

**Please explain**

The Chief People and Performance Officer, who reports to the Chief Executive, is responsible for overseeing the measurement and reporting of our environmental performance.

---

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

Other, please specify (Group Safety and Environment Manager)

**Responsibility**

Other, please specify (Measuring environmental performance)

**Frequency of reporting to the board on water-related issues**

Annually

**Please explain**

The Group Safety and Environment Manager, who reports to the Chief People and Performance Officer, supports the businesses with their environmental performance and reporting including water and wastewater volumes. Responsibility lies here as the role has direct engagement with the sites and business-level environment managers to support the monitoring of water data, and water-related activities as well as responsibility for the annual disclosure of environmental performance data. The Group Safety and Environment Manager chairs the Health, Safety and Environment (HSE) Leaders Group which addresses operational environmental issues including sharing best practice of water stewardship.

These roles report annually to the Board on the operational environmental issues in our direct operations.

---

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

Business unit manager

**Responsibility**

Other, please specify (Both assessing and managing water-related risks and opportunities)

**Frequency of reporting to the board on water-related issues**

Annually

**Please explain**

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

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## W6.4

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

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	The group takes a long-term approach to investment and is committed to increasing shareholder value to deliver steady growth in earnings and dividends. The personal performance element of the Short-Term Incentive Plan for executive remuneration was modified in 2019 to include in-year execution of multi-year priorities related to environmental, social and governance (ESG) measures. As reported in our 2021 Annual Report and Accounts, personal performance for executive directors is aligned with key business health and business performance goals, including ESG measures. In 2021, these included new structures and ways of working to support the ESG agenda and significant preparatory work to put the Group in a strong position for the first year of TCFD reporting in 2022 with extensive research on scenario impacts across the Group and development of approaches to climate-related measurement which influence water monitoring.

## W6.4a

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

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Chief Executive Officer (CEO) Chief Financial Officer (CFO) Other, please specify (Business Unit Manager)	Other, please specify (ESG matters)	Chief Executive Officer (CEO) and Chief Financial Officer (CFO): As reported in the 2021 Annual Report and Accounts, the personal performance element of the short-term incentive plan includes in-year execution of multi-year priorities related to environmental, social and governance (ESG) measures and business health and business performance.  Business unit manager: Business unit managers are the equivalent role of the chief executives of each ABF business. As reported in the 2020 Annual Report and Accounts, the personal performance element of the short-term incentive plan was modified to focus on in-year execution of multi-year priorities related to environmental, social and governance (ESG) measures and business health as well as business performance. Monetary rewards and criteria vary depending on the specific business, associated climate-related risks and opportunities and whether targets have been set.
Non-monetary reward	Other, please specify (Management group)	Reduction of water withdrawals Improvements in efficiency - direct operations Improvements in efficiency - product-use Improvements in waste water quality - direct operations Improvements in waste water quality - product-use Supply chain engagement	Due to the importance of sugar to the group, we include here the example from Illovo Sugar Africa (Pty) Ltd: Water-related indicators are directed at initiatives and advancements in water efficiency including conversion to drip irrigation and the increase of recycling of water within operations. Recognition is the type of non-monetary incentive used.

## W6.5

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

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

## W6.5a

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

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

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

## W6.6

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

Yes (you may attach the report - this is optional)

ABF's Annual Report and Accounts 2021 on page 42 Focus on water stewardship on page 31 of our Responsibility Update 2021 Our ESG Insights 2021 on Water

**W7. Business strategy**

**W7.1**

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

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

**W7.2**

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

Row 1

**Water-related CAPEX (+/- % change)**

0

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

0

**Water-related OPEX (+/- % change)**

0

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

0

**Please explain**

Over the last year, our businesses have invested just over £3m to further improve wastewater treatment systems. This CAPEX includes the upgrade of effluent ponds to prevent pollution and improve treatment efficiency, as well as new ETPs and drainage upgrades.

Water stewardship is a substantial issue for Illovo with water supplies declining, costs increasing such as water tariffs and irregular weather patterns all impacting water management. Three of the main water users have significant projects in place to improve the efficiency of their irrigation processes to reduce water losses. Other water stewardship activities across the Illovo sites include upgrades to water canals around the sugar cane estates to minimise evaporation, the installation of more flow meters to improve monitoring of water used for irrigation, investigating the use of more boreholes to reduce reliance on municipal water and communication.

**W7.3**

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

	Use of scenario analysis	Comment
Row 1	Yes	We focused initial scenario analysis efforts on AB Sugar and cotton in Primark's supply chain as the two most significant areas with climate change risks already identified. Scenario analysis will be undertaken on other climate risks and opportunities which are judged material. The scenarios considered for AB Sugar and Primark cotton align with the Paris Agreement on Climate Change. We will report the results in our TCFD disclosure to be published in the 2022 ABF Annual Report in November 2022.

**W7.3a**

**(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.**

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	The scenarios considered for AB Sugar and Primark cotton align with the Paris Agreement on Climate Change to limit global temperature increases to well below 2°C, and ideally no more than 1.5°C above pre-industrial levels. For transition risks, we are modelling the impact of carbon taxes in <1.5°, <2° and <3° Celsius scenarios and assess other potentially material transition risks from climate impacts.		We will report the results in our TCFD disclosure to be published in the 2022 ABF Annual Report in November 2022.

**W7.4**

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

**Row 1**

**Does your company use an internal price on water?**

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

**Please explain**

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

**W7.5**

**(W7.5) Do you classify any of your current products and/or services as low water impact?**

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	Yes	In June 2021 Primark launched Cradle to Cradle Certified™ Gold certified mom-fit denim jeans. The Cradle to Cradle Certified™ Product Standard is a set of globally recognised criteria for safe, more sustainable products with a lower impact on the planet. These jeans were Primark's most sustainably made yet. They were made from 100% organic cotton, produced using less water and energy, made to last and designed to be recycled.	<Not Applicable>	

**W8. Targets**

**W8.1**

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

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Business level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level	Our decentralised business model empowers the management of our businesses to identify and manage the risks they face to ensure compliance with relevant legislation, our business principles and group policies. Our businesses set their own environmental goals if it is an issue against which they choose to monitor their performance. Examples of business level commitments are: - George Weston Foods is aligned to the Australian Food & Grocery Council's Sustainability Commitment. This incorporates the target to reduce water consumption per tonne of production by 20% by 2020 (2010/2011 baseline). - In 2018, AB Sugar launched its 2030 commitments, as part of its Global Mind, Local Champions sustainability framework. Global Mind, Local Champions sets out AB Sugar's global principles and priorities for how to address the emerging challenges faced across its sugar value chain. The delivery of the framework is implemented on the ground by each of the AB Sugar manufacturing businesses. AB Sugar has committed to a 30% reduction in water usage by 2030 (baseline 2018). AB Sugar has completed a comprehensive baseline for each of the 2030 commitments based on current data and methodologies. The water baselines have been completed by country, business, site and supply chain. The baselines have comprehensive data and include considerable details about factory, in-field and growers data but also usage, loss, evaporation and transportation data at a site level. The baselines are being used to identify levers and projects to materially change the water footprint. In 2019, AB Sugar launched the Innovate Irrigation Challenge to find solutions to reduce water losses in the field. Illovo Nchalo has been identified as the pilot site for the implementation of the Smart Water Management Tool with the intention that by 2023 six Illovo sites will be using the Tool.

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

Target 1

**Category of target**

Water withdrawals

**Level**

Business

**Primary motivation**

Water stewardship

**Description of target**

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

**Quantitative metric**

Absolute reduction in total water withdrawals

**Baseline year**

2018

**Start year**

2018

**Target year**

2030

**% of target achieved****Please explain**

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

**Target reference number**

Target 2

**Category of target**

Product water intensity

**Level**

Business

**Primary motivation**

Reduced environmental impact

**Description of target**

As a responsible business, George Weston Foods is always looking to improve what they do for the benefit of customers, their people, local communities and the environment for the long term. The business's environmental performance includes alignment with the Australian Food & Grocery Council's (AFGC) Sustainability Commitment.

George Weston Foods water target is derived from the Australian Food & Grocery Council's Sustainability Commitment and is to reduce water consumption per kg of goods produced by 20% by 2020, relative to a 2010 - 2011 baseline. Initiatives include water re-circulation, more efficient cleaning practices and rainwater harvesting.

**Quantitative metric**

% reduction per product

**Baseline year**

2011

**Start year**

2011

**Target year**

2020

**% of target achieved**

100

**Please explain**

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

W9. Verification

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W9.1

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

No, we do not currently verify any other water information reported in our CDP disclosure

W10. Sign off

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W-FI

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

W10.1

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

	Job title	Corresponding job category
Row 1	Finance Director	Chief Financial Officer (CFO)

W10.2

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

No

SW. Supply chain module

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SW0.1

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

	Annual revenue
Row 1	13884000000

SW1.1

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

This is confidential

SW1.2

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

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

SW2.1

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



SW2.2

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

No

SW3.1

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

Submit your response

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In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms