

ESG Insights 2022

Circularity and waste

Associated
British Foods
plc

Why it is important

Today's economy is primarily based on a linear 'Take-Make-Dispose' model, which has delivered economic growth and increased prosperity.

This linear model involves extracting natural resources to make products, which are used for a limited period of time before being discarded as waste. The consequences of this current model are becoming increasingly evident and the planet simply cannot continue to carry this burden.

We continue to see a huge focus from business, government and civil society to move towards a more circular economy, which focuses on eliminating waste, keeping material in use and regenerating natural systems. This offers significant opportunities, as well as challenges, for all of us. We see three significant challenges where urgent collaborative

action is required to combat the economic, environmental and social consequences of waste and enable the move from a linear to a more circular economy. These are:

1. Food waste: Globally around 30% of all food produced is lost or wasted. Food loss and waste also accounts for up to 10% of greenhouse gas emissions¹.
2. Plastic waste: Only 14% to 18% of plastic waste is formally recycled². Each year, at least 8 million tonnes of plastics leak into the ocean – which is equivalent to dumping the contents of one garbage truck into the ocean every minute³.
3. Textile waste: Every second, the equivalent of a rubbish truck load of clothes is burnt or buried in landfill⁴.

Our commitments

Our UK Grocery division, which accounts for 13% of the Group's plastic packaging, supports WRAP's UK Plastics Pact. By 2025, this aims:

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

GWF is a member of the Australian Packaging Covenant Organisation (APCO). This organisation has a collective target that by 2025 all packaging will be designed to be 100% recyclable, reusable or compostable to help "close-the-loop".

AB Sugar, under their Global Mind, Local Champions strategy, have committed to making all their plastic packaging reusable, recyclable, biodegradable or compostable by 2030.

Twinings committed to ensure that, in all markets, consumer packaging is reusable or recyclable and tea bags are compostable by 2025. In markets where it's possible, the business will also increase the recycled content of packaging, find alternatives to single-use plastic packaging and work to reduce the packaging used.

Primark, through their Primark Cares strategy, have committed to eliminate all single-use plastic from the business by 2027, change the way clothes are made to ensure they are recyclable by design by 2027, and by 2030 that they are all made from recycled fibres or more sustainably sourced materials. All clothing will also be put through more rigorous testing to increase clothing durability.

Primark were also among the first signatories to commit to Textiles 2030, the successor to the Sustainable Clothing Action Plan (SCAP) 2020. The commitment to Textiles 2030 includes sharing the ambition to create and deliver a UK-wide roadmap for circular textiles by making more durable, recyclable and reusable products and using more recycled, circular materials.

1. [FAO](#)

2. [WEF – Plastics, the Circular Economy and Global Trade](#)

3. [WEF – The New Plastics Economy](#)

4. [EMF – Redesigning the future of fashion](#)

Our approach

Responsible stewardship of the environment is a core principle for Associated British Foods plc (ABF). For ABF and the various businesses in the Group, complying with the ABF Environment Policy and all applicable legislation in countries where those businesses operate is the starting point, not the end goal. Our businesses continuously consider and implement activities, voluntary commitments and internationally recognised management systems to reduce our environmental risks. Each of our businesses monitors its environmental impact across a number of areas, which enables them to measure their progress and identify where they could do more.

Right across our Group we are looking for ways to use fewer resources more efficiently so that resources and their by-products are used, reused, recycled or reconstituted multiple times. The businesses are first avoiding the creation of waste as much they can, then reusing, recycling, or recovering as energy any waste they cannot avoid, with landfilling or other final disposal techniques as the last resort.

Our food and ingredients businesses are highly efficient at maximising the value that can be derived from the crops and raw materials they use. This makes good commercial sense. It is also aligned with best practice environmental principles, prioritising waste prevention and reuse wherever possible.

We fully recognise the harmful effects of plastic waste on ecosystems. We also recognise that plastic packaging plays a vital role within the food industry in keeping food products safe.

Wherever possible, we're removing unnecessary and problematic plastic packaging. Where there is currently no viable alternative to plastic packaging, we're increasing our use of recycled content and support the principle of circularity. To that end, we're increasing the recyclability of our packaging materials wherever we can

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

We use on-site anaerobic digesters to generate biogas from waste streams. These anaerobic digester (AD) plants are located across 10% of our manufacturing sites over 10 countries. These sites are demonstrating a commitment to a circular economy by efficiently using their waste materials to generate energy required for their operations and exporting surplus to national grids.

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

We understand that a range of stakeholders will need to join forces to create the infrastructure necessary for a truly circular economy for plastics. Furthermore, opportunities to use bio-based materials are limited, not least due to the strict regulations governing packaging that comes into direct contact with food. Nonetheless, many of our businesses are determined to reduce the environmental impacts of packaging and use recyclable plastic where possible.

Circular product design and textile recycling

Primark has committed to improve the durability of its clothes by 2025, so that customers can enjoy them for longer. Primark is a signatory to Textiles 2030, an ambitious voluntary agreement intended to limit the environmental impact of clothes. It is working with WRAP to develop new industry guidelines on durability which will be incorporated into its Clothing Longevity Protocol which was developed in 2013.

Primark has also committed to designing products to be recyclable. Last year Primark launched a denim collection in line with the Ellen MacArthur Foundation's Jeans Redesign guidelines. The collection featured jeans and denim jackets made of organic cotton and recycled fibres and designed to be easily recycled.

Primark is increasingly using 'recyclable by design' principles and methods to ensure its clothing is designed and manufactured with circularity in mind.

This involves making decisions about fabric composition, components and embellishments – everything from the primary fabrics used to small details such as labels or rivets and buttons. Primark has appointed a Circular Product Lead to manage this work, and it has recently completed a circularity pilot with denim and jersey buying and design teams, in addition to some key suppliers. It is now developing training to help scale this approach across its product range.

Our performance

Across the Group, we generated 585,000 tonnes Δ of waste, a 2% increase compared with last year. Of this total, 84% was sent for recycling, recovery or other beneficial use. The amount of waste sent to landfill decreased by 24% from 121,000 tonnes to 92,000 tonnes Δ . This waste accounts for just 16% of our total waste generated. The small amount of hazardous waste we generated increased by 20% this year to 5,000 tonnes Δ as a result of a number of site clean-up projects of materials and equipment. Of our manufacturing sites, 14% diverted all waste from landfill during the year and 36% recycled or reused 95% or more of their total waste.

In 2022, our businesses used 268,000 tonnes Δ of packaging. This is a 4% increase from last year, largely driven by our Sugar and Retail segments with Primark increasing its trading activity since the COVID-19 pandemic. While trading activity and product output are significant contributors to packaging volumes, there continues to be a concerted effort to decrease packaging use and explore new packaging materials. Paper contributes the largest share of packaging material across the Group at 39%.

Total waste generated – Group total

'000 tonnes

	2018	2019	2020	2021	2022 Δ
	770	632	585	571	585 Δ

Total waste generated by business segment

'000 tonnes

	2018	2019	2020	2021	2022 Δ
Grocery	93	100	99	96	83 Δ
Sugar	483	337	348	318	311 Δ
Agriculture	5	6	6	7	6 Δ
Ingredients	98	101	60	93	109 Δ
Retail	90	88	72	57	77 Δ

Waste recycled – Group total

'000 tonnes/%

	2018	2019	2020	2021	2022
	631 / 82%	508 / 80%	489 / 84%	450 / 79%	492 Δ / 84%

Waste recycled by business segment

'000 tonnes

	2018	2019	2020	2021	2022 Δ
Grocery	80	87	86	83	71 Δ
Sugar	381	249	283	244	246 Δ
Agriculture	4	5	5	7	5 Δ
Ingredients	80	84	45	62	98 Δ
Retail	85	84	69	54	73 Δ

Waste sent to landfill – Group total¹

'000 tonnes/%

	2017	2018	2019	2020	2021	2022
	160 / 16%	138 / 18%	119 / 19%	92 / 16%	121 / 21%	92 Δ / 16%

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

Non-hazardous waste sent to landfill by business segment

'000 tonnes

	2018	2019	2020	2021	2022 Δ
Grocery	9	9	9	10	8 Δ
Sugar	102	87	64	73	64 Δ
Agriculture	1	1	0	1	1 Δ
Ingredients	18	17	15	31	11 Δ
Retail	5	4	3	2	3 Δ

Total waste generated – 2022

Recycled 84%

Landfill 16%

Quantity of packaging used

'000 tonnes

	2018	2019	2020	2021 ¹	2022 Δ
	256	259	245	258	268 Δ

Quantity of packaging used by business segment

'000 tonnes

	2018	2019	2020	2021	2022 Δ
Grocery	159	165	165	165 ²	158 Δ
Sugar	15	15	13	21 ³	21 Δ
Agriculture	4	4	3	4	4 Δ
Ingredients	29	26	26	27	30 Δ
Retail	49	49	38	41	54 Δ

1. Data restated. In 2021, we published a Group figure of 233,000 tonnes of packaging.

On further investigation during 2022, we identified an element of miscounting resulting in 11% less packaging being reported in 2021. The group figure reported should have been 258,000 tonnes of packaging used in 2021.

We have shared this finding with other sites across the group to continue embedding good practice in data management.

2. Data restated. In 2021, we published a Grocery segment figure of 147,000 tonnes of packaging. The Grocery segment figure reported should have been 165,000 tonnes of packaging.

3. Data restated. In 2021, we published a Sugar segment figure of 14,000 tonne of packaging. The Sugar segment figure reported should have been 21,000 tonnes of packaging.

Highlights

- 84% of the waste we generated across the Group was sent for recycling, recovery or other beneficial use.
- 95% of all waste generated by Primark's direct operations was diverted away from landfill.
- At the end of 2022, 10% of our manufacturing sites, across 10 countries, were using anaerobic digestion to produce renewable energy. These included British Sugar and AB Agri operations in the UK, AB Mauri facilities in the UK, Mexico and Argentina and Azucarera in Spain. 237 GWh of energy was generated and consumed from our on-site anaerobic digesters which use waste to generate biogas.
- Our Sugar segment reduced the amount of waste generated this year by 2% compared with last year. Of the waste generated by our sugar operations, 79% was recycled or re-used for a beneficial use such as replenishing soil and environmental restoration.
- Becoming a more circular business is a key part of Primark Cares sustainability strategy. The Circular Fashion Partnership (CFP), led by the Global Fashion Agenda, has given the opportunity to reduce dependency on virgin textile materials & increase the availability of recycled textile materials by establishing a long-term, scalable transition to a circular fashion system in garment manufacturing countries. With the partnership, Primark is engaging with parts of the supply chain that historically the business may not have had relationships with, like waste handlers and recyclers. Primark started in 2021 and worked with 3 suppliers in Bangladesh.
- Since 2019, Primark has estimated to have removed over 600 million units of unnecessary single-use plastic components from its business.
- More than 83% of the plastic used by the businesses in the UK Grocery division is now either widely recycled or can easily be recycled where collection and facilities exist.
- Compared with 2020, our Grocery segment's use of packaging has decreased by 4% which reflects the focus taken by our Grocery businesses to decrease the amount of packaging materials used for the safe containment of their products. Grocery accounts for nearly 60% of the Group's total packaging volumes.
- AB World Foods are focused on eliminating certain plastics including PVC, PS and black plastics, and light-weighting packaging. They are proactively seeking alternatives for non-recyclable packaging. For example, the PVC tray from pappadum packaging has been removed. This one initiative alone removes around 590 tonnes of PVC a year that is 7% of total plastic volumes used across UK Grocery as a whole.
- Tip Top Bakeries in Australia and New Zealand replaced polystyrene bread bag tags with 100 per cent recycled and recyclable cardboard material which can be recycled if placed in a used envelope at kerbside collection. This removes over 400 million pieces of plastic bread tags from the environment every year, which is equivalent to 127 tonnes of plastic going to landfill annually.

Outlook

- In July 2021 Primark extended their relationship with the Ellen MacArthur Foundation by becoming a network partner, having first joined the Foundation's 'Make Fashion Circular' initiative in 2018. Over the next three years, Primark will work with other leading organisations from across the world to accelerate the transition towards a circular economy.
- Primark environmental sustainability team continue to work with suppliers on the ground to implement circular economy related practices in order to reduce waste in their supply chain as well as maximising the value of any waste which is generated.
- Sustainable packaging improvement plans are being implemented by businesses across the Group, including GWF and businesses within our UK Grocery and AB Sugar divisions.
- UK Grocery businesses are also focused on increasing the use of recycled content in packaging where it is possible to access certified food-safe recycled packaging materials.

Policies, statements and codes

[ABF Environment Policy](#): our principles for being responsible stewards of the environment and minimising any negative impacts.

Methodologies

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

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

Packaging: material used for the containment, protection, handling, delivery and presentation of our products. We collect packaging data for different types of materials including glass, paper, plastic and aluminium. Included in our packaging weights are items such as labels, plastic wrap, cardboard boxes, plastic containers and lids for bottles. Waste packaging, packaging on materials purchased by sites and packaging used for internal transfers are excluded.

Methodology for highlights

84% of the waste we generated was sent for recycling, recovery or other beneficial use.

Waste is defined as substances or materials that have no further use in our main processes and which we are required to discard or treat prior to final disposal. We have generated 585,000 tonnes Δ of waste this year, 84% of which was recycled, recovered or had another beneficial use.

Links

[Primark Cares – Eliminate, Innovate, Circulate](#)

[Primark Cares – Turning it round](#)

[Primark Cares – Love your clothes, love your world](#)

[AB Sugar – Global mind local champions](#)

[Courtauld Commitment 2030](#)

[Champions 12.3](#)

Our impact on the Sustainable Development Goals



Responsible consumption and production

We have many programmes for the sustainable management and use of natural resources in manufacturing, agricultural and sourcing processes (target 12.2), covering materials such as palm oil, cotton and soya. We also help agricultural suppliers to reduce their use of chemical pesticides and fertilisers (target 12.4), while programmes to redistribute surplus food and improve food packaging technology are increasing shelf-life and cutting food waste (target 12.3). Broader initiatives are also in place to reduce waste generation, including single-use plastics, and increase recycling, including waste diversion for energy, zero-waste-to-landfill targets, packaging innovations and industry collaborations (target 12.5).