About ABF

Our purpose is to provide safe, nutritious and affordable food, and clothing that is great value for money.

Our businesses operate in different markets, serve different customers and meet different needs, yet they are united by a common approach: building the capabilities required to grow, compete and create value over the long term.

Through disciplined investment in people, infrastructure, brands and innovation, we have developed strong businesses with leading positions in food and retail.

Operating sustainably and responsibly is integral to this approach, shaping how we manage our supply chains, support our communities and deliver long-term value for all stakeholders.

Separation of Retail and Food businesses

In April, ABF announced that its Board of Directors had decided to proceed with a demerger of Primark from its Food business, which is expected to be completed in December 2027. On completion of the demerger, ABF shareholders will hold shares in both listed entities.

Our operating businesses

Retail

Primark

An international value retailer offering clothing, beauty and homeware through a growing store network across Europe, US and the Middle East.

Revenue
£9,820m
(2025:£9,489m)

Adjusted operating profit
£1,005m
(2025:£1,126m)

Read more on page 18

Food

Grocery

A portfolio of international brands and regional food businesses with leading positions across multiple grocery categories and markets.

Revenue
£4,237m
(2025: £4,125m)

Adjusted operating profit
£427m
(2025: £478m)

Read more on page 30

Ingredients

A global ingredients business supplying yeast, bakery ingredients and specialty ingredients for food, health and nutrition and pharmaceutical markets.

Revenue
£2,105m
(2025: £2,041m)

Adjusted operating profit
£238m
(2025: £257m)

Read more on page 34

Sugar

A sugar producer operating across Africa, the UK and Spain, producing sugar from both cane and beet.

Revenue
£1,966m
(2025: £2,047m)

Adjusted operating loss
£(47)m
(2025: £(1)m)

Read more on page 38

Agriculture

An international agri-food business producing animal feed, feed ingredients and premix, alongside an integrated UK dairy business.

Revenue
£1,015m
(2025: £1,029m)

Adjusted operating profit
£19m
(2025: £18m)

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Investing in future growth

"The opportunities for both Primark and AB Foods are considerable and the Board firmly believes that each will thrive as an independent entity."

Michael McLintock
Chairman

This year's results reflect a challenging operating context that has been dominated by macroeconomic headwinds, but the Group has made important strategic and operational progress in a number of areas.

Group adjusted operating profit was £1,508m, down 13% at actual exchange rates and 14% at constant currency rates on last year. Adjusted profit before tax was £1,457m, down 14% on last year, and adjusted earnings per share was 156.0p, down 11%. This primarily reflects profit reductions in Retail.

Looking at our divisions in detail, **Primark** sales grew 2% at constant currency and 4% at actual rates, driven by actions to strengthen the customer proposition as well as new stores and the rollout of our franchise model, which contributed 5% to sales growth. Like-for-like sales, however, were down 2.6% for the full year. Adjusted operating profit margin was 10.2%, in line with expectations, and adjusted operating profit was £1,005m, down 12% at constant currency exchange rates and 11% at actual currency rates. This reflects a challenging consumer environment in most of our markets and, while progress has been made in improving the customer proposition in the UK and especially womenswear, there is much more to do in Europe and the US. Looking ahead, Primark has taken important decisions to invest in future growth drivers, expanding its international franchise model and deciding to offer home delivery in Great Britain in the future.

In **Grocery**, revenue was £4.2bn, up 3% at actual rates and 2% at constant currency rates on last year. However, adjusted operating profit was below expectations at £427m, down 11% at actual exchange and constant currency rates, mainly due to a decline in the US oils category, higher cocoa costs and a step-up in technology costs in a number of businesses.

In the UK, we completed the acquisition of Hovis, which gives us the ability to create a sustainably profitable bakeries business, supported by investment in marketing and innovation.

In **Ingredients**, sales were up to £2.1bn, an increase of 3% at actual exchange rates and 2% at constant currency rates. AB Mauri, our yeast and bakery business, saw good sales growth in most markets, and our specialty ingredients portfolio, ABFI, continued to grow well overall. Increased investment and US consumer weakness for bakery ingredients, however, means adjusted operating profit was moderately below last year at £238m, 7% down at actual exchange rates and 8% at constant currency rates, which is in line with our expectations.

This has been another difficult year for **Sugar**, where the adjusted operating loss was £47m. This was driven by lower average prices compared to last year, as well as an increased level of onerous contract provisions taken this year arising from an expected small UK crop in conjunction with inadequate overhead recoveries, continued low European sugar prices and elevated natural gas costs. We are taking action to manage the cost base across the Sugar division, including through the closure of British Sugar's Cantley factory. Early indicators suggest that improved sugar prices will benefit the business in 2028.

In **Agriculture**, adjusted operating profit was broadly flat at £19m, in line with our expectations. We continue to simplify the division and focus on higher growth segments, including through the exit from UK compound feed and a more customer centric operating model and Frontier.

Investment

ABF invests for long-term growth where we are confident projects offer attractive shareholder returns. Group gross investment for the year was £1,433m, up 15% on last year. The increase was driven mainly by acquisitions of £167m, including of Hovis, Elementis, Abe's Bagels and Casa de Bolos. We have also seen the completion of multi-year projects which extend capacity, strengthen capabilities and modernise operations to drive efficiency.

Separation of Retail and Food businesses

The proposed demerger reflects the strength and maturity of two distinctive businesses that have evolved over many decades. While Retail and Food operate in different markets and serve different customers, they have been shaped by a shared approach to governance, disciplined capital allocation and responsible business practices.

These common frameworks have supported strong decision-making, long-term investment and a culture of accountability across the Group. They have helped create businesses with clear market positions, resilient operating models and the capability to succeed independently.

As separate companies, both businesses will retain these foundations while gaining greater strategic focus, oversight and accountability. The Board believes this will position each business to build on its strengths, invest behind its priorities and create long-term value for shareholders and other stakeholders.

Demerger

In April, the Board completed its in-depth review of the Group structure and concluded that a demerger of Primark from the Food business is the best way to maximise long-term returns for shareholders. The decision was reached having looked in detail at the financial, commercial, legal and organisational consequences of the demerger. The demerger is anticipated to be effective in December 2027.

A demerger will deliver a number of benefits to each business - in particular, oversight by boards that are directly aligned to their respective industry dynamics, clearer investment propositions and accountability to shareholders specifically interested in either Food or Primark. The opportunities ahead for both Primark and AB Foods are considerable and the Board firmly believes that each will thrive as an independent entity.

To ensure a smooth transition through the demerger process, I have agreed with the Board that I will continue as Chairman of ABF until the completion of the demerger.

AB Foods is how we will refer to the standalone food business post the demerger of Primark and, in anticipation of that, how we will refer to our group of food businesses going forward.

Capital structure and shareholder returns

We completed our latest £250m share buyback programme in August. Over the past four years, we have returned almost £3.9bn back to shareholders via dividends, special dividends and share buybacks. Our balance sheet, whilst strong, no longer carries what we would consider to be excess capital. The final dividend has therefore been maintained and we have decided not to undertake further share buybacks for the time being as we want the two new standalone businesses to be well capitalised with strong balance sheets.

Board

In March 2026, we announced the appointment of Joana Edwards to the Board as Group Chief Financial Officer. The Board and I were impressed by the capability and strength Joana brought to the interim position, demonstrating both the judgement and the skillset required for the role. We were delighted to welcome her to the Board.

We also announced the appointment of Eoin Tonge as the Primark Chief Executive. Eoin's understanding of the business, combined with his financial acumen and strategic clarity, give him the right breadth of qualities and experience to develop and grow Primark. Eoin remains a member of the Board of ABF.

Work is well underway to appoint a Chair of Primark, after which we will begin to look for non-executive members.

Outlook

We expect the tough operating environment to continue and remain cautious on consumer sentiment and the impact of inflation and higher energy costs. In particular, Sugar remains under pressure and Grocery will incur the costs of the Hovis integration.

Group adjusted operating profit and adjusted EPS are expected to be below this year.

In **Primark**, we expect new space growth in Europe, the US and our franchise markets to contribute around 4% to sales growth. Adjusted operating margin is expected to be approximately 10%, reflecting continued investment in like-for-like sales growth. This does not include the impact of the expected dis-synergy costs as Primark moves towards demerger readiness.

We expect **Grocery** adjusted operating profit to be broadly in line with 2026. While Hovis will be slightly dilutive to Grocery profit in 2027, it is expected to be accretive to profit in subsequent years.

In **Ingredients**, profit is expected to be broadly in line with this year due to start-up costs in our new yeast facility in India. We expect **Agriculture** to grow in 2027.

We remain cautious on the outlook for **Sugar** in 2027. We expect the operating loss to be greater and to be in the range of minus £70m to minus £170m. A number of factors could materially influence the outcome, either positively or negatively, including significantly higher gas costs, production levels in Africa, El Niño weather impacts, and currency movements, notably the Malawian kwacha.

Looking ahead, we have seen a recent turn in European sugar prices. This trend should continue, as European sugar production is estimated to be significantly lower this year and world sugar prices have risen sharply. We expect to see the benefit of higher European market prices in future years.

In a challenging year, the Group has made significant strategic and operational progress that will serve shareholders well when the operating environment starts to improve.

Michael McLintock
Chairman



A selection of grocery products from some of our businesses around the world



Turning investment into advantage

The Group made significant strategic progress in a difficult year. Although financial performance was frustrating in the year, we took significant steps to strengthen our businesses.

Last year we identified three key areas where self-help could improve performance and we continued that work this year. In Grocery, we acquired Hovis and integration is underway to establish a sustainably profitable UK bakery business. In Sugar, we continued to rationalise our footprint and will move from four to three factories in the UK, enabling us to meet customer demand more efficiently. We are now doing similar in Agriculture, where we are freeing up low-returning capital and concentrating operations on the areas with the strongest growth prospects. And in Primark, our strategy to drive like-for-likes has been successful in the UK and womenswear.

Operationally, the year was rather better. Amidst global supply chain instability, ABF demonstrated once again its resilience by consistently delivering safe, affordable and nutritious food and great value clothing to our customers. It has been harder to do our job this year, but we have done it well.

The context has been challenging. Macroeconomic volatility and external cost pressures reduced profits. Conflict in the Middle East affected the Group through higher energy, freight and other input costs, and extreme weather disrupted some of our operations and agricultural supply chains. Economic insecurity weakened consumer confidence.

Group adjusted operating profit was £1,508m, 14% lower than last year, principally driven by lower profit at Primark. Adjusted earnings per share were down 11%. EPS benefitted from share buybacks. I'm pleased to say that the dividend will be maintained, reflecting the underlying strength of the Group and the Board's confidence in the long-term prospects of the business.

I was heartened by the way we responded to our challenges.

"Amidst global supply chain instability, ABF once again demonstrated its resilience. It has been harder to do our job this year, but we have done it well."

George Weston
Chief Executive

Separation of Retail and Food businesses

The proposed demerger will create two focused businesses, each with the capability, investment capacity and strategic flexibility to accelerate its own growth agenda.

Across Retail and Food, years of disciplined investment have created strong foundations for future success. These capabilities extend beyond physical assets to include the people, expertise, technology and operational excellence that differentiate our businesses in their markets.

As independent companies, both businesses will be better positioned to allocate capital, pursue growth opportunities and respond to changing customer and consumer needs.

Retail	Food
Revenue	**Revenue**
£9.8bn	£9.3bn
Adjusted operating profit	**Adjusted operating profit**
£1,005m	£637m
Number of employees	**Number of employees**
81,358	57,713
Number of stores*	**Number of manufacturing sites**
508	178

* includes 4 franchise stores

Find out more online at abf.co.uk

Demerger

The most important strategic decision of the year was to demerge Primark from our Food business. ABF has been a brilliant parent to Primark for almost 60 years. In that period Primark has grown into a multi-market business with a powerful global brand, a successful store model, growing digital capabilities and opportunities for further international growth. It will now benefit from having its own governance. For our Food business, separation will enable greater investor understanding of the breadth and strengths of our differentiated portfolio.

We anticipate that Primark and AB Foods will both become FTSE 100 companies and expect the demerger to become effective in December 2027. There is a substantial amount of work underway among central teams and so this will be of little distraction to our businesses.

Primark

Primark has spent the year re-energising its customer proposition and improving its internal organisation. This is important both for future growth and its transition to becoming an independent business.

At last year's full-year results we set out a strategy for driving sustainable like-for-like sales growth based on improving price and price perception, product, customer engagement and digital capabilities. Fundamentally, this is about concentrating on what Primark does best. We have made good progress.

We have unapologetically focused on Primark's largest market and its biggest category: the UK and womenswear. Primark delivered like-for-like sales growth and gained share in the UK, despite a declining market. In womenswear, we have delivered strong sales by investing in better design, improved quality and new ranges, supported by more effective marketing.

Primark is reasserting its position as the leader in disruptive value. Its global 'Iconic Value' campaign reduced prices on hundreds of products while improving style and quality and initial results have been encouraging.

Marketing is becoming more focused and is supported by stronger digital capabilities, including the introduction of the app in several markets and the rollout of Click & Collect across Great Britain. Underpinning this is a clearer understanding of the Primark customer in each of its markets, enabling propositions to be tailored.

The next stage in Primark's digital strategy will be to offer home delivery in Great Britain. We now see this as an incremental profitable opportunity, following developments in the online marketplace and the growing maturity of Primark's digital capabilities. Importantly, this will complement rather than undermine our stores, which remain at the heart of the business. Primark opened its 500th store this year in Pompei, Italy – evidence of its enduring global appeal.

In Europe, we are in the process of rolling out the improvements to our proposition that are in place in the UK, but we have seen an even more challenging consumer environment. Where we have launched initiatives the response has been positive, but much remains to be done. In the US, we are making progress. We opened our flagship Manhattan store, which will accelerate increased brand awareness and is performing well. We know we must do more to localise our offer.

Elsewhere, international expansion remains a substantial opportunity. Primark's first franchise store opened in Kuwait in October last year and I saw for myself queues of more than a thousand customers. Despite the regional conflict, three stores opened as planned in Dubai in the spring, followed by, just after the end of the financial year, stores in Bahrain and Qatar. The performance of franchise stores has been positive and I look forward to the launches in Saudi Arabia and Mexico next year.

We have also concentrated on giving Primark the right leadership team. We ran an international search process for the CEO position and met a strong range of candidates, so I was pleased to be able to appoint Eoin Tonge as Chief Executive in March. As interim CEO, Eoin demonstrated the leadership, judgement and understanding of the consumer that Primark needs.

We then created the new position of Chief Commercial Officer, bringing together the principal consumer-facing functions into a single role, and Filip Ekvall joined in September, bringing extensive experience of international retail. Eoin has also appointed Lucy Slinger as Chief Financial Officer, who has considerable financial and commercial experience.

Eoin has worked hard this year to improve internal processes, efficiency of decision-making and team structures. Primark is making great progress towards being ready to become a successful standalone business.

"We remain committed to the approach that has served ABF well: investing patiently with discipline and supporting long-term performance."

Food

The food sector never stands still and this year has been no different. Science and technology are reshaping food production and consumption, while consumer preferences continue to evolve.

Our diverse food Group is well placed to navigate this changing landscape. Optionality gives us resilience and greater opportunity to participate in fast growing sectors within food. Our deliberately devolved operating model, where authority is pushed down close to the customer, gives us the agility to adapt to new trends. This is supported by strong central oversight, a network of connections across the businesses and the expertise that comes from operating across multiple parts of the food supply chain.

This year, we continued to invest in the drivers of our future growth. We expanded capacity through capital projects, accelerated category reach through targeted acquisitions, invested in technology and developed new products in response to changing consumer needs.

First, **Grocery**. The Grocery portfolio is a broad set of distinctive businesses built around strong brands and market positions where manufacturing capability, routes to market, customer relationships and category expertise give us competitive advantage. We complement established positions with earlier-stage businesses and we have a wide range of opportunities ahead.

This year, performance has been mixed but underlying progress in many of the businesses was good.

In July, we completed the acquisition of Hovis. We expect the integration of its production and distribution facilities will deliver significant synergies that will enable investment in the segments of the UK bakery category that are growing as a result of changing consumer tastes, including healthier options.

On a personal note, having started my career around bakeries, I have enjoyed visiting the Hovis sites and meeting our new colleagues. The Hovis brand is a national treasure which has not received the investment it deserves. We have the opportunity to restore it.

Twinings was affected by unusually hot weather, which reduced demand over the summer, but the business remains strong. It delivered good volume-led growth, supported by product innovation, growing demand for wellness products and success in its e-commerce channel.

Jordans Cereals showed good growth and continued to innovate in response to consumers' growing focus on nutrition. Smaller brands in niche categories also performed well, such as our Sports Nutrition business, which showed impressive double digit growth.

AB World Foods and Westmill both achieved record profits, responding to growing demand for Asian food.

Grocery profit was reduced primarily due to higher IT investments, higher cocoa costs and lower sales in US cooking oil. We will not allow short-term pressures in US oil to lead to long-term damage in this important business.

Turning to **Ingredients**, our division which brings together two international B2B platforms with distinct opportunities for growth.

AB Mauri, our global yeast and bakery ingredients business, combines large-scale yeast production with a portfolio of specialised bakery ingredients. Its scale and established routes to market provide opportunities to broaden its offering and build specialist categories within large markets.

The business grew well in most of its markets this year, though profit was hit by US consumer weakness. Good progress was made on multi-year capital projects.

ABFI brings together specialist ingredients businesses across food and beverage, health and nutrition and pharmaceuticals. We see significant potential for growth by taking proven science and technology into new applications, customers and geographies.

ABFI sales grew this year and we increased both our geographic reach and commercial capability. The acquisition of Elementis strengthens our position in the growing digestive health market, while the expansion of Ohly's Hamburg plant provides additional capacity and capability.

Results in **Sugar** were again disappointing. Higher gas prices, surplus supply and low prices in Europe, together with operational and regulatory difficulties in Africa, contributed to a loss this year and a negative outlook for next year.

We are addressing factors within our control. Our Sugar businesses are becoming fitter and more efficient. The factories in Malawi and Zambia achieved record production and in the UK and Spain we continue to improve efficiency.

The longer-term fundamentals of our Sugar businesses remain attractive. In Europe, there is strong cash generation potential, despite gentle long-term industry volume decline, and in Africa our businesses benefit from growing populations, high market shares and well-branded businesses with good routes to market.

We are well positioned, therefore, to take advantage of a market that is turning. Lower European sugar production and higher global prices should benefit us after 2027.

Like Sugar, **AB Agri** gives us direct exposure to primary food production. Our Agribusiness actually has its roots in finding markets for British Sugar's beet pulp as animal feed and today uses its expertise in animal nutrition to help make the most of co-products from food production. Agri performed in line with our expectations. We see growth potential in the business continuing to develop higher-value animal nutrition and integrated services for farmers and we are adjusting the operating footprint accordingly.

Investment

In 2026, gross investment was £1.4bn, 15% more than last year. Capital expenditure was £1.2bn and we invested £167m in acquisitions. We have passed the peak of the current investment programme in Food and many of the projects completed in the year should from now on contribute meaningfully over many years.

The Twazabuka packing facility in Zambia and the new factory in Tanzania will help our Sugar businesses serve growing demand in both markets. Ovaltine's new manufacturing facility in Lagos, its first in Africa, gives the business a stronger base from which to supply Nigeria and the wider West African market.

AB Mauri's new sourdough facility in Northampton will help meet growing demand for specialist bakery products and the recently-completed fresh yeast plant in India will help capture growth in a large market.

George Weston Foods' new bakery in Western Australia and the completed Ballarat flour mill will strengthen capacity and support growth. I'm pleased to see the business continuing to invest in modern, efficient milling capacity.

We have invested extensively in technology and operating efficiency, including enterprise resource planning systems at AB World Foods, ACH, Stratas and Twinings. Although at times expensive and painful to implement, these systems are a prerequisite for our businesses if they are to be efficient. They also allow us to more easily adopt AI tools.

Primark continued to expand and improve its estate while modernising its supply chain. It opened 37 stores and completed refits in 33. The new distribution centre in Newbridge, Republic of Ireland represents an investment of €75m to strengthen Penneys' supply chain. Primark also acquired a highly automated fulfilment centre to support the expansion of Click & Collect and the future introduction of home delivery in Great Britain, so a very significant investment indeed.

Responsible business

Our commitment to responsible business is an integral part of our approach to building sustainable, long-term value. At a time of geopolitical uncertainty, investment in resilient operations, safer workplaces, secure supply chains and the responsible use of resources is increasingly important.

During the year, we strengthened our governance of material ESG matters, made progress in reducing our Group Scope 1 and 2 market-based greenhouse gas emissions and ABF Sugar rebuilt or upgraded a significant number of homes in our African businesses.

Severe weather affected several of our businesses and supply chains during the year, reinforcing the importance of our work to strengthen resilience across our operations. We are reviewing our material climate risks and the actions being taken to manage them.

Primark has been reviewing its Sustainability Strategy, working closely with the central ABF ESG team.

Looking ahead, the demerger will not change our businesses' commitment to operating responsibly, but it may alter the relative materiality of some issues in Primark and AB Foods as standalone businesses. We are reviewing this and will have more to say on this next year.

People and leadership

In March, Joana Edwards was appointed as Group Chief Financial Officer and a full-time member of the ABF Board. As interim CFO, Joana demonstrated a clear understanding of ABF's business and operating model, rigour in the execution of her role as custodian of the Group's finances and a passion for building great teams. Her experience is invaluable.

Looking ahead

The immediate operating environment remains challenging, but we have good reasons to be confident. Across the Group, the investments and decisions made this year are strengthening our competitive positions and preparing the businesses for the future. We remain committed to the approach which has served ABF well: taking a long-term view, investing patiently with discipline and devolving responsibility to capable management teams. Notwithstanding the financial challenges of the year, both Primark and AB Foods are well positioned for the future.

George Weston
Chief Executive

Understanding our business

Our purpose is to provide safe, nutritious and affordable food, and clothing that is great value for money.

As a Group, we have a clear sense of our social purpose and we work hard to provide safe, nutritious and affordable food, and great-value clothing to millions of customers worldwide every day.

We deliver our purpose through ABF's diverse portfolio of international food, ingredients and retail businesses, which have a significant presence across Europe, the Americas, Australia, Africa and Asia. The way in which we do this is shaped by our strong culture and values, which are lived and breathed across our businesses, whether it is in how we drive our strategies, invest for growth, serve our customers or approach our sustainability priorities.

Our culture is underpinned by our high standards of integrity, recognising that acting responsibly is the only way to build and manage a business over the long term.

We believe that most people are inherently good and that with encouragement, engagement and support they will do the right thing in the right way.

Our people are key to the innovation and action that are needed to deliver our purpose. It is through the skills and capability of our people that we can make necessary and timely progress. Our employees tend to stay with us for a long time, building exciting careers that help them fulfil their goals at work, at home and in the community.

We pride ourselves on being a first-class employer, working actively to develop our people and create opportunities for progression. Our businesses thrive on the diversity of our people, so we are investing in programmes to help remove barriers to talent. We want to attract, recruit and retain the best people, ensuring they are stimulated by the jobs they do and equipped with the skills they need to succeed.

How we deliver our purpose is shaped by our culture and values

We strive to protect the dignity of everyone within and beyond our operations.

We continuously learn and incorporate better practices across everything we do, from making products to preserving the resources we rely on.



We proudly promote and protect a culture of trust, fairness and accountability that puts ethics first.

We work with others to enable knowledge and expertise to be shared across the Group.

Find out more online at abf.co.uk

Our Group strategy is to drive sustainable, long-term growth, cash generation and strong returns across our portfolio of food and retail businesses to create value for shareholders and other stakeholders.

We take a long-term, patient investment approach to create sustainable growth. We aim to build and acquire long-duration growth businesses that will create value and deliver strong returns.

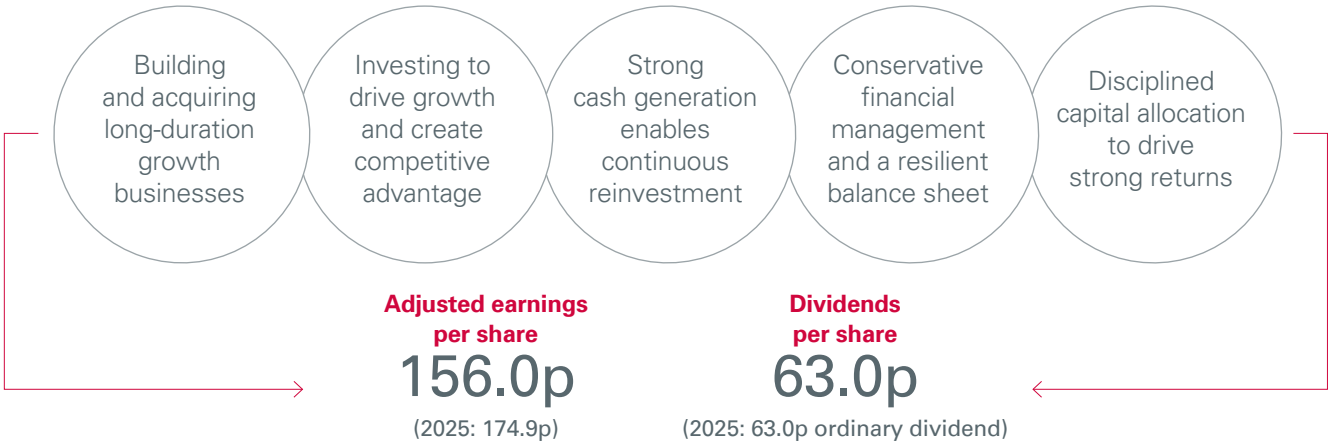
Our portfolio of clothing retail and food businesses is well positioned for long-term growth through a focus on categories and sectors with resilient market fundamentals and geographies with favourable demographics. We select opportunities where we can create a competitive advantage to build leadership or niche market positions, typically in moderate-scale categories. Our investment decisions are influenced by strategic patience and we believe our highly-diversified portfolio, across different business activities and geographies, enables discipline and creates breadth in our opportunities for growth. We have designed a devolved operational leadership model that effectively manages the breadth, mix and long-term nature of our businesses.

Our businesses are typically highly cash generative, which enables continuous reinvestment. We are investing in our well-established, growth-engine businesses to drive expansion into new markets and adjacencies, while nurturing a substantial portfolio of smaller, early-stage businesses which have the potential to be the next generation of long-duration growth drivers.

Our ability to invest is strengthened by having several mature, lower-growth businesses within the Group that continue to deliver good profitability and cash generation.

Across our portfolio, we are investing to accelerate growth through effective marketing, innovative new product development and enhanced digital and technology capabilities. This is underpinned by continuous investment to expand our manufacturing capacity and add new capabilities. We are also investing to deliver our ESG priorities based on the most material risks, opportunities and impacts to the Group. In particular, this includes decarbonisation and social factors within our supply chains. We supplement organic growth with investment in value-creating acquisitions that bring new opportunities and capabilities. We make disposals when judged to be the best route to creating shareholder value.

Our investment approach is grounded in conservative financial management and we maintain a resilient balance sheet. This ensures long-term financial stability and creates the flexibility to fund opportunities as they arise. Our disciplined approach to capital allocation, using risk-adjusted hurdle rates, drives strong returns on capital.



Learn about our strategic performance in our KPIs on pages 16 and 17

Learn about how we reward executives for strategic progress in the Remuneration Report on pages 120 to 134

Learn about the strategic risks we manage against on pages 86 to 95

We deliver our Group strategy through our individual businesses

Retail

Primark is a fast-growing, international value retailer with a differentiated customer proposition delivered through a digitally-enabled, store-led model. Our strategic priority is to strengthen and re-energise Primark's core customer proposition to drive like-for-like sales growth. It has significant white space to increase its share of consumer spend and extend its presence in existing and new markets through both own stores and franchise partnerships.

We win with customers through our strong brand, known for its disruptive value, combining unbeatable prices with quality, style and an exciting customer experience. We target a wide customer base across women's, men's and kidswear and supporting lifestyle categories such as home and beauty. We are developing clearer category strategies, having started this year with womenswear as our largest and most strategic category. We continuously evolve our ranges to meet customer needs, including through collaborations and licensing partnerships. The execution of our strategy in each market is adapted to reflect the size of the customer opportunity, the maturity of the store portfolio and local customer needs.

We aim to offer a unique store experience by finding the right spaces in the right locations and creating exciting retail destinations. We are investing in brand, marketing and digital capabilities - including our website, stock checker and, increasingly, Click & Collect and social media platforms - to strengthen customer engagement, drive footfall and support like-for-like growth. Our digital strategy is designed to deliver incremental, profitable growth while complementing our store-led model. Primark will offer home delivery in Great Britain in the future, providing the opportunity for a profitable channel for incremental growth that complements our store model. Alongside expansion through our own stores, franchise partnerships provide an asset-light and margin accretive route into new markets. We work to maintain an ethical and responsible supply chain, and we focus on driving efficiencies and cost savings across our supply chain, store portfolio and central operations. We are investing in technology to improve operational performance, drive efficiencies and support long-term growth. We target strong financial returns and cash generation.

Grocery

Our strategy is to drive sustainable growth across our large and diverse portfolio of both international brands and regionally-focused businesses. Growth will continue to be organic and through carefully selected acquisitions.

Our international brands, Twinings, Ovaltine, Patak's, Blue Dragon, Jordans and Mazzetti, have a long runway for growth. Our focus is on reaching new consumers in existing markets, expanding into new markets and broadening our offer through new product development. We are investing in effective marketing and innovation to drive category growth and build market share. We benefit from our centralised manufacturing footprint for these brands.

In our regionally-focused businesses in the United Kingdom, North America, Australia and New Zealand, our focus is on driving strong cash generation over the long term. We adopt bespoke strategies to win in local markets. This includes investing in marketing to maintain brand health and support our strong local market positions.

Ingredients

Our strategy is to drive sustainable growth in Ingredients within focused categories, including yeast, bakery ingredients, enzymes, precision extraction, health and nutrition and pharmaceutical delivery systems.

In our yeast and bakery ingredients business, AB Mauri, we are growing our portfolio of products and solutions for industrial, craft and home bakers in our well-established regions of the Americas, Europe and Asia. Our focus is on consistent delivery and innovation for new and existing customers.

This is underpinned by strong, insight-led investment in the development of new technologies and ingredients that will meet the changing needs of our customers in different local markets.

Our individual country businesses are dedicated to their local markets, backed by global expertise in bakery products, technologies and know-how. We are also expanding our portfolio of specialty yeast products and technologies for other industries, including alcoholic beverages and bioethanol.

In our specialty ingredients portfolio, ABFI, we are using science and technology to create value-added, innovative specialty ingredients to serve the food and beverage, health and nutrition and pharmaceutical industries, as well as adjacent markets such as animal feed and certain industrial segments. Our strategic focus is on niche categories where we can have a differentiated proposition using platforms such as enzymes and other industrial biotechnology, precision extraction and synthetic chemistry. As well as building on these platforms, we are broadening our geographical exposure to certain developing markets.

We will continue to grow both through acquisitions and organically, including geographical expansion, innovation and new applications.

Sugar

Our strategy is to drive sustainable long-term growth in Africa, building on our strong market positions, while delivering good returns in our European businesses over the cycle.

In our African markets, particularly Zambia, Malawi and Tanzania, growth in sugar consumption is expected to be driven by both population and economic growth. We have strong, attractive consumer brands and continue to build effective routes to market. We are investing to add production capacity in our larger growth markets such as Tanzania and Zambia. Across our markets, we will continue to expand our commercial capabilities, improve our operational effectiveness and strengthen our agricultural practices, which will help to increase cane yields. Over time, we have opportunities to expand our portfolio of co-products, such as potable alcohol and electricity. We are investing to deliver our ESG priorities, which include sustainable agricultural practices as well as social factors.

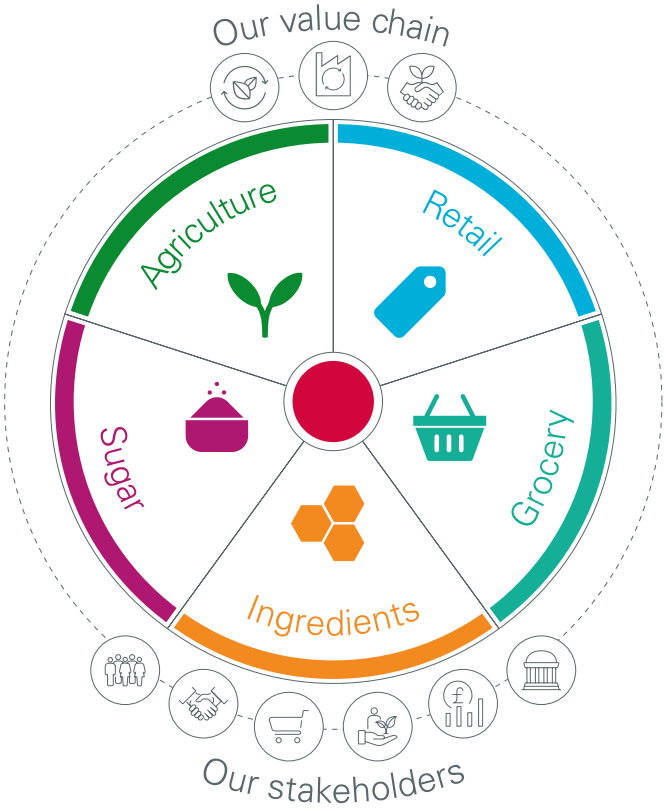
In Europe, our strategy is to deliver good profitability and cash generation through the cycle, and to that end we review and restructure businesses in our portfolio when required. Our businesses focus on long-term customer relationships, built on the high quality of our products and the security of our supply. We also see opportunities to grow our portfolio of co-products, drive continuous operational efficiencies and use data and technology to improve yields and profitability for our growers. We continue to invest in our ESG priorities, in particular our decarbonisation programme.

Agriculture

Our strategy is to build value-added agri-food businesses, growing organically and through acquisition.

We are expanding our portfolio of innovative, specialty feed ingredients, including feed enzymes and additive products, which we sell globally. We are also growing our integrated dairy business in the UK, connecting data, services and products in new ways to provide insights to help our customers improve dairy farm performance. We continue to strengthen our position as a market leader in premix and animal feed in the UK and China.

We are enabled by our devolved operating model



Devolved operational leadership

Strategic and financial objectives are set from the bottom up

Operational decisions are taken locally by the people closest to their customers and markets

ESG priorities reflect the materiality and impact for the Group and for individual businesses

Central leadership team

Fosters a strong sense of purpose, culture and values, and drives long-term thinking

Co-creates business strategy and maintains continuous dialogue on performance, risks and opportunities

Deploys capital based on a rigorous review of investment returns

Provides central support and creates a framework for Group-wide knowledge-sharing and collaboration

Provides central capability and scale in areas such as IT, treasury and procurement

Oversees business leadership, drives talent development and enables Group-wide career opportunities

Our value chain	Our stakeholders	
Supply chains	Employees	Communities and environment
Operations	Suppliers	Shareholders and investors
Products	Customers/ consumers	Governments

Our devolved operating model enables us to manage a large and diverse portfolio of businesses. We believe in setting objectives from the bottom up rather than the top down. Operational decisions are made locally, by the people closest to their customers and markets. Our model enables business leaders to be empowered and accountable, driving innovative thinking and quick decision-making.

The central leadership team fosters a clear sense of purpose, culture and values that runs through our devolved model. Business leaders are encouraged to be long-term in their thinking and in their approach to investment and value creation.

There is continuous dialogue between the centre and the businesses to co-create strategy, assess operational execution and financial performance, and to review risks and opportunities. The centre takes a rigorous and disciplined approach to deploying capital to ensure investments deliver good returns over the long term.

As well as providing a hub of central support, the centre creates a framework for knowledge-sharing and a culture of collaboration across the Group. This enables us to accelerate change and innovation in response to changing market and consumer trends. The businesses also benefit from the capability and scale at the centre in areas such as IT, cyber security, procurement, treasury, tax and legal.

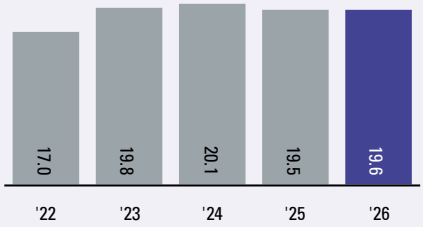
The central oversight of the business leaders and their teams focuses on the recruitment, retention and development of high-performing individuals, who are able to pursue exciting career opportunities across the Group.

Tracking our progress

We use key performance indicators ('KPIs') to measure our progress in delivering the successful implementation of our strategy and to monitor our performance.

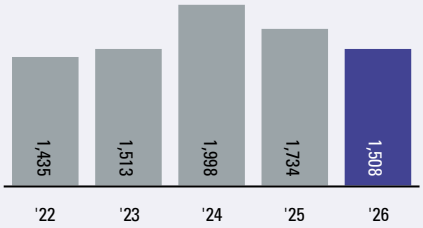
Financial indicators

Group revenue
(£bn)



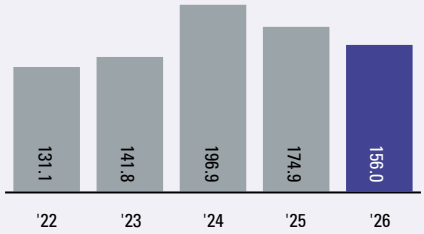
Revenue is a measure of business growth. Constant currency comparisons are also used to provide greater clarity of performance.

Adjusted operating profit*
(£m)



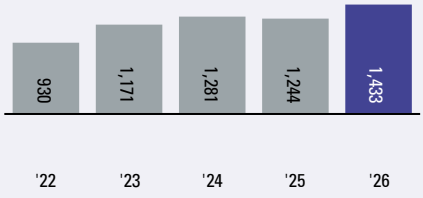
Adjusted profit and earnings measures provide a consistent indicator of performance year-on-year and are aligned with management incentive targets.

Adjusted earnings per share*
(pence)



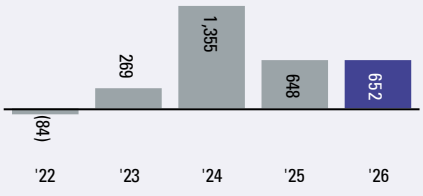
The Group's organic growth objective aims to deliver steady growth in earnings over the long term.

Gross investment*
(£m)



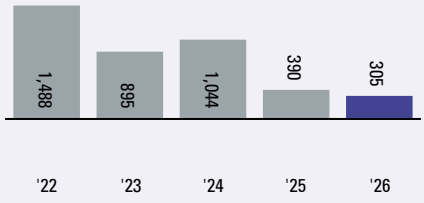
A measure of the commitment to the long-term development of the business and includes capital expenditure and acquisitions of businesses.

Free cash flow*
(£m)



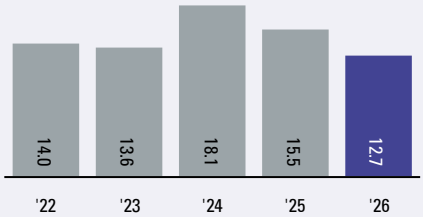
The free cash flow measure represents the cash that the Group generates from its operations after maintaining and investing in its capital assets.

Net cash before lease liabilities*
(£m)



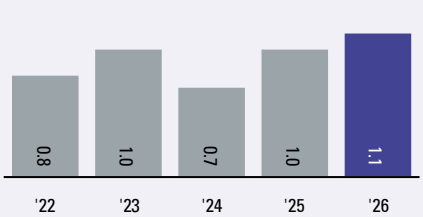
This measure monitors the Group's liquidity and capital structure and is used to calculate the Group's liquidity ratio.

Return on average capital employed*
(%)



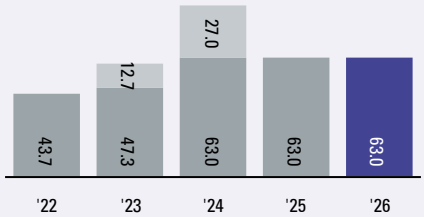
This measure monitors the level of return generated by the Group's investment in its operating assets. It is also a key part of management incentive targets.

Financial leverage*
(times (x))



This measure monitors the Group's financial strength to ensure long-term financial stability.

Dividends per share
(pence)



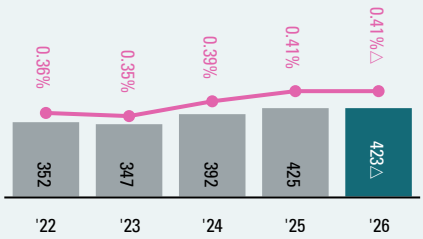
The Group's organic growth objective aims to deliver steady growth in dividends over the long term. This included the payment of special dividends of 12.7p and 27.0p in 2023 and 2024 respectively.

* APMs as defined on pages 216 to 220.

Each business develops KPIs relevant to its operations. These are monitored regularly. In the case of adjusted operating profit and return on average capital employed, we use them as metrics to incentivise our management teams.

Non-financial indicators

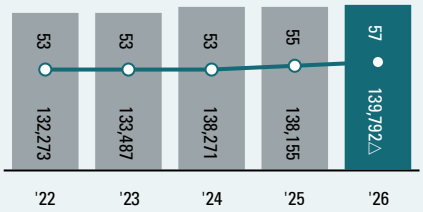
Number of Lost Time Injuries and Lost Time Injury
(%)



A measure of the Group's management of the health and safety of its employees – the number of on-site lost time injuries resulting from an accident arising out of, or in connection with, on-site work activities and the proportion of the full-time equivalent workforce experiencing a lost time injury.

Read more on page 62

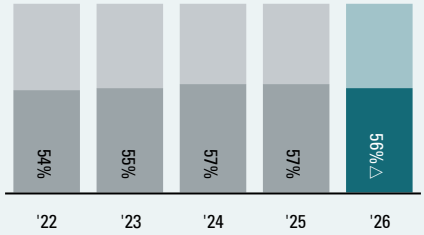
Number of employees and number of countries



Measure of the scale and diversity of our operations. Reflecting all employees in the Group with a contract of employment, whether full-time, part-time, contractor or seasonal worker and highlighting the number of countries of operation.

Read more on page 64

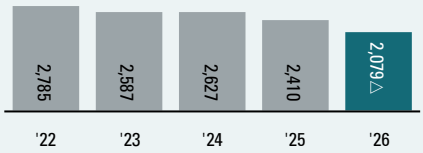
Percentage of women in workforce
(%)



The proportion of our employees that have disclosed their gender as female/woman in line with the local legislation.

Read more on page 63

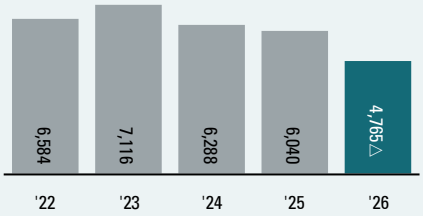
ABF Scope 1 and 2 GHG emissions
(000 tonnes of CO_2e)



The amount of ABF Group Scope 1 and 2 (market-based) greenhouse gas emissions.

Read more on page 68

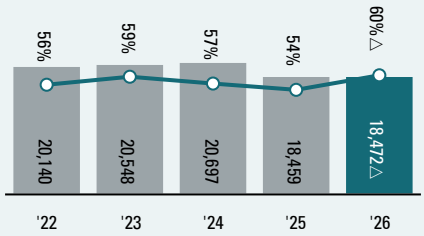
Primark Scope 1, 2 and 3 GHG emissions
(000 tonnes of CO_2e)



The amount of Primark's Scope 1, 2 (market-based) and 3 greenhouse gas emissions.

Read more on page 67

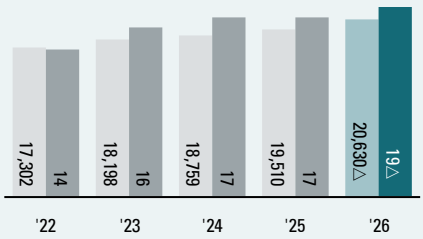
Total energy consumed and percentage from a renewable source
(GWh / %)



Total energy used and the proportion which is from renewable sources. Renewable energy is mainly generated on our sites from biogenic sources.

Read more on page 67

Primark selling space and number of countries of operation
(000 sq ft)



These two measures represent the retail space growth and breadth of Primark's presence.

Read more on page 23

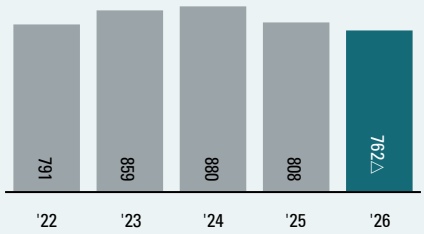
Total waste generated in own operations and percentage sent for recycling
(000 tonnes / %)



A measure of the total waste generated in our own operations and the proportion of waste sent for recycling or other beneficial use instead of being sent to landfill for disposal.

Read more on page 69

Total water abstracted in own operations
(million m^3)



This measure includes water supplied by third parties or from local water resources.

Read more on page 69

The Group data in this report on our environmental and safety KPIs covered the period 1 August to 31 July, excluding Primark selling space and number of countries of operation and employee numbers.

△ EY has provided limited independent assurance over the 2026 metrics. See page 146 for EY's assurance report.

Retail

Primark is an international value retailer with a growing presence across Europe, the US and the Middle East. The business combines leading value, fashion credibility and operational scale through 508 stores in 19 countries△*



Cocoon yarn jumper from Primark's Iconic Value campaign

Key strengths

Global disruptive leader in apparel, providing customers with an **unmatched value proposition**, combining clear price leadership with differentiated quality and exciting fashion in prime locations

Top-class product engine spanning essentials and fashion, with **end-to-end control** of innovation, design, licensing, buying and quality, underpinned by **industry-leading standards** of sustainability and ethical sourcing

Multiple levers to deliver **long-term sustainable growth** including continued investment in its value proposition, improved **product** availability, greater **digital enablement** and increasingly tailored **local execution**

Exceptional **brand strength** and proven **international expansion** strategy, providing a **scalable model for growth** across existing and new markets through both own stores and franchise partnerships

Well-invested and highly **productive store estate** underpinned by a **scaled, efficient supply chain** and lean operating model that delivers **strong and resilient margins**

Experienced and **highly capable team** with a **long-term mindset**, strong execution capability and a **uniquely Primark culture**

Strong balance sheet with **disciplined capital allocation** that is focused on **driving strong free cash flow and attractive returns**

* includes 4 franchise stores in 2 countries

Primark

Primark is a fast-growing, international value retailer with a differentiated customer proposition delivered through a digitally-enabled, store-led model. It is one of the largest and fastest-growing clothing retailers in Europe, the market leader by sales volume in the UK, and has a growing presence in the US. Primark is also expanding through franchise stores in the Middle East and Mexico.

We have 508 stores as at the end of the 2026 financial year, with 20.6 million sq ft of selling space△, across 19 countries△ and more than 81,000 colleagues. Our founder, Arthur Ryan, opened our first store in 1969 in Dublin city centre and this remains the home of our global headquarters.

Primark's strong brand is known for offering unbeatable prices and great quality essential clothing and fashion. We target a wide customer base across women's, men's and kidswear, as well as beauty, homeware and accessories. Our licensed clothing ranges are with some of the biggest names in entertainment and sport.

We aim to offer a unique store experience by finding the right spaces in the right locations and creating exciting retail destinations. We use our digital customer experience to drive engagement and increase footfall in stores. This includes our customer website, our stock-checker facility and our social media platforms. We offer a Click & Collect service from all of our British stores to give customers the convenience to order online before collecting their purchase in store.

Primark's sustainability strategy, Primark Cares, was launched in 2021 with the ambition of making fashion more affordable, more sustainable and accessible for everyone. Since then, Primark has made progress across its commitments, building on its long-standing approach to responsible sourcing and strengthening the resilience of its operations and supply chain. In 2026, Primark updated its Primark Cares strategy to reflect the evolving regulatory, technological and consumer landscape, and focused on integrating with the business' growth ambitions. The refreshed strategy focuses on the areas where Primark can have the greatest impact through its products, scale and supply chain relationships.

Going forward, Primark Cares will be centred on three priorities: circularity, strengthening supply chain resilience and supporting women across the Primark value chain. Through these priorities, Primark aims to drive growth that is both responsible and resilient, creating long-term value for customers, suppliers, colleagues and communities. Further details of the updated strategy will be published next year.

Highlights

Revenue
£9,820m
2025: £9,489m
Actual currency: up 4%
Constant currency: up 2%

Adjusted operating profit
£1,005m
2025: £1,126m
Actual currency: down 11%
Constant currency: down 12%

Adjusted operating profit margin
10.2%
2025: 11.9%

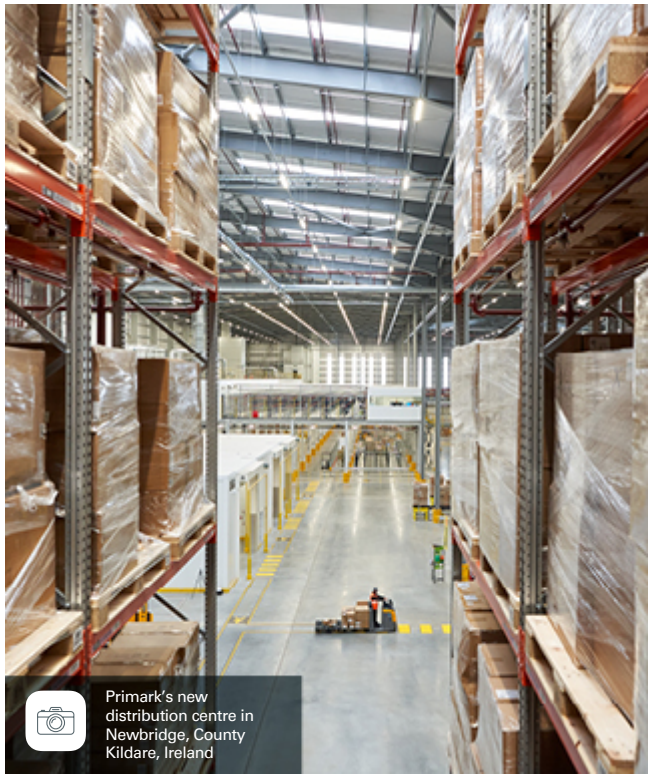
Operating profit
£1,003m
2025: £1,120m
Actual currency: down 10%

Return on average capital employed
16.8%
2025: 19.1%

Selling space
20.6m sq ft△
2025: 19.5m sq ft

Scope 1, 2 (market-based) and 3 GHG emissions
4,765△
(000 tonnes of CO_2e)
2025: 6,040 (000 tonnes of CO_2e)

Gross investment
£576m
2025: £530m



Primark's new distribution centre in Newbridge, County Kildare, Ireland

Launch of Primark's first franchise partnership and move into the GCC



Primark's international expansion reached a significant milestone this year with the launch of its first franchise partnership with Alshaya Group and entry into the Gulf Cooperation Council ('GCC') region, as well as signing a strategic partnership agreement with El Puerto de Liverpool to bring Primark to the Mexican market.

The GCC represents an attractive opportunity for expansion, with a retail market worth approximately £90bn and good existing awareness of the Primark brand among international shoppers.

Working with Alshaya Group, a leading retail franchise operator, Primark opened four stores in two markets: one in Kuwait and three in the United Arab Emirates.

The first opened at The Avenues, Kuwait, in October 2025, followed rapidly by three in the UAE: Dubai Mall, Dubai City Centre Mirdif and Mall of the Emirates.

Primark's arrival was met with excitement from customers. More than 2,000 queued for the opening of the Kuwait store, with strong demand at the subsequent openings too.

Store performance has exceeded expectations. Dubai Mall quickly became one of Primark's strongest-performing stores in terms of sales. Alongside Dubai Mall, Kuwait and Mall of the Emirates have featured among the top-performing locations in several trading periods. Across the franchise estate, key metrics of average basket value and units sold per transaction have all been higher than the Primark average.

The external backdrop to the UAE openings was challenging due to the conflict in the wider region, with mall footfall and tourism significantly down during this time. However, the knowledge and expertise of Alshaya Group was invaluable in navigating these challenges and minimising impact on supply and operations.

The franchise model is a new approach for Primark that creates the ability to open in new markets with greater speed and at scale while benefitting from the expertise and capability of established local operators. It represents a powerful additional tool for Primark as the business continues to expand.

Following this initial success, Primark has since opened stores in Bahrain and Qatar, with plans to open in the Kingdom of Saudi Arabia next year, again along with Alshaya Group, as well as progressing the new franchise agreement with El Puerto de Liverpool to open stores in Mexico.



c.£90bn
value of the GCC retail market

2,000+
customers queued for Kuwait store opening

Top: The opening of Primark's store at The Avenues, Kuwait, in October 2025
Right: Customers queuing for the opening of Primark at Dubai Mall in March 2026

Operating review

Sales summary

Market	Percentage of total sales	Like-for-like sales growth			Total sales growth		
		H1 2026	H2 2026	2026	H1 2026	H2 2026	2026
UK only	39%	+1.3 %	(0.2)%	+0.5 %	+3 %	+1 %	+2 %
UK and Ireland	45%	+1.1 %	(0.1)%	+0.5 %	+2 %	+1 %	+1 %
Continental Europe	47%	(5.6)%	(3.9)%	(4.7)%	(1)%	(1)%	(1)%
US	6%				+12 %	+14 %	+13 %
Primark Group[1]		**(2.7)%**	**(2.5)%**	**(2.6)%**	**+2 %**	**+3 %**	**+2 %**

Primark's sales grew 2%. New stores contributed 5% to growth, with good execution across our key growth markets in Europe and the US and through our franchise model in the Middle East. In a challenging consumer environment across most markets, like-for-like sales declined 2.6%. Against this backdrop, we focused on strengthening and re-energising Primark's customer proposition by lowering prices, improving value perception, enhancing our product offer and increasing investment in marketing and digital engagement. In the UK, where these actions are more advanced, we drove much-improved like-for-like sales and gained market share. In continental Europe, where consumer sentiment remained weak and we are at an earlier stage in our commercial recovery and in the development of our capabilities in brand, marketing and digital capabilities, our sales declined. While we delivered good growth from new store openings in the US, it was a difficult retail environment. Overall profit delivery was impacted by the like-for-like sales decline and related markdowns, as well as investments to deliver the improvements in the proposition. Return on average capital employed was 16.8%.

Market summary

Market	2026 percentage of Primark sales	H1 2026 sales growth	H2 2026 sales growth	2026 sales growth
UK only	39%	+3 %	+1 %	+2 %
UK and Ireland	45%	+2 %	+1 %	+1 %
Spain and Portugal	17%	— %	— %	— %
France and Italy	15%	(2)%	(2)%	(2)%
Northern Europe	12%	(5)%	(4)%	(4)%
Central and Eastern Europe	3%	+13 %	+7 %	+10 %
US	6%	+12 %	+14 %	+13 %
Primark Group[1]		**+2 %**	**+3 %**	**+2 %**

In the UK, sales increased 2%, like-for-like sales grew 0.5% and Primark increased its UK market share to 6.9%[2]. The UK clothing retail environment remained difficult in the year, reflecting cautious consumer sentiment and challenging weather patterns. Our strong relative performance reflects our improved customer proposition and our investment in marketing and digital capabilities taking effect. This includes Click & Collect, which contributed to growth and increased the effectiveness of our marketing investments in driving footfall and sales. Active management of our UK store estate also drove sales growth from store openings, relocations and extensions.

In continental Europe, sales declined 1% and like-for-like sales declined 4.7%. Similar to our actions in the UK, we strengthened our value proposition, improved our in-store execution and began to increase our digital marketing activity. We have also sharpened our focus on our target customer base. While the development of our brand, marketing and digital capabilities is less advanced than the UK, we made progress in the year, as we focus on driving more localised activations.

In Spain and Portugal, combined sales were broadly flat, with good execution of new store openings offset by weak underlying trading. Spain, our largest European market, was a priority for brand and marketing investment and more focused local activation in the year, building on our experience in the UK. In France and Italy, sales declined, reflecting very challenging market conditions and competitor intensity. We have also recently stepped up marketing investment in these markets. New store openings drove good growth in our newer markets in Central and Eastern Europe. In Northern Europe[3], the decline reflects sales weakness in Germany, which has also been a very challenging retail market.

In the US, sales grew 13%. We made good progress with new space expansion, opening 14 new stores. This included a flagship store in Manhattan, which has performed strongly since opening and supports our brand awareness. At the end of 2026, we had 47 stores in total, with an additional 5 leases signed. The US was also a difficult market environment in 2026, principally due to the effect of US tariffs on consumer sentiment, footfall and trading. We have refined our proposition, including adjustments to our category mix and increased product localisation, supported by continued brand awareness activity.

We opened our first franchise stores in the Middle East in 2026, starting with one store in Kuwait and three in Dubai. Despite the disruption in the region, all stores traded well and are ahead of our original plan.

Adjusted operating profit summary

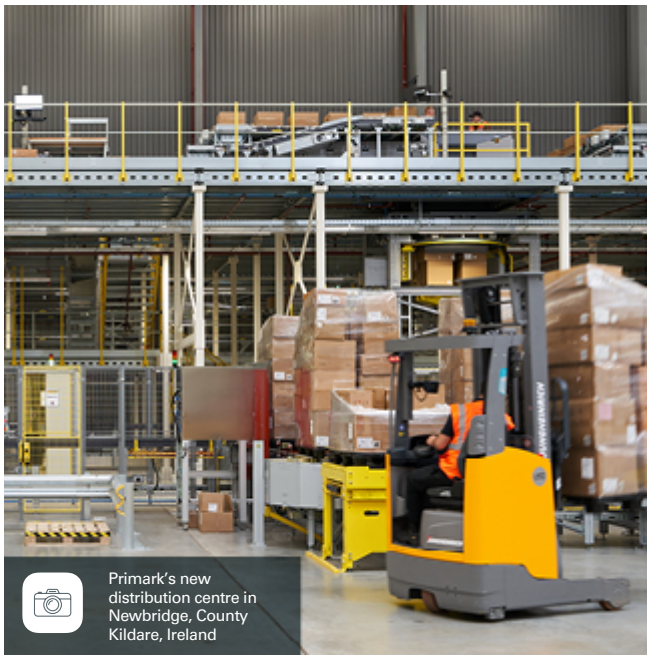
Adjusted operating profit declined 12% to £1,005m and adjusted operating profit margin was 10.2%. This was due to lower like-for-like sales and related higher markdowns and to a significant increase in investment. The investment was across price, product, marketing and digital initiatives to drive like-for-like sales growth and in technology as we build capacity and scale. Foreign exchange was a margin benefit. The cost efficiencies we delivered across our supply chain, store operations and central costs offset inflation.

1. Primark Group includes franchise revenue, which in 2026 comprised three stores in Dubai and one in Kuwait.
2. Kantar, Primark market share of the total UK clothing, footwear and accessories market including online by value, 52-week data to 13 September 2026
3. Our Northern European markets comprise Germany, the Netherlands, Belgium and Austria.

Capital expenditure summary

We invested £576m in capital projects in 2026, including new stores in Europe and the US. We opened a total of 33 owned stores in the year: three in the UK, one in Spain, two in Portugal, 14 in the US, two in Germany, five in Italy, two in Poland, one in Czechia and three in Romania. We relocated one store, extended two stores, closed two stores and right-sized three stores. On 12 September 2026, including the four new franchise stores, we were trading from 508 stores across 19△ markets, with 20.6m sq ft of selling space. △

We also made good progress with our store refurbishment programme, completing refits in 33 stores comprising 1.4m sq ft of selling space. This included the ongoing rollout of self-checkouts that are now in over 330 stores. We continued to invest in our depot network, including the acquisition of a highly-automated fulfilment facility in Sheffield, which will enable Primark to launch home delivery in Great Britain in the future. The ongoing build of a new depot in northern Italy will support growth in Europe, as well as improving stock availability and cost efficiencies. In 2026, return on average capital employed was 16.8% compared to 19.1% in 2025.



Primark's new distribution centre in Newbridge, County Kildare, Ireland

Strategic and operational summary

Our strategic priority is to re-energise Primark's core customer proposition to drive like-for-like sales growth and we made good progress in 2026. We are reasserting Primark's position as the leader in disruptive value, combining style and quality with the lowest prices in the market. In July, we invested in new, lower prices across hundreds of key lines while also improving quality, style, fit and the overall shopping experience. We launched these changes across all markets and categories through our 'Iconic Value' campaign to coincide with the arrival of our autumn/winter ranges. The initial customer response has been encouraging everywhere, with positive volume growth in key lines including nightwear, leisure and performance wear.

At the same time, we are developing more defined category strategies and tailored growth plans. We started with womenswear as our largest and most strategic category. Our strengthened product offer reflects investment in key ranges such as performance wear, the introduction of new collections such as 'By Coleen' and 'The Primark Scene', and an improved, more co-ordinated fashion offer. Womenswear delivered strong like-for-like sales growth in 2026 and outperformed other categories in all markets. We are now applying the same focus and investment to other categories, including a clear strategic plan and overhaul of our kidswear category aimed at creating a simpler, stronger offer.

To drive customer engagement, we increased investment in brand and marketing. In the UK, our first fully integrated marketing campaigns across channels delivered encouraging results, strengthened brand metrics and increased customer engagement. We also introduced initiatives such as our 'Spotlight' partnerships with local influencers in both the UK and selected European markets, and our 'Major Finds' promotions in all markets, both of which drove footfall in stores and attachment sales. Growth in these initiatives has been supported by continued investment in digital engagement. Our investments in paid media, social media and CRM increased customer engagement, with website traffic growth of 22% in 2026, and contributed to like-for-like sales. The focus is now to extend and scale these initiatives in our European markets as part of our overall plan to drive greater localisation. We have used learnings from the UK, adapted for local market relevance and customer needs, supported by ongoing investment in digital capabilities and assets.

Primark's digital strategy is to deliver incremental growth and support our strong, store-led model. Click & Collect in Great Britain was a key contributor to like-for-like sales growth, while also driving footfall and attachment sales and increasing the effectiveness of our marketing activations. The next evolution is to offer home delivery in Great Britain in the future. This will enable us to reach new customers and drive incremental growth, in the same way Click & Collect has done. The economics of home delivery have evolved over recent years, including the introduction of return policies, minimum basket sizes and delivery fees as standard, creating an opportunity for us to drive profitable growth through this channel. At the same time, our digital advancements will enable us to maximise the potential of home delivery to accelerate our digital flywheel and drive growth in our store model. In September, we acquired a highly automated depot in Sheffield in the UK, which provides the fulfilment capability and capacity to both offer home delivery and continue growing Click & Collect.

We have significant white space to increase Primark's share of consumer spend and extend our presence in existing and new markets. There is still a lot of runway to grow in our European markets. Last year saw our highest number of store openings in the US to date. We are clear on our commercial strategy in the US and we have sharpened our understanding and focus on our key target customer. We will now focus on consolidating our position and driving growth across our enlarged footprint through our new commercial plan for the near to medium term before we expand again. Alongside expansion through our own stores, our franchise partnerships are an asset-light and margin-accretive route into new markets. Since year end, we have opened stores in Bahrain and Qatar and we have a strong pipeline for the Middle East. In particular, we have expanded our partnership with Alshaya Group to include the Kingdom of Saudi Arabia and expect to open the first store in spring 2027. We also signed an agreement with El Puerto de Liverpool to open franchise stores in Mexico and we are actively exploring the first locations.

Looking ahead, our vision is to 'Build a Better Primark': a stronger, simpler and more scalable business that creates long-term value for customers and shareholders. Growth will come from our strengthened customer proposition, deeper category strategies, increased investment in brand, marketing and digital, improved availability and more locally relevant market propositions. We will continue to expand our store estate and grow through franchise partnerships. We also see a significant opportunity to develop an omnichannel operating model, starting in the UK. We are actively assessing the omnichannel opportunity in Europe. Underpinning this will be a focus on simplifying our operating model, strengthening our supply chain and using technology, automation and data to improve productivity and effectiveness at scale.

Leadership appointments

A number of leadership appointments were made in 2026 to enable Primark to deliver its long-term growth ambitions and to transition to be a standalone listed entity following the demerger of Primark from ABF in December 2027.

In March this year, we announced the appointment of Eoin Tonge as Chief Executive of Primark, having served as Interim Chief Executive. In September, this was followed by Filip Ekvall joining in the newly-created role of Chief Commercial Officer and Lucy Slinger joining as Chief Financial Officer.

New store openings in the year ended 12 September 2026:

Company stores

UK

- Epsom, The Ashley Centre
- Tunbridge Wells
- Weymouth

Spain

- Talavera

US

- Castleton, IN, Castleton Square
- Franklin, TN, CoolSprings Galleria
- Miami, FL, Dolphin Mall
- Gurnee, IL, Gurnee Mills
- New York, NY, Herald Square
- Grapevine, TX, Grapevine Mills
- Houston, TX, Katy Mills
- Bloomington, MN, Mall of America
- Hyattsville, MD, Mall at Prince George's
- Hurst, TX, North East Mall
- Arlington, TX, The Parks at Arlington
- Lawrenceville, GA, Sugarloaf Mills
- Orlando, FL, Vineland Premium Outlets
- Houston, TX, Willowbrook Mall

Germany

- Regensburg
- Rostock, Ostee Park

Italy

- Biella, Gli Orsi
- Cremona, CremonaPo
- Naples, Grande Sud
- Naples, La Cartiera
- Parma, Parma Promenade

Portugal

- Setúbal, Alegro
- Castelo Branco

Poland

- Koszalin, Forum
- Lublin, Felicity

Romania

- Craiova, Electroputere Mall
- Iași, Palas
- Sibiu, Shopping City Sibiu

Czechia

- Ostrava

Franchise stores

Kuwait

- Kuwait City, The Avenues

United Arab Emirates (UAE)

- Dubai, Mall of the Emirates
- Dubai, Mirdif City Centre
- Dubai, The Dubai Mall

Store footprint

	Year ended 12 September 2026		Year ended 13 September 2025	
	# of stores	**sq ft 000**	# of stores	sq ft 000
UK	**199**	**7,991**	197	7,907
Spain	**68**	**2,706**	67	2,692
US	**47**	**1,746**	33	1,304
France	**30**	**1,469**	30	1,469
Germany	**28**	**1,379**	27	1,380
Republic of Ireland	**38**	**1,198**	38	1,175
Italy	**24**	**1,059**	19	896
Netherlands	**19**	**903**	19	903
Portugal	**15**	**514**	13	487
Belgium	**8**	**403**	8	403
Poland	**9**	**318**	7	267
Austria	**5**	**242**	5	242
Romania	**7**	**239**	4	147
Czechia	**4**	**152**	3	119
UAE*	**3**	**131**	–	–
Kuwait*	**1**	**61**	–	–
Slovenia	**1**	**46**	1	46
Slovakia	**1**	**39**	1	39
Hungary	**1**	**34**	1	34
	508	**20,630△**	473	19,510

* Franchise stores

Driving growth in womenswear through category investment and customer engagement

Womenswear is Primark's largest category and the cornerstone of its product offer. The ranges are central to brand strength and a key performance driver, making them a priority as Primark reaffirms its great value credentials with customers.

During the year, Primark continued to strengthen its womenswear proposition through an improved product offer, a sharper focus on price and value and an increased emphasis on customer engagement.

Product innovation remained key. Primark launched and expanded successful ranges such as Primark Scene and Performance, as well as increasing its co-ordinated fashion offer, giving customers more choice and even better style. Work also continued to improve fit and sizing.

Investment in new fashion-focused partnerships with strong social and creator activation is helping to broaden Primark's reach and drive incremental sales. With the debut 'By Coleen' collection, Primark delivered strong global sales and set a new Click & Collect record, with 31% of purchases in the first two weeks of sale coming from new Click & Collect customers. Another initiative, 'Spotlight', which sees Primark partner with locally relevant influencers, launched in the UK and Ireland with fashion influencer Perrie Sian.

It delivered strong results, and significantly expanded Primark's reach, with 77% of Instagram activity and 98% of TikTok activity coming from non-followers.

To reach more customers, the year saw the launch of three integrated marketing campaigns promoting Primark's womenswear offer, designed to reach new and existing customers. These included 'In Denim We Can', for women's denim last autumn, and 'Shockingly Chic' in spring, promoting the new co-ordinated fashion offer, followed by 'The Get Away' which introduced Primark's summer collection across the UK and US and was also Primark's first fully integrated campaign in Spain.

Commercial results across these campaigns were very encouraging, resulting in an 8% year-on-year uplift in Primark's market share in women's denim, Primark's highest market share in women's denim in two years. 'Shockingly Chic' also performed strongly, particularly in the UK, Ireland, France and Italy, with sales ahead of expectations.

Following the success of these initiatives in driving like-for-like sales, Primark intends to roll them out further in other markets.

31%

of initial purchases from the debut Coleen Rooney collection came from new Click & Collect customers

8%

year-on-year increase in Primark's market share in women's denim



Coleen Rooney modelling the Tie Back Poplin Shirt from her first 'By Coleen' collection at Primark

ESG at Primark

- In 2026, Primark has been reviewing its approach to ESG. Its updated Primark Cares strategy will centre around its strengths as a business: its products, its scale and its reach across the supply chain. It will concentrate on three priorities: circularity[4], supply chain resilience, and supporting women across the Primark value chain. Primark will publish its updated strategy next year.
- Primark is committed to respecting human rights throughout its supply chain. In the 2025 calendar year, Primark conducted over 2,300 Supplier Code of Conduct audits in its supplier factories, most of which were unannounced, supporting its continued risk-based, worker-centric approach to human rights due diligence in its supply chain.
- In 2026, 81%△ of clothing units sold by Primark contained recycled or more sustainably-sourced materials (recycled polyester, recycled polyamide/nylon, recycled acrylic, recycled cotton, cotton from the Primark Cotton Project, Cotton made in Africa, Organic Cotton, viscose, modal and lyocell)[5].
- In 2026, 64% of cotton clothing unit sales contained cotton from Primark preferred sources (cotton from the Primark Cotton Project, recycled cotton, organic cotton and Cotton made in Africa)[5].
- Through its Primark Cotton Project, the business provides farmers with agronomic training in more regenerative agricultural practices. During the year, the Primark Cotton Project transitioned to CottonConnect's REEL Regenerative Standard, which provides additional independent verification of farming and ginning practices against the standard's requirements.
- Primark's Scope 3 GHG emissions, which represent 99% of its GHG footprint, decreased by 21% compared to 2025. This represents a 24% decrease against its 2019 baseline. These reductions were achieved through a decrease in supplier GHG emissions, improved availability of primary data from supplier factories and greater use of recycled or Primark preferred sources[5]. The decrease in supplier GHG emissions resulted from increased use of renewable energy, wider industry and supply chain decarbonisation initiatives, continued Primark investments in capacity building and site-specific action plans for supplier decarbonisation.

Read more about ESG initiatives at Primark on our website at www.abf.co.uk.

Progress update



The Primark Circular Product Standard

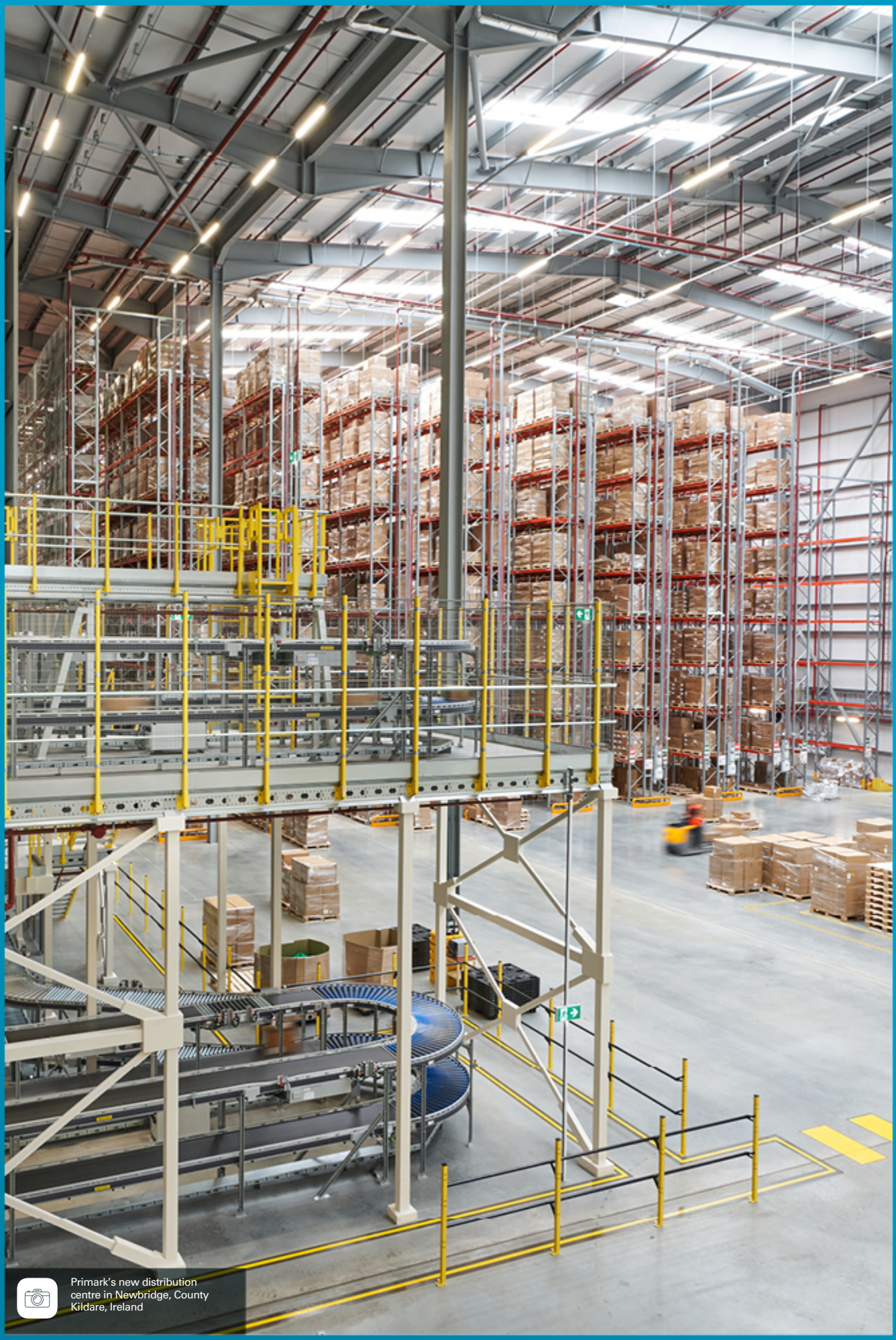
Informed by three years of learning, testing and collaboration, Primark launched its updated Circular Product Standard this year. The revised framework provides a clear and practical approach to circular design that is replicable at scale, and grounded in affordability, by designing for durability and recyclability, and with preferred materials.

As of July 2026, 6% of all Primark's clothing unit sales are circular by design, meeting the 'Foundational' criteria set out by our Circular Product Standard. Within its focus categories, 21% of all jersey and 15% of all denim clothing unit sales are now circular by design.



A cotton farmer from the Primark Cotton Project in Gujarat, India

4. For Primark, circularity means working towards a system where clothing is kept in use for longer and textiles are used again, reducing waste and reliance on virgin resources. Primark's approach is informed by the Ellen MacArthur Foundation's 'vision of a circular economy for fashion', in which products are 'used more, made to be made again, and made from safe and recycled or renewable inputs'.
5. https://corporate.primark.com/en-gb/a/news/sustainability-and-ethics-news/understanding-the-fibres-in-your-clothes



Primark's new distribution centre in Newbridge, County Kildare, Ireland

Increasing the focus on digital, including the Primark app

Primark continued to step up its investment in digital capabilities this year as part of its strategy to support long-term growth, drive customer engagement and make shopping easier.

April 2026 saw the launch of the Primark app in the UK, Primark's biggest market. The app brings the Primark experience directly to customers: shoppers can explore trends, check stock availability, save favourites, receive personalised notifications and use the store locator to plan their visits.

The app also integrates with Primark's Click & Collect service, creating a seamless shopping experience and helping drive customers to stores. Early adoption has been encouraging, with the app reaching number one in the UK App Store on three occasions since launch and accounting for 9% of Click & Collect sales within days of launch and around 15% by the year end. Stock checker usage – which is a strong purchasing signal – has also been robust, with on average 29.5% of app users in the UK using it since launch.

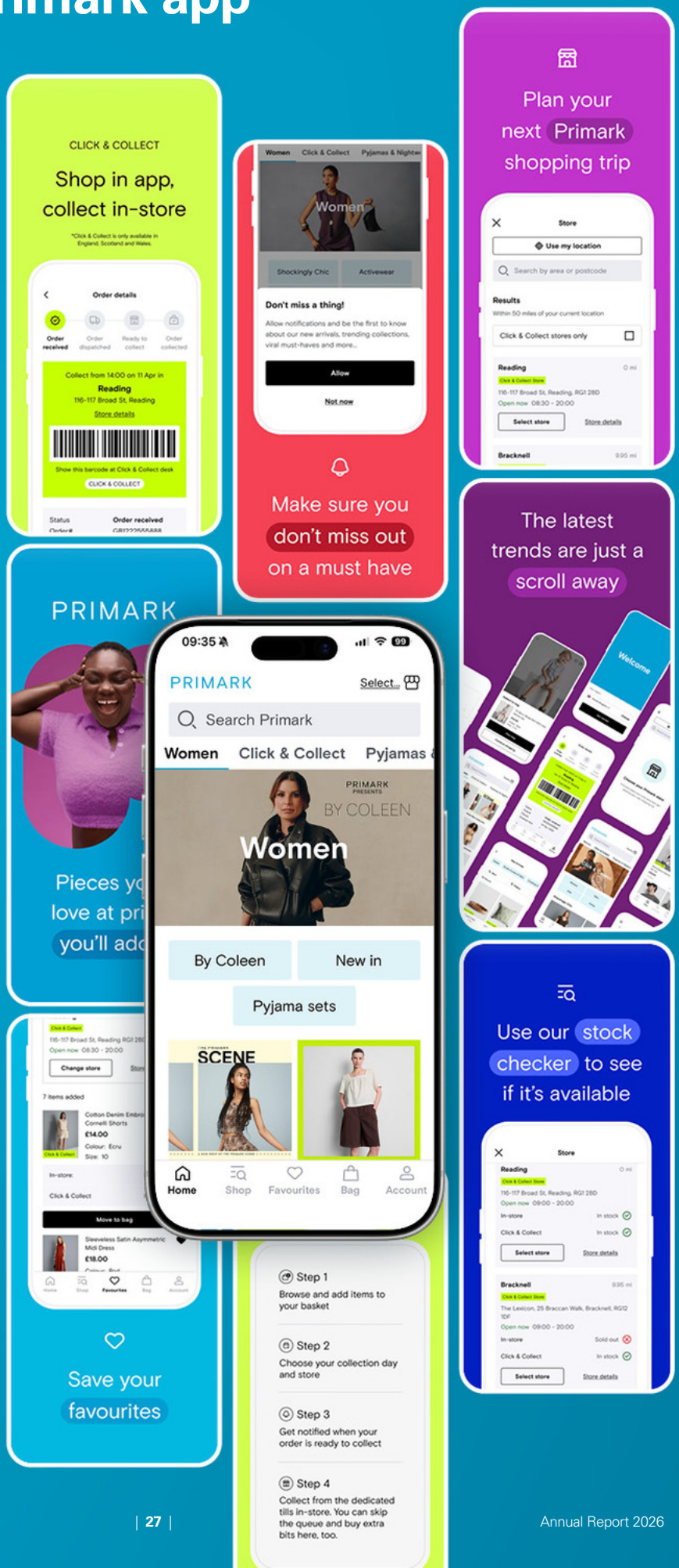
The collective power of these digital investments, which also encompass Primark's website, customer relationship tools and owned channels, is working to create a digital ecosystem that fuels growth: greater customer engagement generates richer data, which enables more personalised communications, helping to drive in-store footfall and sales.

While Primark remains a store-led retailer, its broader digital investment strategy is an important focus area. Click & Collect continues to grow strongly, with underlying Click & Collect sales per store growing by 84%year-on-year. In September, Primark announced plans to offer home delivery in Great Britain in the future, giving customers more choice in how they shop with Primark and helping Primark to reach new customers and give existing customers another convenient way to access the products they love.

84%

year-on-year increase in underlying Click & Collect sales per store

Primark's first UK customer-facing mobile app gives shoppers digital access to its Click & Collect service for the first time



Food

ABF's Food business operates across global food, ingredients and agriculture markets. Together they serve customers in 52 countries through a diversified portfolio of brands, products and services.



Grocery products from some of our businesses worldwide

Key strengths

A **differentiated, global food portfolio** constructed to operate across the food supply chain, in order to benefit from **structural trends** driving future food demand

Strong and **innovative brands** and **ingredients platforms**, targeted at sharply **defined market segments**, with a **well-invested asset base**

A focus on **long-term earnings growth** delivered through a mix of **long duration growth** and **cash generative businesses**

A **devolved and networked operating model** with central oversight supporting local decision-making by those closest to customers and markets, a formula which **attracts and retains exceptional talent**

A **strong balance sheet** and **significant cash generation** which enables **long-term, disciplined investments** to build businesses and brands

A deeply embedded **culture of sustainability** and responsible behaviour which focuses on the most material risks and opportunities for its businesses and the communities in which it operates

Our operating businesses

Grocery
See page 30

Ingredients
See page 34

Sugar
See page 38

Agriculture
See page 42

Food

Highlights

Revenue
£9,323m
2025: £9,242m
Actual currency: up 1%
Constant currency: down 1%

Adjusted operating profit
£637m
2025: £752m
Actual currency: down 15%
Constant currency: down 17%

Adjusted operating profit margin
6.8%
2025: 8.1%

Operating profit
£470m
2025: £473m
Actual currency: down 1%

Employee numbers
57,713
2025: 54,801

Gross investment
£844m
2025: £731m

Scope 1 and 2 GHG emissions (market-based)
2,033
(000 tonnes CO_2e)
2025: 2,364
(000 tonnes CO_2e)

Manufacturing sites
178
2025: 174

AB Foods is a different kind of food group, built by design: a broad portfolio of strong businesses, close to their markets, with the freedom to act and the capacity to keep investing. We operate in defined market segments throughout the food supply chain, giving us breadth, resilience and multiple sources of growth. Our businesses are united by a common purpose to help provide safe, nutritious and affordable food and support food security.

We build our portfolio deliberately and not every business plays the same role. Some deliver strong returns from leading market positions; others provide scale and cash; and some are earlier-stage businesses for future growth. We invest patiently and with discipline to build businesses with a long-term future, focusing on markets we understand and opportunities where we are confident we can win and see the potential for attractive returns.

We have significant opportunities for growth, from growing established brands into new categories, channels and markets; to scaling higher value brands and specialist ingredients; investing in emerging niches; adding capacity where demand supports it; and improving operational effectiveness.

We have built positions of strength across our portfolio, underpinned by scale, leading market shares, trusted brands, customer relationships and specialist capability. These advantages provide a strong base for growth over the long term.

Food has always been a dynamic industry and not every change can be predicted. Tastes shift, new categories emerge and technology changes how food is produced and consumed. At the same time, longer-term forces such as population growth, rising incomes and greater focus on health will shape different parts of the market in different ways. We are not built around any single trend, but we have a strong track record of finding opportunities as markets evolve. That ability comes from the way AB Foods is built, which helps the Group stay resilient, respond to new opportunities and to keep growing over time.



A small selection of our grocery products

Grocery

Grocery comprises brands which occupy leading positions in markets across the globe.

Highlights

Revenue
£4,237m
2025: £4,125m
Actual currency: up 3%
Constant currency: up 2%

Adjusted operating profit
£427m
2025: £478m
Actual currency: down 11%
Constant currency: down 11%

Adjusted operating profit margin
10.1%
2025: 11.6%

Operating profit
£383m
2025: £424m
Actual currency: down 10%

Return on average capital employed
26.0%
2025: 31.5%

Packaging
148kt
2025: 149kt

Recycled waste
85%
2025: 86%

Gross investment
£270m
2025: £226m

For a full list of our businesses and brands visit www.abf.co.uk/our-businesses/a-z-finder.

* Safety and environment data (or ESG data) is reported for companies over which the Group has control as described on page 58. Data from joint ventures, associates and other entities that the Group does not control is therefore excluded.

International brand businesses

Twinings has been blending tea since it was founded in 1706 and its premium teas and infusions are now sold in more than 120 countries. **Ovaltine** malted beverages and snacks are consumed throughout the day in countries across the globe. **Patak's** is the original spice blending expert and is recognised around the world for creating authentic Indian food that is quick and easy to prepare. **Jordans** produces delicious wholegrain breakfast cereals. **Blue Dragon** offers authentic, simple and convenient ingredients to create delicious dishes from China, Thailand, Japan and Vietnam. **Mazzetti** is our leading brand of Balsamic Vinegar of Modena.

US-focused businesses

We have some of the leading US, Mexican and Canadian cooking and baking branded products. These include **Mazola** and **Capullo** cooking oils and **Fleischmann's** yeast. In addition, **Anthony's Goods** is a leading brand of organic and natural ingredients and superfoods which are sold online in the US. We also have a 50% ownership in **Stratas Foods***, the leading US supplier of packaged oils, margarines, mayonnaise, sauces and dressings for the foodservice, food ingredients and retail markets.

UK-focused businesses

We have a broad set of food brands and businesses focused on the UK market. **Hovis** and **Kingsmill** produces a range of bakery products for the whole family. **Dorset Cereals'** award-winning muesli and granolas are renowned for the quality of the ingredients. **Ryvita** is the UK category leader in crispbreads. **Silver Spoon** and **Billington's** are our two retail sugar brands in the UK. We are also a leading supplier to the Indian, Chinese and Thai foodservice sectors with well-known brands, including **Lucky Boat** noodles.

Australia and New Zealand-focused businesses

We are one of Australia and New Zealand's largest food manufacturers. **Tip Top** is one of the most recognised brands in Australia with an extensive range of bread and baked goods. **The Artisanal Group** is a leading manufacturer and wholesaler of high-quality baked goods. Our **Don** business manufactures a variety of bacon, ham and meat products. **Yumi's** produces hommus, vegetable dips and snacks and is the leader in the Australian market.



Quality testing at Twinings' manufacturing facility in Poland

Operating review

Financial summary

Grocery sales grew 2%, primarily reflecting the consolidation of Hovis. Growth across a number of our brands was offset by lower sales of US oils. Grocery adjusted operating profit declined 11% to £427m and adjusted operating margin was 10.1%.

This was primarily due to US consumer pressures driving a decline in our US oils businesses as expected, including a lower profit contribution from our joint venture, Stratas.

We invested £270m in capital projects across Europe, Australia and Africa to support future growth. Return on average capital employed was 26.0%.

Business summary

Within our international brand businesses[6], sales growth in Twinings was driven by strong product innovation, increased investment in marketing, focused in-store execution and the expansion of e-commerce sales. We continued to build momentum across our growing portfolio of wellness teas, including the successful launch of new cold range products in Australia, leveraging our strong heritage and market position in black tea. Overall growth in Twinings was held back by lower sales in the UK and France due to the long, hot summer reducing hot tea consumption. During the year, we completed a number of capital projects to support growth in Twinings through increased capacity, efficiency and capabilities. We also completed the implementation of a new ERP system, which supports future growth but significantly increased amortisation in the year.

Ovaltine had a mixed performance by market and profitability was also impacted by higher cocoa costs and the phasing of sales in Thailand as we changed to a new distribution model. We continued to drive product innovation and increased marketing investment. The new manufacturing facility we commissioned in Nigeria will support growth in West Africa. Our other international brands performed well, with Blue Dragon, Jordans and Mazzetti all delivering strong sales growth supported by good innovation. We completed a capacity expansion project for Blue Dragon, which will support continued international growth.

Within our US-focused businesses[7], sales and profits declined in our consumer oils businesses, as expected. In Mazola, this was due to a decline in the cooking oil category and in particular, our core Hispanic consumer base reducing their expenditure. We remained the number one brand and stayed well-invested in targeted promotional and marketing activities to support Mazola's leading market share and strong brand equity. Our joint venture, Stratas, a leading supplier of oils and other products to the foodservice, ingredients and retail markets, delivered a lower contribution to operating profit, primarily due to pressures on customer expenditure leading to reduced demand for out-of-home eating and their margins were lower.

Within our UK-focused businesses[7], our sports nutrition business delivered strong double-digit sales growth and Ryvita delivered improved results following our restructuring actions last year. In July we completed the acquisition of Hovis Group Limited. We are progressing at pace with the integration of its production and distribution facilities with our bakeries business. This includes the announced closure of one of Hovis' bakeries, Forest Gate, which gave rise to £15m of exceptional charges, the majority of which were closure and restructuring costs. We expect to drive significant cost synergies to invest in marketing and innovation and create a sustainably profitable bakeries business.

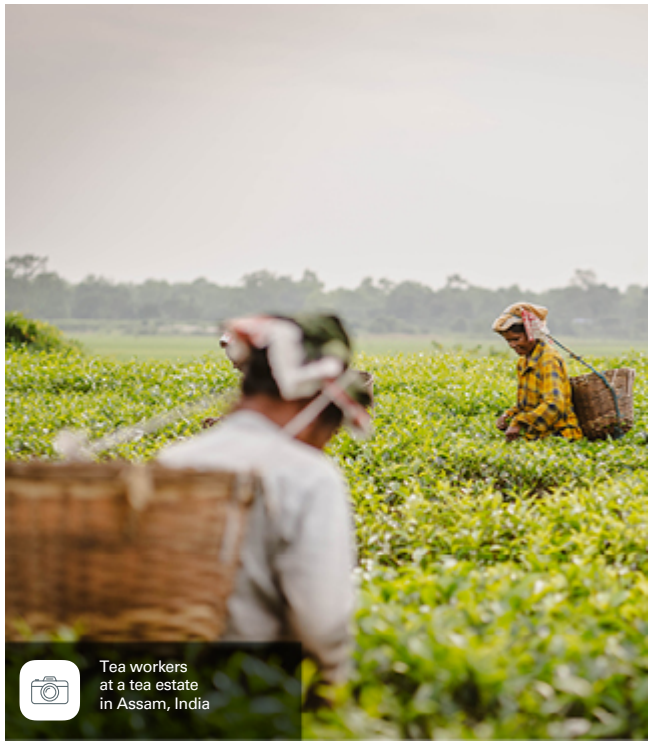
In our Australia and New Zealand-focused businesses[7], sales of Tip Top bread and Don meats were resilient, while The Artisanal Group, which sells high-quality baked goods to cafes and restaurants, was more impacted by the challenging consumer environment. In 2026, we commissioned our new bakery line in Western Australia to add capacity and increase efficiency, supporting long-term growth in a state where Tip Top is the leading supplier.

ESG at Grocery

ESG highlights

- Within the Grocery segment there are an extensive number of social and environmental programmes relevant to the individual businesses. To find out more about the progress being made across these businesses please see our website.
- In particular, Twinings Ovaltine's due diligence approach includes audit procedures and training to support the implementation of its Code of Conduct and Human Rights Policy. These include its Factory Monitoring and Improvement Programme ('FMIP'), the Twinings Community Needs Assessment ('TCNA') programme and Modern Slavery Awareness training.

Read more about ESG initiatives of our Grocery businesses on our website at www.abf.co.uk.



Tea workers at a tea estate in Assam, India

6. Our international brand businesses, which include Twinings, Ovaltine, Blue Dragon, Patak's, Jordans and Mazzetti, accounted for approximately a third of total Grocery sales.
7. Within our regionally-focused brand businesses, US-focused businesses accounted for approximately 15% of total Grocery sales, while UK-focused businesses and Australia and New Zealand-focused businesses each accounted for approximately 25% of total Grocery sales.

Ovaltine: New manufacturing facility in Nigeria supporting growth in West Africa



Ovaltine's new production facility in Lagos, Nigeria, became fully operational in April 2026. It is the business's first owned manufacturing facility in West Africa and a key enabler to achieving Ovaltine's growth ambitions in the region.

By investing in domestic infrastructure, Ovaltine is now able to service its customers more cost-effectively and four times quicker than before. As well as investing in a state-of-the-art vacuum band dryer, one of only three brands in Nigeria to have this capability, it has also invested in its people; Ovaltine now has 110 full-time employees in the country to support its operations, including a larger sales team to help drive its routes to market with its distribution partners.

The facility can deliver end-to-end powder production, from raw materials through to finished goods. This is complemented by an automated delivery system to support its four packing lines. It manufactures three different formats, available in seven sizes from single serve 18g and 30g sachets, through to multi-serve pouches and tins from 350g up to 1.2kg.

These investments mean Ovaltine, the fifth largest brand in Nigeria, is well-placed to grow its current 6% market share of the country's chocolate beverage market. The category has 95% household penetration in Nigeria, making these products a consumer staple for Nigeria's 220 million population, which is growing 2% year-on-year.

Capacity expansion has therefore been built into the facility's plans, with the ability to increase production up to 500% to meet potential demand. It was important to incorporate this expansion capability into the construction phase, as not only does Ovaltine's Lagos factory service the domestic market but it also exports finished goods to eight West African countries: Cameroon, Ghana, Guinea, Ivory Coast, Liberia, Senegal, Sierra Leone and Zambia. This export business represents 17% of the business today, with huge potential for growth.

With a good understanding of consumer needs and a winning product, serviced by this new facility and better routes to market through strategic distributor partnerships and consumer activation, Ovaltine is strongly positioned to significantly grow its West Africa market share in the coming years.



500%

potential production increase at the facility

220 million

population of Nigeria, growing 2% year-on-year

Above: The vacuum band dryer used to dry powder at Ovaltine's new manufacturing facility in Lagos, Nigeria
Top right: Ovaltine packaging used in the Nigerian market

Twinings: A 320-year-old heritage brand winning in e-commerce

As an international wellbeing drinks brand, Twinings is passionate about innovating to create teas and infusions which are enjoyed by and accessible for all. Increasingly, its approach to e-commerce is helping to make that a reality, deepening consumer relationships while accelerating sales growth.



Amazon is the largest e-commerce platform for the tea category both in the UK and the US. This year, Twinings was the number one tea brand on Amazon in the US, while in the UK it is the number one brand in the hot healthy category. In both markets, Twinings' retail sales by value have doubled in the last five years.

Twinings has achieved this through a multi-faceted consumer-driven strategy, focusing on targeted advertising and promotion with an e-commerce-first approach to both content and pack architecture.

It creates Amazon-specific static and video assets to help ensure its digital shelves deliver an exceptional consumer experience. Accurate, complete and consistent product descriptions in turn support the platform and AI search, making the right products discoverable and prominent.

The nature of the digital shelf means Twinings is able to showcase on Amazon the entire breadth of its portfolio, complementing its core range with bespoke offerings, from gift packs and advent calendars to bulk offerings. Ultimately, the right products, in the right sizes, at attractive prices, all indexed and showcased in the right way.

Twinings' market-leading positions are reflected in its consumer reviews, driving brand trust and loyalty. As Amazon's share of this category continues to grow, this represents a significant opportunity for Twinings in both markets and it is also building on this success to expand its Amazon capabilities in Australia, France, Italy, Canada and India.

#1

tea brand on Amazon in the US

Twinings' digital shelf for Amazon in the United States

Blue Dragon is turning up the heat

Blue Dragon, our international brand which helps people recreate authentic east Asian dishes at home, grew revenues (net sales value) 10% year-on-year in the UK and recorded strong, double-digit year-on-year performances across several other markets worldwide.



Founded in 1977, Blue Dragon offers an expanding range of authentic pan-Asian products and ingredients through a combination of in-house manufacture and a large network of long-standing Far Eastern suppliers.

In the US, a key strategic market, Blue Dragon grew revenues by over 30% this year and is increasing its presence in key mainstream retailers such as Walmart, Albertsons, Kroger and Publix, while it recently became the number three pan-Asian brand in Canada.

In the UK, Blue Dragon had grown its market share to more than 17% at the year end and is the largest pan-Asian ambient grocery brand. Building on strong existing customer relationships, this growth has been driven by deep category insights and a very strong pipeline of innovation, including the recent launch of the very popular Blue Dragon Chilli Crunch.

Across its ranges this year, Blue Dragon launched 15 new products with Tesco and introduced a variety of new formats to supermarkets, including a branded stir fry meal deal with Morrisons, a chilled ready meal at Tesco and frozen propositions across several retailers.

Other innovations included a new range of 'condiments with a kick' to complement Blue Dragon's leading iconic sweet chilli sauce and a range of ready-to-eat microwavable meals.

These initiatives were supported with a TV advertising campaign, as well as by a variety of social media campaigns and the use of influencers.

This focus on innovation is a key part of ABF's strategy to drive category growth and build market share in our portfolio of international brands.

+30%

growth in US revenues

A selection of ready-to-eat products sold by Blue Dragon in the UK

Ingredients

Ingredients businesses comprise yeast and bakery ingredients, as well as a portfolio of specialty value-added ingredients primarily focused on enzymes, precision extraction, health and nutrition and pharmaceutical delivery systems.

Highlights

Revenue
£2,105m
2025: £2,041m
Actual currency: up 3%
Constant currency: up 2%

Adjusted operating profit
£238m
2025: £257m
Actual currency: down 7%
Constant currency: down 8%

Adjusted operating profit margin
11.3%
2025: 12.6%

Operating profit
£226m
2025: £243m
Actual currency: down 7%

Return on average capital employed
15.0%
2025: 17.9%

Water abstracted
16 million m^3
2025: 15 million m^3

Scope 1 and 2 GHG emissions (market-based)
219
(000 tonnes of CO_2e)
2025: 221 (000 tonnes of CO_2e)

Gross investment
£245m
2025: £238m



A quality control team coordinator prepares samples for testing at Ohly's plant in Hamburg, Germany

Yeast and bakery ingredients

We have a global yeast and bakery ingredients business, AB Mauri, with well-established market positions in the Americas, Europe and Asia. We sell our products to customers in over 100 countries, operating from 55 plants across 32 countries and we have over 6,300 employees.

We work with industrial and craft bakers to develop leading yeast solutions and bakery ingredients that are right for the needs of their local markets. We have strong technological capabilities in bakery ingredients, supplying a range of products including bread improvers, dough conditioners and bakery mixes and concentrates for bread, cake and dough products. In addition to bakers' yeast, we supply specialty yeast products and associated technologies to the alcoholic beverage and bioethanol markets.

Specialty ingredients

We have a portfolio of specialty ingredients businesses, ABF Ingredients ('ABFI'), that use science and technology to create value-added, innovative ingredients to serve the food and beverage, health and nutrition and pharmaceutical industries, as well as adjacent markets such as animal feed and certain industrial segments. We use platforms such as enzymes and other industrial biotechnology, precision extraction and synthetic chemistry.

We have over 1,500 employees and serve customers in more than 70 countries from manufacturing and R&D facilities in 14 countries across Europe, the Americas and Asia Pacific.

In the food and beverage sector, we develop ingredients and solutions that support product innovation. In the health and nutrition sector, we develop ingredients that provide a health benefit in dietary supplements and functional food and beverage. In the pharmaceutical sector, we produce antacids, excipients, adjuvants and delivery systems that enter the formulation of drugs.

ABFI is comprised of AB Enzymes, Ohly, Biotexia, ABITEC Corp, SPI Pharma and PGP International.

Mauri ANZ

Mauri ANZ is an ingredient company with production and milling capacity in Australia and New Zealand. Our product portfolio includes a range of flour products, yeast and bakery ingredients, as well as animal feed mixes.

New Food Coatings

We have a 50% ownership in New Food Coatings*, one of the leading suppliers of customised breaders, batters, seasonings, sauces and functional ingredients to the food manufacturing and foodservice markets across Australia, New Zealand and south east Asia.

* Safety and environment data (or ESG data) is reported for companies over which the Group has control as described on page 58.

Operating review

Ingredients sales increased 2%, adjusted operating profit decreased by 8% and adjusted operating margin was 11.3%, primarily reflecting weakness in demand for bakery ingredients in the US market and continued investment in innovation and commercial capabilities to drive long-term growth in specialty ingredients. We invested £245m in capital projects and return on average capital employed was 15.0%.

In our yeast and bakery ingredients business, AB Mauri, profit declined. This was mainly due to our US business, where weaker consumer spending drove lower customer demand for our products. There was also subdued demand from customers who use our specialty yeast products in alcohol beverages. Most of our other markets and categories performed well as we continued to leverage our strong routes to market, broad product portfolio and good innovation in bakery ingredients. We made good progress with multi-year capital projects to drive growth in new products and markets. This includes the full production start-up of our liquid sourdough plant, which is the largest in the UK and strengthens our capability in an important and growing market segment. We made good progress with the ongoing commissioning of our fresh yeast plant in India, a high-growth market.

In our specialty ingredients businesses, ABFI, the portfolio performed well overall. In our pharmaceutical businesses, we had good growth in our antacid, excipient and vaccine-related product lines, partially offset by lower lipid sales. Our businesses in the food and beverage, and health and nutrition markets delivered good growth in yeast extracts, enzymes and extruded protein crisps. Across the portfolio, we continued to invest in R&D, commercial capabilities and strategic capital projects to drive long-term growth. During the year, we completed multi-year projects to add new capacity for our yeast extracts business in Germany and new enzyme blending capability in Finland. Our pharmaceutical business, SPI Pharma, acquired Elementis Pharma GmbH to strengthen its position in actives and expand its offering in digestive health.

In our ingredients business in Australia and New Zealand, Mauri ANZ, performance was resilient. In 2026, we completed a multi-year project to relocate our flour mill in Victoria. In line with increasing demand, this will enable us to double our production volumes.

New Food Coatings, our joint venture in Australia, New Zealand and south east Asia, specialising in seasonings, sauces and ingredients, continued to grow.



Ohly's products being scanned in the warehouse at Ohly in Hamburg, Germany

ESG at Ingredients

ESG highlights

- AB Mauri has demonstrated significant progress in effluent treatment through robust governance, enhanced transparency and a strategic focus on risk management. Since 2010, the division has invested $160m in improving its wastewater treatment facilities. Production facilities in several locations have on-site effluent treatment plants that include conventional and advanced biological processes, high pressure membranes and evaporators that can produce reusable water and useful co-products.
- In 2026, our Ingredients businesses consumed 1,404 GWh of energy, a 6% increase compared to 2025, driven by higher production volumes and a more energy-intensive product mix. While energy use increased, the Scope 1 and 2 (market-based) GHG emissions decreased by 1% compared with 2025, primarily due to increased use of renewable energy.
- In 2026, 79% of our Ingredients businesses' waste was recycled, recovered, reused or sent for another beneficial use. The businesses undertook a range of initiatives to manage waste, including recycling paper and plastics and repurposing waste streams for fertiliser and animal feed.
- AB Enzymes, the ABFI industrial biotech business, has continued developing innovative enzyme products that enable customers to reduce GHG emissions in comparison to using traditional products, with no impact on product performance. This is a key part of its customer offering and continues to be a central focus for investment and innovation.



Part of the AB Mauri effluent treatment system in Bandrima, Türkiye

Read more about ESG initiatives of our Ingredients businesses on our website at www.abf.co.uk.

Our new Australian flour mill, one of the most advanced in the world





Mauri ANZ's new approximately AUS$230m flour mill in the city of Ballarat, Victoria, is one of the largest single investments anywhere by ABF over the last decade and a significant vote of confidence in the development and long-term future of Victoria's agriculture and food industry.

The first flour was produced in August 2026 and the mill will be fully operational early in 2027. In line with increasing demand, it will enable flour production volumes to be more than doubled to 180,000 tonnes (up from 80,000 tonnes at our old mill) and the buying of Victorian grain to be increased from around 100,000 tonnes to an estimated 160,000 tonnes.

Replacing a 19th century mill in North Melbourne which has been part of our Australian business for generations, the Ballarat facility is a technological first for Australia and one of the most advanced mills in the world, engineered for safety, efficiency and product quality. It is highly automated, utilises the latest equipment and is targeting 40% less energy consumption per kilo of flour compared to the old mill.

The safety of Mauri employees has been prioritised, with improved traffic management, a more efficient layout, reduced manual handling and enhanced cleaning systems all expected to deliver improved safety outcomes.

+2x

increase in flour production volumes vs old mill

40%

less energy consumption per kilo of flour (target)

Top: Mauri ANZ's flour mill and warehouse nearing completion in Ballarat, Victoria, Australia
Right: The mill contains some of the most advanced flour processing technology in the world, including Bühler equipment and automation

Mauri's move to the historic gold mining city of Ballarat has been carried out with the support of and in partnership with the Victorian Government, including rail connections, land and planning facilitation, and transition arrangements regarding the North Melbourne mill. A key element of this partnership is the AUS$55m Ballarat Intermodal Freight Hub, a major project which will enable more freight to be moved by rail and help reduce GHG emissions, while also creating local jobs and driving economic growth in the region.

The Ballarat mill has been designed to meet increasing demand being driven by significant population growth in Melbourne, which is forecast to overtake Sydney in size by 2035. With ABF's Australian business able to make more flour than ever before, we expect to supply over 50% of Victoria's flour over the next half century and beyond.

Ohly: Transforming manufacturing to drive growth

For nearly 200 years, Ohly has been defined by continuous reinvention. That same long-term mindset is today driving one of the most significant investment programmes in the company's history: a targeted transformation of its manufacturing network to support growth, resilience and emissions' reductions for the decades ahead.

Part of ABFI, Ohly is one of the world's leading suppliers of yeast-based specialities and culinary powders. This year it opened a new state-of-the-art spray drying tower for converting liquid yeast extracts into dry powders at its Hamburg plant, where it is also constructing a highly automated, energy-efficient yeast fermentation plant. Together, these projects are reshaping the site into a world-class manufacturing platform and are expected to increase fermentation capacity by 50%, reduce its GHG emissions by 30% and strengthen operational resilience.

The Hamburg programme demonstrates how investment in reducing GHG emissions can also strengthen competitiveness: Ohly is working on reducing its environmental footprint (cutting fresh water usage by 40% and energy usage by 20%) while creating a stronger, more responsive platform for customers. The site supports Ohly's ambition to achieve its target of net zero in Scope 1 and 2 GHG emissions by 2030.

Ohly is now taking a similar approach in North America with a new production site in Eau Claire, Wisconsin. Centred on a modern spray drying facility, the investment will add 70% capacity, improve customer proximity and strengthen Ohly's US manufacturing footprint. The site has also been designed with future optionality, including potential co-location opportunities for other ABFI businesses.

Together, these investments show disciplined capital allocation in support of clear strategic priorities: growth capacity, customer service, operational resilience and reduced emissions. They strengthen Ohly's position as a trusted long-term partner for customers and provide a more future-ready manufacturing platform for ABFI.

50%

increase in fermentation capacity



A quality control manager samples for testing at the Ohly plant in Hamburg, Germany

AB Mauri: Building capability in UK sourdough

Strengthening AB Mauri UK's capability to support growing consumer demand in specialty bakery products with the largest liquid sourdough ingredients plant in the UK.

During the year, AB Mauri UK completed the full production start-up of a new liquid sourdough plant in Northampton in the UK, strengthening its capability in an important and growing segment of the bakery market. The investment builds on AB Mauri's established expertise in fermentation and bakery ingredients, including its experience in developing sourdough solutions for industrial bakery applications.

The new plant expands local manufacturing capability and supports bakery customers looking to create products with distinctive flavour, texture and target audiences. This is particularly relevant as customers continue to respond to evolving consumer preferences for premium products made with simple and recognisable ingredients.

Following the plant's start-up, customers have used this new capability to develop additional product segments. These launches demonstrate how specialist ingredient expertise, combined with in-country presence, technical know-how and close customer collaboration, can successfully bring new products to market.

This investment reinforces AB Mauri's presence in the UK sourdough market by enhancing its ability to meet customer requirements effectively through local capability, service and application expertise.



Right: A Hovis sourdough loaf baked in the UK using AB Mauri's technology

Sugar

ABF Sugar produces a range of sugar, fuels and other products from sugar cane; and sugar beet in Africa, the UK and Spain.

Highlights

Revenue
£1,966m
2025: £2,047m
Actual currency: down 4%
Constant currency: down 9%

Adjusted operating loss
£(47)m
2025: £(1)m
Actual currency: >(100)%
Constant currency: >(100)%

Adjusted operating loss margin
(2.4)%
2025: (0.1)%

Operating loss
£(146)m
2025: £(205)m
Actual currency: down 29%

Return on average capital employed
(2.3)%
2025: (0.1)%

Scope 1 and 2 GHG emissions (market-based)
1,385
(000 tonnes of CO_2e)
2025: 1,724 (000 tonnes of CO_2e)

Water abstracted
741 million m^3
2025: 787 million m^3

Gross investment
£312m
2025: £252m

This group of businesses employs 28,000 people and operates 16 plants in seven countries, with the capacity to produce approximately 4 million tonnes of sugar annually.

In Africa, we have sugar cane operations in Eswatini, Malawi, South Africa, Tanzania and Zambia. We have market-leading consumer brands in these countries, with Bwana Sukari in Tanzania, White Spoon in Zambia and Illovo in multiple markets. In certain markets we also produce co-products such as potable alcohol, furfural and electricity for local grids.

In the UK, British Sugar is the sole processor of the sugar beet crop and in Spain, Azucarera is the largest sugar producer. Our strong domestic brands include Silver Spoon in the UK and the Azucarera brand in Spain. In the UK, we produce a range of co-products including energy, animal feed, bioethanol, betaine and CO_2.

We also have a 42.5% ownership in Czarnikow Group Limited*, a global supply chain management and advisory company specialising in the food and beverage sector.

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Zambia Sugar's Whitespoon brand is the market leader in Zambia

Operating review

Sugar sales declined 9% and the segment had an adjusted operating loss of £47m due to low European sugar prices.

In the UK[8], sales and profit declined significantly in 2026 primarily due to lower average selling prices compared to 2025. This was only partially offset by lower negotiated beet prices for the 2025/26 campaign. Profitability in 2026 was also impacted by the recognition of onerous contract provisions arising from continued low European sugar prices, higher gas costs and lower overhead recoveries as a consequence of reduced yield expectations for the 2026/27 UK beet crop following prolonged hot and dry weather, partially offset by lower beet costs agreed for the 2026/27 campaign. In July, we announced our intention to reduce our footprint from four to three sites in the UK, ceasing beet processing at Cantley in 2027. This will enable us to meet existing customer demand more efficiently, supporting sustainable profitability over the long term. Our Spanish business, Azucarera, had a reduced operating loss in 2026 as a result of restructuring actions last year.

In Africa[8] , overall profit was lower. This was primarily due to weak sales and prices in South Africa and Eswatini resulting from drought and higher imports due to a delay in adjusting import tariffs. In Tanzania, rain had a significant impact on production in the first half of the year. In 2026, we commissioned our new sugar mill in Tanzania and made good progress with the ongoing ramp-up in production, which is a large and complex project.



An evaporator at British Sugar's factory in Wissington, UK

ESG at Sugar

ESG highlights

- In 2026, ABF Sugar's Scope 1 and 2 (market-based) GHG emissions decreased by 20% compared to the previous year, driven mainly by site closures. These emissions were 38% lower compared to the 2018 baseline. The reduction against baseline reflects changes in the operational footprint, ongoing improvements in production efficiency, investment in new technology and fuel switching to lower-emission energy sources.
- In 2026, 68% of total energy consumption came from renewable sources, primarily bagasse, the fibrous by-product of sugar cane crushing.
- ABF Sugar reduced water use by 6% compared to last year, with 25% of abstracted water reused before being returned to the environment. The majority of water used by ABF Sugar is for crop production at its sugar businesses in Africa, where businesses continue to invest in improved irrigation systems and initiatives to optimise water use across their estates.
- In 2026, 94% of ABF Sugar's total waste was recycled or used in another capacity. ABF Sugar's African operations used bagasse to generate up to 91% of their factories' annual energy needs.
- ABF Sugar's businesses in Africa have estates situated in rural and remote areas. They provide accommodation for many employees and their families, and each relevant business has a plan for investment. In 2026, ABF Sugar upgraded and rebuilt more than 500 houses across its African operations, building on the renovations completed in the two previous financial years.

Read more about ESG initiatives at ABF Sugar on our website at www.abf.co.uk.

Progress update



K4 expansion project at Kilombero Sugar, Tanzania

This year, K4's modern mill and automated packing facility and warehouse have successfully moved from construction into commissioning and operational ramp-up. K4 is expected to produce 60,000 tonnes of sugar from 600,000 tonnes of cane this season, supported by improved own-cane yields and an expanded area under cane managed by 10,500 growers supplying cane this year. The focus is now on increasing throughput while maintaining quality and safety.

K4 is well-positioned to meet its three objectives: to more than double annual sugar production capacity to 270,000 tonnes; to support Tanzania's ambition for sugar self-sufficiency; and to drive long-term growth.

8. Our European sugar businesses in the UK and Spain accounted for approximately 45% of total Sugar sales and our African sugar businesses accounted for approximately 55% of total Sugar sales.



Sugar cane fields on the Nakambala estate in Zambia

Long-term investment is driving resilience in Zambia

In Africa, our sugar business in Zambia has been delivering thanks to multi-year investments, operational initiatives and a strong, devolved management team.



ABF owns 75% of Zambia Sugar plc, the market-leading sugar business in Zambia and Africa's largest single-mill cane sugar factory. Investments over the past decade have increased Zambia Sugar's total factory capacity to 450,000 tonnes of unrefined sugar annually – of which refined sugar production capacity has more than doubled to around 90,000 tonnes annually – as well as generating significant efficiency improvements.

As part of our long-term commitment to African sugar, Zambia Sugar has this year been progressing the construction of its Twazabuka facility, a modern packing plant and warehousing facility set to be completed in mid-2027. At nearly £50m, this investment will increase packing operations from 36 to 52 weeks per year, unlocking additional pre-pack sales and packing capacity, generating efficiency gains, reducing logistics costs and improving flexibility to meet customer demand.

Successful initiatives by Zambia Sugar to improve agricultural performance have seen own-grown cane yields increasing from around 108 tonnes of cane per hectare in 2021 to approximately 123 tonnes this year, with specific fields achieving yields as high as 200 tonnes per hectare. These yield increases have been enabled through improved planting practices, field fallowing, use of cover crops, soil health improvement and integrated pest and disease management.

The introduction of sub-surface drainage and the ongoing conversion to more efficient irrigation systems have further supported productivity gains, while strong partnerships with external growers complement efforts to support the long-term sustainability and resilience of the overall cane supply base.

Zambia Sugar's consumer brand is Whitespoon, Zambia's leading sugar brand with average daily sales of over 500,000 packs of sugar. Zambia Sugar continues to invest in its commercial capability, marketing initiatives, routes to market and portfolio optimisation to strengthen Whitespoon's position for the long term.

Across its 7,500 employees, strong network of outgrowers, housing programme and support for local hospitals, clinics and schools, Zambia Sugar is continuing to invest in its people and communities while simultaneously increasing resilience and favourably positioning the business for growth.

90,000 tonnes

annually of refined sugar production capacity

500,000

packs of Whitespoon sugar sold on average each day

Top: Main entrance to Nakambala estate in Zambia
Bottom: An aerial view of Zambia Sugar's Nakambala factory, the biggest single-mill cane sugar factory in Africa



Agriculture

AB Agri is an international agri-food business.

Highlights

Revenue
£1,015m
2025: £1,029m
Actual currency: down 1%
Constant currency: down 2%

Adjusted operating profit
£19m
2025: £18m
Actual currency: up 6%
Constant currency: in line

Adjusted operating profit margin
1.9%
2025: 1.8%

Operating profit
£7m
2025: £11m
Actual currency: down 36%

Return on average capital employed
4.4%
2025: 4.8%

Number of employees
3,186
2025: 3,380

Gross investment
£17m
2025: £29m

We sell our products and services to farmers, feed and food manufacturers, processors and retailers in more than 100 countries. We employ more than 3,000 people globally.

We produce specialty feed ingredients for livestock, horses and pets. We develop pioneering ingredients including feed additive products, high-quality bespoke vitamin and mineral premixes and starter feeds.

Our dairy business in the UK delivers targeted insights that help create continuous improvement for dairy supply chains. We provide products and data insights to major food processors, retailers and directly to farmers, enabling them to produce high-yielding, safe and nutritious dairy products.

Frontier

We also have a 50% ownership in Frontier Agriculture*, the UK's leading provider of grain marketing and crop production services to customers in the UK. It supplies seed, crop protection products and fertiliser to farmers, as well as providing specialist agronomy advice.



Premier Nutrition's premix production site in Fradley, UK

* Safety and environment data (or ESG data) is reported for companies over which the Group has control as described on page 58. Data from joint ventures, associates and other entities that the Group does not control is therefore excluded.

Operating review

Agriculture sales declined 2% and adjusted operating profit was broadly flat at £19m.

Our specialty feed and additives businesses performed well, including good growth in Premier Nutrition in the UK; in AB Vista, our international feed additives business; and in our nutritional supplements business. We had a lower profit contribution from our joint venture, Frontier, a provider of grain marketing and crop production services, which was the result of lower commodity prices, smaller crop sizes and reduced demand for crop protection during dry spring weather. Frontier is adapting its operational footprint as part of implementing a new, more efficient, customer-centric operating model.

In 2026, we took the strategic decision to focus on our higher-growth segments and to exit our UK compound feed business. We divested two of our ten mills during 2026 and we expect to finalise the future of the remaining mills by the end of 2027. The results of this business are therefore included within 'disposed and closed' operations, not in the Agriculture segment.

ESG at Agriculture

ESG highlights

- AB Agri continues to develop its integrated dairy business, which collaborates with various stakeholders along the value chain to develop solutions aimed at reducing the environmental footprint of its customers' dairy farms, in particular reducing their GHG emissions.
- AB Agri applies its nutritional expertise to make use of food industry co-products that might otherwise go into waste streams. Examples include using the fibre-rich sugar beet pulp and grains remaining from the brewing and distilling of beer and whisky, which are incorporated into animal feed.

Read more about ESG initiatives at AB Agri on our website at www.abf.co.uk.



Dairy cow at a customer farm in Somerset, UK

AB Vista: Building on its breakthrough innovation to maintain market leadership

AB Vista, AB Agri's global feed additive business, continues to deliver pioneering products and technical services to livestock producers across the poultry, swine, ruminant and aquaculture sectors. Central to its success has been the development of phytase enzymes, which improve nutrient utilisation and reduce the environmental impact of animal production.





c.90%

adoption of phytases across monogastric species

Building on its strong legacy in the phytase market, AB Vista this year launched Quantum Force, a next-generation phytase developed through extensive research and development in collaboration with AB Enzymes. Quantum Force enhances performance and reliability, offering improved nutrient release and greater flexibility for feed formulation. It is also up to 20% more efficient than AB Vista's forerunner product Quantum Blue, enabling further cost reductions for customers and, in some cases, supporting phosphate-free diets while improving robustness under demanding feed processing conditions.

AB Vista has a long and successful track record of innovation in the phytase market, with the launch in 2012 of Quantum Blue marking a significant step-change for the industry. At the time, phytase use was limited, but the product helped demonstrate how unlocking naturally occurring phosphorus in feed could significantly improve efficiency.

Today, the phytase market is well established, with an estimated 90% adoption across monogastric species such as poultry and swine. Within this mature and highly competitive market, AB Vista has maintained its leadership position as a global top-three supplier, with around 20% share. This reflects both the continued performance of its products and the strength of its global technical expertise.

Following its initial launch in Asia, including India, early adoption of Quantum Force is now underway, with further geographic expansion planned as regulatory approvals progress. This reflects AB Vista's strategy of combining innovation with strong local market engagement.

As the business evolves, AB Vista continues to invest in scientific and technical expertise, as well as broadening its portfolio of nutrition and health solutions. However, enzymes remain a core strategic focus, underpinning both strong customer relationships and future growth for the category. Through continuous innovation and global reach, AB Vista is well positioned to sustain its leadership in a mature market while delivering tangible economic and environmental benefits to customers worldwide.



Wet chemistry analysis being carried out at AB Vista's lab in Ystrad Mynach, Wales, where Quantum Force was tested



Raw material hoppers used in the manufacture of specialist vitamin and mineral premixes at Premier Nutrition's site in Fradley, UK

Financial review



Joana Edwards
Group Chief Financial Officer

Group performance

Group revenue was £19.6bn, a decline of 1% at constant currency, primarily reflecting growth in Retail offset by lower sales in Sugar. Group adjusted operating profit was £1,508m, a decrease of 13% at actual exchange rates and 14% at constant currency, primarily reflecting lower profit in Retail. Accordingly, Group adjusted operating profit margin declined from 8.9% to 7.7%. Group operating profit was £1,327m, a decline of 11% after charging exceptional items of £113m (2025 – £188m), the majority of which were non-cash impairment charges in Sugar.

Free cash flow of £652m was £4m higher than last year.

Segmental summary

The analysis by segment is set out in the operating reviews. The segmental analysis by geography is set out in note 1 in the notes to the financial statements.

	Revenue			Adjusted operating profit		
At actual rates	**2026 £m**	2025 £m	Change %	**2026 £m**	2025 £m	Change %
Retail	**9,820**	9,489	+3.5	**1,005**	1,126	(10.7)
Grocery	**4,237**	4,125	+2.7	**427**	478	(10.7)
Ingredients	**2,105**	2,041	+3.1	**238**	257	(7.4)
Sugar	**1,966**	2,047	(4.0)	**(47)**	(1)	>(100)%
Agriculture	**1,015**	1,029	(1.4)	**19**	18	5.6
Food	**9,323**	9,242	0.9	**637**	752	(15.3)
Central				**(120)**	(110)	(9.1)
	19,143	18,731	+2.2	**1,522**	1,768	(13.9)
Businesses disposed and closed						
Sugar	**17**	141		**(5)**	(41)	
Agriculture	**422**	587		**(9)**	7	
	19,582	19,459	+0.6	**1,508**	1,734	(13.0)

Geographical summary

	Revenue		Adjusted operating profit	
	2026 £m	2025 £m	**2026 £m**	2025 £m
United Kingdom	**6,307**	6,322	**441**	598
Europe and Africa	**7,907**	7,653	**616**	645
The Americas	**2,545**	2,449	**346**	399
Asia Pacific	**2,384**	2,307	**119**	126
	19,143	18,731	**1,522**	1,768
Businesses disposed and closed	**439**	728	**(14)**	(34)
	19,582	19,459	**1,508**	1,734

Adjusted earnings per share

	2026 £m	2025 £m	Change %
Adjusted operating profit	**1,508**	1,734	(13.0)
Finance income	**38**	47	
Finance expense	**(45)**	(30)	
Lease interest expense	**(114)**	(102)	
Other financial income	**70**	47	
Adjusted profit before taxation	**1,457**	1,696	(14.1)
Taxation on adjusted profit	**(348)**	(410)	
Adjusted profit after tax	**1,109**	1,286	(13.8)
Adjusted earnings attributable to equity shareholders	**1,100**	1,266	(13.1)
Adjusted earnings per share (in pence)	**156.0p**	174.9p	(10.8)

Interest and other financial income

Finance income decreased as a result of lower cash balances and lower rates of interest earned, as most market interest rates have fallen. Finance expenses increased largely due to increased borrowings in our African sugar business and lease interest expense also increased, mainly driven by new US store openings in Primark. Total net interest expense increased £36m to £121m.

Other financial income was higher reflecting the improvement in returns on interest earned on defined benefit pension fund assets.

Given the decline in adjusted operating profit, adjusted profit before tax decreased by 14.1% to £1,457m.

Taxation

The tax charge on adjusted profit before tax was £348m, with a small reduction in the adjusted effective tax rate to 23.9% from 24.2% in 2025. This includes a benefit from the reassessment of the uncertain transfer pricing positions, partially offset by the impact of a change in the mix of profits by jurisdiction. The reduction in the adjusted effective tax rate in 2026 reflects this benefit. As this benefit is non-recurring, we expect there to be some upward pressure on the Group's effective tax rate.

Adjusted earnings per share

Adjusted earnings per share decreased 10.8% to 156.0p per share, reflecting the decrease in adjusted profit partially offset by a benefit from the reduction in the weighted average number of shares, from 724 million in 2025 to 705 million in 2026, as a result of share buybacks as well as a small benefit from the lower effective tax rate.

Basic earnings per share

	2026 £m	2025 £m	Change %
Adjusted profit before taxation	**1,457**	1,696	(14.1)
Acquired inventory fair value adjustments	**(3)**	(1)	
Amortisation of non-operating intangibles	**(40)**	(40)	
Exceptional items	**(113)**	(188)	
Profits less losses on sale and closure of businesses	**—**	(32)	
Profits less losses on disposal of non-current assets	**2**	(9)	
Transaction costs	**(27)**	(13)	
Profit before tax	**1,276**	1,413	(9.7)
Taxation	**(337)**	(368)	
Profit after tax	**939**	1,045	(10.1)
Earnings attributable to equity shareholders	**930**	1,025	(9.3)
Basic earnings per share (in pence)	**131.9p**	141.6p	(6.9)

Exceptional items

	2026 £m	2025 £m
Sugar – impairments	**85**	125
Sugar – restructuring	**9**	36
Grocery – impairments	**8**	–
Grocery – restructuring	**13**	27
Central – pension curtailment gains	**(2)**	–
	113	188

In 2026, there were exceptional charges of £113m, of which £91m related to non-cash charges including impairment and £22m related to restructuring activity that either has resulted or will result in cash costs.

In Sugar, following an operational footprint assessment, British Sugar announced the closure of its Cantley factory, resulting in exceptional impairment and write-off charges of £71m against property, plant and equipment and spare part inventory, as well as restructuring charges of £9m, which are expected to be settled in cash in 2027. Azucarera recognised further impairment charges of £14m relating to property, plant and equipment acquired as part of the Miranda site configuration.

In Grocery, following the decision to close the Hovis Bakeries Forest Gate site, the Group recognised £15m of exceptional charges, comprising a £2m impairment charge against property, plant and equipment and £13m of closure and restructuring costs. The Group also recognised additional impairment charges of £6m relating to the Ryvita production facility at Bardney following its closure in 2025.

A non-cash curtailment gain of £2m was recognised in relation to the closure of the ABF plc UK defined benefit pension fund to future accrual for 319 active members.

The prior year exceptional charge included £154m of non-cash impairment charges, comprising £129m in Sugar, of which £123m related to Azucarera and £6m to Vivergo, and £25m in Grocery, relating to Ryvita. The charge also included £34m of restructuring costs, comprising £32m in Sugar, relating to Azucarera, and £2m in Grocery, relating to Ryvita.

In 2026, there were no material or significant costs incurred on the sale and closure of businesses or disposal of non-current assets. The prior year loss on sale and closure of business of £32m mainly included closure costs for Vivergo.

Transaction costs of £27m have been incurred both in relation to our acquisition of the Hovis Group which was completed in 2026, as well as ongoing costs related to the demerger of Primark from the Food business.

Profit before tax of £1,276m was 9.7% below last year as a result of the decline in operating profit.

Total tax charge for the year of £337m included a credit of £11m (2025 – £42m) for tax relief on the amortisation of non-operating intangible assets, the amortisation of acquired inventory fair value adjustments, profits less losses on disposal of non-current assets and on disposal and closure of businesses and exceptional items. This includes an exceptional tax charge of £27m arising from the partial derecognition of deferred tax assets in Spain (£23m) and the UK (£4m) which has arisen due to the announced demerger.

Earnings attributable to equity shareholders were £930m and basic earnings per share decreased 7% to 131.9p, reflecting the decrease in operating profit, partially offset by a benefit from the reduction in the weighted average number of shares.

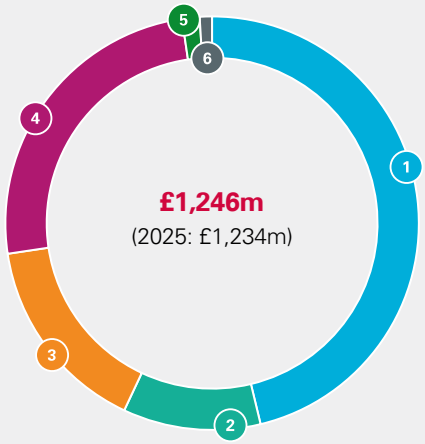
Cash flow

	2026 £m	2025 £m
Adjusted EBITDA	**2,526**	2,685
Repayment of lease liabilities net of incentives received	**(356)**	(328)
Working capital	**228**	(95)
Capital expenditure	**(1,246)**	(1,234)
Acquisition of subsidiaries	**(167)**	(4)
Sale and closure of subsidiaries	**(6)**	(4)
Net interest paid	**(124)**	(94)
Taxation	**(302)**	(298)
Share of adjusted profit after tax from joint ventures and associates	**(78)**	(106)
Dividends received from joint ventures and associates	**77**	108
Other	**100**	18
Free cash inflow	**652**	648
Share buyback	**(253)**	(603)
Dividends	**(446)**	(656)
Movement in loans and current asset investments	**30**	330
Cash outflow	**(17)**	(281)

Free cash flow was in line with last year at £652m. Lower adjusted EBITDA and higher cash outflows on the acquisitions of businesses have been offset by lower working capital, mainly due to benefit from reduced inventory in Primark.

Capital expenditure has remained at a high level in 2026 due to a number of large, multi-year capital projects within our Food business, including the completion of our new sugar mill in Tanzania. In Primark, we continued to execute our store rollout programme, invest in new technologies and increase automation in our depot network, including the Sheffield fulfilment centre which will enable the future capability of home delivery. We expect capital expenditure in 2027 to be at a similar level to 2026.

2026 capital expenditure



1 **Retail: £576m**
2 **Grocery: £134m**
3 **Ingredients: £195m**
4 **Sugar: £312m**
5 **Agriculture: £17m**
6 **Central and disposed: £12m**

The spend on acquisitions in 2026 was £167m. The most significant of these were the acquisition of the Hovis Group in the UK and Abe's Bagels in Australia and New Zealand, in our Grocery segment, and the acquisitions of Elementis Pharma in Germany and Casa de Bolos in Brazil, in our Ingredients segment. In 2025, no acquisitions were made in the year and the cash outflows related to deferred consideration payments for historical acquisitions.

In Sugar, we incurred limited costs related to the closure of Vivergo and our exit of sugar operations in Rwanda. Limited non-cash impairment charges were also incurred in the Agriculture segment as a result of the strategic decision to exit their UK compound feed business. The intangible assets, property, plant and equipment, right-of-use assets and lease and deferred tax liabilities have been classified as assets and liabilities held for sale. We expect to finalise the future of the remaining mills by the end of 2027.

Cash tax was broadly in line with last year; a reduction due to lower profits was offset by a one-off benefit in 2025 from an EU state aid refund of £25m. Cash tax in 2027 is expected to be slightly lower.

The increase in other cash flows was driven by higher sales of non-current assets in 2026 and an increase in provisions compared to 2025.

Our share buybacks resulted in a cash outflow of £253m in 2026 and we completed our most recent share buyback programme of £250m in August 2026. Dividends paid of £446m reflect the 2025 final and 2026 interim dividends. Cash deposits with a term greater than 90 days were not renewed and resulted in a decrease in current asset investments.

Financing and liquidity

	2026 £m	2025 £m
Short-term loans and overdrafts	**(226)**	(258)
Long-term loans	**(479)**	(409)
Lease liabilities	**(3,150)**	(3,019)
Total debt	**(3,855)**	(3,686)
Cash at bank and in hand and cash equivalents	**1,010**	1,057
Total net debt	**(2,845)**	(2,629)
Leverage ratio	**1.1x**	1.0x

Total short and long term loans, excluding bank overdrafts, were £594m at the year end, an increase of £58m from £536m last year. Cash and cash equivalents, net of bank overdrafts, decreased by £27m to £899m. Consequently, net cash before lease liabilities decreased by £85m to £305m.

Total liquidity was £2,397m, £167m higher than last year. As set out in the Alternative Performance Measures, total liquidity comprised total available cash of £597m and qualifying committed credit facilities of £1.8bn. Total available cash was calculated from gross cash and cash equivalents of £1,010m, before the deduction of £312m of non-qualifying borrowings and £101m of estimated inaccessible cash. The qualifying facilities comprise an undrawn £1.5bn revolving credit facility maturing in June 2029 and a further £300m revolving credit facility maturing in February 2029, both of which are free from performance covenants. The additional £300m facility was entered into in February 2026 to maintain liquidity in line with internal financial policy.

Lease liabilities increased by £131m in 2026 predominantly as a result of property leases acquired as part of the Hovis Group acquisition in July.

Total net debt increased by £216m in 2026 to £2,845m at the year end. A combination of lower adjusted EBITDA and higher total net debt resulted in a leverage ratio of 1.1x at the year end, compared to 1.0x in 2025.

Pensions

The Group's defined benefit pension schemes' aggregate surplus increased by 7% to £1,705m at year end compared to £1,590m last year. The UK scheme, which accounts for around 89% of the Group's gross pension assets, was in surplus by £1,695m (2025 – £1,586m). The most recent triennial actuarial valuation of the UK scheme was carried out as of 5 April 2026 and this last valuation showed a funding surplus of £1,467m. Details of the assumptions made in the current and previous year are disclosed in note 13 of the financial statements together with the bases on which those assumptions have been made.

During 2026, the Group commenced the closure of the UK defined benefit pension scheme to future service accruals for existing active members, with affected employees transitioning to a defined contribution pension arrangement. A curtailment gain of £2m was recognised as an exceptional item in respect of those members who had formally accepted the proposed changes by the reporting date. The Group's net defined benefit surplus increased by £2m as a result. Further details are provided in note 13 of the financial statements.

The charge for the Group's defined contribution schemes in 2026 was £126m (2025 – £115m). This compared with the cash contribution to the defined benefit schemes of £1m (2025 – £7m).

As agreed with the trustees in previous years, and reconfirmed this year, as a result of the surplus in the UK scheme, the Group will continue to receive a cash flow benefit each year from the abatement of UK employer pension contributions on both the defined benefit and defined contribution schemes; the latter was approximately £47m (2025 – £44m).

Dividend and shareholder returns

Our capital allocation policy is for the Group's financial leverage, expressed as the ratio of total net debt to adjusted EBITDA, to be well under 1.5x. Financial leverage consistently below 1.0x with substantial cash balances at both half and full year ends, may indicate a surplus capital position. Surplus capital may be returned to shareholders by special dividends or share buybacks, subject to the Board's discretion.

A further £250m share buyback programme was launched in November 2025 and completed in August 2026. At the end of the financial year we had 703 million ordinary shares in issue. The weighted average number of shares for the year was 705 million (2025 – 724 million). On a cumulative basis, since the start of our buyback programmes in November 2022, the total number of shares has decreased 89 million from 792 million shares to 703 million. At the end of the financial year, our financial leverage ratio was 1.1x.

The Group continues to prioritise investment in its businesses whilst maintaining a progressive approach to shareholder returns. The Board is proposing a final dividend of 42.3p per share to be paid on 8 January 2027 to shareholders on the register on 11 December 2026. Taken with the interim dividend of 20.7p per share, the total dividend equates to 63.0p per share, which is in line with the total dividend of 63.0p per share in financial year 2025.

Demerger

As stated in our Interim results announcement, the anticipated dis-synergies are expected to be below £45m in aggregate. One-off separation and transaction costs are expected to be in the region of £75m. Ahead of the demerger, we will host separate Capital Markets Days for Primark and AB Foods. We will also host a series of shorter investor education events for AB Foods, starting with a Group spotlight, followed by sessions for each of its three reporting segments post demerger: Grocery, Ingredients and Sugar & Agribusiness. These are expected to take place between April and July 2027.

Joana Edwards
Group Chief Financial Officer

Engaging with our stakeholders

Section 172 Statement

In accordance with the requirements of section 172 of the Companies Act 2006, the directors must act in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, having regard to the likely consequences of any decision in the long term and the broader interests of other stakeholders. This Statement sets out how the directors have had regard to those factors during the financial year ended 12 September 2026.

Stakeholder engagement

We engage regularly with stakeholders at Group and/or business level, depending on the particular issue.

Authority for the management of the Group's businesses is delegated to the Chief Executive for execution or for further delegation by the Chief Executive to the senior management teams of the businesses. This is to ensure the effective day-to-day running and management of the Group. The chief executive of each business within the Group has authority for that business and reports directly to the Chief Executive.

Day-to-day operational decisions are made locally by the businesses within the Group. The Board provides input from a Group perspective on the principal decisions and strategy, as appropriate, and also supports individual businesses by facilitating the sharing of best practice and know-how between the businesses.

This approach necessarily involves a high degree of delegation of communication with stakeholders to the management of the Group's businesses. Where the directors of the Company have not themselves directly engaged with stakeholders, material stakeholder issues are considered at Board level both through reports to the Board by the Chief Executive and/or Group Chief Financial Officer and also by the senior management of the Group's businesses. Senior management of the businesses are requested, when presenting to the Board on strategy and principal decisions, to ensure that the presentations cover what impact the strategy/principal decision has on the relevant stakeholders and how the views of those stakeholders have been taken into account.

In the following pages, we set out the key stakeholder groups with whom engagement is fundamental to the Group's ongoing success.

Employees

We employ approximately 140,000 people. Our people are central to our success.

Key matters

- Health, safety and wellbeing
- Diversity and inclusion
- Cost of living
- Culture
- Engagement
- Development

How the businesses engage with this stakeholder group

- Day-to-day engagement
- Email
- Town halls
- Surveys
- Health and safety programmes
- Training
- Notice boards
- Newsletters
- Intranet and website

How the Board engages and/or is kept informed and takes matters into account

- Annie Murphy, as designated Non-Executive Director for workforce engagement, met with employees from a selection of businesses to seek to ensure that the 'voice' of each workforce in the Group is heard at Board level.
- The Board receives two specific updates each year from the Non-Executive Director for workforce engagement and the Chief People and Performance Officer in respect of progress on workforce engagement and resulting actions.
- Each business division also specifically reports to the Board on workforce engagement within that division.
- The Chief Executive and Group Chief Financial Officer continue to engage with employees both at the ABF centre and at the regional businesses through town halls covering business updates and ESG topics.
- The Board receives updates on safety trends and progress against KPIs, supplemented by updates from the divisions.

See the letter from Annie Murphy on pages 105 and 106, which includes details of some of the outcomes from workforce engagement. See also the 'Our people' section on pages 61 to 65.

Suppliers

As a diversified international Group, our businesses have many complex supply chains.

Key matters

- Responsible sourcing
- Supply chain sustainability
- Payment practices
- Human and labour rights in our supply chains
- Transparency in supply chains

How the businesses engage with this stakeholder group

- Conversations (face-to-face or virtual)
- Training
- Communication sessions
- Correspondence
- Audits
- Engagement with supplier representatives and NGOs

How the Board engages and/or is kept informed and takes matters into account

- Senior management of each business division (often with the assistance of specialists from within that division) regularly report to the Board on material relationships and projects with suppliers either as part of their business updates to the Board or through reports to the Chief Executive and Group Chief Financial Officer.
- The Board reviews ESG matters in supply chains as part of the regular cycle of business reviews.

Examples of material matters or projects on which the Board was briefed include human and labour rights due diligence in respect of our supply chains, with particular focus on Primark and Twinings, and the Twinings Community Needs Assessment programme involving direct engagement with farmers in its tea and herb supply chains.

See further details on page 66 about Primark's and Twinings' human and labour rights due diligence in respect of their supply chains.

Customers/Consumers

The buyers of our safe, nutritious and affordable food, and clothing that is great value for money.

Key matters

- Healthy and safe products
- Value for money
- Availability of products
- Customer relations
- Social and environmental impact
- Store environment

How the businesses engage with this stakeholder group

- In-store signage (Primark)
- Face-to-face interactions with staff
- Customer surveys
- Websites
- Labelling
- Social media
- Customer/consumer contact lines
- Market data analysis

How the Board engages and/or is kept informed and takes matters into account

- The Board is regularly updated by each business division on its strategy, including in relation to key customers and key activities impacting customers and consumers.
- The Director of Financial Control provides the Board with an annual report on food and feed safety.
- The Chief Executive and Group Chief Financial Officer meet each business division quarterly to discuss key commercial matters.

Examples of key matters or projects on which the Board was briefed include:

- the impact of GLP-1s on consumer behaviour;
- the continued Primark store refit programme to elevate customer experience, the launch of Primark's first franchise partnership, its increased focus on digital and the proposal to expand into home delivery in the future; and
- Twinings' investment in brand renovation, both product development and packaging.

See further details on page 20 about Primark's first franchise partnership and move into the GCC and page 24 about driving growth in womenswear through category investment and customer engagement.

Communities and the environment

Supporting society and respecting the environment are two of the key ways we live our values and make a difference.

Key matters

- Climate change mitigation and adaptation
- Natural resources and circular economy
- Social impact – including employment opportunities
- Agriculture and farming practices

How the businesses engage with this stakeholder group

- Various environmental programmes
- Dealings with NGOs and other expert programmes and schemes
- Coaching and training programmes
- Community programmes and schemes

How the Board engages and/or is kept informed and takes matters into account

- Senior management of the business divisions report to the full Board on their material ESG matters as part of their business updates.
- The Board reviews risk assessments undertaken by the businesses each year which consider, among other things, climate change impacts and risks.
- The Director of Legal Services and Company Secretary and the Group Corporate Responsibility Director present to the Board (or to individual Board members) on broader corporate responsibility issues that sit beyond our direct manufacturing operations e.g. in the supply chains.
- The Board receives updates from the Chief People and Performance Officer on environmental matters in our direct manufacturing operations.
- The Board receives updates and provides views on other sustainability matters.

See pages 56 to 70 in the Responsibility section of this Annual Report. See also, more specifically, pages 36 and 41 for examples of projects which also benefit surrounding communities.

Shareholders and institutional investors

The Company has a mix of individual and institutional shareholders, including bondholders, whose views are valued.

Key matters

- Strategic updates
- Business and financial performance
- Return on investment
- ESG
- Remuneration

How the businesses engage with this stakeholder group

- Results announcements
- Press releases
- Annual General Meeting
- Annual Report
- Website
- Meetings
- Registrar

How the Board engages and/or is kept informed and takes matters into account

- Regulatory News Service (RNS) announcements keep investors updated on business and financial performance and other matters.
- The Chief Executive and/or Group Chief Financial Officer meet with investors throughout the year. The Head of Investor Relations also meets prospective and current investors, as well as analysts who write reports on the Company.
- Each year, the Chairman meets with the Company's largest institutional shareholders to discuss their views, issues or concerns.
- The annual general meeting provides an opportunity for retail shareholders to ask the Board questions.
- The Board also responds either directly or via its in-house company secretarial team to shareholder queries raised throughout the course of the year.
- At each Board meeting, the directors are briefed on meetings that have taken place with institutional shareholders and on feedback received.
- The Remuneration Committee Chair meets with investors and analysts to answer queries and respond to feedback around remuneration issues.
- All shareholders are treated equally and a Relationship Agreement is in place with the Company's controlling shareholders (see page 135).

See further details on page 103, which includes details on this year's annual general meeting.

Governments

The Group is impacted by changes in laws and public policy.

Key matters

- Climate and environment-related matters
- Tax and business rates
- Agricultural and trade policy
- Public health
- Support of businesses and workers
- Energy support schemes

How the businesses engage with this stakeholder group

- Meetings, calls and correspondence
- Responding to consultations and calls for evidence
- Providing data/insights (e.g. supply challenges)
- Participation in government schemes
- Parliamentary events
- Industry forums
- Site visits
- Attendance at conferences

How the Board engages and/or is kept informed and takes matters into account

- The Company engages with governments to contribute to, and anticipate, important changes in public policy.
- The Board takes into account the interplay between commercial decisions and government policies and aims in its investment decisions.
- Across markets, ABF aims to contribute positively and proactively to policy-making processes and prioritises having constructive relationships with relevant decision-makers.
- The Board is briefed on engagement with governments and public authorities. ABF management and senior teams have proactively engaged with governments and regulators in many of the markets in which the Group operates. This includes engaging with Ministers and officials in the UK on issues related to, for example, food security, taxation and customs policy as it impacts the retail sector, and trade policy. The Chief Executive and other senior executives also met with the UK Competition and Markets Authority in the context of the merger approval process for the acquisition of Hovis.



Hovis 'Strength Baked In' TV Advert (2026)

Principal decisions

In making decisions throughout the course of the financial year, we seek to ensure that the consequences promote the long-term success of the Company, as well as maintain our reputation for high standards of business conduct.

Demerger of the Primark and Food businesses

Which stakeholders most affected?



Shareholders and institutional investors



Employees



Customers/ Consumers



Communities and the environment

We noted in our full year results announcement on 4 November 2025 that the Board had been conducting a review of the Group structure with a view to maximising long-term value and that the outcome of the review may lead to the Board deciding to undertake a separation of the Primark and Food businesses. Following that announcement, the Board continued with an in-depth review of the Group structure.

Institutional investors were consulted and all shareholders, both institutional and retail, had the opportunity to speak to Board members and ask questions at the AGM. There was also extensive engagement with Wittington Investments, ABF's largest shareholder, who was supportive of the proposed demerger and expressed commitment to maintaining majority ownership of both the Primark and Food businesses in the event of a demerger.

The outcome of those engagements was that the Board concluded that a demerger would give a clearer investment proposition and enhanced investor understanding, alongside accountability to shareholders who are invested because of their specific interest in either the Food business or Primark.

The impact on employees was considered. Through engagement over the years the Board was aware that employees value the unique culture of their local businesses and the Group overall and the Board considered the demerger in this context. For Primark, it was considered that the demerger would allow an experienced and highly capable team with a long-term mindset and strong execution capability to thrive in a uniquely Primark culture. For the Food business, it was noted that the devolved and networked operating model, with central oversight supporting local decision-making by those closest to customers and markets, was a formula that would continue to attract and retain exceptional talent.

The Board considered the impact of the demerger on customers and concluded that the demerger would improve customer experience. It noted that the demerger will allow Primark to continue to deliver customers an unmatched value proposition, combining clear price leadership with differentiated quality and exciting fashion in prime locations, whilst the Food business would be able to continue to deliver a differentiated global food portfolio constructed across the food supply chain with strong and innovative brands and ingredients platforms, targeted at sharply defined market segments.

In considering the environment, the Board noted that the demerger would allow Primark to continue to be underpinned by industry-leading standards of sustainability and ethical sourcing, whilst the Food business would continue a deeply embedded culture of sustainability and responsible behaviour which focuses on the material risks and opportunities for its businesses and the communities in which it operates.

Outcome

Having reviewed the options thoroughly, and after considering stakeholder impact, on 21 April 2026 the Board announced its decision to proceed with a demerger of the Retail business (Primark) from the Food business concluding that a demerger was the best way to maximise long-term returns for shareholders, reflecting Primark's scale today and the opportunity for a better understanding of the Food business.

Leadership decisions

Which stakeholders most affected?





To ensure a smooth transition through the demerger, the Board asked ABF's current Chairman, Michael McLintock, to continue as Chairman of ABF until the completion of the demerger. The Board considered Michael's current tenure, as he was appointed as a Director in November 2017, but considered that stability and knowledge of both the Primark and Food businesses was important for successful delivery of the demerger and to maximise long-term shareholder value.

The Company announced the appointment of Joana Edwards as a Director and Group Chief Financial Officer on 5 March 2026, the Board having been impressed with the capability and strength that Joana brought to the interim role since March 2025. The Board noted Joana's clear understanding of ABF's business and operating model, her rigour in the execution of her role and her passion for building high-performing teams.

The Company also announced the appointment of Eoin Tonge as Chief Executive of Primark on 5 March 2026. In making this decision the Board noted the steps Eoin had taken in his interim tenure to implement a strategy to strengthen Primark's customer proposition and to deliver against Primark's long-term ambitions for value creation for shareholders. The Board considered that Eoin should remain as a Director on the Board of ABF pending the demerger.

Outcome

The outcome of the leadership decisions is a Board ready to lead on the Group's long-term growth prospects and to deliver the demerger, being an important step in the evolution of ABF.

Completion of the acquisition of Hovis Group Limited

Which stakeholders most affected?



Following receipt of unconditional merger clearance from the Competition and Markets Authority (CMA) in June 2026, it was decided to proceed with completion of the acquisition of Hovis Group Limited in order to create a sustainably profitable UK bakeries business for the long term.

There was detailed consultation with the CMA in respect of the proposed acquisition, including engagement both by Board members and by senior management of our UK bakeries business.

The integration of Hovis Group with Allied Bakeries, operating together as 'Hovis Bakeries', is expected to deliver substantial operational synergies and efficiencies across production and distribution. These benefits will drive improved profitability, strengthen the resilience of the combined business and enable investment in brands and product innovation to the benefit of our bakery customers.

Outcome

The acquisition of Hovis Group Limited completed on 8 July 2026.

Primark - investment in Click & Collect and home delivery

Which stakeholders most affected?



Primark's digital strategy is to deliver incremental growth while complementing its store-led model. In recent years, Primark has made significant progress in developing its digital capabilities, including introducing CRM, digital marketing, an app and the rollout of Click & Collect across Great Britain.

Primark advised the Board of its proposals to grow Click & Collect and, having undertaken a detailed review, a proposal to offer home delivery in Great Britain in the future. To enable this, Primark proposed the acquisition of a highly-automated fulfilment facility in Sheffield.

The Board noted Primark's digital maturity, including the success of Click & Collect, and online market developments, meaning there was now the opportunity for profitable growth through the home delivery channel. The Board also noted that this would give customers even more choice in how they shop with Primark.

Outcome

The Board approved the purchase of the fulfilment facility with a view to Primark introducing home delivery in Great Britain in the future.

Capital structure and shareholder returns

Which stakeholders most affected?



The Board considered the Company's capital allocation policy, which is for the Group's financial leverage (expressed as the ratio of total net debt including lease liabilities to adjusted EBITDA) to be well under 1.5 times. As the financial leverage was under 1.0 times, this indicated a surplus position, giving the Board the discretion to return surplus capital to shareholders by way of both a dividend and a further share buyback programme. In exercising that discretion, the Board took into account the outlook for the Group, the strength of the balance sheet and the underlying cash generation of the business. The Board considered that these shareholder returns still allowed the Group the ability to continue to prioritise investment in its businesses. In line with previous practice, the Board also considered that the share buybacks should be used if they created enhanced value for continuing shareholders.

Outcome

In November 2025, the Board approved and announced a share buyback programme of £250m as well as recommending a final dividend of 42.3p per share which was paid in January 2026. On 21 April 2026, the Board announced an interim dividend of 20.7p which was paid on 3 July 2026. The buyback programme completed in August 2026.

Acquisition of Elementis Pharma

Which stakeholders most affected?



SPI Pharma (a division of ABF Ingredients) is a global supplier of ingredients and drug delivery solutions for the pharmaceutical and dietary supplement industries.

The Board was briefed on an opportunity for SPI Pharma to purchase Elementis Pharma, a German-based supplier of digestive health active pharmaceutical ingredients.

The Board considered whether the strategic investment would drive long-term growth and shareholder value, noting that the acquisition would strengthen SPI Pharma's capabilities in pharmaceutical ingredients allowing them to build a broader product portfolio and a stronger, more robust manufacturing network. This in turn is expected to deliver long-term growth of SPI Pharma. The Board also considered the impact on customers and was briefed that it would allow SPI Pharma to better support customers with expanded offerings in digestive health and increased supply security.

Outcome

The Board endorsed the acquisition of Elementis Pharma by SPI Pharma, recognising the benefits to various stakeholders.

 Employees

 Customers / Consumers

 Shareholders and institutional investors

 Suppliers

 Communities and the environment

 Governments

ESG at ABF



George Weston
Chief Executive
Associated British Foods plc

Introduction

The past year has brought geopolitical uncertainty, pressure on the costs of doing business and numerous severe weather events. In this context, well-directed investment in energy efficiency, resilient supply chains, safe workplaces, products to reduce GHG emissions and the responsible use of natural resources can all reduce risk, lower costs and strengthen our businesses for the long term. In short, our ESG activities are good not only from a social and environmental point of view but also from a shareholder perspective.

Our purpose remains clear: to provide safe, nutritious and affordable food, and good-quality clothing that is affordable. It informs how we run the Group as well as our ESG work. During a challenging financial year, our businesses have remained focused on the fundamentals and have made progress.

Strengthened governance

Our devolved operating model gives responsibility to the people who know their businesses best. Each business is accountable for understanding and managing its material ESG risks, impacts and opportunities. The centre provides the governance framework, expertise and support necessary to help them do this effectively.

This year we have strengthened governance at Group level. We are refreshing our material climate risks and the actions being taken to mitigate them. The ABF executive team is also conducting frequent reviews of material ESG matters, working with subject-matter experts. I expect this process to sharpen decision-making.

We have worked with the businesses to prepare for significant regulatory change. The EU Deforestation Regulation, for example, will require substantial additional supply chain information and due diligence for in scope businesses, and Australia has brought in new reporting standards for sustainability disclosures. Our job is to help businesses meet these new obligations accurately and efficiently.

Primark has been reviewing its approach to responsible operations. The company already has its Sustainability Strategy, developed with the close involvement of the central ABF ESG team. It has a well-established organisation of more than 100 sustainability and ethical trade specialists and therefore has a strong base from which to continue its work as an independent business.

As ever, this year there are areas where we have made good progress, areas where improvement has been insufficient and risks that require greater attention.

Carbon reduction

Our Group Scope 1 and 2 market-based greenhouse gas emissions fell by 14% during the year, driven principally by changes in the operating footprints of our Sugar and Agriculture businesses. Sustained investment in multi-year decarbonisation, energy efficiency and renewable energy programmes also contributed. Primark's Scope 3 GHG emissions also reduced by 21% compared to 2025. These reductions were achieved through a decrease in supplier GHG emissions, improved availability of primary data from supplier factories and greater use of recycled or Primark preferred sources.

Our people

Our people are central to the long-term success of the Group and we have made good progress in a number of areas this year.

In ABF Sugar's African markets, many employees and their families live in accommodation provided by the business because our estates are often located in rural and remote areas. This year, ABF Sugar upgraded or rebuilt more than 500 homes, building on the investment made over the previous two years. These improvements make a meaningful difference to living standards and reflect our commitment to the people who help build our businesses every day.

More broadly, we continue to focus on the wellbeing and mental health of our employees, although there is always more to do. Everyone who works for us, including contractors, should return home safely every day. The Group lost-time injury rate for employees was unchanged at 0.41%△ and, tragically, one△ employee and four△ contractors lost their lives working with us during the year. Our businesses have fully investigated the root causes of the fatalities and are implementing further measures to reduce risk.

Our supply chains are large and diverse and many depend on agricultural workers around the world. Their safety and wellbeing are also important. Within the framework of our Group Supplier Code of Conduct, each business develops its own approach to managing risks in its supply chains, reflecting local conditions and circumstances. The continued development of a Human Rights Due Diligence framework for the Primark Cotton Project is one example of this work.

Climate resilience

Climate resilience is an area of focus. Our businesses and supply chains depend on secure access to natural resources and are therefore exposed to disruption from extreme weather. During the year, flooding affected our Sugar business in Malawi and Primark's third party manufacturers in Bangladesh. Heatwaves reduced sugar yields in the UK and Europe. El Niño will affect markets in different ways and may disrupt the availability of wheat, sugar and cotton.

We are already doing a lot of work to make our own operations more resilient to severe weather. Our African sugar businesses are investing in irrigation, soil health and efficient use of water. Where we launch initiatives in markets, we take the learnings and roll them out more widely.

In Grocery, businesses are increasing their use of solar energy, reducing their reliance on national grids at times of peak demand. Within AB Mauri, investment in water efficiency is reducing dependence on abstraction and production of waste water. These projects strengthen operational resilience while delivering commercial and environmental returns.

Changing weather is also impacting product development. As hotter summers impact hot tea consumption in the Northern Hemisphere, for example, we are accelerating the rollout of Twinings' Cold Infusions range.

Our businesses also work with farmers to improve productivity and resilience. The Jordans Farm Partnership supports soil health and biodiversity. Allied Mills' Wheat Sustainability Supply Project promotes practices such as crop rotation, minimal tillage and precision agriculture. The Primark Cotton Project works with hundreds of thousands of farmers to improve soil quality and productivity, while British Sugar continues to work with growers and researchers on approaches that support productive soils.

We are also investing in technologies that can help reduce emissions. AB Enzymes continues to develop enzyme-based solutions that improve efficiency or replace more carbon-intensive alternatives across a range of industries, including baking, food processing and paper manufacture.

Preparing for the demerger

This forthcoming year the Group will demerge, but a commitment to responsible operations will remain in both the standalone Retail and Food businesses. The most material issues and the emphasis placed on them will naturally differ.

For the AB Foods Group, our devolved operating model will continue. Our businesses will continue to set their own ESG priorities based on what is material for them, supported from the centre. We are assessing how our material topics will look in future based on the relative importance of those issues in a Group without Primark. We expect to have more to say on this next year.

Conclusion

We aim to be transparent about our priorities, our approach and our performance. There is therefore further disclosure in this report and on our Responsibility website. Reporting is important, but it is not the objective. The objective is to deliver outcomes: safer workplaces, more resilient operations and supply chains, responsible use of natural resources and sound commercial returns. I expect these outcomes to be enduringly significant well beyond the demerger of the businesses next year.

George Weston
Chief Executive
Associated British Foods plc

Non-financial and sustainability reporting requirements

The Group data included in this Report on our environmental and safety KPIs covers the period 1 August 2025 to 31 July 2026.

The Companies Act 2006 requires the Company to disclose certain non-financial and sustainability information within the Annual Report and Accounts.

Accordingly, the disclosures required in the Company's non-financial and sustainability information statement can be found on the following pages in the Strategic Report or are incorporated into the Strategic Report by reference for these purposes:

Information on our business model (pages 12 to 15)
Information on our people (pages 17 and 61 to 65)
Information on DEI (pages 63 to 64 and 111)
Information on our Anti-Bribery and Corruption Policy (page 65)
Information on our Speak Up Policy (pages 65, 102 and 118)
Information on our approach to human rights (pages 25, 31, 65 to 66, 94 and 124)
Information on supporting communities (pages 65 to 66)
Information on our environmental management (pages 17, 44 and 67 to 70)
Information on our climate-related financial disclosures (pages 72 to 85)
Information on our principal risks and uncertainties, including how we manage and mitigate those risks (pages 86 to 95)

For the current and prior reporting years, safety and environment data is from companies over which the Group has financial control. Control is determined by reference to our accounting policies as described on page 156. Control exists where the Group has the power, directly or indirectly, to direct the activities of an entity so as to affect significantly the returns of that entity.

We engaged Ernst & Young LLP (EY) to provide independent limited assurance over the 25 ESG KPIs. These are marked with the symbol Δ in these pages 56 to 70 and on page 17. Of these assured metrics, a number are associated with climate-related risks and opportunities. The EY assurance report can be found on page 146.

Further information on these can also be found on our website. Our website provides additional information and data relating to the commitments, approach, performance and impact of ABF and our businesses. Our website also includes previous responsibility reporting, our Modern Slavery Statement and our CDP (Carbon Disclosure Project) disclosure covering climate, water and forests.

Our Group ESG governance

All our businesses operate within a clear governance framework defined by the Group. Our devolved business model gives businesses the responsibility to manage their ESG impacts, risks and opportunities within this framework and provides clear expectations for reporting into the Group where relevant and material.

The ABF Board ('the Board') has oversight and accountability for ESG across the Group, including climate-related matters. The Board holds our businesses accountable for their assessment and management of ESG impacts, risks and opportunities, which includes an annual review of material ESG matters including climate-related matters. The Chief Executive and the Group Chief Financial Officer have responsibility for assessing material ESG matters across the Group, including climate-related matters, and reporting on them to the Board.

In carrying out its duties the Board is also supported by:

- our Director of Legal Services and Company Secretary, who reports to the Chief Executive and has responsibility for material Group ESG issues and acts as the focal point for communications to the Board and shareholders on ESG matters;
- our Chief People and Performance Officer ('CPPO') who reports to the Chief Executive and has responsibility for all material Group employee matters, including safety, mental health, financial wellbeing, employee development, workforce engagement, diversity, equity and inclusion ('DEI'), as well as having the oversight of how we ensure security for our people and assets, initiatives within central procurement and material environmental risk in our operations at the Group level;
- our Group Corporate Responsibility Director who leads the Group's Corporate Responsibility Hub ('CR Hub') team which is responsible for providing guidance, support and facilitating collaboration across the businesses on ESG matters as well as for Group ESG reporting; and
- our Group Financial Controller who leads the Finance Transformation Team, which is responsible for all non-financial data used for Group reporting.

The CR Hub is a central resource available to all our businesses, which provides guidance and support on environmental and social issues. It also facilitates a network that brings together professionals across the Group working on ESG topics so that knowledge, experience and best practice can be shared.

The Finance Transformation Team, part of the Group Finance function, oversees and coordinates the collection of non-financial data used for Group reporting. The team works closely with the CR Hub to support timely and accurate reporting and coordinates finance teams across the Group's businesses to maintain robust and consistent data collection aligned with assurance requirements.

Dedicated teams covering areas such as DEI, health, safety and wellbeing, environment, carbon reporting and procurement also support across ESG matters.

The Board receives updates throughout the year on material ESG matters, including climate-related matters, from a variety of sources including senior management and internal reporting. This year these included updates on the following:

- strategic decisions taken by the businesses in addressing climate change and wider ESG issues;
- health and safety performance of our operations;
- environmental performance of our operations;
- employee development, workforce engagement and DEI;
- Task Force on Climate-related Financial Disclosures ('TCFD') requirements;
- our businesses' continued approach and development of transition plans;
- UK mandatory climate disclosures and which entities are in scope.

Since 2022, we have included strategic ESG KPIs in our short-term incentive plan ('STIP') for executive directors. We report to the Remuneration Committee on progress against these KPIs three times each year. The measures applied this year, and how we assessed progress against them, are disclosed in the Directors' Remuneration Report on page 123.

Our ESG Policy and Reporting Group is a central, cross-functional group that meets regularly and is responsible for overseeing the ESG reporting, methodology and strategy, allocating central resource, prioritising activities, and reviewing Group ESG reporting or policy as needed. It sits at the ABF Group level and includes representatives from Finance, ESG Legal, Risk, CR Hub and People and Performance, supported by subject matter experts as required.

Last year, we introduced quarterly ESG Update meetings with the Chief Executive and the Group Chief Financial Officer. These meetings are run by the Group Corporate Responsibility Director and include senior leadership members from the Finance, Legal, People and Performance and Business Performance teams. The meetings cover progress against material Group ESG topics, updates on priorities, and horizon scanning.

Responsibility within our businesses

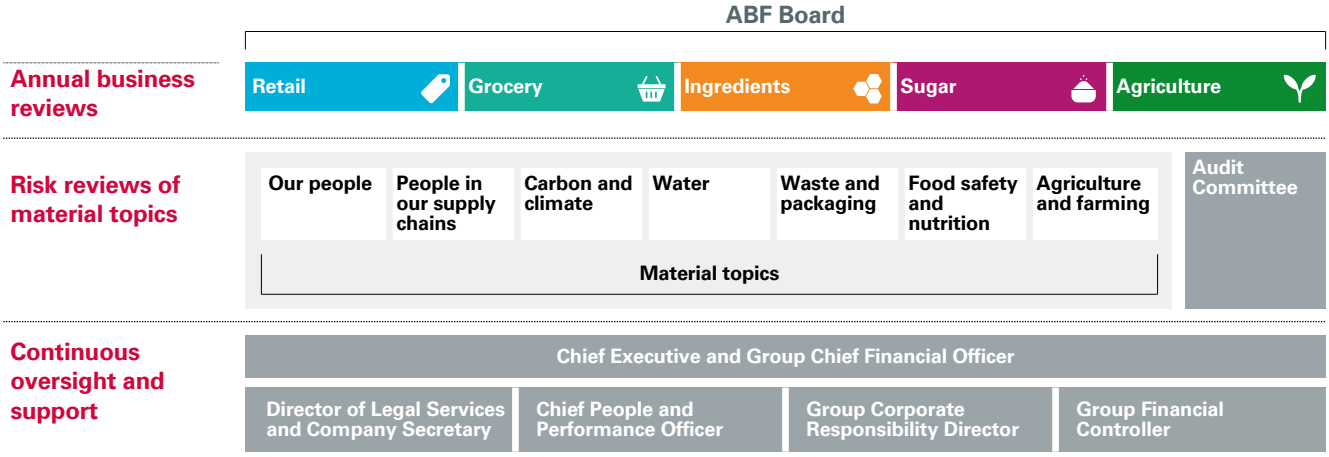
Under ABF's devolved structure, each of our businesses is required to identify and understand its material ESG impacts, risks and opportunities, and is given the responsibility as well as the independence to put in place the necessary measures and policies that it believes will effectively manage such matters.

In addition to individual business leaders, divisional chief executives are accountable for their businesses taking the appropriate action in relation to ESG risks, opportunities and impacts, including assessing, managing and mitigating the impact of climate change on their businesses.

Across most of our divisions, ESG measures are part of the personal objectives of the divisional chief executives, with appropriate KPIs in place to reflect the nature of their business. In addition, for the last three financial years, all Primark directors have had ESG measures for a significant part of their short-term incentive performance targets.

Divisional management presents quarterly to the Chief Executive and the Group Chief Financial Officer on business performance including relevant material ESG issues and, where appropriate, on significant climate-related matters. They also have other regular touch points with the Chief Executive where these matters are also discussed as needed. Additionally, the businesses periodically present material ESG matters to the Board.

Our governance framework chart



Our Group-level policies

We maintain and keep under review a series of Group-level policies and position statements for material topics. These range from Health, Safety and Wellbeing, Environment, Animal Health and Welfare, and Board Diversity (which also applies to the Group approach to DEI) to our Supplier Code of Conduct. Our Group-level policies and position statements articulate the requirements and set expectations for the actions of our businesses, employees, suppliers and partners.
It is the responsibility of the chief executive of each business to ensure that their business is compliant with relevant legislation and Group-level policies.

Our Group policies, position statements and Supplier Code of Conduct can be accessed on our website.

Materiality

In line with our devolved business model, assessing and prioritising material environmental and social impacts, risks and opportunities starts with our businesses. This process builds on their business-level assessments of overall risk and opportunities, including ESG matters.

While material topics may be different across the individual businesses, there will be some that aggregate up to being material at the Group level. We take a Group perspective to identify those topics, which includes considering where our businesses have an impact on the environment or society, what impacts us financially, and where we can have a positive impact. It also includes topics discussed through stakeholder engagement, including with investors.

Group priority

Within our Group material topics we have a number of Group priorities, which evolve as programmes come to completion or issues emerge across our businesses and their value chains. Our Group priorities remained the same as last year and are:

- human and labour rights in the Primark supply chain;
- decarbonisation at British Sugar;
- accommodation provided by our sugar businesses in Africa;
- understanding our wider Scope 3 GHG emissions across our businesses; and
- human and labour rights in the Twinings supply chain.

Our Group priorities will change as a result of the demerger. We are working to assess how our food businesses' most material issues will impact what is material at the Group level in a standalone food company and we expect to have more to say on this in 2027 and 2028.

We will continue to focus on the material topics and priorities as we go through the demerger process. What will not change is our expectation that our businesses should set their own ESG priorities based on what is material for them. In addition, the topics presented in the table opposite have been identified as material for the Group. Most are material for some or all businesses, however the degree to which each topic is material for each business varies.

Our current grouping of material topics is detailed below:

- our people;
- people in our supply chains and surrounding communities;
- carbon and climate;
- water;
- waste and packaging;
- food safety and nutrition; and
- agriculture and farming practices.

With divisions operating across the EU, we have continued to prepare for the upcoming disclosure requirements under the Corporate Sustainability Reporting Directive, including supporting businesses with their double materiality assessments where relevant.

Group-level material topics	Impacts on the business segments	Impacts in the value chain
Our people		
Health, safety and wellbeing	● ● ● ● ●	○ ● ○
Diversity, equity and inclusion	● ● ● ● ●	○ ● ○
Engagement and development	● ● ● ● ●	○ ● ○
People in our supply chains and surrounding communities		
Human and labour rights in our supply chains	● ● ● ● ●	● ○ ○
Supporting communities	○ ○ ● ● ○	● ● ○
Carbon and climate		
GHG emissions	● ● ● ● ●	● ● ●
Energy and renewables	● ● ● ● ●	● ● ○
Water		
Water use	● ● ● ● ○	● ● ○
Water treatment	● ● ● ● ○	● ● ○
Waste and packaging		
Waste and circularity	● ● ● ● ●	● ● ●
Plastic and packaging	● ● ○ ● ●	● ● ●
Food safety and nutrition		
Food safety	○ ● ● ● ●	○ ● ●
Nutrition and health	○ ● ● ● ●	○ ○ ●
Agriculture and farming practices		
Responsible agriculture	● ● ○ ● ●	● ● ○
Biodiversity and land use	● ● ● ● ●	● ● ○
Animal health and welfare	● ● ● ○ ●	● ● ●

For more detailed information relating to our activities during 2026, visit our website.

These topics span our five business segments and influence various stages of our value chain

Our business segments

- Retail
- Grocery
- Ingredients
- Sugar
- Agriculture

Our value chain

- Supply chains
- Products
- Operations

Learn more online at www.abf.co.uk

Our people

Our operations in 57 countries across the United Kingdom, Europe, Africa, the Americas and Asia Pacific employ around 140,000 people who are united by our purpose, culture and passion for delivering for our customers. Operating through a diverse portfolio of businesses, brands and ingredients platforms, we empower our people to innovate, make decisions close to customers and markets, and develop their skills and careers over the long term.

Our people are central to our success. We understand the value of good people and strong and accountable teams. We recognise our responsibility to ensure our people feel safe, respected and included. The Group promotes a unique opportunity through its global network, encouraging our businesses and people to connect and share expertise, build relationships and learn from one another. The strength of our Group is built on the expertise, commitment and entrepreneurial spirit of our people in all our businesses.

We expect our businesses to review continuously how we can ensure we are doing the best for our people. We operate responsibly and doing so helps us to keep our employees engaged and motivated. We want to ensure that the people who work in our businesses feel they are paid fairly for the jobs they do, which includes receiving compensation in full and on time. More on our fair pay approach can be found on page 128. We also provide support for financial wellbeing and examples of this are shared on our website.

Reflecting our devolved operating model, each business is responsible for the development of its people practices, ensuring adherence to our values and considering factors such as International Labour Organization ('ILO') standards and local laws and practices. We expect our businesses to have internal grievance processes in place to give workers a voice on the issues they face in the workplace, in addition to our Speak Up mechanism.

We also expect our businesses to condemn any form of harassment and bullying, including physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation. Not only is this the right thing to do, it supports our good work principles and the mental health and wellbeing of our employees and contractors.

Health, safety and wellbeing

The health, safety and wellbeing of our people remain a fundamental priority across the Group. We are committed to ensuring that everyone who works for us, including our contractors, returns home safe every day, wherever they work in the world.

Any loss of life connected with our operations is unacceptable. As such, we are deeply saddened to report one△ fatal injury to an employee and four△ to contractors. Two of these fatalities occurred during activities on our sites being conducted by contractors: a contractor in Brazil was electrocuted; and a contractor in Malawi was killed when a fire extinguisher exploded during pressurisation by the contract engineer. Two of the fatalities resulted from road traffic accidents: an employee was struck by a vehicle while crossing the road in Zambia, and a contract delivery driver was fatally injured in a road traffic accident in the UK. Last year we described a contractor fatality in Zambia during inflation of a tyre of an agricultural vehicle, which is reported in this year's data. Following these tragic events, our priority was to ensure the families and colleagues of those who died were supported.

Comprehensive root cause investigations were undertaken to try to understand the causes of each incident and identify opportunities to prevent a recurrence. The findings and lessons learned are being shared across the Group.

Our businesses work continuously to identify and reduce risk, strengthen safety leadership and create environments where people can work safely. Our businesses take a holistic approach to health, safety and wellbeing, considering aspects such as mental, physical and financial wellbeing as well as physical safety.

All of our businesses continue to have a strong focus on contractor management and supervision. Vehicle and driver safety remains a top priority and our businesses are working with their contracted hauliers to ensure a robust focus on driver safety.

Our Group-level Health, Safety and Wellbeing Policy, which was updated this year, establishes the minimum expectations across all our businesses. These are supported by our non-negotiable safety requirements. This Policy is supplemented with additional local and business-specific policies. Responsibility for ensuring compliance with these policies sits with the chief executives of the various businesses. Each business also has a nominated director with specific accountability for health, safety and wellbeing, including mental health.

In line with the Group-level Policy, our businesses continue to focus their safety efforts in the following key areas:

- providing strong and visible safety leadership from senior management;
- identifying and managing activities with the highest risk of fatal and serious injuries;
- supporting line managers with their accountability for workplace safety with safety specialists and training;
- actively involving employees in their own health, safety and wellbeing; and
- reporting against both leading and lagging indicators and implementing continuous improvement programmes and activities, taking learnings from other businesses where relevant.

Across the Group, we have identified a set of on-site and off-site critical-to-life safety risks that receive enhanced focus and oversight:

- harm from moving vehicles, which includes driving for company business;
- falls from height and falling objects;
- machinery safeguarding;
- the storage and handling of hazardous materials;
- working in confined spaces;
- electrical and fire risks; and
- the management of contractors, who often carry out these high-risk operations.

We continue to support our businesses through resources and toolkits focused on helping colleagues to address these critical-to-life safety risks and strengthening safety leadership and culture, including the management of change and safety conversations. Additional support has been provided this year through machinery safety workshops to engineers and their immediate supervisors across our UK operations, with plans to extend the programme to other countries.

This year, we introduced a defined severity scale for Lost Time Injuries ('LTIs'), providing greater detail on the nature and impact of injuries. The majority were classed as lower severity, with employees requiring only a few days off work to recover.

The Group employee LTI rate this year is flat at 0.41%△ compared to last year.

The Group contractor LTI rate this year has decreased from 0.25% to 0.24%△.

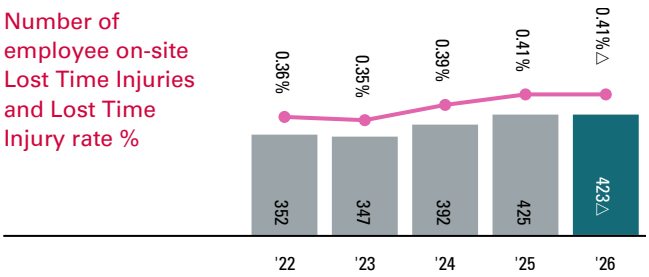
Across the food businesses the employee LTI on-site rate this year is flat at 0.39% (202 on-site LTIs compared to 212 last year) and on-site contractor LTI rate this year is flat at 0.15%. The food businesses are focused on continuing to drive initiatives to sustain the reduction in LTIs.

The Primark employee LTI rate this year is 0.44% compared with 0.42% last year (221 on site LTIs compared to 213 last year).

We are disappointed the Primark employee LTI rate has increased. Primark has carried out analysis of their incident data and has put actions in place that aim to reduce risk and address the causes of these incidents.

All of our businesses remain focused on investing in risk reduction initiatives. This year £43m was invested in reducing health and safety risks across a wide range of operational hazards.

Number of employee on-site Lost Time Injuries and Lost Time Injury rate %



Our businesses continue to focus on their governance approach, safety culture and processes to keep their people safe. This includes increasing or improving the number and quality of leading indicators, including safety observations and providing training and leadership initiatives to strengthen line manager engagement and ownership of safety.

Our health and safety networks connect expertise across the Group, enabling people to share best practices and learn from one another to strengthen safety culture and performance across our businesses.

Many of our businesses are starting to implement artificial intelligence and digital solutions to help them diagnose risk reduction opportunities, support with data analysis, carry out risk assessments, enhance safe operating procedures and training. Group-level agreements for selected technologies allow businesses to benefit from these tools.

Supporting the mental health and wellbeing of our people is central to who we are and how we perform. We continue to strengthen our capacity to adapt to change, and remain a place where people want to work by supporting a healthy and engaged workforce. Our businesses use multiple communication methods to ensure our different workforce audiences have easy access to information when they need it, including notice boards, shift briefings and virtual platforms.

We encourage a culture of open conversations with the aim of removing the stigma associated with mental health, including supporting our people to share their personal stories.

Group priority

Accommodation provided by our sugar businesses in Africa

ABF Sugar's businesses in Africa have estates situated in rural and remote areas. They provide accommodation for many employees and their families, and each relevant business has a plan for investment.

In 2024, ABF Sugar began implementing its Housing and Living Standards Programme following a review of housing and living conditions across its sugar estates in Zambia, Malawi, Eswatini, South Africa and Tanzania. The review identified priority areas for improvement and where investment was needed.

Each relevant country team has a set of minimum standards informed by the ILO Recommendation No.115 on Workers' Housing and other internationally recognised best practice.

The programme is divided into three streams of work:

- implementing action plans to address outstanding maintenance and repairs. In 2026, ABF Sugar upgraded and rebuilt more than 500 houses across its African operations, building on the renovations completed in the two previous financial years;
- ensuring all entry-level estate houses meet updated minimum standards, with completion of remedial activities and improvements expected by 2030 across more than 5,000 houses; and
- investigating future housing options, including off-estate housing and rental models, to meet the evolving needs of its workforce, while reducing long-term maintenance liabilities.

Our businesses invest in wellbeing across the Group, including programmes designed to raise awareness and provide practical assistance, resources and tools across all areas of wellbeing, including financial and mental health. These solutions work best when they take into account local contexts and the views of our colleagues. As such, employees are involved in the design and development of our workplace mental health initiatives and more information on this can be found on our website.

We support our businesses' line managers in sharing information on wellbeing support and explore any necessary adjustments to ensure employees can perform effectively throughout their careers. This includes temporary or permanent adjustments to work scheduling and workloads.

In a year where difficult decisions have had to be made about closing and restructuring businesses, our businesses have sought to ensure that employees are treated with dignity through consultation processes. They have engaged with unions and employee groups so that employees know that their views have been heard. They have worked with employee representatives to understand what support people need and have provided employee assistance plans so there is access to advice and guidance to support their wellbeing.

We continuously aim to improve our holistic approach to supporting our people with their physical, mental and financial wellbeing.

We utilise feedback from external organisations, such as CCLA Corporate Mental Health Benchmark UK 100, to benchmark our progress and reporting transparency. We were pleased that this year we were recognised as one of the companies making the most progress in this area, now ranking near the top of Tier Two of the benchmark. See our website for further detail on initiatives undertaken across our businesses.

Diversity, equity and inclusion ('DEI')

Our businesses strive to attract and develop a wide variety of talented people. This is enabled by creating opportunities for professional and personal development, and by fostering environments that enable our people to showcase and use their diverse and unique skills. Our people give us a competitive advantage and strengthen the Group's ability to deliver long-term success.

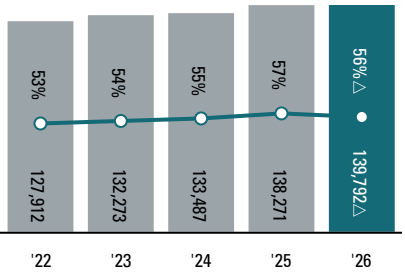
Our Board Diversity Policy sets out our groupwide approach and is complemented by local business policies, DEI teams and dedicated programmes. These policies and initiatives aim to support all employees, including women, ethnic minorities, individuals with disabilities and members of the LGBTQIA+ community, through equitable access to employment, training, career development and promotion opportunities.

We are committed both to enabling our people to perform at their best and realise their career potential, and to eliminating all forms of discrimination and bias that can harm their mental health and physical wellbeing.

Our Group Inclusion Network is made up of colleagues from across all our divisions. It shares knowledge, best practice and ideas between businesses to accelerate change. We also have around 500 DEI advocates through which we provide access to training and thought leadership from expert external partners on topics such as allyship, racial and ethnic diversity, female careers and leadership, handling difficult conversations, and neurodiversity, disability and LGBTQIA+ inclusion.

Unconscious bias training, cultural awareness programmes and a range of tools are provided to support our businesses in promoting inclusivity. These tools equip leaders and line managers with the skills needed to create inclusive cultures in their businesses and local settings.

Number of employees and percentage of women in the workforce



Our Women in ABF network, which has been running since 2011, continues to help women develop skills, broaden business awareness and build connections that support both current performance and future career opportunities across the Group. This network is open to anyone across the Group, giving access to virtual events featuring internal and external speakers, together with networking opportunities that encourage learning, collaboration and the sharing of experiences.

We prioritise attracting, developing and retaining a broad range of talent across the Group. We continue to focus on improving representation, including gender and ethnicity, by identifying and removing barriers that may discourage talented individuals from joining ABF or progressing into leadership roles.

Through our talent and development processes, we aim to create equitable access to opportunities and support a strong and diverse leadership pipeline for the future.

Overall, across the Group women make up 56%△ of our total global workforce.

We remain focused on addressing gender imbalances and are committed to a continued focus on ensuring women are represented at all levels, including those in the most senior roles.

We are pleased that women account for 42% of senior management roles across the Group, increased from 36% five years ago and showing steady progress over time. Our groupwide Executive Leadership Programme alumni also has an increasing proportion of women.

Of roles reporting to the chief executives and their direct reports our gender balance for 2026 is 27%. However, where the size of roles (in terms of scale and complexity) is considered, as opposed to reporting line only, 34% of senior roles are held by women.

Our leadership teams across the Group remain highly multicultural and ethnically diverse, with 31 nationalities reporting to the chief executive or his direct reports. Globally, 20% of these roles are held by leaders from ethnic backgrounds that would be classed as a minority based on UK definitions, up from 12% in 2023. We commit to a continued focus on ensuring those from ethnic minorities are represented in our most senior roles in the UK and globally.

We voluntarily report on our overall gender pay gap for employees in Great Britain ('GB') on our website and are pleased that this has improved, although it remains in favour of men. A significant number of our female colleagues work in retail, with 76.1% of roles in the lower pay quartile for the Group taken by women.

In the food business the pay gap remains in favour of women as we have a significant majority of male employees who work in a manufacturing environment. These employees are being compared to women who, on average, work in middle management. Each of our GB-based businesses with over 250 employees also reports on its own gender pay gap, with these reports published on their websites.

Primark has a median GB gender pay gap of 0.4% in 2026.

During the year, the UK Government confirmed its intention to introduce mandatory ethnicity and disability pay gap reporting for large employers. We have been voluntarily collecting ethnicity data from our employees in GB for a number of years and 77% of employees in GB currently disclose this (using Office for National Statistics categories). Many of our businesses will be including ethnicity pay gap reporting in their 2026 gender pay gap reports.

Research shows that where employees select 'prefer not to say' as their ethnicity election, this indicates low levels of trust in the organisation. We are pleased that only 0.5% of our employees have made this election, indicating a positive culture across our businesses.

We are continuously working to encourage more of our UK population to share their ethnicity with us. With robust data we are able to produce better action plans to ensure that all colleagues have great careers with us.

Our businesses' gender and ethnicity pay gap reports share inspirational business-level insights about the actions being taken to enable all employees to successfully grow their careers with us. We would encourage you to read these reports.

For more information on DEI see our website.

Gender metrics

	Average number of employees[1]	Men in workforce	Women in workforce	Percentage of workforce who are women	Number of senior management roles[2]	Number of men in senior management roles	Number of women in senior management roles	Percentage of senior management who are women
Retail	**81,358**	**18,928**	**62,430**	**77%**	**410**	**169**	**241**	**59%**
Grocery	18,885	12,831	6,054	32%	964	526	436	45%
Ingredients	7,946	5,784	2,162	27%	786	505	276	35%
Sugar	27,696	22,117	5,579	20%	311	209	102	33%
Agriculture	3,186	2,001	1,185	37%	436	249	185	42%
Food	**57,713**	**42,733**	**14,980**	**26%**	**2,497**	**1,489**	**999**	**40%**
Central	**721**	**426**	**295**	**41%**	**66**	**46**	**20**	**30%**
Total	**139,792** △	**62,087**	**77,705**	**56%**△	**2,973**	**1,713**	**1,260**	**42%**

Board directors are not included in the table above. As at 12 September 2026 we had six women and four men on the Board. The Board is pleased that our Board diversity has been enhanced this year with the appointment of Joana Edwards as Group Chief Financial Officer. The Board composition continues to meet the recommendations of the Parker Review and of the FTSE Women Leaders Review, as well as the targets on gender and ethnic diversity in the UK Listing Rules.

1. Full-time, part-time employees and directly employed contractors.
2. Includes directorships of subsidiary undertakings.

See our website for definitions.

Engagement and development

The engagement and development of our people are fundamental to the performance of our businesses. Our devolved operating model empowers people closest to customers, consumers and markets to make decisions, while benefiting from the breadth of expertise, experience and opportunities available across the Group. Through our networks, communities and collaborative ways of working, colleagues can build connections beyond their immediate teams, share insight, learn from others and access support from a broad range of peers and leaders.

We are committed to creating environments where people can perform at their best, develop their capabilities and build rewarding careers. By investing in leadership, functional excellence and professional development, we aim to ensure our businesses have the skills, knowledge and talent needed to respond to future opportunities and challenges.

Open communication is a core part of our culture. Across the Group, employees are encouraged to share their views in a wide variety of ways. These include conversations with managers and leaders, engagement surveys, discussion and focus groups, 90-day onboarding check-ins, exit interviews, employee networks and digital forums. The businesses work hard to have constructive working relationships with union and employee representatives. These channels help foster transparency, strengthen collaboration and ensure colleagues' perspectives help shape decisions that affect our businesses and workplaces.

Engagement surveys remain the most widely used approach with 95% of our businesses regularly conducting engagement surveys through their chosen partners including Willis Towers Watson, Culture Amp and Peakon Workday. Surveys are run over a range of frequencies across the businesses from quarterly pulse surveys to more in-depth surveys every two to three years. Of those businesses that carried out surveys in the last 12 months, 89% of their people were invited to participate with a response rate of 74%.

We consider 70% to be a strong engagement score. As the exact definition of engagement measures varies by survey provider, we monitor the percentage of our businesses scoring above 70% against each area. The levels of achievement of scores above 70% of the businesses conducting surveys this year are:

- 79% on the main measure of engagement;
- 85% on the main measure of inclusion; and
- 96% on the main measures of wellbeing.

The businesses are continuing to expand the reach of their surveys to all colleagues through use of technology, while recognising legal and cultural challenges in some markets. We are particularly pleased that in 2026 Illovo Sugar Malawi successfully completed an engagement survey with over 7,000 employees across the business, including those that have previously been difficult to reach, such as colleagues working in operations and agriculture. This identified opportunities to better support employees through clearer articulation of career pathways, increased provision of improved resources and facilities at a site level. We look forward to seeing progress in Malawi as a result of its targeted 30, 60 and 90-day action plans.

Throughout our businesses, there is a strong focus on taking action as a result of the feedback from engagement surveys and other activities. Actions this year have ranged from improving collaboration, strengthening leadership capability, training and transparency, introducing focus groups for employee feedback and promoting greater learning opportunities. Some specific examples include:

- ABFI has launched the Lead to Grow leadership framework and strengthened communication through quarterly updates, Q&A opportunities and a divisional leadership conference.
- AB Mauri has improved communication on its business priorities and key decisions in Italy and introduced clearer career development discussions, particularly for people early in their careers.
- Allied Bakeries, which has now been brought together with the Hovis Group as Hovis Bakeries, introduced Simplyhealth, invested in new vehicles, improved canteen facilities and continued its annual first-line manager and high-potential development programmes.

- Grocery Group businesses have introduced actions including annual performance reviews for operatives at Sports Nutrition, enhanced working conditions at Westmill's Enfield site and practical wellbeing support at Jordans.
- George Weston Foods has launched an emerging leaders programme at Mauri ANZ and introduced career and talent pathways at The Artisanal Group.
- Primark has expanded culture activities, launched Above & Beyond recognition through ZING (Primark's internal colleague app, used to connect and engage colleagues and support internal communications) and begun rolling out updated colleague uniforms.
- Twinings Ovaltine has introduced development pathways, 360-degree feedback, recognition moments, social committees, AI sessions to reduce administrative work, and clearer approaches to decision making and escalation.

In her role as designated Non-Executive Director for workforce engagement, Annie Murphy leads activities that provide assurance to the Board that our businesses maintain cultures of openness, where employees can share their views and have their voices heard and acted upon. All non-executive directors on the Board have committed to participating in engagement sessions with colleagues across the Group. More information on the activities of the Board in relation to workforce engagement is provided on page 105.

Our businesses support individuals to develop their skills and strengths through a range of learning, development, mentoring and career opportunities. This enables colleagues to thrive in their current roles while benefiting from the scale, diversity and connectivity of the wider Group.

Our businesses encourage employee involvement in their performance, with many offering incentives to employees based on the performance of the business where they work.

We have multiple development programmes across the Group, with groupwide executive leadership, induction and functional excellence programmes for senior leaders, while the businesses focus on development interventions for cohorts within their businesses. In addition, the Group works with a range of partners to provide bespoke development initiatives, including coaching and mentoring for leaders and potential successors. All of these initiatives continue to strengthen capability, build leadership pipelines and support long-term career growth across our organisation.

For details on these, see our website.

Speak Up

We are committed to always acting with integrity. We proudly promote and protect a culture of trust, fairness and accountability.

Our Speak Up Policy empowers our people to raise a grievance or tell us whenever they encounter anything inappropriate, improper, dishonest, illegal or dangerous, including fraud, and ensures that their concerns will be handled confidentially and professionally. Speak Up includes both a telephone line and a web reporting platform, managed by an independent provider.

We encourage all individuals working for the Group in any of our businesses, in any country and in any capacity, to use Speak Up, including employees at all levels, directors, officers, part-time and fixed-term workers, casual and agency workers, seconded workers and volunteers.

Speak Up also enables issues to be raised by third parties that are, will be, or have been associated with our Group.

In the year to 30 June 2026, 434 notifications were received, of which:

- 23% were resolved, with outcomes ranging from reviews of processes and support for individual employees to, where necessary, disciplinary procedures being followed;
- 64% were investigated as appropriate and required no action; and
- 13% remain under investigation.

A copy of the ABF Speak Up Policy is available on our website.

Anti-Bribery and Corruption Policy

Our approach to governance is to respect not simply the letter, but also the spirit, of our Anti-Bribery and Corruption Policy and always act with integrity. All of our businesses are responsible for their compliance with our policies and procedures. To ensure effective implementation, each business has its own designated Anti-Bribery and Corruption Officer, and we have monitoring systems in place at various levels within the Group, including global risk assessments. In addition, all relevant employees are required to complete an e-learning course on the subject when they join the Group and at regular intervals thereafter, and those who work in higher-risk roles are required to attend regular face-to-face training.

Our approach to the recently introduced failure to prevent fraud offence in the UK has involved conducting ongoing risk assessments across the Group and building on our existing Anti-Bribery and Corruption Policy and processes, including the Anti-Bribery and Corruption training and due diligence processes.

A copy of the policy is available on our website.

People in our supply chains and surrounding communities

Group approach to human and labour rights

Our businesses work with a diverse range of suppliers from large businesses to smallholder farmers.

Our Group Supplier Code of Conduct is an essential requirement of the responsible business conduct of our businesses. This Code is based on the core conventions of the International Labour Organization and on the Base Code of the Ethical Trading Initiative.

In their application of the Group Supplier Code of Conduct, many of our businesses continue to develop and improve human rights due diligence processes. Some of them are guided by the United Nations Guiding Principles on Business and Human Rights ('UNGPs'), the Organisation for Economic Co-operation and Development ('OECD') Due Diligence Guidance for Responsible Business Conduct, and the ILO Decent Work Agenda.

Our devolved business model requires each of our businesses to adopt approaches based on their specific supply chains and the nature of their supplier relationships. Assessing where potential negative human rights risks and impacts might exist, combined with supply chain mapping, helps some of our businesses identify, monitor and, where applicable, manage risks and impacts related to workers and communities in the supply chain.

Group priority

Human and labour rights in the Primark supply chain

Primark does not own any factories. Given the scale and complexity of Primark's supply chain, human rights are material for the Group, making robust due diligence practices essential. Primark's Ethical Trade and Environmental Sustainability ('ETES') programme is one of the key elements of how human rights due diligence is implemented in its product supply chains. Through this programme, Primark conducted over 2,300 Supplier Code of Conduct audits in its suppliers' factories over the calendar year 2025. Primark carries the full cost of these audits, which include rigorous checks for human rights issues against the requirements of the Primark Supplier Code of Conduct, based on first-hand assessment of the working environment, reviews of relevant documentation and confidential worker interviews. At the end of each audit, supplier factories are issued with a time-bound corrective action plan that outlines any areas for improvement. Primark uses these audits in the approval process for all new tier one factories[1]. Any potential new factories are audited and only if the outcome of the audit is satisfactory can any orders be placed.

Primark's ETES team has over 130 people predominantly based in 10 of its key sourcing markets. The work of the team ranges from risk assessment to supporting suppliers and their factories in implementing the Primark Supplier Code of Conduct. Where inherent risks and more systemic issues are identified, Primark works with suppliers and their factories, as well as with partners and other brands, to support suppliers to address these issues through longer-term solutions and projects.

For more information on human and labour rights in Primark's supply chain see our website.

Group priority

Human and labour rights in the Twinings supply chain

Twinings sources approximately 13,500 tonnes of tea and more than 70 species of herbs and spices annually. It does not own any tea or herb estates, farms or gardens. Twinings' due diligence approach includes audit procedures, monitoring and training to support the implementation of its Code of Conduct and Human Rights Policy. These include its Factory Monitoring and Improvement Programme ('FMIP') and the Twinings Community Needs Assessment ('TCNA') programme.

FMIP is the due diligence approach for assessing and managing human rights and worker safety across Twinings' own operations, tier one suppliers and selected tier two suppliers[2]. Each site in scope of FMIP is risk-assessed, and all supplier sites identified as high risk require an audit. All audits are semi-announced, where suppliers are given a two-week window for an audit to be conducted by independent third parties. Twinings uses the Supplier Ethical Data Exchange (Sedex) online platform where appropriate, to inform its supply chain assessment process.

Twinings purchases the tea used to make its blends only from Rainforest Alliance certified gardens and estates, who may also source leaf from certified smallholders. To better understand the issues in its tea and herbs supply chains it complements third-party certification with its own TCNA programme across tea gardens, estates, and smallholders, as well as key herbs on a risk-basis. Twinings' TCNA framework takes a holistic approach to assessing human rights risks and community needs in its supply chain. These assessments are carried out by Twinings' Social Impact and Sustainability teams, based in its key sourcing countries. They focus on hearing directly from workers, farmers, smallholders and community members through focus group discussions, interviews, surveys and observations. This provides insight into the challenges and aspirations of these communities and helps identify areas for improvement.

For more information on human and labour rights in Twinings' supply chain see our website.

1. Primark tier one: factories manufacturing finished goods.
2. Twinings tier one supplier sites include third-party manufacturers, warehouses, packaging, raw material processors, promotional items and construction services and its tier two includes branded packaging suppliers of third-party manufacturers.

Group priority

British Sugar decarbonising its operations

British Sugar, the largest contributor to the Group's Scope 1 GHG emissions at 41%, has made significant investment across its sites to reduce GHG emissions. From its 2018 baseline year through to 2026, British Sugar has invested approximately £138m in various initiatives across its sites, contributing to a 35% reduction of Scope 1 GHG emissions and a cumulative reduction of above 166kt of CO_2e.

At its Bury St Edmunds site new evaporators commissioned in 2025 completed their first full sugar beet campaign in 2026, delivering improved energy efficiency.

At Newark, focus remains on improving reliability through ongoing investment into energy efficiency, steam usage and optimising existing systems.

At Wissington, construction of a new steam drying plant was completed in 2026. The £43m project replaces existing gas-fired animal feed dryers with a steam drying process using steam generated by the site's Combined Heat and Power ('CHP') plant. Once operational, the project is expected to deliver a substantial reduction in Scope 1 GHG emissions while further improving energy efficiency.

Looking ahead, British Sugar plans to continue its decarbonisation strategy through further efficiency improvements while exploring alternative fuels and low-carbon technologies.

Group priority

Scope 3 GHG emissions

Understanding our Group GHG emissions is an important step towards achieving our ambition to meet net zero by 2050. At a Group level, we continue to support the divisions in the process of calculating their material Scope 3 GHG emissions, which enables us to identify where to focus our priorities and provides our businesses the visibility required to prioritise where they implement reduction activities. Primark has published its Scope 3 GHG emissions from across its value chains and most of the other divisions are in the process of calculating them.

This year, Primark reported 4,720kt of CO_2e for its Scope 3 emissions, which is a 21% decrease compared with 2025. This represents a 24% decrease versus 2019 baseline. These reductions were achieved through a decrease in supplier GHG emissions, improved availability of primary data from supplier factories and greater use of recycled or Primark preferred sources[1].The decrease in supplier GHG emissions resulted from increased use of renewable energy, wider industry and supply chain decarbonisation initiatives, continued Primark investments in capacity building and site-specific action plans for supplier decarbonisation.

For more information on this topic see our website.

Carbon and climate

As a Group, we have an ambition to achieve net zero by 2050 or sooner. Beyond that broad ambition, we do not set groupwide climate-related transition plans or commitments. In line with our devolved business model, our businesses set plans and commitments appropriate to their operations and supply chains. Several of our businesses have set their own GHG emission reduction commitments.

ABF Sugar, Primark and Twinings Ovaltine each have specific public commitments for reducing their GHG emissions. The reduction targets for these businesses have been validated by the Science Based Targets initiative (SBTi), ensuring they align with the latest climate science. ABF Sugar, Primark and Twinings Ovaltine have published transition plans detailing their strategies for achieving these goals. Achieving our ambition of net zero across the Group will depend on a number of factors that are beyond our control. However, we will aim to deliver on this objective in our businesses while balancing environmental and financial impacts.

As climate-related disclosure expectations continue to evolve, our businesses are also preparing to meet emerging regulatory requirements alongside our Group-level TCFD statement.

Energy and renewables

We remain focused on energy efficiency and transitioning to renewable energy where viable. This year our businesses consumed 18,472△ gigawatt hours (GWh) of energy in our operations, broadly in line with the prior year.

Of this total energy, 60%△ was derived from renewable sources, predominantly biomass fuels from by-products generated from production processes, representing an increase of 11% compared to last year. Of the renewable energy we generated, 85% came from bagasse, the plant-based fibre that remains after the extraction of juice from the crushed stalks of sugar cane. Some renewable energy was also derived from the anaerobic digestion of a range of waste materials.

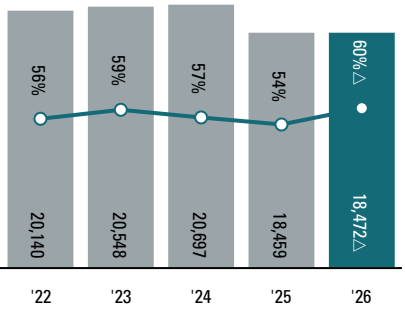
This year 42% of the electricity purchased came from renewable sources, up from 37% last year, with the majority coming from the UK and European renewable energy markets. Some of our businesses also generate and use renewable electricity from site-based solar panels.

Several of our businesses export surplus energy back into national grids. During 2026, 852△GWh of energy generated by our sites was exported, an increase of 7% compared to last year, with ABF Sugar contributing 94%.

For more examples of energy efficiency actions, see our website.

1. https://corporate.primark.com/en-gb/a/news/sustainability-and-ethics-news/understanding-the-fibres-in-your-clothes

Total energy consumed in own operations and percentage from a renewable source
(GWh)



Scope 1 and 2 GHG emissions

Our Scope 1 and 2 (market-based) GHG emissions decreased by 14% this year, from 2,410kt to 2,079kt△ of CO_2e.

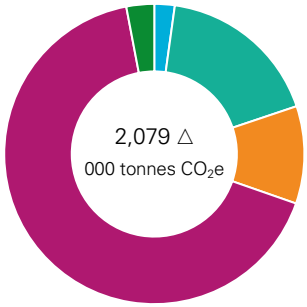
Our Sugar segment is the most significant contributor of Scope 1 and 2 (market-based) GHG emissions within the Group, at 67%. As a result, decreasing the carbon emissions from our Sugar businesses continues to be a priority for the Group.

In 2026, ABF Sugar's Scope 1 and 2 (market-based) GHG emissions decreased by 20% compared to the previous year, driven mainly by site closures. These emissions were 38% lower compared to the 2018 baseline. The reduction against baseline reflects changes in the operational footprint, ongoing improvements in production efficiency, investment in new technology and fuel switching to lower-emission energy sources.

Our Agriculture, Retail and Ingredients segments have also reduced their Scope 1 and 2 (market-based) GHG emissions compared with last year, by 12%, 2% and 1% respectively. These reductions were driven by energy efficiency projects and increased use of renewable energy in all those segments, as well as lower production volumes in the UK in Agriculture.

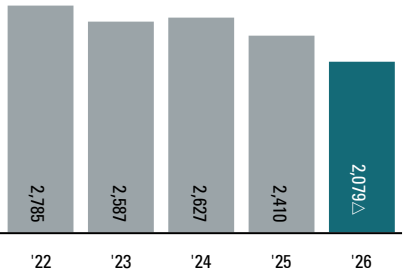
For more information on this topic see our website.

Scope 1 and 2 (market-based) GHG emissions by segment
(000 tonnes CO_2e, % of Group total)



Retail	46	(2 %)
Grocery	367	(18 %)
Ingredients	219	(11 %)
Sugar	1,385	(67 %)
Agriculture	62	(3 %)

Scope 1 and 2 (market-based) GHG emissions
(000 tonnes CO_2e)



Streamlined energy and carbon reporting

	2025			2026		
	UK only	Non-UK	Total	**UK only**	**Non-UK**	**Total**
Scope 1: 000 tonnes of CO_2e	1,030	861	1,891	**788**	**846**	**△1,634**
Scope 2 location-based method: 000 tonnes of CO_2e	153	438	591	**63**	**438**	**△501**
Scope 2 market-based method: 000 tonnes of CO_2e	180	339	519	**83**	**362**	**△445**
Total Scopes 1 and 2 location-based method: 000 tonnes of CO_2e	1,183	1,299	2,482	**851**	**1,284**	**2,135**
Total Scopes 1 and 2 market-based method: 000 tonnes of CO_2e	1,210	1,200	2,410	**871**	**1,208**	**△2,079**
Scope 3 – Primark's Scope 3 emissions: 000 tonnes of CO_2e	0	5,993	5,993	**0**	**4,720**	**4,720**
Biogenic carbon emissions: 000 tonnes of CO_2e	131	3,307	3,438	**120**	**3,633**	**△3,753**
Intensity ratio: Scopes 1 and 2 emissions per £1m revenue Scopes 1 and 2 location-based method: tonnes CO_2e/£1m			133			**112**
Energy consumed: GWh	5,160	13,299	18,459	**4,174**	**14,298**	**△18,472**

We calculate and disclose our Scope 1 and 2 GHG emissions based on the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard Revised Edition. We use carbon emission factors published by the UK Government in July 2025, other internationally recognised sources and bespoke factors based on measurements and calculations at selected locations. Scope 2 market-based GHG emissions have been calculated in accordance with the GHG Protocol Scope 2 Guidance on procured renewable energy. Our energy consumption is calculated using country-specific conversion factors from physical quantities to kWh to provide an accurate representation of our energy consumption.

The Group data in this report on our environmental and safety KPIs covers the period, 1 August 2025 to 31 July 2026, except for Primark selling space, number of countries of operation and employee numbers, which are disclosed in respect of the financial year.

This is different from the period in respect of which the Directors' Report is prepared. Where indicated the information for this period is externally assured and allows for like-for-like comparison with previous years.

Water

Water is an essential input for clothing and food production. Our businesses aim to reduce the amount of water they abstract for their operations, reuse water as much as possible and return treated waste water to nature after ensuring it meets or exceeds local and national water regulations and standards. In line with our devolved business model, our businesses set and manage appropriate plans and commitments to achieve these aims.

This year, businesses across the Group collectively abstracted 762 million m^3△ of water for use in their own operations, a 6% decrease compared with last year. The reduction primarily reflects lower water abstraction across some of our sugar businesses in Africa driven by earlier seasonal rainfall and higher rainfall levels than in the prior year.

Our African sugar businesses accounted for 97% of this total abstraction, with the majority of the water used for sugar cane irrigation. Those businesses are working to reduce their water footprint, with innovative irrigation projects underway.

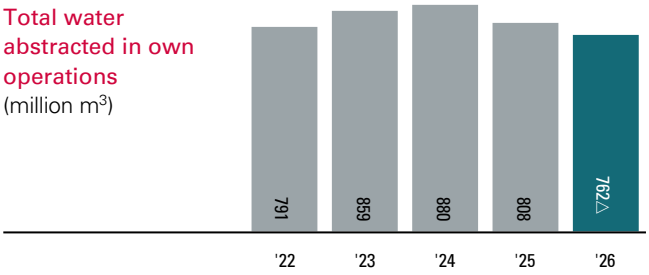
Of the water used by our businesses, 97% comes from surface water, such as rivers, lakes and reservoirs. The remaining water comes from groundwater and third-party sources.

This year, across the Group, 24% of the water abstracted in our own operations was reused before being returned to the environment. Reusing water is a more cost and resource efficient way of managing water. Our sites reuse the water for irrigation, land spreading, process reuse where feasible, cleaning vehicles and machinery, and horticultural purposes. The businesses, in particular AB Mauri and ABF Sugar, are assessing new ways of reusing water within their manufacturing sites, aiming to reduce the amount of water abstracted and enhance operational efficiency.

Water is used throughout the supply chains across our businesses, and efficient water use in agriculture has become increasingly crucial, especially under changing climate conditions. Some of our businesses incorporate water management strategies in the farm management standards they use to address this challenge.

For more information on this topic see our website.

Total water abstracted in own operations
(million m^3)



Waste and packaging

Waste and circularity

We have a long history of finding ways to make more from less and maximise the use of by-products and co-products from our operations. We believe that waste materials are simply products for which we have not yet found a use. With that in mind, our businesses continue to implement practices to reuse, recycle or reduce all sources of waste, including food, feed, plastic and textile.

Our businesses produce many commercially viable products from sources potentially considered waste. For example, several of our businesses have become major suppliers of raw materials for animal feed, using by-products from their operations that might otherwise have limited value. Some businesses are also suppliers of raffinate and betaine for use in the petrochemical and pharmaceutical sectors. Several of our businesses use by-products to generate renewable electricity or heat. Additionally, some businesses divert low-value waste from landfill for use as a soil improver or repurpose it as an ingredient in organic fertiliser.

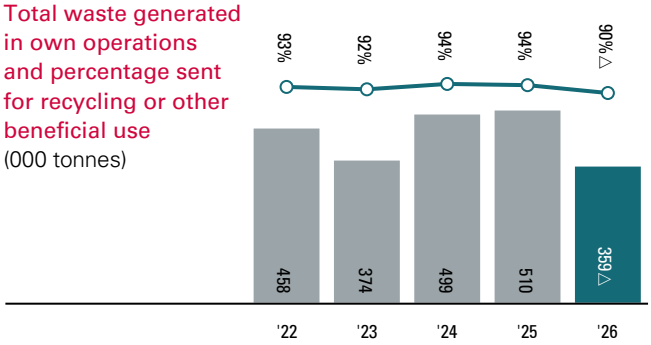
Our food and ingredients businesses aim to avoid products going to waste by first looking at where waste can be avoided in the manufacturing process, and donating surpluses to food banks, community groups and charities. Where appropriate, food waste is used as animal feed and in energy generation.

Across the Group, we generated 359ktΔ of waste in 2026 which is a 30% decrease compared with the 510kt generated in 2025. The reduction was primarily driven by the reduction of the beet manufacturing footprint at ABF Sugar's operations in Spain.

Of the total waste generated by the Group, 90%Δ was recycled or repurposed for other beneficial uses.

For more information on this topic see our website.

Total waste generated in own operations and percentage sent for recycling or other beneficial use
(000 tonnes)



Plastic and packaging

As a leading provider of food, ingredients and clothing, packaging contributes significantly to our groupwide environmental footprint. Paper is the main packaging material used across the Group, followed by plastic and glass. Our businesses also use wood, steel, aluminium and a number of other materials.

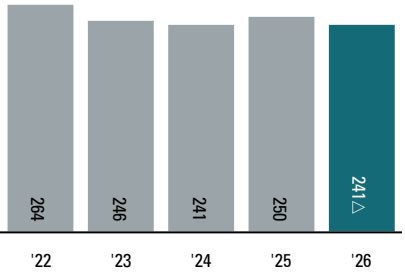
Though we fully recognise the harmful effects of plastic waste on ecosystems, plastic currently plays a vital role in both ensuring the safety and quality of products and reducing food waste by extending the shelf life of food. The challenge for our businesses is to find solutions that balance the needs of our customers and our focus on reducing the impact of plastics on ecosystems. Where viable, our businesses are doing this by removing unnecessary packaging, switching to more easily recyclable types of plastic, increasing the use of recycled content in the plastics we use and improving recyclability through product design processes.

In 2026, our businesses used 241kt△ of packaging compared with 250kt used in 2025, representing a 3% decrease. The reduction was driven by lower production volumes and a higher proportion of bulk production within Agriculture, as well as packaging reduction initiatives implemented across all segments.

Across the Group, our businesses are striving to improve packaging innovation and design. In the UK businesses completed the Recyclability Assessment Methodology ('RAM') required under the UK's Extended Producer Responsibility for Packaging regulations and are using the results to identify opportunities for further packaging improvements. Our businesses are complying with and preparing for evolving regulatory requirements including the EU Packaging and Packaging Waste Regulation ('PPWR'). George Weston Foods is a signatory to the Australian Packaging Covenant Organisation ('APCO'), a non-profit organisation established under Australian regulation to reduce packaging waste and improve recycling methods.

For more information on this topic see our website.

Quantity of packaging used in own operations
(000 tonnes)



Food safety and nutrition

Our businesses are united by our purpose to provide safe, nutritious and affordable food. Our food and drink businesses operate quality management systems based on the WHO Codex Alimentarius Hazard Analysis Critical Control Point ('HACCP') principles and the Global Food Safety Initiative ('GFSI') range of standards, with most retailer-facing businesses required to seek formal GFSI certification, typically via unannounced audit schemes. Additionally, each division, as a minimum, sets and monitors a range of KPIs for each of its sites, including in relation to recalls and withdrawals, incidents and complaints.

Relevant businesses take nutritional factors into account across their product portfolio. Many of our food products already support healthier choices, from high-fibre breakfast cereals, wholemeal bread and crispbreads to specialist sports nutrition products. Product reformulation can help to gradually shift consumer tastes towards foods that support better long-term nutrition, and our food businesses actively review their portfolios with this in mind.

For more information on this topic see our website.

Agriculture and farming practices

Across the Group, our food and retail businesses depend on agricultural systems for the majority of the raw materials and ingredients required to make our products. We recognise the importance of managing those agricultural systems responsibly if we are to meet a growing population's need for safe, nutritious and affordable food and clothing that is great value for money.

We also recognise the interconnectivity between agriculture and climate change, and how efforts to address the risks, opportunities and impacts related to climate change, land use, biodiversity, water, soil health and waste all have an impact on agriculture. Our businesses support a wide range of interventions at the agricultural level, with a focus on more responsible farm management practices. They are also addressing the most material impacts, risks and opportunities, often with a focus on soil as we recognise this provides the foundation for agricultural productivity and resilience. This includes a number of activities, including certified organic production, engagement with smallholder growers and adoption of farm management systems focused on driving more sustainable farm productivity and exploring new technologies and approaches.

We have a strong association with the UK agricultural sector, and some of our food businesses are working closely with UK farmers to support more regenerative farming practices for cereals such as wheat, oats and sugar beet. Globally, our businesses purchase a range of commodities such as cotton, sugar cane, tea and cereals, and a number of our businesses are working directly with farmers to identify opportunities within the supply chain to protect and enhance biodiversity and ecosystems.

Most of our businesses continuously consider and implement activities, voluntary commitments and internationally recognised management systems that can guide and assist efforts to reduce their environmental and social impacts and risks, including risk of deforestation.

This encompasses our approach to the environment in line with the following requirements as a minimum:

- Group Environment Policy;
- Group Animal Health and Welfare Position Statement; and
- Group Supplier Code of Conduct.

In preparation for the EU Deforestation Regulation ('EUDR'), our businesses have been working to identify products in scope of the regulation and to have in place relevant policies, controls, procedures and systems. This has been supported by guidance and tools to support understanding and effective EUDR due diligence.

For more information on this topic see our website.



Tractor on a Jordans Farm Partnership farm in Hampshire, UK

Climate-related Financial Disclosures ('TCFD')

Our businesses are actively working towards our 2015 Paris Agreement-aligned ambition to limit the rise in global temperatures to well below 2°C above pre-industrial levels, and to continue initiatives to limit the temperature increase even further to 1.5°C.

We have provided climate-related disclosures in line with the requirements under section 414CB(2A) of the Companies Act 2006 and consistent with the TCFD recommendations and recommended disclosures.

Our devolved model continues to enable businesses to run autonomously and establish and pursue their own actions and commitments. Our businesses evaluate their material risks and focus on those that they consider to be relevant, practical and most advantageous for their operations and the communities they serve. Therefore, key metrics and targets that are used by each business, including to manage climate-related risks and opportunities, are specific to those identified risks. These are described in further detail across pages 74 to 78 and in the transition plans for ABF Sugar, Primark and Twinings Ovaltine on pages 79 to 85.

During the year we began the process of updating our climate scenario analysis. We will provide updated disclosures once the work has been complete. The climate-related risks initially identified were confirmed as relevant in our 2024 risk refresh process. We have performed management reviews annually to confirm that these remain relevant in the current year whilst we undertake our updated scenario analysis. Our businesses are progressing actions to deliver on their respective commitments. These are shown in business specific transition plans.

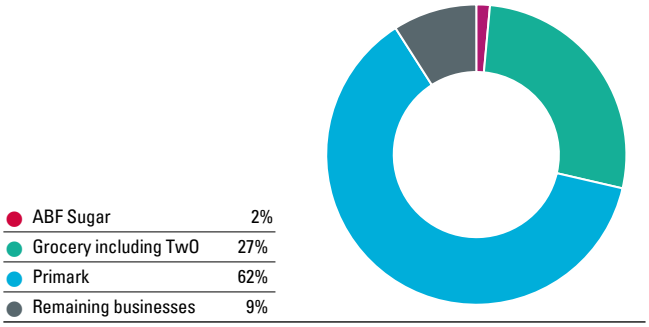
Our businesses that have validated and approved Science Based Target initiatives (SBTi) targets are working towards these commitments and further details can be found in their respective transition plans. For businesses that do not have SBTi-validated targets, a number have identified alternative emissions reduction commitments and for others work is underway to establish targets aligned with their decarbonisation strategies.

As a result of the demerger, our Group materiality levels will change. We are undertaking analysis on what this will mean for our Group risk register and will report further details on this at the appropriate time.

Consistent with prior years, we continue to evaluate our material businesses as those that make significant contribution to adjusted operating profit or our GHG emissions. Our material businesses continue to be ABF Sugar, Primark and Twinings Ovaltine, with Primark being the largest contributor to Scope 3.

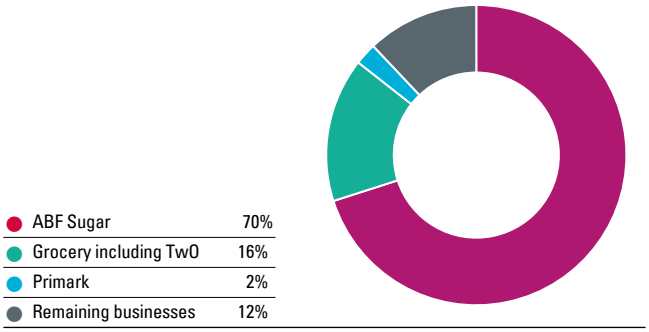
For further details on adjusted operating profit, please refer to page 3. For additional details on GHG emissions please refer to page 68.

3-year average adjusted operating profit (2024 to 2026)



ABF Sugar	2%
Grocery including TwO	27%
Primark	62%
Remaining businesses	9%

3-year average scope 1 and 2 emissions (market-based) (2024 to 2026)



ABF Sugar	70%
Grocery including TwO	16%
Primark	2%
Remaining businesses	12%

TCFD disclosure index

This table sets out where our climate-related disclosures consistent with the TCFD recommended disclosures can be found across this report.

TCFD Pillar	TCFD recommended disclosures	Reference
Governance	A) Describe the Board's oversight of climate-related risks and opportunities.	page 58
	B) Describe management's role in assessing and managing climate-related risks and opportunities.	pages 58 to 59
Strategy	A) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	pages 75 to 78
	B) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	pages 75 to 78
	C) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including 2°C or lower scenario.	page 74
Risk Management	A) Describe the organisation's process for identifying and assessing climate risk.	pages 73 to 74
	B) Describe the organisation's processes for managing climate-related risks.	pages 73 to 74
	C) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	pages 73 to 74
Metrics and Targets	A) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	pages 75 to 85
	B) Disclose scope 1, 2 and, if appropriate, scope 3 greenhouse gas emissions and the related risks.	page 68
	C) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	pages 75 to 85
	Relevance of scope 3 emissions	page 67

Governance

The Board and its committees continue to consider climate-related matters when making major decisions, including when considering strategy, business plans and reviewing budgets and capital expenditure. The Board's approach to overseeing climate-related matters continues to evolve, with transition planning remaining a strategic priority. The ABF Sugar, Primark and Twinings Ovaltine transition plans have continued to evolve to reflect business activity in place to reach their climate commitments.

The Board possesses sufficient competencies to lead the Group in responding to climate-related risks and opportunities. Please refer to pages 100 to 101 for details of the Board.

Risk management

Identifying, assessing and managing climate-related risks and opportunities

Climate-related risks and opportunities continue to be integrated within our overall risk and management framework. Annually, our divisions continue to collate and review business level risks and opportunities to provide a divisional-level view. At Group level, we take the business and divisional results and aggregate material ESG topics and risks and incorporate a Group perspective. Existing and emerging regulatory requirements continue to be considered in this process

Our workstream to update scenario analysis is advancing. The results of this will be available in future years to provide enhanced disclosures. We have performed management reviews this year which have confirmed that the risks previously identified in prior years remain appropriate.

We have taken the risks identified in prior years, existing scenario analyses, any changes in the current year and considered this in light of this year's management reviews. We have determined that in aggregate, there continues to be no material climate-related risks at a Group level. We monitor this position throughout the year through various updates presented to our Chief Executive.

Where identified risks and opportunities are not material for Group, the businesses continue to incorporate these into their risk registers and their wider ESG strategies.

While not a material risk to the Group, the potential impact of heat stress on workers is an issue some of our businesses have been addressing in relation to both manufacturing and agricultural workers. Last year we worked with our businesses to increase awareness of the issue of heat stress and its potential mitigating activities.

The Food business and retail demerger will result in a change to Group materiality levels. We will update our disclosures for food and retail separately once the demerger has been completed.

Climate risks and opportunities

Output from the risks and opportunities assessment process		Primark	Sugar**	Twinings Ovaltine	Cross-divisional
Climate impact on the Group's key agricultural crops	Physical risks	Cotton yields*	Sugar yields (UK, Eswatini, Malawi, South Africa, Tanzania and Zambia)	Tea yields (Argentina, China, India, Indonesia, Kenya and Sri Lanka)	Wheat yields (Australia and UK) Corn yields (US)
Impact of flooding on the Group's end-to-end supply chain including operations	Physical risks	Coastal and river flood risks: third-party manufacturers (Bangladesh and China) and Primark stores and warehouses	River flood risk (Malawi)		Coastal and river flood risks: key Group manufacturing sites
Resilience of workers to mitigate or adapt to climate change	Physical risks	Heat stress impact on farmers and workers	Heat stress impact on farmers and workers	Heat stress impact on farmers and workers	Heat stress impact on farmers and workers
Transition risks as the world reduces its reliance on carbon	Transition risks	Carbon pricing mechanisms	Carbon pricing mechanisms		
Carbon enablement: providing solutions to reduce carbon	Opportunities		Biofuels and renewable energy		Enzymes, animal feeds, ingredients and on-farm carbon measurement
Efficiency	Opportunities		Fuel substitution, energy efficiency, process optimisation and increased contribution from by-products		

* The focus of the cotton yield analysis was on the Primark Cotton Project locations in India and Pakistan.

** Sugar yields risk in Malawi, South Africa, Tanzania and Zambia are analysed in further detail below, reflecting their comparatively greater impact. The river flood risk in Malawi is not explored further, as it is assessed as less significant than the risks selected for detailed analysis.

Scenario analysis and strategic decisions

We performed detailed scenario analysis[1] in 2022 and a risk refresh review in 2024 which confirmed that the risks and scenarios remain appropriate.

The management review performed this year identified that a refreshed scenario analysis is required in the coming years. We have partnered with an external provider and the work is underway. We will provide updated disclosures once the work has been complete.

Our businesses continue to tackle risks and embrace opportunities. They prioritise these by understanding what will have the largest impact in the community they serve. These actions will continue to evolve as the businesses respond to climate risks adaptation and mitigation.

Whilst climate-related impacts are currently affecting certain businesses and geographies, management's assessment is that these do not currently constitute a material risk at Group level due to diversification across sectors, geographies and products.

Based on the continued relevance of our existing scenario analysis, the Group's climate-related risks and opportunities identified, and the ongoing actions taken by our businesses to manage and mitigate climate-related risks, we consider our business to remain resilient to climate-related risks and opportunities.

We recognise the extreme weather patterns in Europe and the UK this year. This will have an impact on our future crop cycles, however we believe the impact will not fall outside the range of our scenario analysis.

Financial planning

We have considered the influence of climate-related factors on our financial statements. We continue to embed climate-related factors in areas such as going concern, impairment assessments and decisions regarding capital expenditure and acquisitions. Please refer to page 156 for further details.

Our businesses continue to develop and refine plans that set out the strategic actions intended to achieve their carbon reduction ambitions and, where applicable, targets. These plans prioritise areas expected to have the most material impact and are embedded within budgets and long-term planning processes. Individual investments associated with these plans are not disclosed separately as they form part of the broader business and capital plans and would not provide meaningful information for investors.

1. Transition scenarios (IEA): <2°C: Net Zero Emissions by 2050 scenario (1.5°C) and Sustainable Development Scenario, 2-3°C: Stated Policies Scenario. Physical scenarios (IPCC): <2°C: RCP2.6, 2-3°C: RCP4.5, 4°C: RCP8.5.

Impact assessment

Risks and opportunities have been considered over the following time horizons:

	Years	Rationale
Short term	2030	Some of our material businesses; ABF Sugar, Primark and Twinings Ovaltine, have set 2030 emission commitments which are supported by emission reduction plans.
Medium term	2035	Transition impacts are uncertain due to lack of visibility of future policy and legislation and global market trends.
Long term	2050	2050 is consistent with many national and industry targets. Primark is aligned with the UNFCCC Fashion Industry Charter goal of net zero emissions across all three scopes by 2050.

When assessing our mitigating factors, we have considered several factors:

1. Greater reliance is placed on actions already underway and where we have seen evidence of the success and impacts of those actions, for example, the benefits seen by smallholder farmers in the Primark Cotton Project or efficiency improvements to reduce steam demand.
2. Physical risks from a changing climate that are already present, growing and being managed by our businesses. In many cases, risks may worsen but there is time to adapt their impacts.

Impact assessment	Description
Low	Projected impacts from scenario analysis are positive or not significant.
Medium	Impacts judged not to be significant once mitigating actions are considered.
High	Impacts judged to be significant even after mitigating actions have been considered.

Climate models still have several fixed assumptions and there is some uncertainty around the impacts of climate change and how governments will respond.

Some of the below metrics have been subject to limited assurance by Ernst & Young LLP. These are marked with △.

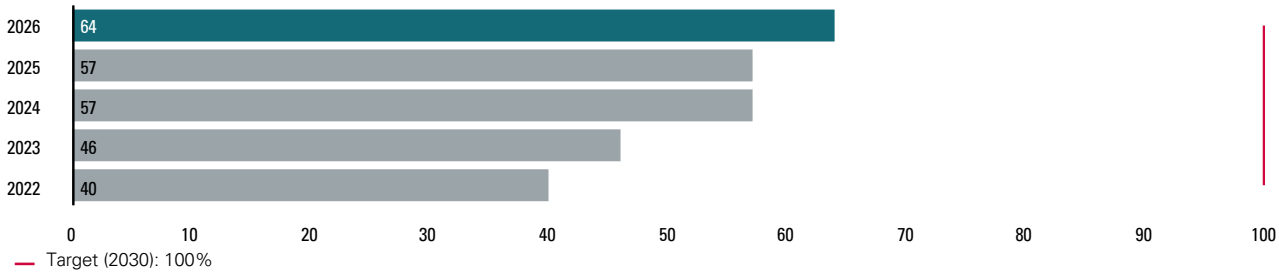
Results of the climate-related risks and opportunities assessment

All physical and transition risks and opportunities identified in the table on page 74 remain relevant, so we have set out below the risks we believe have the potential to be the most financially significant and/or of the most interest to stakeholders.

Climate impact on cotton yields

2026 update

% of our Primark clothes containing Primark preferred cotton sources (%)[2]



2022 assessment

Low — 2030

Medium — 2050

Scenarios assessed

2022	RCP2.6 and RCP8.5
2026	No update required

Assessment

2030
Under RCP 8.5 the effects of climate risks such as extreme temperatures, heavy rainfall and timing/duration of monsoon season range from virtually no impact to a reduction of approximately 4%.

2050
Outcomes project a negative impact on yield of 14% under RCP 8.5 and 4% RCP 2.6 before mitigating activities.

Mitigation

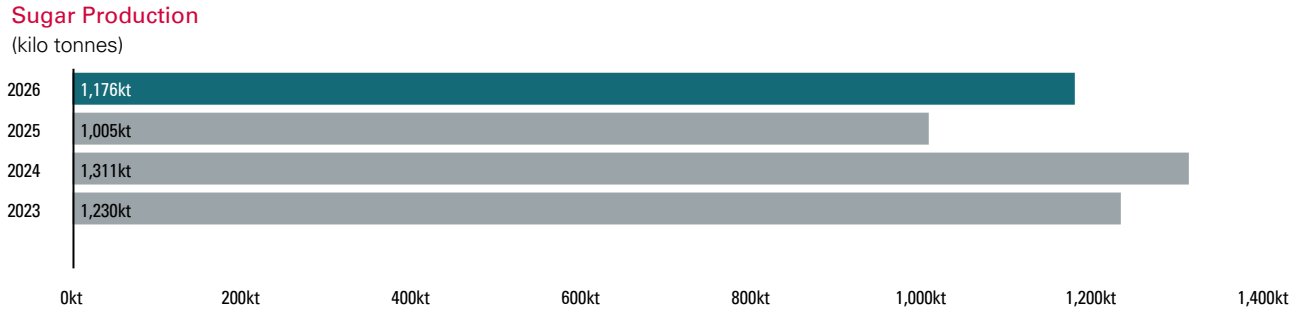
More regenerative agricultural practices. To date Primark has trained over 300,000 farmers in the Primark Cotton Project ("PCP"), achieving its target to train 275,000 in 2023. Primark has worked with CottonConnect to further develop the programme under the REEL Regenerative Standard. This Standard defines a system of farming practices designed to promote a more sustainable farming approach that can contribute to resilience against climate change, diversified income streams and improved farmers' livelihoods.

Diversification. Primark has developed a geographically diversified sourcing footprint for grown cotton, thanks to direct partnerships with cotton schemes such as Cotton made in Africa ('CmiA') as well as through the PCP. Primark is also leveraging recycled cotton, in partnership with Recover, to increase the use of recycled materials in its India, Pakistan and Bangladesh supply chains.

2. The preferred cotton sources currently used by Primark are the Primark Cotton Project, Recycled Cotton, Organic Cotton and the Cotton made in Africa Standard. Primark may identify other preferred cotton sources in the future.

Impact of climate on sugar yields (Malawi, South Africa, Tanzania and Zambia)

2026 update



Target: No defined target. We track the impact of the risk using this metric

2022 assessment	Assessment	Mitigation
Low 2030 Medium 2050 Scenarios assessed 2022 RCP2.6 and RCP8.5 2026 No update required	**2030** Under the USDAs EPIC crop model, the outcomes indicated a range from no change in yields to a decline of 10%. **2050** The outcomes using the same model indicate a 5% gain to a 29% decline in yields.	Our sugar businesses in Africa already experience and manage significant climate variability and their responses to weather events are well developed. The businesses are focusing on improving irrigation efficiency and overall farming methods to mitigate the risk of drought, including investing in drip irrigation and river defences to reduce storm damage to their operations. Irrigation efficiency projects have been implemented in Eswatini, Malawi, Tanzania and Zambia. This year each sugar business has developed a drainage master plan. These plans aim to increase effective water stewardship and drive effective mitigation actions that are relevant to each business.

Impact of climate on tea yields

2026 update

Since the impact of climate change on tea yields is assessed as low, no metrics are disclosed. We will continue to monitor this risk and will develop a metric at such a time where the risk could be material.

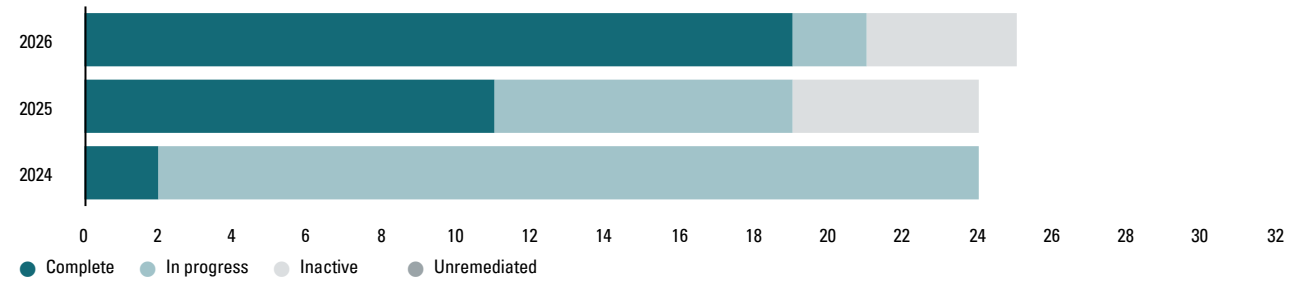
2022 assessment	Assessment	Mitigation
Low 2030 Low 2050 Scenarios assessed 2022 RCP2.6 and RCP8.5 2026 No update required	**2030 and 2050** The outcomes show a positive impact on tea yields. However, the crop model has limited representation of acute weather events such as extreme temperatures, heavy rainfall and droughts.	Twinings' sourcing capability coupled with its blending capability enables the business to manage localised yield issues. It has a well-grounded experience in understanding volatility in regional tea yields as a result of weather events and by extension the world's tea-growing regions. With this, Twinings can respond to extreme weather events by sourcing tea products from multiple locations to continue to produce tea to its set standards. Where this is not an option for single origin blends, the impact would not be material to the business.

Impact of flood risk on Primark's significant third-party manufacturers with significant flood risk and all container freight stations ('CFS')

2026 update

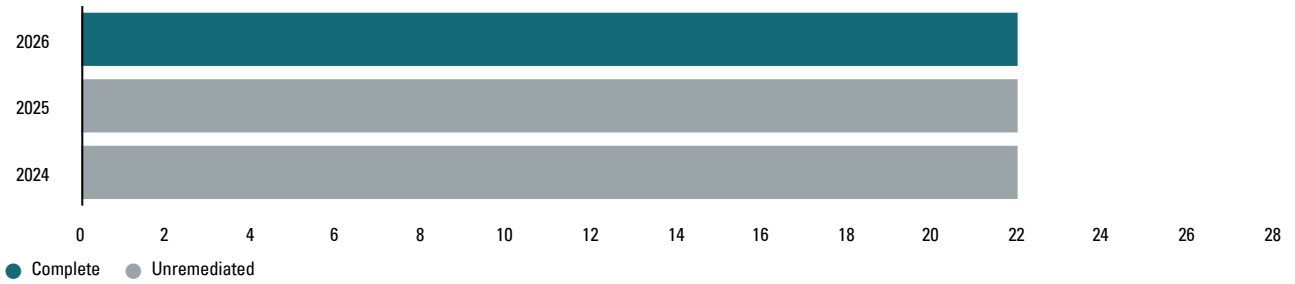
Number of Primark supplier factories subject to high flooding risk

Bangladesh

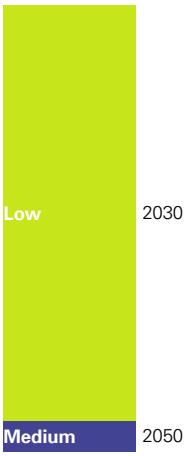


Target: No defined target. We use this metric to track the risk. Additionally, this assessment has been undertaken by Primark and relates only to its relevant supply chain.

China



2022 assessment



Scenarios assessed

2022 Bangladesh	RCP2.6 and RCP8.5
2022 China	RCP8.5
2026	No update required

Assessment

Bangladesh 2030 and 2050

Bangladesh is exposed to both coastal and river flooding. The flood risk outcomes through to 2030 are minimal, but by 2050 there is an expected increase.

China 2030 and 2050

Coastal flooding is projected at 1% in 2030 and less than 2% in 2050. River flooding is projected at less than 5% for 2030 and 2050. Primark has a large geographical spread of supplier factories and CFS which would require a large number of rivers and coastlines to flood simultaneously for there to be a material impact.

Mitigation

Primark's strategy for its product sourcing has been developed to support a balanced sourcing footprint across multiple geographies with a focus on Primark's top five product categories. This fosters risk diversification and is expected to mitigate impact from disruptions to sourcing.

Based on the results of the previous scenario analysis performed in 2021, the Primark Structural Integrity Programme ('SIP') was engaged to assist with flood-risk management efforts in Bangladesh and China. This included an assessment of sites at a high risk of flooding and support with the implementation of mitigation actions

Please see above charts for updates on the Structural Integrity Programme flood pilot. In addition to the sites shown above, all CFS have had CAPs issued and remediated In addition to the above supplier factories, Primark has one additional CFS site remediated in Bangladesh and five in China.

Impact of carbon pricing mechanisms on ABF Sugar[1]

2026 update

Please refer to the ABF Sugar transition plan

2022 assessment	Assessment	Mitigation
Medium 2030 Scenarios assessed 2022: 2022 International Energy Agency's Net Zero Emissions by 2025 scenario, Sustainable Development Scenario and Stated Policies Scenario Assessment 2026: No update required	**2030** Incremental impact ranges from £nil to £48m in 2030. ABF Sugar has developed a plan to reduce Scope 1 and 2 emissions to achieve their SBTi target, achieved through a series of fuel substitution and energy efficiency programmes that are generally expected to have a return on investment above 15%. Beyond 2030, while some technologies exist, they are not yet commercially viable. A lack of visibility of future policy and legislation beyond 2030 also limits the ability to make further assessment.	Please refer to the ABF Sugar transition plan on pages 79 to 81. The plan focuses on fuel switching from coal, solar electricity and tactical electrification and new sugar process technology. The plan does not assume the purchase of carbon offsets.

Impact of carbon pricing mechanisms on Primark

2026 update

Please refer to the Primark transition plan

2022 assessment	Assessment	Mitigation
Medium 2030 Scenarios assessed 2022: 2022 International Energy Agency's Net Zero Emissions by 2025 scenario, Sustainable Development Scenario and Stated Policies Scenario Assessment 2026: No update required	Incremental impact ranges from £55m to £155m in 2030, driven by hypothetical carbon taxes on Scope 3 upstream emissions. Scope 1 and 2 make up less than 2% of Primark's total emissions. Primark's decarbonisation programme is managed as an integral part of the Primark Cares strategy with a roadmap to reduce absolute emissions by 50% by 2030 and mitigate potential exposure to increased carbon taxation.	Please refer to Primark's transition plan ('Plan') on pages 81 to 83 . The Plan focuses on reducing Primark's carbon footprint in emissions hotspot areas such as raw material extraction and product manufacturing in its key sourcing countries. The Plan does not assume the purchase of carbon offsets.

1. Impact of carbon pricing mechanisms have been assessed to 2030. Modelling beyond 2030 is subjective and we recognise that required innovation solutions do not yet exist.

Transition plans

ABF Sugar

ABF Sugar's decarbonisation strategy continues to be underpinned by its SBTi-validated targets, which have been designed to support the articulation of progress in reducing Scope 1, 2 and 3 emissions as well as other elements disclosed in this transition plan.

Governance

The ABF Sugar Chief Executive and business unit managing directors continue to have oversight and overall responsibility for overseeing climate-related risk, opportunities, overall strategy and transition plans. Managing directors of each business are accountable for setting strategies and action plans based on their business's material risks, regulatory requirements and customer expectations. This includes assessing and managing material ESG matters across the business, including climate-related risks and opportunities, which includes at a minimum an annual review.

ABF Sugar management supports the Chief Executive and business unit managing director through the following:

- the Finance Director and Financial Controller who assist ABF Sugar in determining the potential financial impact of ESG matters, including climate-related issues;
- the ESG Director who leads the decarbonisation strategy and ensures the sustainability strategy aligns with the company's strategy, mission and vision;
- the ESG Forum who monitors business performance on all ESG matters including climate change and GHG emissions reduction targets; and
- the ABF Sugar Results Delivery Office ('RDO') supports project management, change management and strategy execution expertise to all ESG areas to ensure plans will be delivered and savings captured.

Strategic ESG including climate change KPIs, continue to be included in incentive plans for directors.

Risk management

Consistent with prior years, the annual risk process includes identifying and assessing climate-related risks and opportunities. Climate-related risks and opportunities are collated and reviewed both at an overall division and site level. Any newly identified risks or opportunities will be added to the risk register where it is determined to have a material impact. The results of this are presented to ABF annually at a minimum. All material climate-related risks and opportunities are fully integrated within the risk management framework.

Once integrated into the risk register, each business within ABF Sugar develops action plans as a response. All plans and projects have passed through a well-established governance process that examines each performance improvement proposal against internal rate of return criteria and ESG and climate factors. These plans are approved by the ABF Sugar Chief Executive and business unit managing directors.

Strategy, metrics and targets

GHG emissions baseline and targets

ABF Sugar has SBTi-validated targets which are aimed at supporting its transition to a lower-carbon economy. The SBTi has classified ABF Sugar's Scope 1 and 2 target ambition as in line with a 1.5 degree trajectory.

ABF Sugar has a defined path to achieve these targets; however, this will evolve as and when uncertainties become clear, new technology becomes available or there are changes to the political and regulatory global landscape.

ABF Sugar's baseline GHG emissions (2018)
(000 tonnes of CO_2e, % of total emissions)

Total Scope 1 and 2	2,226
Scope 1 and 2 (location-based)	100%

To seek to achieve its public commitments, ABF Sugar is focusing its efforts on decarbonisation levers. These levers are aligned with business strategy and where ABF Sugar believes it can make the most meaningful difference. These levers focus on the most material emission sources for ABF Sugar. To reflect this we have evolved the disclosure from a list of projects to a lever based framework which is consistent with other businesses. ABF Sugar does not intend to utilise carbon offsets in its decarbonisation strategy.

Efficiency improvements: Steam has been a core utility in sugar manufacturing, used for evaporation, crystallisation and drying, making it one of the largest drivers of on-site energy demand. Improving process efficiency to reduce steam demand offers a targeted way to lower both energy consumption and emissions intensity across production.

Fuel switch: Fuel switching targets the energy source used to generate steam and power, replacing high-carbon fossil fuels with lower-carbon or renewable alternatives such as biomass, biogas or electrification. Given that fuel combustion is a primary source of direct emissions in ABF Sugar's manufacturing process, the choice of fuel has a significant impact on overall carbon intensity. Transitioning to cleaner fuels therefore provides a direct pathway to materially reduce emissions while maintaining the energy required for core production processes.

Migration to lower emission practices: Migration to practices such as green cane harvesting targets a major source of emissions in the supply chain by eliminating the pre-harvest burning of cane. Burning releases significant GHG and particulates, whereas green harvesting avoids these emissions while retaining crop residues that can enhance soil health and carbon retention. Transitioning to this approach offers a meaningful reduction in overall emissions intensity without changing production volumes.

Soil health improvement: improving soil health can materially reduce reliance on synthetic fertilisers by enhancing nutrient availability, water retention and overall soil productivity. The production and application of these fertilisers are emission-intensive, therefore lowering their use directly reduces the carbon footprint associated with cultivation. Strengthening soil-management practices as a result supports both emissions reduction and longer-term agricultural resilience.

Capital investment

In 2026 ABF Sugar spent approximately £206m on 457 approved projects. To date 16 of these projects have contributed a saving of 48 $ktCO_2e$. For its decarbonisation plan, ABF Sugar is planning to spend 43% of its planned capital expenditure to support its climate change strategy and ESG initiatives

Progress to target

ABF Sugar has seen movement in its Scope 1 and 2 (market-based) emissions from its 2018 baseline year; Shown as:

- British Sugar: reduction 36%;
- Sugar businesses in Africa: reduction 0.07%; and
- Azucarera: reduction 38%.

Vivergo ceased production of bioethanol and animal feed by 31 August 2025. The decision to close followed extensive discussions with the Government to find a regulatory and financial solution that would enable Vivergo to operate on a profitable and sustainable basis. We have considered whether this closure requires a restatement of baseline and prior years. Having considered the ABF scope and restatement policy and the GHG Protocol, we will not restate our baseline or prior year emissions as whilst operations have ceased, we still retain control of the site.

Heat stress

Heat stress is an emerging risk within the business. Over several years, ABF Sugar has been implementing initiatives to mitigate the impact of heat stress on workers. Some initiatives that have been implemented include: monitoring heat exposure and stopping work when conditions become unsafe, improving workplace conditions such as increasing air movement and ventilation, changing work practices to reduce heat stress; hydration programmes; acclimatisation and medical surveillance, mandatory work-rest schedules; providing agricultural operations shaded rest areas, heat alert programmes and training awareness.

	KPI	Base Year (2018)*	2018 to 2024*	Previous Year*	Current Year*	Current Year vs Baseline*	Methodology
Decarbonisation levers							We have developed detailed reporting guidance in line with the GHG Protocol, covering estimations, calculation methodologies and assumptions. Annual emission calculations are in scope of EY limited assurance.
Efficiency improvements	Scope 1 and 2 emissions (market-based)**	—		35	2	0.1 %	
Fuel switch	Scope 1 and 2 emissions (market-based)**	—		11	8	0.4 %	
Migration to lower emission practices	Scope 1 and 2 emissions (market-based)**	—		4	4	0.2 %	
Soil health improvement	Scope 1 and 2 emissions (market-based)**	—		3	2	0.1 %	
Other projects, production variances and factory efficiencies	Scope 1 and 2 emissions (market-based)**	—	338	111	323	14.5 %	
Annual lever movement			338	164	339	**15.2 %**	
Movement (year vs baseline)			**338**	**502**	**841**	**37.8 %**	
Total value chain emissions (Scope 1 and 2 market-based)		**2,226**	**1,888**	**1,724**	**1,385**		

* 000 tonnes of CO_2e'

** Scope 2 figures for 2019 to 2022 represent location-based emissions. For the purpose of reporting against targets, ABF Sugar has been tracking Scope 2 (market-based) since 2023.

Assumptions, uncertainties and challenges

Capital availability: Availability of sufficient capital to fund process upgrades, fuel switching and changes in agricultural practices underpins the transition to a lower-carbon economy. Limited or delayed access to financing could constrain the pace and scale of implementation and delivery timelines.

Infrastructure availability: The availability of required infrastructure such as specialised machinery, upgraded facilities and field availability deployable at the necessary scale is a key assumption in delivering the transition to a lower-carbon economy. Constraints in this could slow implementation or increase costs.

Government regulation: ABF Sugar recognises the evolving complexity of regulatory environments at national, regional and global levels. Dedicated teams across the organisation continuously monitor these developments to ensure relevant changes and their potential impacts are incorporated into the transition plan as appropriate.

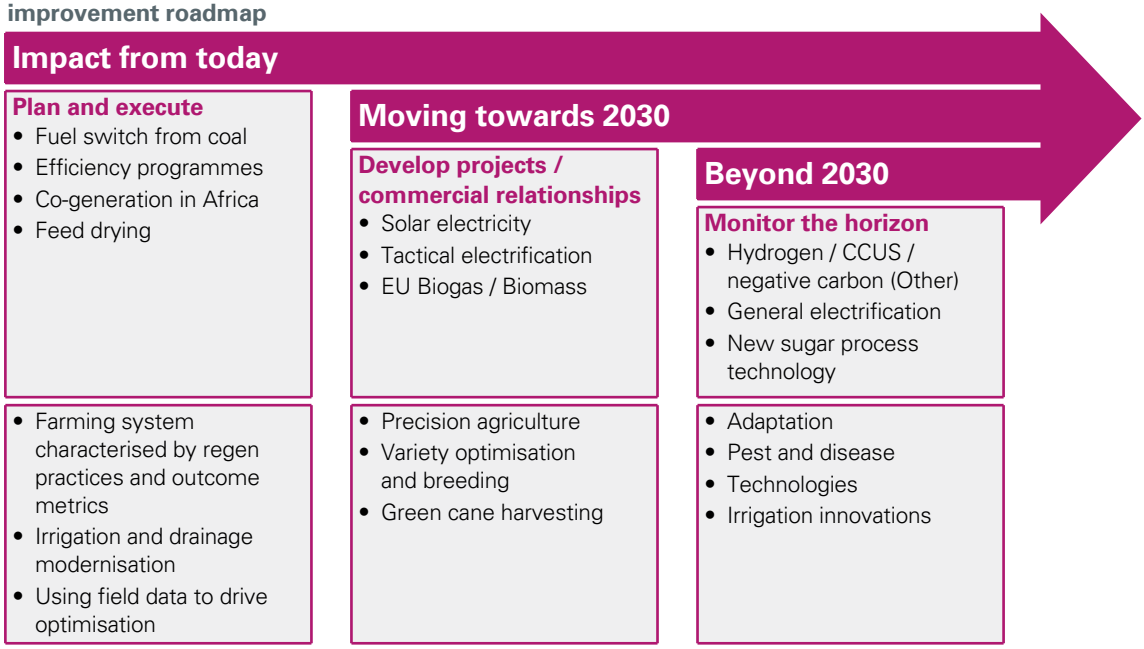
Innovation gap: ABF Sugar's current transition plan targets areas where meaningful difference can be made. However, ABF Sugar continues to explore decarbonisation potential in other levers. A number of these are hindered by gaps in technology.

Emission reduction plan

Per the following roadmap, ABF Sugar has a strong pipeline of accretive GHG decarbonisation priorities. This list highlights areas of focus by the business.

- British Sugar: energy efficiency, steam reduction, coal elimination and alternate pulp drying technologies;
- sugar businesses in South Africa: energy efficiency and farming systems; and
- Illovo Sugar South Africa: coal elimination, efficiency programmes, farming systems, irrigation and drainage, fuel switching and new sugar processes.

ABF Sugar GHG improvement roadmap



Primark

Primark's decarbonisation strategy, as well as other elements presented in this Plan, continue to support progress against Primark's public decarbonisation commitments including its near-term emissions reduction targets validated by the SBTi. The content presented in this Plan refers to FY26. Over the past 12 months, Primark has been undertaking a review of its ESG strategy to align with evolving regulations and changing customer expectations. More information is available on Primark's website.

Governance

The Primark Chief Executive continues to have oversight and overall responsibility for Primark's climate-related risks and opportunities, as well as Primark's decarbonisation commitments and the broader strategy, Primark Cares.

Primark management and the dedicated forums below supported Primark's Chief Executive over the course of the year:

- the Finance Director, who chairs the Risk Forum, which reviews all business risks, including ESG risks where relevant, and escalates to Primark's Leadership Team as required;
- the Director of Primark Cares, who is responsible for embedding the Primark Cares strategy into the core business model;
- Primark Cares Executive Steering Committee, which reviews the progress of the Primark Cares commitments, in addition to risks and opportunities related to the strategy delivery;
- Policy and Compliance Committee, which reviews policy proposals, tracks delivery of compliance programmes and escalates issues to the Risk Forum;
- Primark Cares Working Group, which is responsible for the day-to-day delivery of the Primark Cares commitments; and

Regulatory, Policy and Public Affairs Working Group, which monitors policy and regulatory developments and compliance trends, providing early visibility of upcoming obligations that may affect Primark's operations or strategy and priorities and coordinates Primark's policy and public affairs activity.

Effective since 2024, ESG-associated performance incentives have been extended to Primark directors and wider senior leadership. A portion of the overall remuneration package obtainable is tied to ESG performance, including climate. This remuneration is payable in deferred ABF shares.

Risk management

Over the course of 2025 and 2026, Primark has been working on the integration of climate-related risks into its overall Enterprise Risk Management ('ERM') framework through a cross-functional, multi-stakeholder process that involves representatives of Primark's Leadership Team and wider senior leadership from key areas of the business, as well as the ABF Group. Activities covered:

- working on a refreshed scenario analysis to assess climate risks across Primark's upstream value chain and own operations identifying material risks in the relevant time horizons; and
- for material risks, initiating a review of risk owners and risk controls to ultimately feed into Primark's risk management process.

Strategy, metrics and targets

Under its Primark Cares sustainability strategy published in 2021, Primark has set a number of public commitments up to 2030. These are aimed at enabling its ambition to become a more sustainable and circular business, which ultimately supports the collective transition to a low-carbon economy. Therefore, Primark's Plan aligns to the Primark Cares Strategy in the medium term. This Plan refers to Primark Cares commitments that were active through the course of 2026.

GHG emissions baseline and targets

Under Primark Cares, the business has set a public commitment to halve carbon emissions across its value chain by 2030 from a 2019 baseline year. Within the same timeframe, Primark set Science-Based Targets committing to reduce absolute Scope 1 and 2 GHG emissions by 50% and also reduce absolute Scope 3 GHG emissions from purchased goods and services by 50%.

In addition to the above targets, Primark has pledged to achieve net zero emissions no later than 2050 under the UNFCCC Fashion Industry Charter for Climate-Action ('FICCA'). This commitment remains unchanged. Primark is continuing to work to define a plan to reach this long-term goal, taking into account uncertainties beyond 2030 in technology development and innovation, as well as the political and regulatory global landscape. Primark does not intend to utilise carbon offsets to achieve its existing decarbonisation targets.

Primark's baseline GHG emissions (2019) (tCO_2e, % of total emissions)

Total Scope 1, 2 and 3	6.41m
Scope 1 and 2 (location-based)	2.5%
Scope 3	97.5%
Comprised of:	
Purchased goods and services	76.4%
Capital goods	2.0%
Fuel and energy-related activities	0.6%
Upstream transportation	8.1%
Waste generated in operations	0.1%
Business travel	0.2%
Use of sold products	12.1%
End-of-life treatment of sold products	0.6%

Critical path to 2030

Primark's critical path to achieve its 2030 decarbonisation commitments has remained unchanged. The path continues to leverage a series of combined decarbonisation levers to achieve critical reductions in Primark's emissions, focusing on the most material sources of Scope 3 emissions as described below.

Scope 3 emissions

Supply chain energy procurement and consumption: product manufacturing and related energy consumption represents the biggest contributor to Primark's emissions. However, similar to other clothing retailers, the business does not own any of the factories in its supply chain. To tackle emissions from this source, Primark plans to leverage minimum environmental performance requirements for suppliers and further develop its country-specific programmes. These aim to support key suppliers and factories in improving their energy efficiency performance and transition to renewable energy, for example through on-site energy audits.

Raw materials: the cultivation and extraction of raw materials used in Primark products is the second key contributor to Primark's emissions in the supply chain. Under its sustainability strategy published in 2021, the business has pledged:

- to use more regenerative farming practices through Primark Cotton Project by 2030; and
- that all its clothes will be made from recycled or more sustainably sourced materials by 2030, including cotton from the Primark Cotton Project.[1]

The achievement of the targets above is expected to contribute to the decarbonisation of Primark's material mix.

Distribution mode optimisation and fuel switching: emissions related to transporting goods from suppliers to Primark depots, and from depots to Primark stores, represent the third key contributor to Primark's baseline emissions in the supply chain. Primark already ships most of its products by sea freight, which has a lower environmental impact than air transport. Primark has launched a partnership with its shipping partner Maersk to use more sustainable fuel alternatives, such as Maersk's Eco Delivery Ocean biofuel, instead of fossil fuel, when shipping Primark products. The biofuel must be certified by a third party to verify that the stated GHG emissions savings are accurate. Once certified, it is blended with conventional fuel and used on Maersk shipping vessels.

Scope 1 and 2 emissions

Primark's own energy procurement and consumption: emissions from running Primark stores, offices and distribution centres, as well as the corporate fleet, continue to represent a small fraction of Primark's emissions but is also where Primark has the most direct influence and can impact change. Initiatives in this area will continue to focus on energy efficiency improvements, like LED fitting of Primark stores, and scaling low-carbon energy[3] procurement. Under the UNFCCC FICCA, Primark is committed to secure 100% of electricity from renewable sources with minimal other environmental or social impacts, for owned and operated (Scope 2) emissions by 2030. The business plans to reach this goal in line with RE100[4] and GHG Protocol guidelines.

Capital investment

Primark's funding model for the Plan includes various elements:

1. capital expenditure is allocated to improve the energy efficiency of Primark's assets;
2. a price premium is paid to procure lower impact goods and services such as raw materials to use in Primark products, renewable energy for stores and lower impact transport fuel; and
3. funding enabling activities, like energy audits at supplier factories to support reduction in energy consumption.

In the current year, Primark spent approximately £6.1m on key decarbonisation initiatives, such as improving the energy efficiency of its stores and procuring lower impact transport fuel.

Progress to date

This year, the business saw a 26% reduction in total emissions (market-based) compared to the base year and a 21% reduction compared to the previous year. Please refer to pages 67 to 68 of this report for a detailed commentary.

1. Primark defines more sustainably sourced materials as described in its Primark Preferred Fibres list available at this link.
2. As referenced in the TCFD Guidance on Metrics, Targets and Transition Plans.
3. Low-carbon refers to lower carbon dioxide (CO_2) emissions than conventional energy sources. There are four main types of low-carbon energy: wind, solar, hydro or nuclear.
4. RE100 is the global corporate renewable energy initiative bringing together hundreds of large and ambitious businesses committed to using 100% renewable electricity.

Target: halve carbon emissions across our value chain by 2030 from a 2019 base year

	KPI	Base Year*	Previous Year*	Current Year*	Current Year vs Baseline	Methodology
Decarbonisation levers		5.2	5.0	3.8	(27)%	Primark has developed detailed reporting guidance in line with the GHG Protocol, covering estimations, calculation methodologies and assumptions. Annual emission calculations are in scope of EY limited assurance.
Supply chain energy procurement and consumption	Scope 3 emissions from purchased goods and services – Tier 1, 2, 3	3.6	3.4	2.3	(36)%	
Raw materials	Scope 3 emissions from purchased goods and services – Tier 4	0.9	1.2	1.1	21 %	
Distribution mode optimisation and fuel switching	Scope 3 emissions from upstream transportation	0.5	0.3	0.3	(47)%	
Primark's energy procurement and consumption	Scope 1 and 2 emissions (market-based)**	0.2	0.05	0.05	(72)%	
Other Scope 3 categories		1.2	1.1	1.1	(16)%	
Total value chain emissions (Scope 1, 2 and 3 market-based)**		**6.4**	**6.0**	**4.8**	**(26)%**	

* mil tonnes of CO_2e.

** Scope 2 figures for 2019 to 2022 represent location-based emissions. For the purpose of reporting against targets, Primark has been tracking Scope 2 (market-based) since 2023.

Assumptions, uncertainties and challenges

- **Data availability:** as mentioned, the majority of Primark's emissions occur in our wider value chain. Sourcing and collating data on these impacts is evolving as the business progresses its decarbonisation programme and improves data around product traceability. Primark is increasing the amount of data sourced from suppliers, which is incorporated into the Scope 3 calculation, but it still also relies on industry average data for many of the impacts assessed as part of this calculation. These data limitations should be considered when reading and interpreting the results and critical path presented above.
- **Supply chain management:** Primark's supply chain is global and complex, and this can affect the success rate and scaling potential of Primark's decarbonisation programme. The business is working to rationalise its supplier base while also tackling supply chain emissions, which might result in progress variability in the immediate term but ultimately will enable more effective deployment of projects and programmes in the medium term.
- **Regulatory landscape:** Primark is aware of the ever-changing complexity of the national, regional and global regulatory landscapes in which it operates. Dedicated personnel across the business, centrally and regionally, monitor the regulatory landscape to incorporate any relevant developments and their impacts into the Plan as and when needed.
- **Innovation gap:** in addition to the decarbonisation levers currently included in this Plan, Primark continues to explore the decarbonisation potential of other initiatives under the Primark Cares strategy, including circular design and extending the durability of our clothes. Moreover, Primark recognises that innovations will be needed to meet its decarbonisation targets, and Primark acknowledges it has a role to play to support the development of these from pilot to scale.

Heat stress

As part of Primark's SIP, a heat stress pilot study was conducted in a supplier factory in Cambodia. The pilot has now been completed, with the factory implementing a number of initiatives arising from the programme. Primark has also developed guidance notes to inform and support the wider supply chain in addressing heat-stress risks.

Emission reduction plan

Building on the work implemented to date, below are the areas of focus that Primark will explore to progress against its public decarbonisation commitments up to 2030 and beyond

Impact from today

- Developed frameworks, processes and targets for decarbonisation
- Identified emissions hotspots and built path to scale through enhanced piloting
- Improved emissions data quality and granularity

Moving towards 2030

- Implement initiatives at scale - decarbonisation levers

Beyond 2030

- Electrification of energy systems across own operations and supplier base
- Technology and process innovation for fibres and textile manufacturing
- High integrity carbon removals to support 2050 net zero target

Twinings Ovaltine

Twinings Ovaltine's decarbonisation strategy continues to be underpinned by its SBTi-validated targets. These have been designed to drive progress in reducing Scope 1, 2 and 3 emissions.

Governance

The Twinings Ovaltine Chief Executive and Chief Financial Officer continue to have oversight and overall responsibility for climate-related risks, opportunities, overall strategy and transition plans. This includes assessing and managing material ESG matters across the business, including climate-related risks and opportunities.

The Chief Executive and Chief Financial Officer are supported by senior leadership and various committees:

- International Supply Chain Director and Chief Brand Officer support effective management of risks and opportunities.
- ESG Governance Committee oversees ESG risk and strategy implementation.
- Environmental Due Diligence Steering committee identifies, assesses and manages ESG risks and opportunities.

Implementation is the responsibility of the Environmental Due Diligence Steering Committee, a cross-functional project management team that includes business leaders representing the five main contributors to Twinings Ovaltine's carbon emissions; its manufacturing facilities, packaging, logistics, tea, herbs and raw materials and ingredients for Ovaltine.

Individuals responsible for delivering the ESG strategy are incentivised through their annual personal objectives and contributions.

Risk Management

Consistent with prior years, the annual risk process includes identifying and assessing climate-related risks and opportunities. ESG-related risks and opportunities are identified, assessed and monitored through Twinings Ovaltine's established risk management framework and dedicated ESG governance processes. Information used in risk management meetings includes outputs from the formal risk register and quarterly risk reviews, findings from horizon scanning, salient risk and double materiality assessments, third-party research and regulatory intelligence, supplier and ethical trade insights and internal subject-matter expertise across functions such as procurement, sustainability and finance.

ESG and climate-related risks are formally reassessed at least quarterly, with updates to risk severity, mitigating actions and controls reflected in the risk register. Emerging or changing ESG risks are escalated through the Environmental Due Diligence Steering Committee and reviewed at quarterly ESG Governance meetings attended by senior leadership, ensuring appropriate governance oversight and challenge. Financially material risks, including climate-related regulatory and transition risks, are refreshed regularly and embedded into strategic planning and decision-making.

Strategy, metrics and targets

GHG emissions baseline and targets

Addressing climate change is a key pillar of Twinings Ovaltine's ESG strategy. The SBTi has approved and independently validated Twinings Ovaltine's near and long-term science-based emissions targets and the businesses' commitment to achieve net zero across its value chain by 2050. It has also validated the near-term commitment to an absolute reduction in their Scope 1 and 2 emissions of 42% by 2030.

Twinings Ovaltine baseline GHG emissions (2020) (tCO_2e, % of total emissions)

Total Scope 1 and 2	49,279
Scope 1 and 2 (location-based)	100%

To achieve its Scope 1 and 2 commitment, Twinings Ovaltine has categorised its plans and projects into three focus areas of energy efficiency/ energy reduction, renewable energy and fuel switch. Twinings Ovaltine does not intend to use carbon offsets.

Efficiency improvements in manufacturing and facilities focus on optimising production processes to reduce energy consumption, steam usage, machinery efficiency, material waste and associated emissions without compromising output or quality.

Renewable energy serves as a key lever by shifting energy supply to renewable sources. Twinings Ovaltine is targeting this through Power Purchase Agreements ('PPAs') to secure renewable energy, on-site photovoltaic panels to generate clean energy and tri-generation systems to efficiently produce electricity, heating and cooling from a single fuel source.

Fuel switch targets the energy source used to generate steam and power, replacing high-carbon fossil fuels with lower-carbon or renewable alternatives.

Capital investment

In 2026, Twinings Ovaltine spent approximately £2.5m on projects supporting its transition to a lower-carbon economy. It is planning to spend £5.1m of total capital expenditure between 2027 and 2030 on similar initiatives.

Progress to target

Twinings Ovaltine's Scope 1 and 2 emissions represent 2% of total Group emissions. Since its baseline financial year 2020, Twinings Ovaltine has implemented projects to achieve 20% reduction, 48% of its 2030 target. Twinings Ovaltine is on track to meet its carbon reduction targets.

Heat stress

In 2026, Twinings Ovaltine engaged in an assessment of the impact of heat stress on own operations. This included sites across the United Kingdom, Australia, India, China, Switzerland, USA, Poland, Thailand and Nigeria. The results of this assessment indicated that whilst not material at this stage, heat stress is an emerging risk. Twinings Ovaltine will use these results as a basis to mitigate areas in the business where heat stress could have the largest impact.

	KPI	Base year (2020)	2020 to 2024*	Previous Year (2025)*	Current Year*	Current Year vs Baseline	Methodology
Decarbonisation levers							We have developed detailed reporting guidance in line with the GHG Protocol, covering estimations, calculation methodologies and assumptions. Annual emission calculations are in scope of EY limited assurance.
Energy reduction	Scope 1 and 2 emissions			325	1,141		
Renewable energy	Scope 1 and 2 emissions		1,532	1,348	16		
Energy switch	Scope 1 and 2 emissions		3,921	31			
Others**	Scope 1 and 2 emissions		57	(372)	(1,138)		
Savings implemented to 2023	Scope 1 and 2 emissions		2,523				
Total value chain emissions (Scope 1 and 2 market-based) excluding Nigeria		**49,279**	**41,246**	**39,914**	**39,895**	**19 %**	
Emissions as a % of base year			**84 %**	**81 %**	**81 %**		
Nigeria factory					1,798		
Total value chain emissions (Scope 1 and 2 market-based)		**49,279**	**41,246**	**39,914**	**41,694**		

* Expressed in tCO_2e.

** The slight increase in the other lever is predominately because of increased natural gas usage across two main manufacturing sites as a result of much colder than usual winter and also the continued implementation of a new SAP system, which meant production was continuous this year, with no scheduled shutdown period.

Assumptions, uncertainties and challenges

Availability and price of renewable fuel and energy due to political landscape

The long-term affordability of renewable electricity, biomass, or green hydrogen is highly dependent on market dynamics, technology maturity, and the evolution of carbon pricing, all of which can be influenced by shifting policy and geopolitical factors.

In addition, the availability and reliability of these energy sources - particularly emerging fuels and supporting infrastructure - may be constrained in the short to medium term, creating potential risks to operational continuity and cost competitiveness as the political and regulatory landscape continues to evolve.

Government regulation: Twinings Ovaltine recognises the evolving complexity of regulatory environments at national, regional and global levels. Dedicated teams across the organisation continuously monitor these developments to ensure relevant changes and their potential impacts are incorporated into the transition plan as appropriate.

Emissions reduction plan

Looking forward there are several projects that Twinings Ovaltine has in the pipeline as shown in the figure below.

Impact from today

Completed or in implementation

- Renewable energy sourcing: photovoltaic panels installation and purchase renewably generated energy
- Energy reduction: tri-generation system, energy and building management systems and air compressor and boiler improvements
- Energy shift: manufacturing improvements

Moving towards 2030

Planning and scoping

- Renewable energy sourcing: photovoltaic panel further phases and purchase renewably generated energy
- Energy reduction: heat recovery and energy management systems

Beyond 2030

New technology

- Renewable energy sourcing
- Energy reduction: manufacturing technologies

Managing our risks

Our approach to risk management

The delivery of our strategic objectives, sustainable growth and long-term shareholder value is dependent on effective risk management. The diversified nature of our operations, geographical reach, physical and technological assets and currencies are important factors in mitigating the risk of us missing our strategic goals.

As with any business, risks and uncertainties are inherent in our business activities and these risks may have a financial, operational, environmental and reputational impact. It is through a structured approach to risk management that we are able to mitigate and manage risks and embrace opportunities when they arise.

The Board is accountable for effective risk management, for agreeing the principal, including emerging, risks facing the Group and ensuring that these are successfully managed. The Board undertakes a robust annual assessment of the principal and 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 business performance reviews conducted at each Board meeting, providing the Board with an opportunity to discuss risk mitigation actions with divisional senior management.

Our decentralised business model empowers the management of our businesses to identify, evaluate and manage the risks they face to ensure each business's compliance with relevant legislation, our business principles and Group policies. Their risk assessments are wide-ranging and consider operational, environmental, including climate change, and other external risks, in the context of the overall materiality, key controls and relevance to the markets in which they operate. The divisional chief executives individually present their division's consolidated risks to the Director of Financial Control and the Group Chief Financial Officer on an annual basis, who review and challenge them.

Emerging risks are identified and considered at both a Group and business unit level, as part of the overall risk management process. They are identified through a variety of horizon-scanning methods including: geopolitical insights; ongoing assessments 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.

Group functional heads including Legal, Treasury, Tax, IT, Pensions, HR, Procurement and Insurance also assess the key risks in their functional area, together with the controls that are in place or planned to mitigate them. The Director of Financial Control takes these perspectives and combines them with the business risk assessments to create a consolidated view of the Group's risk profile. A summary of these risk assessments is then shared and discussed with the Group Chief Financial Officer 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 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 then summarised and the Board confirms the Group's principal and emerging risks. These are the risks which could prevent ABF from delivering our strategic objectives.

This report also details when formal updates relating to the key risks will be provided to the Board.

Key areas of focus this year

Effective risk management processes and internal controls

We continued to seek improvements in our risk management processes to ensure the quality and integrity of information and the ability to respond swiftly to direct risks. During the year, the Audit Committee on behalf of the Board conducted reviews on the effectiveness of the Group's risk management processes and internal controls in accordance with the applicable requirements of the UK Corporate Governance Code. The Audit Committee have also been provided with regular updates on the progress of the programme for meeting the requirements of provision 29 of the 2024 UK Corporate Governance Code, which is nearing completion.

Our approach to risk management and systems of internal control is in line with the requirements of the Code.

The Board is satisfied that internal controls were properly maintained, and that principal and emerging risks are being appropriately identified and managed.

Business transformation

Following a comprehensive strategic review during the year, the Board concluded that separating Primark from the rest of the Group would enhance long-term shareholder value by enabling both businesses to pursue focused strategies and align management incentives more closely with their distinct operating models.

By its very nature, any demerger has inherent risks, which include dis-synergies arising from the loss of scale and purchasing leverage, and distracting management from business as usual.

The Group has established a comprehensive demerger programme with strong management disciplines that focuses on organisational structure and design, team development and retention, data management, reporting and retention, risk mitigation and strong project management. There is close oversight from both Executives and the Board.

Consumer behaviour

Consumer confidence remains low in a number of key markets, driven by pressures on consumer spending, particularly for those on lower incomes, and an increasing focus on health and nutrition.

Across a number of our markets, widespread accessibility to GLP-1 medications like Ozempic and Wegovy, together with government health initiatives, are having a multifaceted impact on consumer behaviour in the food and beverage sectors and are presenting both risks and opportunities to the Group.

All of our businesses continue to develop strategies considering the potential changes in both end consumer and our customer behaviours and demands, the implications for the business and where investment or changes to business models may be appropriate. New product development and formulation continue to be central to the success of the Group.

Cyber security

The cyber security risk landscape has continued to evolve with threats being ever more sophisticated, organised and aggressive, and the rapid development of artificial intelligence models has

the potential to increase the scale, speed and sophistication of cyber threats faced by businesses.

A successful cyber-attack due to malicious activity by an internal or external threat actor could result in data loss, operational disruption, non-compliance with regulations and/or loss of customer confidence.

Artificial intelligence and emerging technologies

The Group is expanding its use of AI-enabled tools while assessing their potential benefits and associated risks. To ensure that the appropriate benefits are achieved, there is a requirement for effective governance and oversight to minimise the risk of inappropriate use, development or deployment of AI and to maintain compliance with evolving regulatory frameworks.

A failure to do this could result in flawed business decisions, breaches of intellectual property, unauthorised disclosure of confidential information and cybersecurity vulnerabilities. Given the Group's global footprint and extensive data flows, the use of AI also increases the importance of maintaining robust controls over data quality, privacy, security and ethical standards. Failures in these areas could lead to financial loss, operational disruption, legal liability, regulatory sanctions and reputational damage.

To mitigate these risks, the Group continues to evolve its AI governance framework, including policies and standards governing the responsible use of AI technologies. The Group seeks to balance the opportunities offered by AI with appropriate safeguards to ensure that its adoption supports long-term value creation while maintaining the trust of customers, employees, suppliers, investors and other stakeholders.

Cost pressures

Global macroeconomic conditions continue to be impacted by ongoing geopolitical instability, uncertain tariff regimes, extreme weather events, higher levels of inflation, higher employment-related costs and significant fluctuations in commodity prices. This is resulting in increased costs across our businesses.

Our teams continue to be innovative in looking for cost-saving initiatives and efficiencies through greater centralisation, outsourcing, reduced waste and an enhanced focus on procurement and sourcing disciplines.

Regulatory changes

Our businesses continue to face a large number of regulatory changes with ever-increasing complexity and variations in requirements across the markets in which we operate. The extent of change continues to have an impact on the capacity of management at a time when they are dealing with the ongoing challenges resulting from economic uncertainty, alongside the day-to-day growth of our businesses.

These regulations, and the associated extensive and diverse reporting requirements including those relating to environmental, social, product compliance, food and feed safety, workplace health and safety, all have cost and resource implications.

There are significant data demands to define, obtain, prepare, collate and report to meet the demands of the various authorities.

Commodity price volatility

Changes in commodity and energy prices can have a material impact on the Group's operating results, asset values and cash flows.

ABF Sugar is exposed to European market prices in several geographies. This risk is exacerbated in the UK and European markets where beet prices are agreed ahead of the sugar that is produced.

Our management closely monitor positions and exposures and have established appropriate hedging protocols and strategies.

2024 UK Corporate Governance Code

The 2024 UK Corporate Governance Code applies to the Group for first time this financial year, except for provision 29 which will apply from financial year 2027 and require the Board to make a declaration on the effectiveness of the Group's material controls as at the balance sheet date in the Annual Report.

The formal programme to ensure that we meet the requirements of provision 29 is nearing completion and has included formalising both Group and divisional management's reporting on the effectiveness of the key controls designed to mitigate the impact of material risks. We consider that these measures will enable us to make the disclosures required by provision 29.

Risk appetite

Our approach to risk management gives the authority to our business leaders to make decisions that enable them to carry out our strategy of delivering long-term value for our shareholders and other stakeholders as detailed on pages 12 to 15. They achieve this by identifying and managing their risks within acceptable levels through our devolved operating model and our people, culture and values. These principles underline how we manage the Group within the Board's risk appetite.

Divisional risks and their impact on business performance are reported during the year and are considered as part of the monthly and quarterly management review process.

Our principal risks and uncertainties

The directors have carried out a robust assessment of the principal risks facing the Group, including emerging risks, that would threaten our business model, future performance, solvency or liquidity.

The Group is exposed to a variety of other risks related to areas such as human resources, community relations and competition. These are managed as part of the risk process and a number of these are referred to in the Responsibility section at pages 56 to 70 and on our website at www.abf.co.uk/responsibility.

Outlined below are the Group's principal risks and uncertainties which we believe are likely to have the greatest current or near-term impact on our strategic and operational plans and reputation, and the key mitigating activities in place to address them. These are the principal risks of the Group as a whole and are not in any order of priority.

Our risks are grouped into external risks, which may occur in the markets or environment in which we operate, and operational risks, which are related to internal activity linked to our business operations and internal controls.

The 'Changes since 2025' describe our experience and activity over the last year.

Key: Risk trending

- Increasing risk
- Unchanged risk
- Decreasing risk

Stakeholders impacted by the risk

- Customers
- Investors and shareholders
- Employees
- Suppliers
- Communities
- Governments

External risks

The geostrategic context

Context and potential impact

The Group operates in 57 countries with sales and supply chains in many more. Geopolitical tensions continue to be a factor in a number of countries in which our businesses or those in their supply chain operate.

We are therefore exposed to: global market forces; fluctuations in national economies; international conflicts; societal unrest; unstable tariff regimes; and evolving and increasingly complex trade regulations legislation. Failure to recognise and respond appropriately could directly impact the profitability of our operations.

Geopolitical uncertainty remains high given the ongoing war in Ukraine, conflicts in both Iran and the wider Middle East, pockets of societal volatility in southeast Asia, together with underlying economic challenges resulting in uncertainty around tariffs and taxation.

Specific current risks include:

- Primark's complex supply chain, which is dependent on supplies from countries including China, Bangladesh and India;
- a number of ABF Sugar's African operations are key drivers of GDP in the countries in which they operate and are therefore politically sensitive; and
- diverse regulatory reporting requirements, including those relating to environmental, social, product compliance, food and feed safety, workplace health and safety, all have cost and resource implications.

Mitigation

Our approach to risk management considers potential short-term market volatility and evaluates longer-term socio-economic and political scenarios.

By their nature, socio-political events are largely unpredictable. Nonetheless, our businesses have detailed contingency plans which include site-level emergency responses and improved security for employees.

In the event of a major geopolitical event that disrupts Primark's supply chain, in the short term the risk would be partially mitigated as we have several weeks of stock in warehouses and relatively long lead times, whilst alternative sourcing strategies are implemented.

Our management teams continue to monitor where products and raw materials are sourced from and to work closely with suppliers to secure raw materials, maintain production and provide a reliable supply to their customers.

We engage with governments, local regulators and community organisations to contribute to, and anticipate, important changes in public policy. We conduct rigorous checks when entering or commencing business activities in new markets.

The Group's financial control framework and Board-adopted tax and treasury policies require all businesses to comply fully with relevant local laws.

Provision is made for known issues based on management's interpretation of country-specific tax law, EU cases and investigations on tax rulings and their likely outcomes.

Changes since 2025

The past year has seen significant volatility in the Group's supply chain, with the US's war with Iran causing a significant increase in energy prices earlier this year. The unstable and unpredictable nature of the conflict presents longer-term risks regarding the availability of oil and fertiliser. This could have an impact on the cost and availability of raw materials and key commodities. Our procurement teams continue to work closely with suppliers to maintain the effective operation of our supply chains.

The continuing war in Ukraine presents a further risk of volatility in energy prices and of further supply chain disruption.

We continue to be mindful of the cultural sensitivities in the environments in which we operate, and we have continued to invest in developing and maintaining appropriate relationships with governments.

The global economic landscape remains challenging, with many countries in which we operate at risk of low growth, recession or stagflation, including China, Nigeria and western Europe. Household budgets have continued to face real pressures and consumer confidence remains low in a number of key markets.

High inflation continues to be a particular challenge for our yeast and bakery ingredients businesses based in Argentina and Türkiye.

We monitor the situation on an ongoing basis and there have been no major impacts for our businesses.

Fluctuations in commodity and energy prices



Context and potential impact

Changes in commodity and energy prices can have a material impact on the Group's operating results, asset values and cash flows.

Mitigation

The Group purchases a wide range of commodities in the ordinary course of business. We constantly monitor the markets in which we operate and manage certain of these exposures with exchange-traded contracts and hedging instruments.

The commercial implications of commodity price movements are continuously assessed and, where appropriate, are reflected in the pricing of our products.

Changes since 2025

Energy prices have been higher than last year with increased volatility in the financial year, primarily as a result of conflict in the Middle East.

European sugar prices remained at lower levels which has continued to impact our European sugar businesses.

Our businesses managed commodity price risk within existing risk management frameworks and, where appropriate, through pricing actions.

Movement in exchange rates



Context and potential impact

Associated British Foods plc is a multinational Group with operations and transactions in many currencies. Changes in exchange rates give rise to transactional exposures within the businesses and to translation exposures when the assets, liabilities and results of overseas entities are translated into sterling upon consolidation.

Mitigation

Our businesses constantly review their currency exposures and their hedging instruments and ensure appropriate actions are taken to manage the impact of currency movements. Board-approved policies require businesses to hedge transactional currency exposures and committed long-term supply or purchase contracts which are denominated in a foreign currency, using foreign exchange forward contracts. Cash balances and borrowings are largely maintained in the functional currency of the local operations.

Changes since 2025

On average, sterling has weakened against a number of our trading currencies this year, resulting in an operating profit on translation of £20m.

Low availability of foreign currency in Malawi resulted in a non-functional currency loss of £22m.

External risks

Health and nutrition



Context and potential impact

Failure to adapt to changing consumer health choices or to address nutrition concerns in the formulation of our products, related to consumer preferences or government public health policies, could result in a loss of consumer base and impact business performance.

All of our businesses continue to develop strategies considering the potential changes in both end consumer and our customer behaviours and demands, the implications for the business and where investment or changes to business models may be appropriate. New product development and formulation continue to be central to the success of the Group.

Mitigation

All of our food businesses are responsible for managing their product portfolio. Consumer preferences, regulation and market trends are monitored continually. Recipes are regularly reviewed and, where technically feasible, are considered for reformulation to improve their overall nutritional value.

Our businesses always take nutritional factors into account when developing their product ranges. To support this approach, many of our consumer-branded grocery businesses have adopted nutrition policies which set out the businesses' principles of: transparency about nutritional properties of products; consumer choice through product development and reformulation; responsible product development; and advertising.

Our businesses also operate a formal process to ensure that any health claims across their brands are subject to in-house legal review to confirm that they meet necessary legal requirements and are responsibly communicated.

All of our grocery products are labelled with nutritional information, including in many cases front of pack nutrition labelling on our branded grocery products.

We actively consider consumer health in the context of brand development and acquisition activity.

We invest in research with experts to improve our understanding of the science and societal trends.

Changes since 2025

There appears to have been an acceleration in the wider marketplace in the degree of focus on the health and nutrition of individuals.

The increasing accessibility to GLP-1 medications like Ozempic and Wegovy, together with government health initiatives, are having a significant and multifaceted impact on consumer behaviour, particularly in the food and beverage sector, presenting both risks and opportunities to the Group.

Our sugar and grocery businesses have continued to focus on health and nutrition during the year.

This year, new product development continued to focus on delivering non-high fat, salt or sugar (HFSS) and fibre-rich products. For example: Kingsmill launched Mighty White Protein Bread, a white bread delivering 15g of protein in two slices and providing a source of fibre; Allinson's added a new Seeded Sourdough loaf to their range, providing a source of fibre for consumers who enjoy authentic sourdough bread; and, in Australia, Tip Top The One Digestive Health has been developed to help Australians boost their daily fibre intake, while still delivering the soft texture and delicious taste of white bread.

Operational risks

Breaches of IT and cyber security



Context and potential impact

The cyber security risk landscape continues to evolve, with increasingly sophisticated, organised and persistent threat activity. The rapid development of artificial intelligence models has the potential to increase the scale, speed and sophistication of cyber threats faced by businesses.

A successful cyber-attack due to malicious activity by an internal or external threat actor could result in data loss, operational disruption, non-compliance with regulations and/or loss of customer confidence.

This increasing risk requires continual improvement activities by our cyber security teams to manage our ongoing risk exposure as well as our executive, technology and operations teams to ensure business resilience and continuity.

Mitigation

Cyber risk remains subject to senior executive and Board-level oversight, supporting the Group's focus on operational resilience and evolving regulatory expectations.

Our overarching cyber security culture is set by the Group and cascaded through the organisation. During the year, we mobilised a multi-year cyber transformation programme to strengthen governance, resilience and control effectiveness across the Group.

We remain vigilant with an ongoing programme of investment in controls, technology and people to enhance the longevity of our IT environments. This ongoing investment includes the control and protection of the IT and manufacturing environments.

Our cyber security teams continuously monitor our threat landscape and the effectiveness of our controls, developing both broad and focused implementation plans to ensure we have controls appropriate to the level of risk of our businesses. In addition, they implement and monitor security tools to ensure effective and efficient security operations.

We continue to improve our security culture through user awareness training programmes including phishing simulations. This reduces the likelihood of our workforce falling victim to such attacks. Additionally, we work with independent third-party security specialists who provide periodic penetration tests.

We have established Group IT security policies, technologies and processes, all of which are subject to regular internal audit.

Changes since 2025

The Group has continued to strengthen its cyber resilience in response to an evolving external threat environment.

We have mobilised a multi-year cyber transformation programme, with an initial focus on improving foundational controls, security hygiene and resilience across the Group.

This has included investment in enhanced monitoring and response capability, and clearer measures to assess the effectiveness of cyber controls across our businesses.

We have also progressed work to improve cyber resilience across both our IT and operational technology estates, including further development of our cyber security controls framework for manufacturing sites.

Senior cyber leadership capability has been strengthened to support the transformation and ensure the Group has the right capability to manage cyber risk.

These activities are supported by senior governance and are designed to provide a consistent, risk-based approach to improving cyber capability and resilience across the Group.

Operational risks

The impact of climate change and natural disasters on our operations and supply chain



Context and potential impact

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.

Climate change continues to represent a material risk throughout our supply chains and poses challenges to some of our businesses. In addition, the 'super' El Niño weather event that is currently developing in the Pacific is likely to result in extremes of weather including both floods and droughts and higher than average temperatures.

Most of our businesses rely on agricultural crops with complex supply chains. Both El Niño and long-term climate change are likely to impact agricultural crops, while extreme weather events have the potential to cause disruption to supply chains and operations.

Heat stress and flooding caused by extreme climate events would impact both employees and supply chain workers.

The diversified and devolved nature of the Group means that the relevant mitigation or adaptation strategies are considered and implemented by the individual businesses.

Mitigation

Determining the potential medium- to long-term impact of climate risks and opportunities is challenging as the impacts of climate change are uncertain.

Where appropriate, our businesses work with third-party experts to understand division and location-specific climate-related risks and opportunities. Where risks are considered to be significant, these are incorporated into the relevant business risk registers and mitigating controls and processes identified.

For example, ABF Sugar's businesses are investing in more sustainable agriculture approaches and trialling more regenerative practices. Initiatives are being carried out on their African estates and across the wider supply chain of the other ABF Sugar businesses. ABF Sugar businesses co-fund research institutions and partnership organisations with its growers, including: the Research Association for Sugar Beet Crop Improvement and Agroteo in Spain; the South African Sugarcane Research Institute; and the British Beet Research Organisation. These engagements aim to enhance crop resilience and productivity while reducing negative environmental impacts, and aim to help strengthen the links between individual farmers and field technicians to enhance the resilience and productivity of crops.

A climate-related scenario analysis identified the material risks for the Group, and actions to mitigate these are overseen by the relevant businesses. Further information and updates on our material Group climate-related risk is provided in the TCFD report on pages 79 to 85, which also outlines the transition plans for ABF Sugar, Primark and Twinings Ovaltine, which are our most significant contributors to Scope 1 and 2 GHG emissions and adjusted operating profit.

Changes since 2025

Our review of the current risks of climate change and natural disasters and opportunities, including the potential impact of El Niño, has determined that the scenario analysis delivered as part of our Group TCFD reporting remains appropriate.

The 'super' El Niño could have a medium-term impact on the supply chain and costs, particularly of wheat, sugar and cotton.

Our businesses continue to implement specific actions, which aim to assess and mitigate the impact of climate change and natural disasters on our businesses.

Heat stress remains an emerging risk across the Group. We continue to work with our divisions to understand where this is most prevalent across our businesses for workers, in both agricultural and manufacturing sites and in their supply chains.

For details on the scenario analysis, transition plans, and our risk management and materiality assessment approach, refer to the TCFD section on pages 72 to 85 and our website at www.abf.co.uk/responsibility.

Workplace health and safety



Context and potential impact

Our operations have the potential for loss of life or ill health to employees and contractors, both on-site and off-site, if the hazards and associated risks are not fully controlled.

Mitigation

The safety, health and wellbeing of our employees and contractors continues to be one of our main priorities. The chief executives of each business, who lead by example, are accountable for the performance of their business.

Our Health, Safety and Wellbeing Policy, refreshed in March 2026, makes it very clear that we require the businesses to continuously improve and to make sure that the hazards and risks of our activities are understood and that appropriate controls to look after our people are in place. This includes clear requirements that are focussed on processes that are critical to life.

On an annual basis, we engage independent external auditors to review a sample of our sites to support a culture of continuous improvement of risk management processes.

Best practice guidance and toolkits are shared across the businesses, co-ordinated from the ABF centre, to supplement the delivery of their own programmes. These address critical risks of moving vehicle interactions, falls of people and materials from height, machinery safety, confined spaces, electrical safety and management of contractors, as well as addressing the more common, but less severe, injuries from manual handling and from slips and trips. Additional resources have also been developed to support with the management of change and effective engagement toolkits.

Changes since 2025

Businesses have continued to treat health and safety as the key priority and have delivered numerous improvements during the year.

The safety performance of the Group is reported on our website at www.abf.co.uk/responsibility.

Any loss of life connected with our operations is unacceptable and we expect all colleagues and contractors to return home after work safe every day. As such, we are deeply saddened to report one△ fatal injury to an employee and four△ to contractors. Two of these fatalities occurred during activities on our sites being conducted by contractors: a contractor in Brazil was electrocuted; and a contractor in Malawi was killed when a fire extinguisher exploded during pressurisation by the contract engineer. Two of the fatalities resulted from road traffic incidents: an employee was struck by a vehicle whilst crossing a road in Zambia, and a contract delivery driver was fatally injured in a road traffic accident in the UK, with the precise cause unknown. Last year we reported a contractor fatality in Zambia during inflation of a tyre of an agricultural vehicle, which is reported in this year's data.

Following these tragic events, our priority was to ensure the families and colleagues of those who died were supported. Comprehensive root cause investigations were undertaken to understand the causes of each incident and identify opportunities to prevent a recurrence. The findings and lessons learned are being shared across the Group.

All of our businesses have a strong focus on contractor management and supervision. Vehicle and driver safety remains a top priority and our businesses are working with their contracted hauliers to ensure a robust focus on driver safety.

This year, we invested £43m in reducing health and safety risks across a wide range of operational hazards. This includes capital investment projects linked to mitigating safety risks in areas including transport, fire and explosion, machinery and fall from height risk reduction, investment in behavioural safety and culture development programmes.

Product safety and quality



Context and potential impact

As a leading food manufacturer and retailer, it is vital that we manage the safety and quality of our products throughout the supply chain.

Mitigation

Product safety is put before economic considerations.

We operate strict food safety and traceability policies within an organisational culture of hygiene and product safety to ensure consistently high standards in our operations and in the sourcing and handling of raw materials and garments.

Food quality and safety audits are conducted across all our manufacturing sites, by independent third parties and customers, and a due diligence programme is in place to ensure the safety of our retail products.

Our sites comply with international food safety and quality management standards and our businesses conduct regular mock product incident exercises.

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

All Primark's products are tested to, and must meet, stringent product safety specifications in line with, and in some instances above, legal requirements.

Primark continues to drive and improve product performance for quality and compliance purposes through its product approval processes, in-country inspections centres and management of its supply base.

Changes since 2025

We had no major product recalls during the year. There have been a very small number of product recalls that have been managed and monitored as part of our normal course of business.

Businesses have continued to define and refine KPIs in this area.

Operational risks

Our supply chain and ethical business practices

Context and potential impact

The Group is global and highly diversified and our businesses have complex supply chains, most of which depend on agriculture and manufacturing.

The most critical risks in our businesses' supply chains are:

- the transparency of the source of raw materials, manufacturing locations and working conditions;
- the inherent vulnerability of workers; and
- maintaining consistency of approach to human rights due diligence and taking steps as appropriate to identify, prevent and mitigate negative social impacts that may arise.

Mitigation

The processes implemented by our businesses to manage supply chain due diligence are key to identifying, preventing and mitigating human rights impacts as appropriate. This due diligence requires our businesses to understand the issues specific to the workers within their respective supply chains and, where appropriate, communities that are impacted by the activities in our value chain. In line with our Group Supplier Code of Conduct, our businesses prohibit all forms of modern slavery, including forced labour and human trafficking.

We continue to report, as required, under relevant regulations, including the UK Modern Slavery Act, the Australian Modern Slavery Act and the Canadian Forced Labour and Child Labour Act. For more information, see our Group Modern Slavery Statement 2026 which is published on our website.

The Group Supplier Code of Conduct sets out essential requirements of responsible business conduct from the perspective of supply chain labour standards as well as good business practice and environmental management. All Group businesses are required to apply this Code in their dealings with suppliers. The Code is based on the work of the United Nations International Labour Organization ('ILO') as well as the UK Ethical Trading Initiative's Base Code. Online training modules are made available to facilitate internal awareness across the Group.

Primark is a member of the Ethical Trading Initiative and is recognised for its Ethical Trade and Environmental Sustainability programme. Primark has a well-established Ethical Trade auditing and monitoring programme, which is key for identifying risks within the supply chain and for ensuring that mitigating actions are taken where necessary. Primark's approach to due diligence is explained in its Supply Chain Human Rights Policy which is available at corporate.primark.com/en-gb/policies-and-reports/policies.

Several of our businesses, including a number within UK Grocery, ABF Ingredients and George Weston Foods, monitor their supply chains and engage suppliers using the Sedex (Supplier Ethical Data Exchange) online database.

Twinings recognises the challenges within its tea and herb supply chain and the importance of working closely with its suppliers. Twinings uses a proprietary approach to risk assessment, developed in consultation with expert external stakeholders, which in addition to labour rights covers housing, water and sanitation, health and nutrition, land, gender and children's rights, farming practices and more.

Some of our businesses, including Primark and Twinings, publish global sourcing maps and provide information about their processes, progress and challenges through corporate reports, websites, stakeholder engagement activities and submissions to benchmarks. For more information on human and labour rights in our supply chains see our website (www.abf.co.uk/responsibility).

Changes since 2025

The most significant changes in the year relate to new and emerging regulations which focus on reporting of due diligence activity and supply chain governance. This has prompted businesses to further review their current governance and supply chain due diligence processes as well as key reporting metrics.

Following the publication of the UK Sustainability Reporting Standards (UK SRS) and the FCA's related reporting requirements, we are assessing the implications for the Group and our future sustainability reporting.

Some of our businesses will be required to report under the EU Corporate Sustainability Reporting Directive ('CSRD') from 2027. These businesses have initiated double materiality assessments ('DMA'), which include detailed value chain mapping, to identify material sustainability matters and reporting metrics.

The EU's Deforestation Regulation also contains due diligence requirements around labour standards, for those commodities concerned. Several of our businesses are in scope of this Regulation and are taking the required action.

The ESG Policy and Reporting Group oversees the activities to prepare for upcoming material ESG regulations and emerging risks, including requirements for publishing mandatory ESG information.

Our use of natural resources and managing our environmental impact



Context and potential impact

Our businesses are reliant on the use of a large range of natural resources to deliver their products. Our material environmental impacts come from:

- fuel and energy use;
- agricultural operations giving rise to GHG emissions;
- use of land related to agricultural operations;
- the abstraction and management of water and wastewater especially in water-stressed areas; and
- waste which cannot be reused or recycled, including single-use plastics.

Our businesses recognise that a failure to manage these impacts could pose a risk to the environment and potentially create risks to their licences to operate and result in additional costs.

Our businesses continue to set relevant KPIs to manage and measure the outcome of their efforts to reduce their environmental impact. We also continue to strengthen our existing data management processes to facilitate the reporting of robust data at a Group level. There continues to be increased regulatory scrutiny and ESG reporting requirements that our businesses must meet in many countries where they operate. Across the Group, we are committed to remaining compliant with these requirements.

Mitigation

We recognise our role in supporting the transition to a low-carbon economy and we have a Group-wide ambition to reach net zero carbon emissions by 2050 in line with the 2015 Paris Climate Agreement. In line with our devolved business model, our businesses set plans and commitments appropriate to their operations and supply chains. The GHG reduction targets set by ABF Sugar, Primark, Twinings Ovaltine and AB World Foods have been validated by the Science Based Targets initiative ('SBTi').

Our businesses are targeting reductions in GHG Scope 1 and 2 emissions through carbon reduction and transition plans, which include both energy efficiency measures and growing the use of renewable energy. British Sugar, which is our most material business for Scope 1 GHG emissions, has a number of projects that focus on factory energy efficiency, steam reduction, coal elimination and reduction of energy use for pulp drying.

Our businesses continuously seek ways to improve the efficiency of both their operations and supply chains by using technologies and techniques to reduce their use of natural resources. Areas of focus include packaging and food waste.

At the agricultural and farm level, our businesses support a wide range of environmental interventions. These span many farm management models, including certified organic production, standards to promote biodiversity, engagement with smallholder farmers in developing markets, and adoption of farm management systems built on the principles of more sustainable and regenerative farm management practices.

Water is an essential input for clothing and food production. It is a valuable resource and our businesses aim to reduce the amount of water they abstract for their own operations. In addition, they reuse process water as much as possible and treat wastewater, ensuring it meets or exceeds local and national water standards.

For example, AB Mauri has built significant in-house capability in water use and wastewater management to assess water risks at each of its sites and to ensure that any water returned to the environment meets regulations and is managed as safely as possible.

ABF Sugar continues to prioritise efficient water management. This includes improving the accuracy of water measurement and investing in smarter irrigation systems.

Examples of how some of our businesses work with their supply chain to encourage responsible use of natural resources are the Primark Cotton Project ('PCP') and Jordans Farm Partnership.

As part of the PCP, farmers are trained in methods aimed at increasing cotton yields and reducing inputs including water use, chemical pesticide and fertiliser use, whilst the Jordans Farm Partnership supports oat farmers to meet the LEAF Marque Standard for their farming practices. The LEAF Marque is a global assurance system that recognises more sustainable practices related to soil management, water management and crop health.

Changes since 2025

The environmental performance of the Group and its businesses is reported on the ABF website at www.abf.co.uk/responsibility and in our CDP submission. For details on transition plans and our risk management and materiality assessment approach, refer to the 2026 TCFD report and the ABF website.

There are new and emerging regulations that will require additional levels of reporting, data gathering, and supplier due diligence regarding our impact on the environment. For example, a number of our businesses are in scope for the EU Deforestation Regulation ('EUDR'). Those with products in scope of this regulation are working to address the requirements, including by working with external bodies, suppliers and customers.

Going concern and viability statement

Going concern

After making enquiries, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the consolidated financial statements. The forecast for the going concern assessment period to 4 March 2028 has been reviewed in light of the latest trading performance and is the best estimate of cash flow in the period.

The demerger of Primark is expected to complete during this assessment period. However, the structure, terms and timing of the proposed demerger remain within the Group's control. The demerger would not proceed on terms that the Board considered would leave either the Food business or Primark without adequate resources to continue in operational existence following completion.

As part of the going concern assessment, the directors have therefore considered two scenarios: firstly the Group post a demerger of Primark and secondly, the Group being maintained in its current composition if the demerger does not complete as planned during the assessment period. In the demerger scenario, assumptions have been made around how cash and debt would be split between the Food and Primark businesses. It has also been assumed that the Group would no longer be impacted by Primark cash flows from December 2027.

The Board's treasury policies are in place to maintain a strong capital base and manage the Group's balance sheet and liquidity to ensure long-term financial stability. These policies are the basis for investor, creditor and market confidence and enable the successful development of the business. The financial leverage policy requires that, in the ordinary course of business, the Board prefers to see the Group's ratio of total net debt including lease liabilities to adjusted EBITDA to be well under 1.5x. At the end of this financial year, the financial leverage ratio was 1.1x. At the end of the financial year, the Group had total cash and cash equivalents of £1.0bn and undrawn committed facilities of £1.8bn, which includes an undrawn £1.5bn RCF that matures in June 2029 and an additional RCF taken out in February 2026 that matures in February 2029, both of which are free from performance covenants and expected to be extended as required. In the demerger scenario, the going concern assessment reflects the anticipated post-demerger liquidity and financing arrangements for the Food business based on the information available at the date of the assessment.

In reviewing the cash flow forecast for the period, the directors reviewed the trading for both Primark and the Food business in light of the experience gained from events of the last three years of trading and emerging trading patterns as well as considering potential significant acquisitions. The directors have a thorough understanding of the risks, sensitivities and judgements included in these elements of the cash flow forecast. Separate base case forecasts were considered for the Food business following completion of the demerger, and for the Group in its current composition. The post-demerger forecast reflects the Food business's expected trading performance, cash flows, liquidity and financing arrangements, together with the effects of separation and its standalone operating arrangements.

As a downside scenario, the directors considered a situation in which inflationary costs are not fully recovered through pricing, there are high levels of volatility in the sugar market without price adjustments, there is an adverse movement to the cash conversion cycle within the Group and severe IT outages occur leading to a period of non-operation. This downside scenario was modelled without taking any mitigating actions within the Group's control. The downside scenario was applied both to the Food business following completion of the demerger, and to the Group in its current composition. Under this downside scenario, both the Food business post-demerger and the Group in its current composition had sufficient forecast liquidity throughout the period.

In addition, the directors also considered the circumstances which would be needed to exhaust the Group's total liquidity over the assessment period – a reverse stress test. As the demerger is anticipated to take place towards the end of the assessment period, we have prepared the reverse test calculation based on the current Group structure. This indicates that, on top of the downside scenario outlined above, annual profit before tax would need to decline by a further 33% without any price increases or other mitigating actions being taken before total liquidity is exhausted. The likelihood of these circumstances is considered remote for two reasons. Firstly, over such a period, management could take substantial mitigating actions, such as reviewing pricing, taking cost-cutting measures and reducing capital investment. Secondly, the Group has significant business and asset diversification and would be able to, if it were necessary, dispose of assets and/or businesses to raise considerable levels of funds.

Viability statement

The Board has determined that the most appropriate period over which to assess the Company's viability, in accordance with the 2024 UK Corporate Governance Code, is three years. Each business sets a strategic planning time horizon appropriate to its activities which typically cover a three-to-five year period. The directors also considered the diverse nature of the Group's activities and the degree to which the businesses change and evolve in the relatively short term. The directors considered the Group's profitability, cash flows and key financial ratios over this period and the potential impact that the principal risks and uncertainties set out on pages 86 to 95 could have on future performance, solvency or liquidity of the Group and its resilience to threats to its viability posed by severe but plausible scenarios. Building on the analysis performed as part of the going concern review, including the consideration of the demerger of Primark, sensitivity analysis was applied to these metrics and the projected cash flows were stress tested against a range of scenarios.

The directors considered the level of performance that would cause the Group to exhaust its available liquidity, the financial implications of making any strategic acquisitions, as well as a variety of additional potentially adverse factors such as long-term reputational damage, macroeconomic influences such as fluctuations in commodity markets and climate-related business risks. The impact of potential mitigating actions under the Group's control were also considered in this analysis. The Group is highly diversified, operating in 57 countries in different markets, sectors, customer groups, geographies and products. While the principal risks considered all have the potential to affect future performance, none of them are considered individually or collectively to threaten the viability of the Company for the period of the assessment. The Group has a track record of delivering strong cash flows. This has been more than sufficient to meet not only our ongoing financing obligations but also to fund the Group's expansionary capital investment.

The Board's treasury policies are in place to maintain a strong capital base and manage the Group's balance sheet and liquidity to ensure long-term financial stability. These policies are the basis for investor, creditor and market confidence and enable the successful development of the business. The financial leverage policy requires that, in the ordinary course of business, the Board prefers to see the Group's ratio of total net debt including lease liabilities to adjusted EBITDA to be well under 1.5x.

At the end of this financial year, the financial leverage ratio was 1.1x. In addition, the Group requires a certain level of total liquidity at all times. At the end of the financial year, the Group had total cash, and cash equivalents of £1.0bn and undrawn committed facilities of £1.8bn, which includes an undrawn £1.5bn RCF that matures in June 2029 and an additional RCF taken out in February 2026 that matures in February 2029, both of which are free from performance covenants and are expected to be extended as required. In the demerger scenario, the going concern assessment reflects the anticipated post-demerger liquidity and financing arrangements for the Food business based on the information available at the date of the assessment. In April 2026, S&P Global Ratings reaffirmed their assignment to the Group of an 'A' grade long-term issuer credit rating, though revised the outlook to negative from stable as a result of the intent to demerge Primark. The Group's access to a diverse funding base is supported by the existing £400m public bond due in 2034. Even in a worst-case scenario, with risks modelled to materialise simultaneously and for a sustained period, the possibility of the Group having insufficient resources to meet its financial obligations is considered remote. Based on this assessment, the directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period to 15 September 2029.

In assessing viability, the directors considered both completion of the proposed demerger of Primark during the assessment period and the Group continuing in its current composition. In the demerger scenario, the assessment reflects the cash flows and financing requirements of the continuing Food group following separation, including assumptions regarding the allocation of cash and debt, separation costs and standalone operating arrangements. It also assumes that appropriate financing facilities will be available throughout the assessment period, including the refinancing or replacement of facilities maturing during that period. The directors assessed the resilience of both scenarios to severe but plausible downsides, taking account of mitigating actions within management's control.

The Strategic Report was approved by the Board and signed on its behalf

Michael McLintock
Chairman

George Weston
Chief Executive

Joana Edwards
Group Chief Financial Officer