

ESG Insights 2021

Circularity and waste

Associated
British Foods
plc

Why it is important

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

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

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

social consequences of waste and enable the move from a linear to a more circular economy. These are:

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

Our commitments

Our UK Grocery division, which accounts for 25% of the Group's plastic packaging, supports WRAP's UK Plastics Pact. By 2025, this aims:

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

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

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

Twinnings are actively working on their use of plastics in three key areas:

1. To ensure teabags are made from plant-based and biodegradable materials.
2. Moving inner 'foil' wrap into materials that are fully recyclable.
3. Changing the individual sachets in which they pack some of the speciality and catering teas into fully recyclable materials.

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

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

1 [FAQ](#)

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

3 [WEF – The New Plastics Economy](#)

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

Our approach

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

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

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

We use on-site anaerobic digesters to generate biogas from waste streams. These anaerobic digester (AD) plants are located across 11% of our manufacturing sites over 11 countries. These sites are demonstrating a commitment to a circular economy by efficiently using their waste materials to generate energy required for their operations and exporting surplus to national grids.

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

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

Circular product design and textile recycling

Textile recycling

In July 2020, Primark announced an in-store recycling scheme, with collection boxes available in all 191 stores across the UK. This scheme has recently been extended to Germany, Austria and the Netherlands. Primark work with their partner, Yellow Octopus, whose aim is that all donations are reused, recycled or repurposed such that nothing should go to landfill. Yellow Octopus is a recycling specialist which has a 'no landfill' policy across the 21 countries it operates in, diverting around one million garments from landfill every month. The company aims for as many donations as possible to be worn again, with the remainder being repurposed into new products such as insulation, toy stuffing and mattress fillers.

Profits from the scheme go to UNICEF, Primark's global charity partner, in support of its education programmes around the world.

Primark's continued use of their own dedicated Resource Recovery Units (RRUs) at their distribution centres in the Czech Republic, Germany, the Netherlands and the UK has contributed significantly to the improved performance in this area. In these units, the cardboard, plastic and hangers collected at their Austrian, Belgian, Dutch, French, German and UK stores are reprocessed and sent for onward recycling or energy recovery.

As well as enabling Primark to be more actively involved in the recycling process and thereby ensuring their waste is being managed appropriately, the roll out of this 'backhauling' arrangement has significantly reduced the volume of third-party waste collections from Primark's stores. They now have five RRUs in separate distribution centres throughout Europe and more than 260 stores are participating in the backhauling process.

Our performance

Across the Group, we generated 571,000 tonnes Δ of waste, a 2% decrease compared with last year. Of this total, 79% was sent for recycling, recovery or other beneficial use. While the amount of waste sent to landfill increased from 96,000 to 121,000 tonnes Δ it accounts for just 21% of our total waste generated. The small amount of hazardous waste we generated fell by 4% again this year to 4,400 tonnes Δ . Of our manufacturing sites, 12% diverted all waste from landfill during the year and 39% recycled or reused 95% or more of their total waste.

Total waste generated – Group total

'000 tonnes

	2017	2018	2019	2020	2021 Δ
	998	770	632	585	571 Δ

Total waste generated by business segment

'000 tonnes

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

Waste recycled – Group total

'000 tonnes/%

	2017	2018	2019	2020	2021
	832 / 83%	631 / 82%	508 / 80%	489 / 84%	450 Δ / 79%

Waste recycled by business segment

'000 tonnes

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

Waste sent to landfill – Group total¹

'000 tonnes/%

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

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

In 2021, our businesses used 233,000 tonnes Δ of packaging. This is a 4% decrease from last year, largely driven by a 5% decrease in production output due to the impact of COVID-19 and continued efforts to reduce packaging. Compared with packaging use in 2019, a more typical year, our businesses have reduced the amount used by 10%. While production output is a significant contributor to this, there is concerted effort to decreased packaging use and explore new packaging materials. The largest share of packaging material, nearly 30%, used during the year across the Group was paper.

Our performance *continued*

Non-hazardous waste sent to landfill by business segment

'000 tonnes

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

Total waste generated – 2021

Recycled 79% / Landfill 21%

Quantity of packaging used

'000 tonnes

	2017	2018	2019	2020	2021Δ
	243	256	259	245	233Δ

Quantity of packaging used by business segment

'000 tonnes

	2018	2019	2020	2021Δ
Grocery	159	165	165	147Δ
Sugar	15	15	13	14Δ
Agriculture	4	4	3	4Δ
Ingredients	29	26	26	27Δ
Retail	49	49	38	41Δ

Highlights

- At the end of 2021, around 11% of our manufacturing sites, across 11 countries, were using anaerobic digestion to produce renewable energy. These included British Sugar and AB Agri operations in the UK and AB Mauri facilities in the UK, Mexico and Argentina. 43 GWh of energy was generated from our on-site anaerobic digesters which use waste to generate biogas.
- The Primark Cares strategy, launched in September 2021, set out nine new commitments that will help Primark to become a more sustainable and circular business. The new commitments include working to strengthen the durability of clothes, to make clothes recyclable by design, to make clothes from recycled or more sustainably sourced materials, and to eliminate single-use plastic and non-clothing waste.
- Several of our businesses are testing coated papers as a safe alternative to plastic film, including Twinings Ovaltine, Wander, Westmill and Allied Bakeries.
- Allied Bakeries have worked with supplier St Johns Packaging to test ways of incorporating recycled materials such as resins from consumer products into its bread bags.
- Allied Bakeries are also exploring new technologies to develop recyclable films to replace some of their laminates.
- Twinings continue to implement industrially compostable tea paper across the global business, with over 80% completed.
- Jordans Dorset Ryvita aim to use 100% recyclable or recycled packaging within five years. They have made their black recycled PET punnets detectable by recycling scanners, reduced the materials in their cereal boxes and bags, and are testing out more sustainable films for their granola pouches.
- AB World Foods are focused on eliminating certain plastics including PVC, PS and black plastics, and light-weighting packaging, with a priority focus on plastics and glass. They are proactively seeking alternatives for non-recyclable packaging and have run a number of trials using novel recyclable film and flexible plastic materials in support of the WRAP UK Plastic Pact targets.
- Tip Top Australia and New Zealand are rolling out new card bread bag clips to replace the current polystyrene clips. Consumers can place the new 100% recycled and recyclable cardboard clips into a used envelope and then into kerbside bins for recycling through the paper stream.

Our performance *continued*

- George Weston Foods' Don brand have launched their crafted range of bacon in recycle-ready material.
- During the past year, Primark have added a series of exciting new ranges to their Primark Cares label, developed in partnership with some of the most innovative leaders in more sustainable fashion. These include:
 - Cradle to Cradle Certified® Gold jeans, fully recyclable and independently certified as a safe, more sustainable product, with a lower impact on people and the planet. Their Gold status gives customers the confidence that what they are buying is responsibly sourced.
 - Sustainable women's leisurewear collection, produced in partnership with Recover™, the recycled cotton innovator. Each item in this eight-piece collection of pieces is made using between 15% and 25% recycled cotton. The remainder comprises a mix of materials including sustainable cotton from the Primark Sustainable Cotton Programme, organic cotton and polyester.
 - Fashion and home collection made using natural dyes from plant and food waste, in partnership with Archroma, the global speciality chemical company. The range uses waste generated by the food and plant industry to create fabric dyes and is made using organic cotton and cotton from the Primark Sustainable Cotton Programme.
- 79% of the waste we generated across the Group was sent for recycling, recovery or other beneficial use.
- The surplus food we donated to food banks and community organisations equates to approximately 2.8 million meals.
- GWF donated more than 1.55 million loaves of bread from Tip Top and the equivalent of 98,500 meals from DON to Foodbank in Australia.
- 96% of all waste generated by Primark's direct operations was diverted away from landfill.
- Primark removed 316 million units of plastic in 2021, and since 2019 have managed to remove 503 million items of single-use plastic from the business.
- Primark work with their partner, Yellow Octopus, whose aim is that all donations are reused, recycled or repurposed, with nothing going to landfill. Yellow Octopus is a recycling specialist which has a 'no landfill' policy across the 21 countries it operates in, diverting around one million garments from landfill every month. The company aims for as many donations as possible to be worn again, with the remainder being repurposed into new products such as insulation, toy stuffing and mattress fillers.

Outlook

- In July 2021 Primark extended their relationship with the Ellen MacArthur Foundation by becoming a network partner, having first joined the Foundation's 'Make Fashion Circular' initiative in 2018. Over the next three years, Primark will work with other leading organisations from across the world to accelerate the transition towards a circular economy.
- Sustainable packaging improvement plans are being implemented by businesses across the Group, including GWF and businesses within our UK Grocery and AB Sugar divisions.

Policies, statements and codes

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

Methodologies

Environmental fine: a fine resulting from the regulator bringing legal action against the business for breaches of the relevant legislation. The cost of the fine is converted to British pounds sterling using the currency conversion factors applied by Associated British Foods plc for the reporting year. We report the fine in the year it is received, even if the offence was committed during a previous year. We report the cost of the fine in the year it is paid. It is noted that some fines may be reported in one year with the cost and payment of the fine made in the following year.

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

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

Packaging: material used for the containment, protection, handling, delivery and presentation of our products. Included in our packaging data are different types of materials such as labels, plastic wrap, cardboard boxes, plastic containers and lids for bottles. This year we have expanded the scope of packaging metrics to include different types of materials. Waste packaging, packaging on materials purchased by sites and packaging used for internal transfers are excluded.

Methodology for highlights

The surplus food we donated to food banks equates to 2.8 million meals.

Food programmes may include formalised initiatives run for a defined duration (e.g. George Weston Foods' school breakfast programme), one-off volunteering events and/or donations to food banks. The initiatives are specifically targeted at those who can be considered 'in need,' for example, those who could be considered food insecure or those who are of low socio-economic status. Our businesses report the tonnage of food donated, but there is currently no standard measurement or calculation of what constitutes a square meal. Our partner in the UK, FareShare, uses 423g as the typical weight of a meal whereas Foodbank in Australia uses 555g. We have therefore used these different weights to calculate the number of meals that our donations have provided in these two markets:

- Our UK Grocery division donated approximately 316 tonnes of surplus food, equivalent to more than 747,000 meals, for distribution to those in need through FareShare and other community groups. AB World Foods' Leigh operation sent the equivalent of 22,900 meals to food banks, local NGOs and workers in the NHS.
- George Weston Foods businesses donated over 1.5 million loaves of bread, which equates to approximately 1,892,000 meals. In total this amounted to 2,760,309 meals donated.

79% of the waste we generated was sent for recycling, recovery or other beneficial use.

Waste is defined as substances or materials that have no further use in our main processes and which we are required to discard or treat prior to final disposal. We have generated 571,000 tonnes Δ of waste this year, 79% of which was recycled, recovered or had another beneficial use.

Methodologies *continued*

Links

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

[Primark Cares – Turning it round](#)

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

[Courtaulds Commitment](#)

[Champions 12.3](#)

[World Economic Forum – The New Plastics Economy Rethinking the future of plastics](#)

Our impact on the Sustainable Development Goals



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