

ESG Insights 2021

People

Associated
British Foods
plc

Why it is important

Our business model relies on having the right people in the right roles and enabling them to be at their best. We pride ourselves on fostering a values-driven culture and being a leading employer of responsible, dedicated people.

We support our people by creating an environment that brings out their unique skills; we enable them to develop skills and capabilities through training, and we create opportunities for professional and personal development.

Our commitments

Our people bring our values to life every day. Our values guide our behaviour and help us to demonstrate the benefits we create for our people, suppliers, neighbours, customers and the environment. They have also been crucial in maintaining our businesses' resilience as they have responded to the challenges presented by the COVID-19 pandemic.

To demonstrate how we live our values every day, we set out a Group-level articulation of the values expressed by our individual businesses. They do not replace each business's own values. Instead, they consolidate and distil the most common themes from across the Group.

Our values:

- Respecting everyone's dignity: we strive to protect the dignity of everyone within and beyond our operations, so that the people who make our products feel safe, respected, and included.
- Delivering with integrity: we proudly promote and protect a culture of trust, fairness and accountability that puts high ethical standards first. From farms and factories right through to our boardroom, we are committed to embedding integrity in every action.
- Progressing through collaboration: we work with others to leverage our global expertise for local good. Through collaboration with our stakeholders, including non-governmental organisations (NGOs), we are working to create safer, fairer working environments and promoting thriving, resilient communities.
- Pursuing with rigour: from the products we make to the way we preserve the resources we rely on and support the people we work with, we are always learning and incorporating better practices. Across our businesses, we are partnering with industry experts to help us work towards the highest standards.

Our approach

Our approach to engagement and development

We pride ourselves on actively enhancing our employees' skills and creating opportunities for their progression and development by investing in training, apprenticeships and mentoring. We promote equality and celebrate diversity in all its forms. We recognise that a diverse talent pool gives us a competitive edge and that by engaging with a wide group of people, we enhance our long-term success and sustainability. Consequently, we are addressing the barriers that have historically prevented the best talent from reaching the top of our organisation and realising their full potential.

We endeavour to be a company where everyone feels welcome. We want to attract, recruit and retain the best people, using inclusive and effective processes. We want to give every individual the opportunity to gain skills and experience, build a rewarding career and achieve their potential.

Conversations and presentations in schools and colleges give us the chance to share our own experiences and offer insight about roles across the Group as well as opportunities in our industry. Potential recruits can find out more on our businesses' careers websites and through our various social media channels.

Once on board, we support our people, helping them to learn, improve and develop their careers. Creating a culture of care and trust across the Group, managers hold open conversations with individuals, regularly reviewing performance and setting personal objectives to support business goals.

Our businesses seek to build robust talent pipelines, especially for leadership and business-critical roles, to support long-term sustainability and growth. We have talent management and review processes, through which high-potential and high-achieving individuals are identified and developed.

Our Talent and Expertise Database enables our people to promote their skills and career aspirations to senior human resources (HR) professionals and executives. This tool contains profiles submitted by more than 3,100 people and it supports career development by identifying potential candidates for vacancies, particular projects, or coaching and mentoring opportunities.

Training and developing our people

We offer a variety of learning and development programmes to help our people to gain the skills needed by our businesses and build a rewarding career with us. Opportunities include:

- formal inductions to help new starters network, understand the business and meet senior leaders;
- bespoke training for individual roles, such as engineering, driving and retail;
- online compliance and induction training for all AB Agri employees through the Aspire Learning platform;

- coaching and leadership skills for management, such as Primark's Lead Our Amazing and Lead Our Amazing Stores initiatives along with Westmill's Leaders of Tomorrow programme;
- annual off-site talent reviews at ACH Foods, to drive development opportunities and engage leaders in looking across functions at talent; and
- courses on important topics such as modern slavery, H&S, mental health, safe driving and food safety.

We review salaries, benchmark benefits, and have flexible working options to suit parents or those with other responsibilities. We offer additional experience through overseas secondments, such as the six-month placements arranged through AB Sugar's International Experience Programme, in which 62 high-potential participants have taken part to date. To support career development, we have hundreds of trained HR professionals, and our Career Conversations website enables people to explore the cultures in different parts of the business and identify leadership roles they may aspire to. In addition, Career Conversations tools for managers and individuals are freely available on this site. Training on these tools is regularly available and adapted for online delivery to enable their use during the COVID-19 crisis.

Apprenticeships are an essential part of our long-term sustainability. They enable us to pass on expertise and build a robust pipeline of skilled workers to bridge national skills gaps in certain areas, such as electrical engineering, mechanical engineering and food science. The training programmes that we offer equip apprentices with a combination of experience, technical knowledge and leadership capabilities. For example, Twinings operate technical apprenticeship programmes in the UK, Thailand, and Switzerland.

Our approach to diversity, equity and inclusion

Diversity, Equity and Inclusion (DEI) is a key part of the culture at Associated British Foods plc (ABF), and a range of different skills and perspectives makes our businesses more competitive. Underpinned by the ethos of 'no barriers to talent,' we aim to create diverse and inclusive workforces in which everyone's dignity is respected, and where our people are valued regardless of their ethnicity or race, religion, gender, age, nationality, sexual orientation, disability or socio-economic background. We also work to break down any bias or barriers, both real and perceived.

Given our decentralised nature, many of our businesses have their own diversity policies, programmes and DEI teams. Groupwide initiatives include: our Group DEI Network, which brings together people from across the Group to share knowledge, best practices and ideas; unconscious bias training for our people; and a Two-Way Mentoring programme, through which more than 100 individuals from 13 countries have received mentorship and support from a senior leader in a business different from their own this year.

Across our businesses, we are investing in programmes to help to improve diversity and remove barriers to talent. For example, in South Africa, Illovo underwent an independent audit by Empowerdex to verify the company's Broad-Based Black Economic Empowerment (BBBEE) credentials and achieved Level 1, the highest possible score. This audit is a legal imperative for South African companies and is helping to redress economic marginalisation and drive the meaningful participation of all citizens.

Our performance

Gender pay gap

34.1%

We currently employ 127,912 people in full-time and part-time roles, as well as contractors and seasonal workers. Our people work in 53 countries across the United Kingdom, Europe and Africa, the Americas and Asia Pacific.

Location of employees

Location	Number of employees
United Kingdom	42,696
Europe and Africa	67,681
The Americas	6,081
Asia Pacific	11,454
Total	127,912

Gender metrics

	Total employees	Men in workforce	Women in workforce	% of workforce who are women	Number of senior management roles	Number of men in senior management roles	Number of women in senior management roles	% of senior management who are women
Grocery	15,815	10,499	5,316	34%	782	494	288	37%
Sugar	31,960	26,342	5,618	18%	290	200	90	31%
Agriculture	2,622	1,834	788	30%	378	218	160	42%
Ingredients	6,344	4,725	1,619	26%	564	401	163	29%
Retail	70,667	15,955	54,712	77%	185	111	74	40%
Central	504	306	198	39%	68	50	18	26%
Total	127,912	59,661	68,251	53%	2,267	1,474	793	35%

Gender pay gap

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

Last year's data excluded Primark employees because the majority were on the Government job retention scheme or had taken voluntary pay cuts at the reporting date. As a result, we have compared the 2021 numbers with the 2019 numbers, which are on the same basis and have also reported the data for the Group without Primark to enable comparison with 2020.

2021 Gender pay gap reporting—whole Group %

	2019	2020	2021
Mean pay gap (women lower than men)	-34.2	No comparison	-34.1
Median pay gap (women lower than men)	-28.0	No comparison	-24.3
Mean bonus gap (women lower than men)	-38.2	No comparison	-23.6
Median bonus gap (women higher than men)	+95.9	No comparison	+36.0
% of men received bonus	20.9	No comparison	20.2
% of women received bonus	6.3	No comparison	5.7

Our performance *continued*

Proportion of men and women in each pay quartile—whole Group %

	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Upper	67.3	32.7	No comparison	No comparison	71.8	28.2
Upper middle	45.3	54.7	No comparison	No comparison	46.5	53.5
Lower middle	19.3	80.7	No comparison	No comparison	19.7	80.3
Lower	26.0	74.0	No comparison	No comparison	25.2	74.8

Group

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

One of our strengths is that the leaders of our businesses have detailed knowledge of every aspect of the organisations they lead. That knowledge often comes from many years in role. This is a group with very long average tenure, which means that the gender balance at the top of the Group changes slowly. For example, Twinings have had two Managing Directors in 47 years and George Weston is only the fourth Chief Executive since ABF was founded in 1935. In the years since his appointment, there have been only two changes in his direct head office reports.

Long tenure is not just at the leadership level. Across all of our businesses, there are numerous examples of colleagues who have spent years immersed in the details of our operations. Institutional memory is critical. Companies with high churn, where leaders come and go and people are quickly rotated in and out of roles, can lose sight of what really matters for the long term. And they can lack the depth of relationships and understanding needed to take advantage of opportunities and to mitigate risks effectively. We benefit from this tenure with a perspective on what will make the business successful over time. When opportunities do emerge for succession, we appoint the best person for the role, and when appropriate, bring in expertise from the outside to complement internal experience and knowledge.

The greater presence of senior men in the bonus pool has a distorting effect on the mean bonus gap. The median bonus, as in previous years, demonstrates a gap in favour of women. This difference reflects the varying composition of bonuses across our different businesses and the methodology of the gender pay calculation which includes long service awards and recognition awards. Recognition awards are typically smaller in quantum and given to men in the manufacturing environment. They are compared to bonuses for women in middle management.

Non-retail businesses

In the non-retail businesses the pay gap remains in favour of women as we have a significant majority of male employees in the foods businesses who work in a manufacturing environment. These employees are being compared to women who, on average, work in middle management. In our foods businesses in Great Britain there are more women in the upper quartile than any other, however they remain under-represented at the most senior level of the organisation. The bonus picture for these businesses is affected by the distorting effect of recognition awards mentioned above. We are acting to address the gap at the top both at Group level, for example by providing women with mentoring opportunities, and at local business level. For example, in AB Agri the 'Good Recruitment Campaign' uses a gender decoder to ensure that advertisements are suitable and appealing to all. They also offer a Women's Sponsorship Programme aimed at their most talented women, and Thrive projects to allow all colleagues to share and develop their skills and build their networks on cross-functional projects.

Our performance continued

Primark

Primark care about the careers and wellbeing of their colleagues. The data for Primark for 2020 can be found on their website and the 2021 data will also be shared there ahead of the reporting deadline in April 2022. In Primark, roles have either a fixed rate of pay or a scale or a salary that is determined by a robust job evaluation system. At median, there is no pay gap in Primark, at mean the gap reflects the fact that over 90% of colleagues are retail assistants and supervisors, and 75% of these colleagues are women. This means they have more women in junior roles than men. Primark's aim is to continue successfully to operate in a post-COVID-19 world in a way that all colleagues, regardless of their gender, ethnicity or other characteristics, can grow and progress in.

As required by the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, we submit data for our relevant legal entities to the UK Government through its website.

Gender pay gap—whole Group excluding Primark %

Location	2019	2020	2021
Mean pay gap (women higher than men)	1.7	4.0	5.4
Median pay gap (women higher than men)	8.1	8.8	11.5
Mean bonus gap (women lower than men)	48.1	50.3	23.7
Median bonus gap (women higher than men)	45.9	79.4	36.3
% of men received bonus	39.7	36.3	40.8
% of women received bonus	55.8	47.5	57

Proportion of men and women in each pay quartile—whole Group excluding Primark %

	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Upper	71.5	28.5	70.1	29.9	69.3	30.7
Upper middle	73.4	26.6	73.3	26.7	72.9	27.1
Lower middle	83.1	16.9	82.4	17.6	80.9	19.1
Lower	72.5	27.5	72.5	27.5	74.3	25.7

Highlights

We employ 127,912 people

53% of our total workforce are women

35% of senior management are women

>70% of employees have access to an Employee Assistance Programme

- Primark, Jordans Dorset Ryvita, AB World Foods, Silver Spoon, Westmill Foods, Speedibake, Germaines, AB Sports Nutrition, AB Agri and Group Head Office all celebrated Pride Month and ran supporting events.
- George Weston Foods' 'Wear it purple day' was attended by around 400 colleagues, helping to raise awareness and inclusion of LGBT+ people.
- AB Agri and George Weston Foods ran activities to support International Day for People with Disability as part of their ongoing programmes. AB Agri also marked Purple Light Up, a UK-focused initiative, by turning the lights on their trucks and sites purple.
- AB World Foods' leadership team has an equal gender balance and 144 line managers have completed unconscious bias workshops.

- Westmill Foods are offering 20 employees career coaching with senior leaders, with 75% of those being coached from under-represented groups. They have also reduced their gender pay gap from 4.9% to 0.4% for 2021.
- Jordans Dorset Ryvita have provided Leading Inclusively training for 43 colleagues.
- ABF Ingredients have developed a fully virtual leadership development training offer. They are using highly interactive, fully customisable learning experiences to cover five core leadership competencies: communication; managing performance; building talent; leading teams; and influencing.

See methodologies section for definitions.

Outlook

- In September 2021, ABF replaced the Whistleblowing Policy with the Speak Up Policy, which explains how employees can raise concerns.

Policies, statements and codes

We have a number of policies in place to define the high standards we expect of our employees, including an Anti-Bribery and Corruption Policy and an Anti-Fraud Policy.

Methodologies

Employee: a person working directly for, and paid directly by, the business. Full-time employees include all people with a contract of employment to work the hours of a standard working week. Part-time employees include all people with a contract of employment to work for fewer hours than the standard working week.

Average number of men and women in the workforce: the average number of men and women employed for the financial year calculated on the same basis as for the average number of employees as a whole, as set out above.

Average number of men and women in management roles: the average number of men and women in management roles employed for the financial year calculated on the same basis as for the average number of employees as a whole, as set out above. A management role is defined as a role that has one or more direct reports and where the individual has management responsibilities.

Senior management role: a role which has one or more direct reports and in which the individual has management responsibilities, as well as within a minimum reporting line of the Group or divisional CEO.

Links

- As required by the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, we submit data for our relevant legal entities to the UK Government through its website. For more information on our gender pay gap, see our [2021 Annual Report and Accounts](#).
- [Anti-Bribery and Corruption Policy](#).
- [Anti-Fraud Policy](#).
- [Speak Up Policy](#).

Our impact on the Sustainable Development Goals



Decent work and economic growth

As well as programmes to increase agricultural productivity (target 8.2) and resource efficiency (target 8.4), we offer programmes to encourage inclusive working practices, fulfilling employment and fair rewards within our businesses and supply chains (target 8.5). UK Grocery, AB Sugar, AB Agri and Primark also invest in apprenticeships, graduate schemes and bursaries for young people to address skills gaps (target 8.6). Our businesses have a variety of training and development opportunities, from formal inductions to management programmes such as Primark's Lead Our Amazing and Westmill's Leaders of Tomorrow. Many of our businesses publish modern slavery statements and supplier codes of conduct, and have initiatives in place to promote labour rights and maintain safe working conditions (targets 8.7 and 8.8).



Gender equality

Across our Group's operations and supply chains, there are many initiatives to support the development of women (target 5.5), from the Building Future Leaders programme for women coming into leadership positions in our UK Grocery businesses, to Twinings's partnership with the Work and Opportunities for Women programme, which aims to prevent gender-based violence and harassment on tea estates in India (target 5.2). Overall, the gender balance of ABF is fairly equal, with women making up 53% of our total global workforce. For several years we have run the 'Women in ABF' network, which supports more than 900 colleagues in managerial and professional roles across our businesses.

Reduced inequalities

Several programmes across our Group are designed to promote inclusion, including initiatives to empower women and people with disabilities (target 10.2).

Primark have worked with ILGA World to promote LGBTI rights and have amended their recruitment process to remove any barriers to candidates with a disability; Westmill Foods work with recruitment partners that attract talent from under-represented ethnic groups. Our businesses also provide unconscious bias training.

