

Chairman's introduction



Michael McLintock
Chairman

Dear fellow shareholders

I am pleased to present the Associated British Foods plc Corporate Governance Report for the year ended 14 September 2024.

Our Company continues to operate with its clear sense of social purpose – to provide safe, nutritious and affordable food, and clothing that is great value for money.

This year marks our first combined report for the Group. Our four values, namely respecting everyone's dignity, acting with integrity, progressing through collaboration and delivering with rigour, are illustrated throughout this Annual Report, including through the various case studies, through our Section 172 Statement on pages 48 to 53 and through the Responsibility section on pages 54 to 65. This is supplemented by our newly updated Responsibility section of our website at: www.abf.co.uk/responsibility.

Operating under our clear sense of social purpose, the Board consciously decides to give a high degree of autonomy to the executive teams who run the businesses within our five divisions. This empowers those executive teams to make proactive decisions according to the conditions in the relevant markets or geographies in which they operate. This also means that decisions are taken at the level which we consider to be the most effective, but with the oversight of the Board and with the support of the resources and expertise from throughout the broader Group. We consider this devolved model to be a distinctive and very positive characteristic of ABF.

The Board continues to be kept informed about, and engages with, the individual businesses through regular updates by the executive directors and through annual updates by senior management of the businesses, as well as visits by directors to different businesses.

This gives the Board the opportunity to provide effective guidance and constructive challenge to management.

We continue to monitor and assess the culture of the Group in various ways, reflecting its devolved nature. Richard Reid has continued in his role as our Independent Non-Executive Director designated for engagement with the workforce and an update on his activities during the year is provided in Richard's letter on pages 95 and 96. Alongside Richard's activities, culture is monitored through director and senior executive visits to sites, business divisions' updates to the Board (including on workforce engagement), input from our Speak Up programme and the annual talent review and update to the Board from the Chief People and Performance Officer.

On succession planning at Board level, there have been several changes since the start of the last financial year. Kumsal Bayazit Besson was appointed as an Independent Non-Executive Director and as a member of the Audit and Remuneration Committees on 1 December 2023, shortly before our last AGM. Wolfhart Hauser stepped down from the Board on 18 January 2024, having served nine years as a director. We are very grateful to Wolfhart for his service to the Board and to the Company.

Most recently, as announced in September 2024, Loraine Woodhouse was appointed as an Independent Non-Executive Director and as a member of the Audit and Remuneration Committees on 1 October 2024. It is intended that Loraine will chair the Audit Committee from 24 April 2025, with Richard Reid having reached nine years as a Non-Executive Director. We greatly appreciate the additional skills, insights and experience that our Non-Executive Directors bring to the Board.

We continue to meet the commitments and aspirations around Board composition as set out in our Board Diversity Policy. Details on gender and ethnic diversity both at Board level and at senior executive level below this are set out in further detail in the Nomination Committee Report.

We will again hold a physical AGM in December 2024 and all directors will be standing for election or re-election. As was the case last year, we will also stream the event online for those shareholders who are not able to attend in person. Please note, however, that you will not be able to vote or ask questions on the day if you do not attend in person, so please vote in advance by proxy and submit any questions in advance if you cannot attend. Details on how to do so are provided in the Notice of Annual General Meeting 2024. We look forward to seeing as many of you as possible on the day.

Michael McLintock
Chairman

Compliance with the UK Corporate Governance Code

As a company listed on the Equity Shares Commercial Companies category in the UK, the Company is reporting in accordance with the 2018 UK Corporate Governance Code ('2018 Code'). The 2018 Code sets out standards of good practice in relation to: (i) board leadership and company purpose; (ii) division of responsibilities; (iii) board composition, succession and evaluation; (iv) audit, risk and internal control; and (v) remuneration. The 2018 Code is published by the UK Financial Reporting Council ('FRC') and a copy is available from the FRC website: www.frc.org.uk.

The Board takes its compliance with the 2018 Code seriously. The Board considers that the Company has, throughout the year ended 14 September 2024, applied the principles and complied with all the provisions set out in the 2018 Code.

The Company's disclosures on its application of the principles of the 2018 Code can be found on the following pages:

Board leadership and company purpose

See pages 92 to 96

Chairman's introduction

See page 88

Leadership, values, culture and purpose

See pages 8 to 13; 54 to 65; 92 to 96

Strategy

See pages 8 to 13; 92 to 93

Stakeholder and shareholder engagement

See pages 48 to 53; 58 to 61; 92 to 96

Division of responsibilities

See page 97 to 98

Commitment, development and information flow

See pages 97 to 98

Composition, succession and evaluation

See pages 97; 99 to 100

Board evaluation

See page 99 to 100

Nomination Committee Report

See pages 101 to 103

Audit, risk and internal control

See pages 104 to 110

Risks, viability and going concern

See pages 78 to 87

Audit Committee Report

See pages 104 to 110

Remuneration

Directors' Remuneration Report

See pages 111 to 127

Board of Directors



Michael was appointed a director in November 2017 and Chairman in April 2018. He was formerly Chief Executive of M&G, retiring in 2016, having joined the company in 1992 and been appointed Chief Executive in 1997. In 1999 he oversaw the sale of M&G to Prudential plc where he served as an Executive Director from 2000 until 2016. Previously he held roles in investment management at Morgan Grenfell and in corporate finance at Morgan Grenfell and Barings.

Other appointments:

- Trustee of the Grosvenor Estate
- Non-Executive Chairman of Grosvenor Group Limited
- Chairman of The Investor Forum CIC
- Member of the advisory board of Bestport Private Equity Limited
- Member of the Takeover Appeal Board
- Member of the MCC Committee



George was appointed to the Board in April 1999 and took up his current appointment as Chief Executive in April 2005. In his former roles at Associated British Foods, he was Managing Director of Westmill Foods, Allied Bakeries and George Weston Foods Limited (Australia).

Other appointments:

- Non-Executive Director of Wittington Investments Limited
- Trustee of the Garfield Weston Foundation
- Trustee of the British Museum



Eoin was appointed a director in February 2023 and Finance Director in April 2023. He previously held positions as the Chief Financial Officer and Chief Strategy Officer at Marks and Spencer Group Plc, Chief Financial Officer of Greencore Group plc and Managing Director of Greencore's grocery division and Chief Strategy Officer. Eoin has also previously held various different senior roles within Goldman Sachs.

Other appointments:

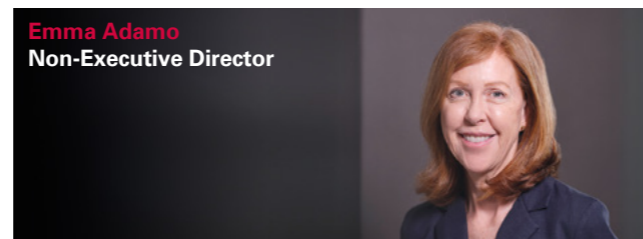
- None



Dame Heather was appointed a director on 1 March 2021 and has been Senior Independent Director since 1 May 2023. Heather has held a number of executive and non-executive roles including in local government, infrastructure, media and sports. She has previously been a Non-Executive Director of Grosvenor Britain & Ireland, a Non-Executive Director of Kier Group plc and was the first woman on the Board of the Football Association in over 150 years. She continues to work in film and sports.

Other appointments:

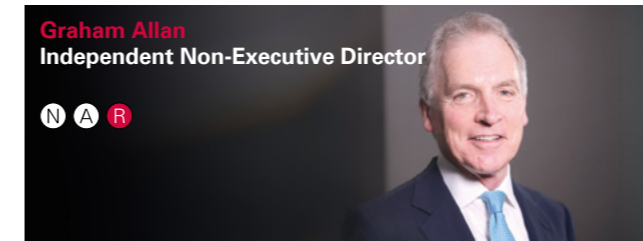
- Senior Independent Non-Executive Director of M&C Saatchi plc
- Chair of Soho Theatre



Emma was appointed a director in December 2011. She was educated at Stanford University and has an MBA from INSEAD. She has served as a director/trustee on a number of non-profit and Foundation boards in the UK and Canada.

Other appointments:

- Director of Wittington Investments Limited
- Director of the Weston Family Foundation



Graham was appointed a director in September 2018 and became Chair of the Remuneration Committee in May 2023. Graham was formerly the Group Chief Executive of Dairy Farm International Holdings Limited, a pan-Asian retailer. Prior to joining Dairy Farm, he was President and Chief Executive Officer at Yum! Restaurants International. Graham has previously held various senior positions in multinational food and beverage companies with operations across the globe and has lived and worked in Australia, Asia, the US and Europe.

Other appointments:

- Senior Independent Director of Intertek Group Plc
- Senior Independent Director of InterContinental Hotels Group PLC
- Non-Executive Director of Americana Restaurants International PLC
- Non-Executive Chairman of Bata International
- Director of IKANO Pte Ltd
- Strategic Advisor to Nando's Group Holdings Limited



Kumsal was appointed a director on 1 December 2023. Kumsal is currently Chief Executive Officer of Elsevier, a global information analytics company that helps institutions and professionals progress science, advance healthcare and improve performance. Since 2004, Kumsal has held multiple management positions at RELX Group, including as Chief Strategy Officer, President of Reed Exhibitions and, until 2023, as Chair of the RELX Technology Forum, responsible for technology, risk management and cyber security strategy across the RELX Group. Prior to joining RELX, Kumsal spent several years at Bain & Company in its New York, Los Angeles, Johannesburg and Sydney offices.

Other appointments:

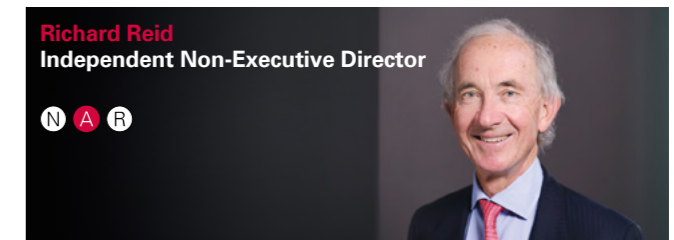
- Chief Executive Officer of Elsevier
- Non-Executive Director of Preqin



Annie was appointed a director in September 2023. Annie has held senior roles at fast-moving consumer goods and retail companies including PepsiCo and Procter & Gamble and, most recently, as SVP, Global Chief Commercial Officer - Brands and International at Walgreens Boots Alliance until January 2023.

Other appointments:

- Deputy Chair and Board member of the British Beauty Council



Richard was appointed a director and Chair of the Audit Committee in April 2016. He was formerly a Partner at KPMG LLP ('KPMG'), having joined the firm in 1980. From 2008, Richard served as London Chairman at KPMG until he retired from that role and KPMG in September 2015. Previously, Richard was KPMG's UK Chairman of the High Growth Markets group and Chairman of the Consumer and Industrial Markets group.

Other appointments:

- Chairman of National Heart and Lung Foundation
- Deputy Chairman of Berry Bros & Rudd
- Senior Advisor to Bank of China UK
- Warden and Member of the Court of the Goldsmiths' Company



Loraine was appointed a director on 1 October 2024. Loraine was formerly Finance Director of Waitrose, Chief Financial Officer of Hobbs, Finance Director of Capital Shopping Centres Limited and Finance Director of Costa Coffee. Loraine was also previously Chief Financial Officer of Halfords Group plc and a Non-Executive Director of The Restaurant Group plc and of Bristol Water plc.

Other appointments:

- Non-Executive Director of The British Land Company plc
- Non-Executive Director of Pennon Group plc
- Trustee of the Zoological Society of London

Key to Board Committees

- (N) Nomination Committee
- (A) Audit Committee
- (R) Remuneration Committee
- Red indicates Committee Chair

Board leadership and company purpose

The Board

The Board is collectively responsible to the Company's shareholders for the direction and oversight of the Company to ensure its long-term success. This includes setting the Company's purpose, which is described in the Strategic Report. The Board met regularly throughout the year to approve the Group's strategic objectives, to lead the Group within a framework of effective controls which enable risk to be assessed and managed, and to ensure that sufficient resources are available to meet the objectives set.

There are a number of matters which are specifically reserved for the Board's approval. These are set out in a clearly defined schedule which is available to view on the corporate governance section of the Company's website: www.abf.co.uk.

Certain specific responsibilities are delegated to the Board Committees, being the Nomination, Audit and Remuneration Committees, which operate within clearly defined terms of reference and report regularly to the Board. Membership of these Committees is reviewed annually. Minutes of Committee meetings are made available to all directors on a timely basis. For further details, please see the Reports of each of these Committees below.

Purpose, business model and strategy

The purpose of the Company is to provide safe, nutritious and affordable food, and clothing that is great value for money. A description of the Company's business model for sustainable growth in support of this purpose is set out in the Group business model and strategy section on pages 8 to 13. This section provides an explanation of the basis on which the Group generates and preserves value over the long term and its strategy for delivering its objectives. Our 'Managing our risks' section starting on page 78 provides details on how opportunities and risks to the future of the business have been considered.

Culture and values

At their simplest, our culture and our values (respecting everyone's dignity, acting with integrity, progressing through collaboration, and delivering with rigour) centre around doing the right thing. Our devolved decision-making model empowers the people closest to the markets to make the right judgements to mitigate risks and to find opportunities, but importantly with encouragement, engagement and support from the centre. That support can take the form of resources and expertise or it can be provided through challenge. We believe the route to enduring value creation lies in our focus on building objectives from the bottom up rather than from the top down.

Culture is monitored by the Board through a number of different approaches. Richard Reid's work on workforce engagement, with the support of the Chief People and Performance Officer, continues to provide assurance to the Board on processes in place within businesses to ensure two-way communication and to test for positive cultures. Richard's letter on pages 95 and 96 sets out further detail on how he has engaged with the businesses during this financial year and the overarching themes of such engagement. This is supported by business presentations from senior management of each business division to the Board (which include information on safety performance and health and wellbeing initiatives, as well as the individual businesses' workforce engagement initiatives, including results and outcomes).

It is essential that the businesses not only engage with and assess culture within their workforce, but that they also respond and take action. Some of the initiatives that our businesses have taken arising from people surveys and other listening and engagement interactions, including examples of how we reward and invest in our workforce, are set out in Richard Reid's letter on pages 95 and 96.

In addition, other directors have carried out a range of visits and other engagement events, further details of which can be found on page 98.

Whistleblowing

The Group's Speak Up Policy contains arrangements for an independent external service provider to receive, in confidence (where legally permitted), reports of any inappropriate, improper, dishonest, illegal or dangerous behaviour for reporting to the Audit Committee as appropriate. The Audit Committee reviews reports and the actions arising from internal audit and reports on these to the Board.

The Audit Committee reports to the full Board on (or all Board members attend the relevant parts of the Audit Committee meeting to obtain details of) the analysis of reported allegations which is compiled by the Director of Financial Control. Arrangements are in place for proportionate and independent investigations of allegations and for follow-up action.

Further details of the Speak Up Policy and processes in place, as well as information on the status of notifications received in the year to 30 June 2024 are provided on page 61.

Conflicts of interest procedure

The Company has procedures in place to deal with the situation where a director has a conflict of interest. As part of this process, the Board:

- considers each conflict situation separately on its particular facts;
- considers the conflict situation in conjunction with the rest of the conflicted director's duties under the Companies Act 2006;
- keeps records and Board minutes as to authorisations granted by directors and the scope of any approvals given; and
- regularly reviews conflict authorisation.

Engagement with stakeholders

Our scale, employing approximately 138,000 people and with operations in 56 countries across the world, means that our activities matter to, or have an impact on, many people. As a result, the Company engages regularly with its stakeholders at Group and/or business level, depending on the particular issue.

At a Group level we engage with a variety of stakeholder groups including shareholders, governments, media and investors through a range of methods. As part of daily business activities and through structured processes, our businesses routinely engage with customers, suppliers, regulators and industry bodies.

More detail about our approach to stakeholder engagement and specific activities this year can be found on pages 48 to 53 (which contain our Section 172 Statement on engaging with our stakeholders), pages 54 to 65 (on responsibility) and in the letter on pages 95 and 96 from Richard Reid, our Independent Non-Executive Director for engagement with the workforce.

We have a dedicated in-house team to manage communications with our shareholders, making sure we respond directly, as appropriate, to any matters regarding their shareholdings. We also have a dedicated team at Equiniti Limited (our share registrar) which looks after their needs. To improve security and efficiency of communications and to reduce the amount of paper we use, we seek to use e-communications to communicate with shareholders wherever possible and encourage shareholders to switch to e-communications in order to reduce our paper usage further. We also encourage the direct payment of dividends into bank or building society accounts.

We also engage with shareholders, both institutional investors and individual shareholders, in a number of other ways:

Meetings with institutional shareholders

The Chairman meets with the Company's largest institutional shareholders to hear their views and discuss any issues or concerns. During the year, the Chairman held meetings with a number of institutional shareholders (either in person or virtually) and discussed a range of topics including the Company's strategy and approach to corporate governance, Board composition, ESG and remuneration-related matters. The Remuneration Committee Chair also meets with investors and analysts to answer queries and respond to feedback around remuneration issues.

On the day of the announcement of the interim and final results, and on the day of our January and September trading updates, the Company's largest shareholders, together with financial analysts, are invited to a presentation with a question and answer session by the Chief Executive and Finance Director, with webcast presentations of the results available for all shareholders through the Company's website. Following the results, the Chief Executive, Finance Director and/or Head of Investor Relations holds one-to-one and group meetings (virtually where necessary) with institutional shareholders and potential investors. These views are then reported back to the Board as a whole at the following Board meeting to ensure that the Board is aware of any issues that the Company's largest shareholders are concerned with.

During the year, the Board has maintained an active programme of engagement with institutional investors, including engagement by the Chief Executive and/or Finance Director, the purpose of which is both to develop shareholders' understanding of the Company's strategy, operations and performance and to provide the Board with an awareness of the views of significant shareholders. At each Board meeting, the directors are briefed on shareholder meetings that have taken place and on feedback received, including any significant concerns raised.

AGM

All shareholders are invited to attend the AGM in person, have access to our website and the choice to receive electronic communications.

The AGM provides an opportunity for the directors to engage with shareholders, answer their questions and to meet them informally. The AGM will be held on Friday 6 December 2024 at 11.00 am at the Congress Centre, 28 Great Russell Street, London WC1B 3LS. It is planned that shareholders will be able to attend in person. There will also be the possibility for registered shareholders to follow proceedings through a livestream on the AGM website. We encourage all shareholders not attending in person on the day to vote by proxy in advance of the meeting on all resolutions put forward as shareholders will not be able to vote on the day if they are not attending in person. Shareholders will also have the opportunity to put their questions to the Board either at the meeting (if attending in person) or in advance of the meeting. Further details are included in the Notice of AGM and documentation accompanying the proxy form. All votes are taken by a poll. In 2023, voting levels at the AGM were over 85% of the Company's issued share capital.

Annual Report

We publish a full Annual Report and Accounts each year which contains a Strategic Report, responsibility section, corporate governance section and financial statements. The Annual Report is available in paper format for those who request it and on our website: www.abf.co.uk.

Responsibility/ESG

The Director of Legal Services and Company Secretary acts as a focal point for communications on matters of corporate responsibility. During the year, the Company responded to requests for meetings, telephone meetings and written information from both existing and potential shareholders and research bodies on a broad range of environmental, social and governance risk matters, including matters related to climate change, water and greenhouse gas risk management, supply chain management, sustainable agriculture, human rights, employee welfare, gender balance and human capital development. The Director of Legal Services and Company Secretary and the Group Corporate Responsibility Director regularly meet with investors, potential investors and other stakeholders to discuss corporate responsibility matters.

This year marks our first combined report for the Group and our ESG activities are illustrated throughout this Annual Report, including through the various case studies, through our Section 172 Statement on pages 48 to 53 and through the Responsibility section on pages 54 to 65. This is supplemented by our newly updated Responsibility section of our website at: www.abf.co.uk/responsibility.

Website (www.abf.co.uk)

Our website is regularly updated and contains a comprehensive range of information on our Company. There is a section dedicated to investors which includes our investor calendar, financial results, presentations, press releases and contact details. The area dedicated to individual shareholders is an essential communication method. It includes information on shareholder news, administrative services and contact information.

The work of the Board during the year

During the financial year, key activities of the Board included:

Strategy	<ul style="list-style-type: none"> conducting regular strategy update sessions with the divisions in Board meetings; and receiving a strategy update from the Director of Business Development.
Acquisitions/disposals/projects	<ul style="list-style-type: none"> considering/approving various acquisitions including the acquisitions of: The Artisanal Group in Australia; Omega Yeast Labs in the US; Mapo in Italy; and Romix in the UK; considering and approving capital investment including in relation to: the opening of new Primark stores and upgrades to existing stores; investment in Primark digital strategy and technology, including websites and self-checkouts; expansion of the AB World Foods production facility in Nowa Sol, Poland; the replacement flour mill in Ballarat, Victoria, Australia; and the building of a new yeast plant in Northern India; getting updates on and considering/approving various large technology projects; and receiving regular updates on proposed acquisitions and disposals.
Financial and operational performance	<ul style="list-style-type: none"> receiving regular reports to the Board from the Chief Executive and Finance Director; receiving, on a rolling basis, senior management presentations from Group business segments; considering the Group budget for the 2024/25 financial year; approving the Company's trading updates, full year results and interim results; deciding to recommend payment of a 2023 final dividend and a special dividend (paid in January 2024) and deciding to pay an interim dividend (paid in July 2024); deciding to approve a further £500m buyback in November 2023 and an additional £100m buyback extension in September 2024; and approving banking mandate updates and various other treasury-related matters.
Governance and risk	<ul style="list-style-type: none"> reviewing the material financial and non-financial risks facing the Group's businesses; receiving regular updates on corporate governance and regulatory matters; participation in, as well as subsequent review and discussion of recommendations from, the external Board evaluation; receiving reports from the Board Committee Chairs as appropriate; confirming directors' independence and conflicts of interest; reviewing and approving gender pay reporting and the Modern Slavery and Human Trafficking Statement; and undertaking appropriate preparations for the holding of the AGM and, subsequently, discussing any issues arising from the AGM.
Corporate responsibility	<ul style="list-style-type: none"> continuing to support the enhanced activity on ESG matters; receiving regular management reports from the businesses including on ESG matters as well as annual presentations on health and safety and on environmental issues; and non-executive directors receiving one-on-one briefings on non-financial reporting including in relation to climate-related financial disclosures and the EU Corporate Sustainability Reporting Directive.
Investor relations and other stakeholder engagement	<ul style="list-style-type: none"> one or more of the Chairman, Chair of the Remuneration Committee, Chief Executive and Finance Director attending meetings with institutional investors to hear their views; and receiving reports on investor relations activities and regular feedback on directors' meetings held with institutional investors.
People	<ul style="list-style-type: none"> approving the appointment of Loraine Woodhouse as an Independent Non-Executive Director of the Company with effect from 1 October 2024; Richard Reid, Independent Non-Executive Director for engagement with the workforce, reviewing the work of the businesses to ensure that the voice of the workforce is heard and acted upon – see further details on pages 95 and 96; receiving updates from senior management of the businesses on how they have engaged with their workforces and the outcomes of such engagement; and receiving and considering presentations on succession planning and talent management from the Chief People and Performance Officer.

Independent Non-Executive Director for engagement with the workforce



Richard Reid
Independent Non-Executive Director

Our Group's success is driven by the people within all our businesses, where we foster cultures and implement processes that ensure employee voices are encouraged and valued at every level, from local teams to the boardroom. We are committed to listening to the insights and acting on the feedback of our people.

Given the diversity and complexity of our Group, and our decentralised operating model, maintaining close and open communication between leaders and their teams is vital. They are expected to listen attentively and respond thoughtfully to suggestions, considering the local context and cultural nuances. George Weston sets the tone for this continuous engagement, setting expectations with divisional chief executives and their senior management teams. As the Independent Non-Executive Director for engagement with the workforce, my role is to provide assurance to the Board that employees have effective routes to share their opinions and concerns, and to test our culture to ensure it enables this two-way flow of communication across the Group.

While local cultures may vary, our divisional chief executives are tasked with embedding the Group's overarching culture and values, and this remains a priority for the Board. Since my last update, I have spoken with a variety of groups and individuals, from those in offices and factories to stores and fields. These interactions have given me valuable insights into how employees view their business and the broader Group.

In the last 12 months I have connected with:

- employees across a range of functions within AB Mauri's India, EMEA and North American businesses, including engineering, marketing and sales;
- members of Primark's Technical and Digital Strategy teams;
- retail staff, supervisors and managers at Primark's Marble Arch store;
- employees attending a Values session for retail staff across Primark;
- operators, supervisors and managers at our British Sugar operation in Bury;
- colleagues within the central finance team within ABF Sugar;
- employees leading and working on production lines in Allied Bakeries' Trafford site;
- colleagues in the operations and office functions within our Westmill grocery business; and
- employees across our Spanish sugar business Azucarera, including those with international careers, in early stages of their career, participating in development programmes, or in the operations and engineering teams.

The openness and honesty of our people during these conversations and their active participation in discussing both successes and areas for improvement is immensely appreciated by me. This reflects the strong cultures that our leaders have cultivated across the Group and the openness of our divisional chief executives to this process. Through these interactions I also meet with union or employee group representatives, such as those focused on engagement in our North American AB Mauri business. All of these interactions enable me to bring the perspective of our people into our Boardroom discussions.

I am also grateful for the input from fellow Board members who have visited our businesses including British Sugar, Twinings, Jordans Dorset Ryvita and Primark during the year.

It has been reassuring to see positive themes from prior years remain and strengthen, as well as new insights come to the fore. Themes include:

- people enjoy their work, feel respected and value the accountability and empowerment within the ABF devolved operating model;
- people appreciate the culture and values, often seeing them as distinct from other organisations;
- there is a strong sense of care, both for the work they do and from the businesses themselves;
- clear and frequent communication is valued, and there is no such thing as too much communication. This is especially true as businesses deliver significant investment or change projects;
- the role of leaders has a significant impact on engagement;
- where new leaders step into role, smooth transitions rely on open communication and engagement with the people in the business;
- personal and career development remains important and people value the ability to explore opportunities across the broader Group;
- line managers play a critical role in supporting individuals; and
- our people see the opportunity for greater technological enablement of our businesses.

Board leadership and company purpose continued

In my discussions, I make a point of ensuring employees are aware of our Speak Up Policy, which provides a pathway for raising concerns outside of local leadership. This is a vital channel, ensuring all employees can voice concerns, even in sensitive situations (see page 61 for more details).

These discussions are only one part of the ABF approach to workforce engagement. In addition, I and the executive also:

- discuss workforce engagement in detail at two Board meetings a year, where the Chief People and Performance Officer presents a group wide view, including metrics, process improvements, and feedback loops highlighting “we asked, you said, we listened, we did” case studies. This helps identify ongoing areas for improvement that are shared with the businesses;
- include workforce engagement in every divisional chief executive’s presentation at Board meetings, ensuring a comprehensive review of the Group;
- hold an annual Board session dedicated to talent, succession, and inclusion progress;
- have in-depth discussions between the Chief Executive, Chief People and Performance Officer, and divisional leaders on organisation, talent and workforce engagement;
- bring together the divisional People and Performance/HR Directors, led by the Chief People and Performance Officer, to share learnings on workforce engagement across the Group. I attend these sessions annually to share insights from my employee discussions; and
- have many other connections and workforce engagement discussions with leadership teams throughout the year.

94% of our businesses regularly conduct employee engagement surveys through partners including Willis Towers Watson, Mercer, Workday Peakon, Korn Ferry and Great Place to Work. This year those businesses running engagement surveys invited 88% of their people to participate, with a response rate of 81%. The insights from these surveys are presented to the Board and I am pleased to report that 96% of the businesses running surveys showed engagement scores above 70%.

Our businesses continue to expand the reach of engagement, despite local technological, legal, and cultural norms occasionally presenting challenges. However, we expect leaders to find suitable ways to assess and enhance engagement moving forward and this year have been pleased to see the use of other methods of understanding the engagement of our people such as focus groups, listening sessions, onboarding check-ins after 90 days or similar, exit interviews and strong working relationships with union or employee representatives.

We continue to see businesses acting on employee feedback gathered through surveys and other channels, including:

- AB World Foods using a Kaizen platform so people can highlight, and be recognised for, cost-saving opportunities;
- ACH Mexico, AB Mauri and Primark, being examples of businesses increasing the use of career conversations in supporting people’s development;
- AB Sports Nutrition, Anthony’s Goods and Germain’s, amongst others, enhancing or introducing business-wide communications, helping employees to more fully understand the organisational performance and priorities;
- our Australian bakery business Tip Top involving a wide group of people in the development of its 2030 strategy. This will continue into next year and enhance the engagement with and awareness of the business priorities;
- businesses, including Twinings and AB Mauri, reviewing their reward and recognition mechanisms and helping employees better understand their benefits; and
- Allied Bakeries and ACH changing maternity or parental leave provision.

In summary, over the past 12 months, I have seen clear evidence that the processes are in place for employees to share their ideas, concerns and opinions. These feedback loops have become an essential part of our culture, reinforcing that voices are heard and acted upon. Through direct interactions with George Weston, divisional leaders and employees, and through survey data and Board presentations, I see healthy, open cultures across ABF where our people’s voices matter.

The Board and I remain committed to holding our leadership accountable and ensuring that all employees across ABF can contribute to our shared success and thrive in their roles.

Richard Reid Independent Non-Executive Director

Division of responsibilities

Board composition

At the date of this Annual Report, the Board comprises the following directors:

Chairman

Michael McLintock

Executive Directors

George Weston (Chief Executive)

Eoin Tonge (Finance Director)

Non-Executive Directors

Dame Heather Rabbatts (Senior Independent Director)

Emma Adamo

Graham Allan

Kumsal Bayazit Besson – appointed 1 December 2023

Annie Murphy

Richard Reid

Loraine Woodhouse – appointed 1 October 2024

Wolfhart Hauser retired from the Board with effect from 18 January 2024.

Biographical and related information about the directors as at the date of this Annual Report are set out on pages 90 and 91.

We consider the size of the Board to be large enough to ensure diversity and an appropriate variety of skills whilst still being small enough to ensure a good quality of debate. This view was supported by the externally facilitated Board performance review in 2024, further details of which are set out on pages 99 and 100.

Chairman and Chief Executive

The roles of the Chairman and the Chief Executive are separately held and the division of their responsibilities is clearly established, set out in writing and agreed by the Board to ensure that no one has unfettered powers of decision. Copies are available on request.

The Chairman is responsible for the operation and leadership of the Board, ensuring its effectiveness and setting its agenda. The Chairman works with the Company Secretary to set the agenda for Board meetings. The Chairman promotes a culture of openness and debate, which has been a key factor behind seeking to keep the size of the Board relatively small, and facilitates constructive Board relations and contributions from all non-executive directors, as well as ensuring that directors receive accurate, timely and clear information. The Chairman was independent on appointment.

The Chief Executive is responsible for leading and managing the Group’s business within a set of authorities delegated by the Board and for the implementation of Board strategy and policy. Authority for the operational management of the Group’s business has been delegated to the Chief Executive for execution or further delegation by him for 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.

Senior Independent Director

The purpose of this role is to act as a sounding board for the Chairman and to serve as an intermediary for other directors where necessary. The Senior Independent Director is also available to shareholders should a need arise to convey concerns to the Board which they have been unable to convey through the Chairman or through the executive directors. The role of the Senior Independent Director is set out in writing and a copy is available on request.

The Senior Independent Director leads the non-executive directors’ appraisal of the Chairman’s performance, which this year was carried out with the assistance of the external Board review facilitator as part of the Board performance review. The Senior Independent Director otherwise meets with the non-executive directors as necessary.

The non-executive directors

The non-executive directors, in addition to their responsibilities for strategy and business results, play a key role in providing a solid foundation for good corporate governance and ensure that no individual or group dominates the Board’s decision-making. They each occupy, or have occupied, senior positions in industry which, taken together, cover a broad range of jurisdictions, bringing valuable external perspectives to the Board’s deliberations through their experience and insight from different sectors and geographies. This enables them to contribute significantly to Board decision-making by providing constructive challenge and holding to account both management and individual executive directors against agreed performance objectives. The Board is of a sufficiently small size to be conducive to open and candid discussions. The formal letters of appointment of non-executive directors are available for inspection at the Company’s registered office.

Board Committees

The written terms of reference for the Nomination, Audit and Remuneration Committees are available on the Company’s website, www.abf.co.uk, and hard copies are available on request. Further details on the work of each of the Committees are included later in this Corporate Governance Report.

Board independence

Emma Adamo is not considered by the Board to be independent in view of her relationship with Wittington Investments Limited, the Company’s majority shareholder. Emma was appointed in December 2011 to represent this shareholding on the Board. The Board considers that the other non-executive directors are independent in character and judgement and that they are each free from any business or other relationships which would materially interfere with the exercise of their independent judgement. Further details of their independence are included in the Notice of AGM. At least half the Board, excluding the Chairman, are independent non-executive directors.

Commitment

The letters of appointment for the Chairman and the non-executive directors set out the expected time commitment required of them and are available for inspection by any person during normal business hours at the Company’s registered office and at the AGM. Other significant commitments of the Chairman and non-executive directors are disclosed prior to appointment and subsequent appointments require prior approval.

Division of responsibilities continued

During the financial year, Dame Heather Rabbatts was appointed to the board of M&C Saatchi plc as Senior Independent Director. This appointment was not considered to impact Dame Heather's ability to discharge her responsibilities to the Company.

The Company does not have a specific policy on the number of external appointments that executive directors and non-executive directors can have. Before appointing a director or approving a director to take on additional significant appointments, the Board and the Chair will consider the relevant director's external commitments and will want to ensure that they can make a good and engaged contribution to the Company. This is therefore considered better to assess on a case-by-case basis rather than by adopting a specific policy.

Board meetings

The Board held eight meetings during the financial year. Periodically, Board meetings are held away from the corporate centre in London.

The attendance of the directors at Board and Committee meetings during the year is shown in the table below. All of the directors attended those meetings that they were eligible to attend other than George Weston who was unable to attend one Board meeting for personal reasons and Dame Heather Rabbatts who was unable to attend one Board meeting and one Remuneration Committee meeting (both on the same day) for personal reasons. If a director is unable to participate in a meeting either in person or remotely, the Chairman will solicit their views on key items of business in advance of the relevant meeting and share these with the meeting so that they are able to contribute to the debate.

Senior executives below Board level are invited, when appropriate, to attend Board meetings and to make presentations on the results and strategies of their business units. Papers for Board and Committee meetings are generally provided to directors a week in advance of the meetings.

Information flow

The Company Secretary manages the provision of information to the Board at appropriate times in consultation with the Chairman and Chief Executive and ensures that the Board has the policies, processes, time and resources it needs in order to function effectively and efficiently. This includes the provision of corporate governance updates to all Board members in the Board pack for each meeting. In addition to formal meetings, the Chairman and Chief Executive maintain regular contact with all directors. The Chairman holds informal meetings or calls with non-executive directors, without any of the executives being present, to discuss issues affecting the Group, as appropriate. All directors have access to the Company Secretary, who is responsible for advising the Board on all governance matters.

Board induction

The Company provides all non-executive directors with a tailored and thorough programme of induction, which is facilitated by the Chairman and the Company Secretary and which takes account of prior experience and business perspectives of the relevant director and the Committees on which he or she serves. This typically includes training, as well as site visits and meetings with management to get to know the businesses better.

Shortly after her appointment, Kumsal Bayazit Besson had meetings with various executives at the corporate centre including the Company Secretary, Chief People and Performance Officer,

Director of Business Performance, Business Development Director, Director of Corporate Development and M&A and Director of Corporate Governance.

Kumsal joined Annie Murphy and Dame Heather Rabbatts in visiting the British Sugar Wissington sugar plant and Riverside Glasshouse in January 2024 where they attended tours of the sites and received updates from various members of British Sugar management. Kumsal also virtually attended a technology review with Twinings in July 2024.

In October 2023, Annie Murphy visited the Primark Cotton Project in India with Dame Heather to see the social and environmental impact of the programme. Annie also visited Jordans Dorset Ryvita in Biggleswade in October 2023, attending a factory tour and meeting with senior management, and Twinings Ovaltine in Andover in November 2023, meeting with members of senior management and others, including the heads of master blending, brand and HR international supply chain. Annie also met with senior management at Primark in Dublin in February 2024 and attended store visits.

Loraine Woodhouse joined the Board with effect from 1 October 2024 and an induction is being arranged, including visits to businesses.

Training, development and engagement

The Chairman has overall responsibility for ensuring that the directors receive suitable training to enable them to carry out their duties and is supported in this by the Company Secretary. Directors are also encouraged personally to identify any additional training requirements that would assist them in carrying out their role. Training is provided in briefing papers, such as the regular update from the Company Secretary as part of the Board pack ahead of each meeting covering developments in legal, regulatory and governance matters, and by way of presentations and meetings with senior executives or other external sources.

The Chief Executive and Finance Director encourage other Board members to visit operations either with them, with other directors, or on their own. The Board meeting in May 2024 was held in Madrid and included a visit to the Primark Gran Via store.

For details of connections by Richard Reid with a variety of businesses across the Group, please see pages 95 and 96.

Attendance of directors at Board and Committee meetings

	Board	Audit Committee	Nomination Committee	Remuneration Committee
Michael McLintock	8/8	-	2/2	4/4
George Weston	7/8	-	-	-
Eoin Tonge	8/8	-	-	-
Dame Heather Rabbatts	7/8	4/4	2/2	3/4
Emma Adamo	8/8	-	-	-
Graham Allan	8/8	4/4	2/2	4/4
Kumsal Bayazit Besson	7/7	3/3	-	3/3
Wolfgang Hauser	2/2	2/2	1/1	2/2
Annie Murphy	8/8	4/4	-	4/4
Richard Reid	8/8	4/4	2/2	4/4

Loraine Woodhouse only became a director on 1 October 2024 and therefore was not entitled to attend any Board meetings or Committee meetings in the year to which this Corporate Governance Report relates.

Composition, succession and evaluation

Board composition and succession

Details of the composition of the Board are on page 97. There is a formal and transparent procedure for the appointment of new directors to the Board. Details are available in the Nomination Committee Report on pages 101 to 102 which also provides details of the Committee's activities, including the approval of the appointment of Loraine Woodhouse as an Independent Non-Executive Director as well as details of Board and senior management succession plans and diversity.

Election and re-election of directors

In accordance with the provisions of the 2018 Code, at the 2024 AGM to be held in December, all directors currently in office will be proposed for election/re-election.

Board performance review

2023 internal Board performance review

As reported in our last Annual Report, an internal Board performance review was carried out in July and August 2023. A summary of the recommendations and actions arising from the 2023 Board review and their outcomes during 2024 are set out below:

Recommended actions from 2023 internal review	Outcome
Increase the businesses' discussions with the Board on the competitive environment and growth areas	Discussion of competitive environment and growth areas is considered to have increased as part of the businesses' presentations to the Board
Consider aligning the Board's 'deep dives' on businesses with the Audit Committee's 'deep dives' on the audit	The Board and Audit Committee agendas have been adapted to follow this recommendation
Consider how to facilitate more business visits by non-executive directors	Non-executive directors have made visits together and this continues to be an area of focus – see examples on page 98
Continue to consider how ESG risks and opportunities are addressed most effectively	Alignment of audit deep dives with strategy presentations by the businesses assists with considering how ESG and risk opportunities can be assessed most effectively

2024 externally facilitated Board performance review

The Senior Independent Director (SID), Chief People and Performance Officer (CPPO) and Director of Corporate Governance drew up a shortlist of three potential candidates to carry out the externally facilitated Board performance review. The shortlist featured a candidate who had recently been met with, a candidate who had previously been engaged by the Company for performance review services and a candidate recommended by the SID and CPPO. A meeting was held with the one candidate who had neither been previously engaged by the Company or recently met with.

Following an assessment of the candidates, the preferred candidate, Independent Board Evaluation (IBE), was put forward to meet with the Chairman. The appointment of IBE as the external Board evaluator, to be led by Ffion Hague of IBE, was ratified by the Board. The Director of Corporate Governance was responsible for providing IBE with the necessary access and support to conduct the review.

IBE has not previously carried out an evaluation of the Board. Our CPPO had experience of IBE's board evaluation work at other companies and our SID had sat on the British Council board with Ffion Hague in the late 1990s/early 2000s. This prior experience of Ffion Hague's and IBE's capabilities and work with other boards assisted in supporting the Board's decision as to why IBE was qualified to carry out the review.

Aside from this, neither Ffion Hague (who led the review) nor IBE has any other connection with the Company or any individual directors. Ffion Hague is a signatory to, and IBE is a supporter of, the International Register of Board Reviewers.

The Company confirms that it considers that it has abided by the Principles of Good Practice for listed companies using external board reviewers and that the content of this disclosure has been reviewed and approved by IBE.

How the 2024 Board performance review was conducted

The review was conducted according to the guidance in the 2018 Code and was facilitated by Ffion Hague at IBE. A comprehensive brief was given to Ffion Hague by the Chairman, the SID, the Chief Executive and the Director of Corporate Governance in May 2024. Ffion Hague observed main Board and Committee meetings in early September 2024 and support materials for briefing purposes were provided by the Company. The objective of the review was to assess all aspects of the effectiveness of the Board, its Committees, the Chairman and the individual directors.

Composition, succession and evaluation continued

In June and July 2024, detailed interviews were conducted with every Board member. All participants were interviewed by Ffion Hague according to a set agenda, tailored for the Board. In addition, IBE interviewed members of the senior management team and advisers, including the Primark CEO, the UK Grocery CEO, the Company Secretary, the CPPO, the Director of Financial Control, the Group Corporate Responsibility Director, the Group Reward Director, the Senior Statutory Auditor from EY and the external remuneration adviser from Deloitte.

Initial conclusions were discussed with the Chairman and Ffion Hague presented her findings to the Board at its October 2024 meeting, where the Board discussed the review. Ffion Hague gave feedback to Committee Chairs on the performance of each Committee and discussed the Board's feedback for the Chairman with the SID. In addition, the Chair received a report with feedback on individual directors' performance.

Outcome of the 2024 Board performance review

The headline findings of the review were that this is a high-performing Board with thoughtful and engaged directors. It is an intellectually curious Board with very positive dynamics characterised by mutual respect among Board members. All Board members described the Board culture as excellent and regarded it as a key strength.

The review found that all members of the Board are encouraged to speak freely on any issue and to be as active as they wish in visiting companies and meeting members of the executive teams.

Board and Committee meetings were considered to be tightly run, with additional scheduled private sessions and other opportunities at which more confidential matters can be discussed. The tone in Board meetings was considered to be mature and supportive but with frank feedback and challenge woven into the mix.

Any suggestions for improvement recognised in the review were identified as being in the spirit of continuous improvement rather than suggesting the need for any major changes. These primarily related to:

- considering how best to enshrine the positive aspects of the Board's culture through the succession process;
- encouraging challenge by the Board in areas where it is most needed, such as by creating more opportunities to debate longer-term issues with less focus on day-to-day performance; and
- considering the evolution of the Board Committee structure, and in particular keeping under review the potential creation of a committee to oversee ESG disclosure and/or key risks.

Actions proposed to be taken forward from the review are:

- an increased focus on succession planning;
- a more tailored induction process for newly-appointed directors;
- more formal post-acquisition reviews to identify good practice and lessons learnt; and
- a continued focus on reducing the length of Board papers.

In light of the recent appointments of Annie Murphy (in September 2023), Kumsal Bayazit Besson (in December 2023) and Loraine Woodhouse (in October 2024), the findings of the Board performance review will not have any impact on Board composition.

The Board (apart from the Chairman) also reviewed the performance of the Chairman during the year. This review concluded that the Chairman continues to bring leadership and insight and supports a highly inclusive culture at the Board. In particular it was noted that two new non-executive directors have been appointed since September 2023 and that the Chairman has significantly contributed to discussions being open and fluid, enabling the new members to fully participate in Board deliberations from the beginning of their terms. It was also noted that the Company covers a complex range of global businesses together with a retail business of significant scale and that the Chairman navigates these demands with great dexterity, ensuring that key issues are given the time for effective Board discussion and governance. The Chairman was also considered to be continuing to evolve the capabilities of the Board, developing strong relationships with the executive together with robust independence.

Nomination Committee Report



Michael McLintock
Nomination Committee Chair

Members

At the date of this report, the following are members of the Nomination Committee:

- Michael McLintock (Chair)
- Graham Allan
- Annie Murphy (since 4 September 2024)
- Dame Heather Rabbatts
- Richard Reid

All members served on the Committee throughout the year, with the exception of Annie Murphy who was appointed on 4 September 2024. Wolfhart Hauser served on the Committee until he stepped down from the Board on 18 January 2024.

Meetings

The Committee met two times during the year under review.

Primary responsibilities

In accordance with its terms of reference, the Nomination Committee's primary responsibilities included:

- leading the process for Board appointments (both executive and non-executive) and making recommendations to the Board;
- reviewing regularly the Board structure, size and composition (including skills, knowledge, experience and diversity) and recommending any necessary or desirable changes;
- ensuring effective succession plans are in place for the Board and senior management and overseeing the development of a diverse pipeline for orderly succession based on merit and objective criteria, with due regard to diversity of age, gender, ethnicity, sexual orientation, disability, educational, professional and socio-economic background, cognitive and personal strengths; and

- making recommendations to the Board on the Board's policy on boardroom diversity and inclusion, its objectives and linkage to strategy, how it has been implemented and progress on achieving its objectives.

Governance

Members of the Nomination Committee are appointed by the Board from amongst the directors of the Company, in consultation with the Committee Chair. The Nomination Committee comprises a minimum of three members at any time, a majority of whom are independent non-executive directors. A quorum consists of two members, being either two independent non-executive directors or one independent non-executive director and the Chairman.

Only members of the Nomination Committee have the right to attend Nomination Committee meetings. Other individuals such as the Chief Executive, the Finance Director, members of senior management, the Chief People and Performance Officer and external advisers may be invited to attend meetings as and when appropriate.

The Nomination Committee may take outside legal or other professional advice on any matters covered by its terms of reference at the Company's expense but within any budgetary constraints imposed by the Board.

The Nomination Committee Chair reports the outcome of meetings to the Board to the extent that any Board members are not in attendance at the relevant meeting.

The terms of reference of the Nomination Committee are available on the Corporate Governance section of the Company's website: www.abf.co.uk.

Committee activities during the year

Succession planning

The Board continues to emphasise generalist skills in Board recruitment as well as continuing to factor in all forms of diversity, including gender and ethnic diversity.

A detailed review of succession planning in respect of senior management was presented to the Board by the Chief People and Performance Officer at the Board meeting as part of the ABF Group Talent update in July 2024.

This review included a focus on our ability to make internal appointments and the use of more purposeful approaches to succession planning at the most senior levels within the Group, including through deployment of a range of groupwide and bespoke development initiatives to help develop high potential talent. In this regard, the Board was briefed on three out of five divisional chief executive appointments in the last few years having been internal appointments, and on the desire to increase the proportion of internal appointments to other senior positions. There is also a continued focus on creating more options for succession among under-represented groups in the workforce, specifically women. There continue to be a number of development initiatives to support diverse talent across the Group (e.g. the Executive Leadership Programme; the Senior Executive Induction Programme; the Finance Excellence Programme (Finex); and the Business Acumen Programme) as well as inclusion and diversity networks throughout the Group (e.g. Women in ABF and the Group DEI Network, further details of which are provided on page 59).

Board appointments process

The process for making new appointments is led by the Chairman. Where appropriate, external, independent consultants are engaged to conduct a search for potential candidates, who are considered on the basis of their skills, experience and fit with the existing members of the Board. The Nomination Committee has procedures for appointing directors and these are set out in its terms of reference.

During the year, the Chairman led the process for conducting a search for a new non-executive director who was also intended to become Audit Committee Chair after Richard Reid reaches nine years' tenure as a Non-Executive Director in April 2025. Lygon Group, an external executive search consulting firm, was engaged to help identify potential candidates. In line with our Board Diversity Policy, the firm is a signatory to the Voluntary Code of Conduct for Executive Search Firms for best practice on gender and ethnic diversity. The firm is also a signatory to the Change the Race Ratio. Lygon has no other connection to the Company or the directors.

Potential candidates were considered on the basis of their skills and experience, particularly financial skills given the nature of this specific role, as well as their fit with the Group's strategy. Following a rigorous process, including interviews with members of the Nomination Committee and the Chief Executive, and following the recommendation of the Nomination Committee, in September 2024 the Board approved the appointment of Loraine Woodhouse as an Independent Non-Executive Director with effect from 1 October 2024.

Election/re-election of directors

The Nomination Committee members considered the composition of the Board and the time needed to fulfil the roles of Chairman, Senior Independent Director and Non-Executive Director. They also considered the election/re-election of directors prior to their recommended approval by shareholders at the AGM.

Performance review

The performance of the Nomination Committee was considered as part of the externally facilitated Board performance review. The overall view was that it was highly effective, having steered the appointments process to recent highly successful appointments, whilst maintaining a process that is both flexible and appropriate.

Diversity and inclusion

We operate under the principle that we should be a Group where anyone with ambition and talent can have a great career, regardless of their age, gender, ethnicity, sexual orientation, disability, educational and socio-economic background, cognitive and personal strengths or any of the other qualities that make people unique. This applies as much to the Board and to its Remuneration, Audit and Nomination Committees as it does to the Group as a whole.

In furtherance of this principle, we aim to ensure that there are no obstacles or barriers to people joining the Group and progressing their careers with us. Across all of our operations, our objective is that everyone should feel respected, valued and included.

In November 2022, the Board approved a Board Diversity Policy which reflects the Group's principles as outlined above and is available at: www.abf.co.uk/about-us/corporate-governance/policies.

This Board Diversity Policy is reviewed annually and was taken into account in the appointment approved during the course of the financial year.

The objectives under our Board Diversity Policy include:

- continuing to engage executive search firms who have signed up to the Voluntary Code of Conduct for Executive Search Firms for best practice on gender and ethnic diversity;
- committing to maintain at least 33% female directors on the Board and at least one person from an ethnic minority background on the Board;
- aspiring to have at least 40% female directors on the Board by the end of 2025 and to maintain at least one woman in the Chair, Chief Executive, Finance Director or Senior Independent Director role;
- with a view to attracting non-executive directors from more diverse socio-economic backgrounds, reducing the shareholding expectation for non-executive directors to 'a meaningful level of shareholding'; and
- overseeing the development of a diverse pipeline for orderly succession of appointments to both the Board and to senior management, so as to maintain an appropriate balance of skills and experience, taking into account the challenges and opportunities facing the Group. This includes continuing to receive detailed annual updates on succession planning and talent management from the Chief People and Performance Officer in recognition of their importance in supporting the Group's strategy.

By way of update, with the appointment of Loraine Woodhouse on 1 October 2024 (including Loraine's appointment to both the Audit and Remuneration Committees), the Board currently has 50% female representation. The Board therefore continues to meet its aspiration as set out in the Board Diversity Policy to have at least 40% female representation on the Board, as recommended by the FTSE Women Leaders Review. We also continue to meet our commitment to have at least one person from an ethnic minority background as a director, in line with the recommendations of the Parker Review. The Board has also maintained at least one woman in the Chair, Chief Executive, Finance Director or Senior Independent Director role, with Dame Heather Rabbatts having taken up the position of Senior Independent Director in May 2023.

The Board also reviews progress on diversity and inclusion with the divisions as part of their business updates and with the Chief People and Performance Officer as an element of the talent and succession planning reviews. Details of other initiatives across the Group to promote diversity are provided on pages 59 to 60, as is information on the gender balance of senior managers and direct reports.

On the next page we also publish a director skill sets matrix which seeks to provide a snapshot of the diversity of skills of the Board, as well as gender and ethnicity representation at Board and executive management levels.

Michael McLintock Nomination Committee Chair

Director skill sets

	Food/ Retail	Financial/ Audit/Risk	Legal/ Public Policy	Senior Executive	Cybersecurity /IT	Comms/ Marketing/ Customer Service	Environmental/ Social	International markets	Technical/ Engineering	Health and Safety	Manufacturing/ Supply chain
Michael McLintock		●	●	●		●					
George Weston	●		●	●			●	●	●	●	●
Eoin Tonge	●	●		●	●	●	●	●		●	●
Dame Heather Rabbatts		●	●	●		●	●	●		●	
Emma Adamo	●						●	●			
Graham Allan	●	●	●	●	●	●	●	●		●	●
Kumsal Bayazit Besson		●	●	●	●	●	●	●	●	●	
Annie Murphy	●			●		●	●	●			●
Richard Reid	●	●		●		●	●	●			
Loraine Woodhouse	●	●		●		●	●				●

Board and executive management gender and ethnicity metrics

As at 14 September 2024, the Company had met the three UK Listing Rules targets for gender and ethnic Board diversity. This remains the case as at the date of this Annual Report.

The following metrics set out the range of gender and ethnicity as they relate to our Board and executive management as at 14 September 2024. The percentage of Board members that are women has increased from 33% at the end of the previous financial year to 44% (and as at November 2024, following the appointment of Loraine Woodhouse, stands at 50%). In the absence of an Executive Committee, by 'executive management' we refer to the most senior level of managers reporting to the Chief Executive, including the Company Secretary but excluding administrative and support staff, in accordance with the definition in the UK Listing Rules. The process by which diversity data was collected was, where permitted by relevant laws, to contact relevant individuals and ask them how they identified using the categorisations set out in the UK Listing Rules. Where we already held gender or ethnicity data for executives, with consents in place to use it for reporting on an anonymous basis, we used that data.

Gender representation at Board and executive management level (at 14 September 2024)

	Number of Board members	% of the Board	Number of senior Board positions (CEO, CFO, SID, Chair)	Number in executive management	% of executive management
Men	5	56 %	3	14	87.5 %
Women	4	44 %	1	2	12.5 %
Not specified/prefer not to say	–	–	0	0	–

Ethnicity representation at Board and executive management level

	Number of Board members	% of the Board	Number of senior Board positions (CEO, CFO, SID, Chair)	Number in executive management	% of executive management
White British or other White (incl. minority white groups)	7	78 %	3	12	75 %
Mixed Multiple Ethnic Groups	1	11 %	1	–	–
Asian/Asian British	–	–	–	1	6.3 %
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group	1	11 %	–	1	6.3 %
Not specified/prefer not to say*	–	–	–	2	12.5 %

* This includes, as permitted by UKLR 6.6.13R, those people in respect of whom data protection laws in the relevant jurisdiction (e.g. France) prevent the collection or publication of some or all of the personal data required to be disclosed.

Audit Committee Report



Richard Reid
Audit Committee Chair

Members

At the date of this report, the members and Chair of the Audit Committee are as follows:

- Richard Reid (Chair)
- Graham Allan
- Kumsal Bayazit Besson (appointed 1 December 2023)
- Annie Murphy
- Dame Heather Rabbatts
- Loraine Woodhouse (appointed 1 October 2024)

All members served on the Committee throughout the year with the exception of Kumsal Bayazit Besson, who was appointed on 1 December 2023. Loraine Woodhouse was appointed after the end of the financial year on 1 October 2024. Wolfhart Hauser served on the Committee until stepping down from the Board on 18 January 2024.

It is intended that Loraine Woodhouse will chair the Audit Committee from 24 April 2025, with Richard Reid having reached nine years as a Non-Executive Director.

Meetings

The Committee met four times in the year under review. The Committee's agenda is linked to events in the Group's financial calendar.

Primary responsibilities

In accordance with its terms of reference, the Audit Committee's primary responsibilities include:

Financial reporting

- monitoring the integrity of the Group's financial statements and any formal announcements relating to the Company's performance, reviewing significant financial reporting judgements contained in them before their submission to the Board;

- informing the Board of the outcome of the Group's external audit and explaining how it contributed to the integrity of financial reporting;
- reviewing and challenging, where necessary, the consistency of, and changes to, accounting and treasury policies; whether the Group has followed appropriate accounting policies and made appropriate estimates and judgements; the clarity and completeness of disclosure; significant adjustments resulting from the audit; and compliance with accounting standards;

Narrative reporting

- at the Board's request, reviewing the content of the Annual Report and advising the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- where requested by the Board, assisting in relation to the Board's robust assessment of the principal and emerging risks facing the Company and the prospects of the Company for the purposes of disclosures required in the Annual Report;
- reviewing and approving statements to be included in the Annual Report concerning the going concern statement and viability statement;

Internal financial controls

- reviewing the effectiveness of the Group's internal financial controls and internal control and risk management systems (including the systems to identify, manage and monitor financial risks);

Whistleblowing and fraud

- reviewing and reporting to the Board on the Group's arrangements for its employees and contractors to raise concerns, in confidence, about possible improprieties in financial reporting, financial and management accounting, or any other matters. The objective is to ensure that arrangements are in place for the proportionate and independent investigation of such matters and appropriate follow-up action;
- reviewing the Group's policies, procedures and controls for preventing and detecting fraud, preventing bribery, identifying money laundering, and ensuring compliance with legal and regulatory requirements;

Internal audit

- monitoring, reviewing and assessing the effectiveness and independence of the Group's internal audit function in the context of the Group's overall risk management system;
- considering and approving the remit of the internal audit function, ensuring it has adequate resources and appropriate access to information to enable it to perform its function effectively; and

External audit

- overseeing the relationship with the Group's external auditor, including considering when the external audit contract should be put out to tender (adhering to any legal requirements for tendering or rotation), reviewing and monitoring the external auditor's independence and objectivity, agreeing the scope of their work and fees paid to them for audit, assessing the effectiveness of the audit process, and agreeing the policy in relation to the provision of non-audit services.

Governance

The Audit Committee comprises a minimum of three members, all of whom are independent non-executive directors of the Company. Two members constitute a quorum.

The Committee Chair fulfilled the requirement that there must be at least one member with recent and relevant financial experience and competence in accounting or auditing (or both) during the year. In addition, the Committee as a whole has competence in the sectors in which the Company operates. All Committee members are expected to be financially literate and to have an understanding of the following areas:

- the principles of, and developments in, financial reporting including the applicable accounting standards and statements of recommended practice;
- key aspects of the Company's operations including corporate policies and the Group's internal control environment;
- matters which may influence the presentation of accounts and key figures;
- the principles of, and developments in, company law and other relevant corporate legislation;
- the role of internal and external auditing and risk management; and
- the regulatory framework for the Group's businesses.

The Committee invites the other non-executive directors, Chief Executive, Finance Director, Group Financial Controller, Director of Financial Control and senior representatives of the external auditor to attend its meetings in full, although it reserves the right to request any of these individuals to withdraw. Other senior managers are invited to present such reports as are required for the Committee to discharge its duties.

During the year, the Committee held four meetings with the external auditor without any executive members of the Board being present.

The Committee has unrestricted access to Company documents and information, as well as to employees of the Company and the external auditor.

The Committee may take independent professional advice on any matters covered by its terms of reference at the Company's expense.

The Committee Chair reports the outcome of meetings to the Board (to the extent that any Board members were not in attendance at the relevant meeting).

The performance of the Audit Committee was considered as part of the 2024 externally facilitated Board performance review carried out during the financial year. This found that the Committee was working smoothly and was very well chaired, with a thorough approach to governance.

The terms of reference of the Audit Committee can be viewed on the Investors section of the Company's website: www.abf.co.uk.

The Committee advises the Board to enable it to meet its responsibilities under audit, risk and internal control.

Board responsibilities on audit, risk and internal control

The Board recognises that its responsibility to present a fair, balanced and understandable assessment extends to interim and other price-sensitive public reports, reports to regulators, and information required to be presented by statutory requests.

The directors confirm that they consider that the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy. The Company produced a paper in this respect, prepared by the Group Financial Controller, containing an assessment of the Annual Report and financial statements, including a summary by division of performance issues in the year and one-off items which benefitted performance. This paper was presented to the Audit Committee.

Risk management and internal control

The Board acknowledges its overall responsibility for monitoring the Group's risk management and internal control systems to facilitate the identification, assessment and management of risk and the protection of shareholders' investments and the Group's assets.

The directors confirm that there is a process for identifying, evaluating and managing the risks faced by the Group and the operational effectiveness of the related controls, which has been in place for the year under review and is up to the date of approval of the Annual Report. The directors also confirm that they have regularly monitored the effectiveness of the risk management and internal control systems (which cover all material controls including financial, operational and compliance controls) utilising the review process set out below.

Standards

There are guidelines on the minimum groupwide requirements for health and safety and environmental standards. There are also guidelines on the minimum level of internal control that each of the divisions should exercise over specified processes. Each business has developed and documented policies and procedures to comply with the minimum control standards established, including procedures for monitoring compliance and taking corrective action. The board of each business is required to confirm twice yearly that it has complied with these policies and procedures.

High-level controls

All businesses prepare annual operating plans and budgets which are updated regularly. Performance against budget is monitored at business unit level and centrally, with variances being reported promptly. The cash position at Group and business level is monitored constantly and variances from expected levels are investigated thoroughly. Clearly defined guidelines have been established for capital expenditure and investment decisions. These include the preparation of budgets, appraisal and review procedures and delegated authority levels.

Financial reporting

Detailed management accounts are prepared every four weeks, consolidated in a single system and reviewed by senior management and the Board.

They include a comprehensive set of financial reports and key performance indicators covering commercial and operational issues. Performance against budgets and forecasts is discussed regularly at Board meetings and at meetings between operational and Group management. The adequacy and suitability of key performance indicators are reviewed regularly. All chief executives and finance directors of the Group's operations are asked to sign an annual confirmation that their business has complied with the Group Accounting Manual in the preparation of consolidated financial statements and specifically to confirm the adequacy and accuracy of accounting provisions.

Internal audit

The Group's internal audit activities are co-ordinated centrally by the Director of Financial Control, who is accountable to the Audit Committee.

Our internal audit team adopts a risk-based approach to develop and deliver a balanced internal audit plan that provides assurance over our businesses' key risks and related controls. Where issues are identified, action plans to make any necessary control improvements are agreed with business leaders.

All Group businesses are required to comply with the Group's Financial Control Framework which sets out minimum control standards. Our internal audit plans are designed to include coverage of financial controls to provide assurance over how our businesses meet the requirements of the Financial Control Framework.

Assessment of principal risks

The directors confirm that, during the year, the Board has carried out a robust assessment of the principal and emerging risks facing the Group, including those that could threaten its business model, future performance, and solvency or liquidity. A description of these principal and emerging risks and how they are being managed and mitigated is set out on pages 78 to 86.

Annual review of the effectiveness of the systems of risk management and internal control

During the year, the Board reviewed the effectiveness of the Group's systems of risk management and internal control processes embracing all material systems, including financial, operational and compliance controls, to ensure that they remain robust. The review covered the financial year to 14 September 2024 and monitored for any material changes up to the date of approval of this Annual Report. The review included:

- the annual risk management review, a comprehensive process identifying the key external and operational risks facing the Group and the controls and activities in place to mitigate them, the findings of which are discussed with each member of the Board individually (refer to the risk management section on pages 78 to 86 for details of the process undertaken); and
- the annual assessment of internal control, which, following consideration by the Audit Committee, provided assurance to the Board around the control environment and processes in place around the Group, specifically those relating to internal financial control.

The Board evaluated the effectiveness of management's processes for monitoring and reviewing risk management and internal control. No significant failings or weaknesses were identified by the review and the Board is satisfied that, where areas of improvement were identified, processes are in place to ensure that remedial action is taken and progress monitored.

The Board confirmed that it was satisfied with the outcome of the review of the effectiveness of the systems and processes and that they complied with the requirements of the 2018 Code.

Going concern and viability

The 2018 Code requires the directors to assess and report on the prospects of the Group over a longer period. This longer-term viability statement and statement of going concern is set out on pages 87.

Audit Committee activities during the year

In order to fulfil its terms of reference, the Audit Committee receives and reviews presentations and reports from the Group's senior management, consulting as necessary with the external auditor.

Monitoring the integrity of reported financial information

Ensuring the integrity of the financial statements and associated announcements is a fundamental responsibility of the Audit Committee.

During the year it formally reviewed the Group's interim and annual reports.

These reviews considered:

- the description of performance in the Annual Report to ensure it was fair, balanced and understandable;
- the accounting principles, policies and practices adopted in the Group's financial statements, any proposed changes to them, and the adequacy of their disclosure;
- important accounting issues or areas of complexity, the actions, estimates and judgements of management in relation to financial reporting and in particular the assumptions underlying the going concern and viability statements;
- any significant adjustments to financial reporting arising from the audit; and
- the Assessment of Controls Effectiveness (ACE) programme.

The Audit Committee also considered:

- reporting in line with the recommendations and recommended disclosures of the Task Force on Climate-related Financial Disclosures (TCFD) and the Companies Act 2006 climate-related disclosure requirements;
- tax contingencies, compliance with statutory tax obligations and the Group's tax policy; and
- the Group's treasury policies.

A briefing meeting was also held separately with each Audit Committee member during the course of the year on the EU Corporate Sustainability Reporting Directive and on non-financial reporting more generally.

Significant accounting issues considered by the Audit Committee in relation to the Group's financial statements

A key responsibility of the Committee is to consider the significant areas of complexity, management judgement and estimation that have been applied in the preparation of the financial statements. The Committee has, with support from Ernst & Young LLP ('EY') as external auditor, reviewed the suitability of the accounting policies which have been adopted and whether management has made appropriate estimates and judgements.

Areas of significant accounting judgement and estimation material to the Group financial statements

Impairment of goodwill, intangibles, property, plant and equipment, investment properties and right-of-use assets

Assessment for impairment involves comparing the book value of an asset with its recoverable amount, being the higher of value-in-use and fair value less costs to sell. Value-in-use is determined with reference to projected future cash flows discounted at an appropriate rate. Both the cash flows and the discount rate involve a significant degree of estimation uncertainty.

Audit Committee assurance

The Committee considered the reasonableness of cash flow projections which were based on the most recent budget approved by the Board and reflected management's expectations of sales growth, operating costs and margins based on past experience and external sources of information. The Committee focused on Don, Illovo Mozambique, Jordans Dorset Ryvita, Azucarera and Vivergo.

Long-term growth rates for periods not covered by the annual budget were challenged to ensure that they were appropriate for the products, industries and countries in which the relevant cash-generating units operate. The Committee reviewed and challenged the key assumptions made in deriving these projections: discount rates, growth rates, and expected changes in production and sales volumes, selling prices and direct costs. The Committee also considered the adequacy of the disclosures in respect of the key assumptions and sensitivities. Refer to notes 8, 9, 10 and 11 to the financial statements for more details of these assumptions.

The Committee was satisfied that the discount rate assumptions appropriately reflected current market assessments of the time value of money and the risks associated with the particular assets. The other key assumptions were all considered to be reasonable.

On the basis of the key assumptions and associated sensitivities, it is considered that the charge of £35m, £18m in Vivergo, £6m in Illovo Mozambique and £11m in Primark, was appropriately recognised and included within exceptional items as detailed in notes 8, 9, 10 and 11.

The external auditor undertook an independent audit of the estimates of value-in-use and fair value less costs to sell, including a challenge of management's underlying cash flow projections, long-term growth assumptions and discount rates. On the basis of its work, and its challenge of the key assumptions and sensitivities, it considered that the impairment charges as detailed in notes 8, 9, 10 and 11 were appropriately recognised.

Viability statement and going concern

The Board considered future performance and cash flows in its going concern assessment, through to February 2026, and its viability statement over the next three years.

Management has undertaken a detailed financial modelling exercise that has considered the impact on profit, cash and working capital of a number of potential scenarios.

The Committee has reviewed and challenged the scenarios considered by management and concluded that these, and the stress-testing scenarios and assumptions, were appropriate and adequate.

The Committee has reviewed the detailed cash flow forecasts, which incorporate the mitigating actions proposed by management. The Committee also reviewed and challenged the reverse stress test assumptions to confirm the viability of the Group.

The Committee has been kept informed of the impacts of commodity price pressures on the Group, in particular in our Sugar business, including accounting matters, going concern and viability considerations. The Committee has satisfied itself that management has adequately identified and considered all potentially significant accounting and disclosure matters.

Areas of significant accounting judgement and estimation material to the Group financial statements	Audit Committee assurance
Post-retirement benefits	Audit Committee assurance
Valuation of the Group's pension schemes and post-retirement medical benefit schemes require various subjective judgements to be made including mortality assumptions, discount rates, general and salary inflation, and the rate of increase for pensions in payment and those in deferment.	Actuarial valuations of the Group's pension scheme obligations are undertaken every three years in the UK by an independent qualified actuary who also provides advice to management on the assumptions to be used in preparing the accounting valuations each year. Actuarial valuations in other jurisdictions are performed as required. 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. The Committee reviewed the assumptions by comparison with externally derived data and also considered the adequacy of disclosures in respect of the sensitivity of the surplus to changes in these key assumptions.
Other accounting areas requiring management judgement or estimation	Audit Committee assurance
Taxation	Audit Committee assurance
Current and deferred tax recognised in the financial statements is dependent on subjective judgements as to the outcome of decisions by tax authorities in various jurisdictions around the world and the ability of the Group to use tax losses within the time limits imposed by various tax authorities.	The Committee reviews the Group's tax policy and principles for managing tax risks annually. The Committee reviewed and challenged the provisions recorded and the contingent liabilities disclosed at the balance sheet date and management confirmed that they represent their best estimate of the financial exposure faced by the Group. The external auditor explained to the Committee the work that they had conducted during the year, including how their audit procedures were focused on those provisions requiring the highest degree of judgement. The Committee discussed with both management and the external auditor the key judgements which had been made. The Committee was satisfied that the judgements were reasonable and that, accordingly, the provision amounts recorded were appropriate.

Misstatements

Management reported to the Committee that they were not aware of any material or immaterial misstatements made intentionally to achieve a particular presentation. The external auditor reported to the Committee the misstatements that they had found in the course of their work. After due consideration the Committee concurred with management that these misstatements were not material and that no adjustments were required.

Internal financial control and risk management

The Committee is required to assist the Board to fulfil its responsibilities relating to the adequacy and effectiveness of the control environment, controls over financial reporting and the Group's compliance with the 2018 Code. To fulfil these duties, the Committee (or the Board as a whole) reviewed:

- the external auditors' summary of management letters and their Audit Committee reports;
- internal audit findings on key audit areas and any significant deficiencies in the financial control environment;
- reports on the systems of internal financial control and risk management, including the preparatory work for additional control reviews under the Group's ACE programme;
- as part of internal audit reports, a high-level assessment of the adequacy of business continuity plans in place in the Group's businesses;
- reports on fraud perpetrated against the Group;
- the Group's approach to anti-bribery and corruption, and whistleblowing;
- the Group's approach to IT and cybersecurity; and
- commodity price challenges and response assurance plan.

Internal audit

The Group's businesses employ internal auditors (both employees and resources provided by major accounting firms other than the firm involved in the audit of the Group (except where expressly permitted by the Audit Committee)) with skills and experience relevant to the operation of each business. All of the internal audit activities are co-ordinated centrally by the Director of Financial Control, who is accountable to the Audit Committee.

The Audit Committee is required to assist the Board in fulfilling its responsibilities for ensuring the capability of the internal audit function and the adequacy of its resourcing and plans.

The Audit Committee receives regular reports on the results of internal audit's work and monitors the status of recommendations arising. The Committee reviews annually the adequacy, qualifications and experience of the Group's internal audit resources and the nature and scope of internal audit activity in the overall context of the Group's risk management system.

To fulfil its duties, the Committee reviewed:

- internal audit's reporting lines and access to the Committee and all members of the Board;
- internal audit's plans and its achievement of the planned activity;
- the results of key audits and other significant findings, the adequacy of management's response and the timeliness of their resolution; and
- changes in internal audit personnel to ensure appropriate resourcing, skills and experience are put in place.

The Group's Director of Financial Control meets with the Chair of the Audit Committee as appropriate but at least quarterly, without the presence of executive management, and has direct access to the Chairman of the Board.

Whistleblowing and fraud

The Whistleblowing Policy 'Speak Up' is designed to protect ABF's culture of fairness, trust, accountability and respect, encouraging effective and honest communication at all levels. In addition, an independent external service provider receives, in confidence, complaints on accounting, risk issues, internal controls, auditing issues and related matters which are reported to the Audit Committee each quarter as appropriate. Further details on the Policy can be found on page 92. The Committee reviewed reports from internal audit and the actions arising therefrom and reported this to the Board (to the extent any Board member was not in attendance at the relevant meeting).

The Group's Anti-fraud Policy is available to all employees via the ABF intranet and website and states that all employees have a responsibility for fraud prevention and detection. Any suspicion of fraud should be reported immediately and will be investigated vigorously. The Audit Committee reviewed all instances of fraud perpetrated against the Group and the action taken by management both to pursue the perpetrators and to prevent reoccurrences.

External audit

Auditor independence

The Audit Committee is responsible for the development, implementation and monitoring of policies and procedures on the use of the external auditor for non-audit services, in accordance with professional and regulatory requirements. These policies are kept under review to meet the objective of ensuring that the Group benefits in a cost-effective manner from the cumulative knowledge and experience of its auditor, whilst also ensuring that the auditor maintains the necessary degree of independence and objectivity. The Committee's policy on the use of the external auditor to provide non-audit services is in accordance with applicable laws and takes into account the relevant ethical guidance for auditors. Any non-audit work to be undertaken by the auditor requires authorisation by the Finance Director, and above a certain threshold, the Audit Committee, prior to its commencement.

The Committee also ensures that fees incurred, or to be incurred, for non-audit services, both individually and in aggregate, do not exceed any limits in applicable law and take into account the relevant ethical guidance for auditors.

The Committee is required to approve the use of the external auditor to provide: accounting advice and training; corporate responsibility and other assurance services; financial due diligence in respect of acquisitions and disposals; and will consider other services when it is in the best interests of the Company to do so, provided they can be undertaken without jeopardising auditor independence. Tax services including tax compliance, tax planning and related implementation advice may not be undertaken by the external auditor except in very exceptional circumstances where specialist knowledge is required. The aggregate expenditure with the Group auditor is reviewed by the Audit Committee. No individually significant non-audit assignments that would require disclosure were undertaken in the financial year.

The Company has a policy that any partners, directors or senior managers hired directly from the external auditor must be pre-approved by the Chief People and Performance Officer, and the Finance Director or Group Financial Controller, with the Chair of the Audit Committee being consulted as appropriate.

The Audit Committee has formally reviewed the independence of the external auditor. EY has reported to the Committee confirming that it believes it remained independent throughout the year, within the meaning of the regulations on this matter and in accordance with its professional standards.

To fulfil its responsibility to ensure the independence of the external auditor, the Audit Committee reviewed:

- a report from the external auditor describing arrangements to identify, report and manage any conflicts of interest, and policies and procedures for maintaining independence and monitoring compliance with relevant requirements; and
- the extent of non-audit services provided by the external auditor.

The total fees paid to EY for the 52 weeks ended 14 September 2024 were £11.6m, of which £1.1m related to non-audit work. Further details are provided in note 2 to the financial statements.

Auditor effectiveness

To assess the effectiveness of the external auditor, the Committee reviewed:

- the external auditor's fulfilment of the agreed audit plan and variations from it (including changes in perceived audit risks and the work undertaken by the external auditors to address those risks);
- reports highlighting the major issues that arose during the course of the audit;
- feedback from the businesses via questionnaires evaluating the conduct and performance of each assigned audit team (including in respect of their planning, challenge and interaction with the business); and
- a report on EY, as a firm, from the Audit Quality Review Team ('AQR') of the Financial Reporting Council ('FRC') and the discussions with EY on the contents of such report.

There is regular open communication between EY and the Audit Committee as well as between EY and the businesses' senior management. The Audit Committee holds private meetings with the external auditor after each Committee meeting to review key issues within their sphere of interest and responsibility and to satisfy itself that the audit is of a sufficiently high standard.

During the year, the FRC's AQR team completed an inspection of EY's audit of the Company's financial statements for the 52 weeks ended 16 September 2023. No key findings arose from the inspection. Limited improvements were identified as being required. These related to oversight of journal testing and revenue testing and oversight of independence of other partners and staff involved in senior positions. The Committee is satisfied that the auditor has taken appropriate actions in response to the findings.

To fulfil its responsibility for oversight of the external audit process, the Audit Committee reviewed:

- the terms, areas of responsibility, associated duties and scope of the audit as set out in the external auditor's engagement letter;
- the overall work plan and fee proposal;
- the major issues that arose during the course of the audit and their resolution;
- key accounting and audit judgements;
- the level of errors identified during the audit; and
- the content of, and any recommendations made by the external auditor in, their management letters and the adequacy of management's response.

Auditor appointment for 2024/25

The Audit Committee reviews annually the appointment of the auditor, taking into account the auditor's effectiveness and independence, and makes a recommendation to the Board accordingly.

The Company's current external auditor, EY, was first appointed at the annual general meeting in December 2015, with effect from 2016, following the conclusion of a competitive tender process. The Audit Committee is satisfied with the auditor's effectiveness and independence and has recommended to the Board that EY be reappointed as the Company's external auditor for 2024/25. The Board accepted such recommendation.

Auditor tender for 2025/26 onwards

In accordance with applicable law and regulation, the Company is required to conduct a competitive audit tender in respect of the audit for the financial year 2025/26 and onwards. The Audit Committee considered that a competitive tender was in the best interests of the Company's shareholders as it allowed the Company to appoint the audit firm that will provide the highest quality, most effective and efficient audit. The Company commenced a competitive audit tender in 2024, earlier than anticipated in our Annual Report for the year ended 16 September 2023, far enough in advance of appointment to allow firms to exit relationships which may cause a conflict of interest or independence issues.

The Audit Committee formed a steering committee to lead on the audit tender process (the Steering Committee). The Steering Committee was led by the Chair of the Audit Committee and also consisted of the Finance Director, the Financial Controller and Director of Financial Control. Outcomes from Steering Committee meetings and key actions were discussed with all members of the Audit Committee.

In December 2023, the Steering Committee notified the four largest audit firms of the Company's intention to tender in 2024. Given the complexity of the Group and global mindset and coverage required as part of the selection criteria (see further below), the Steering Committee did not consider any 'challenger' firms for this tender.

In January 2024 the Audit Committee was presented with, and approved via the Steering Committee, the proposed selection criteria and process. The selection criteria were categorised under the following headings:

- Global mindset and coverage;
- Culture and approach of the firm;
- Technical capability;
- Tools/digital deployment;

- ESG/non-financial data approach;
- Approach to audit of IT and system change;
- Retail experience; and
- Quality and credentials of key partners.

Although the four largest audit firms were invited to tender, after significant engagement only two firms decided to participate in the full tender process. After a detailed process set out below, EY were selected to continue to be auditor for the Company on the basis of the criteria set out above.

A timeline and the outcome of the tender process is set out below:

2023

December

Notification of four largest audit firms of the intention to tender in 2024.

2024

January

Audit Committee confirmation of audit tender timetable, selection criteria and process.

Firms invited to tender and agreed the process and objectives and the key requirements from the firms.

February

Launched a dataroom of relevant information for confirmed bidders.

March to May

Meetings between each of the two bidding firms and ABF personnel including finance, internal audit, information technology and regulatory teams.

End of May

Receipt of tenders from the two firms.

June

Presentations from the two tendering firms to the Audit Committee.

Audit Committee made a recommendation to the Board

Board consideration and approval of Audit Committee recommendation to appoint EY as auditor for a second term from the 2025/26 financial year onwards, subject to shareholder approval.

Compliance with the Competition and Markets Authority Order

The Company confirms that, during the period under review, it has complied with the provisions of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

Minimum Standard

The FRC's 'Audit Committees and the External Audit: Minimum Standard' (the 'Minimum Standard') was published in May 2023. The Audit Committee considers that it has met the Minimum Standard.

Richard Reid Audit Committee Chair

Annual statement by the Remuneration Committee Chair



Graham Allan
Remuneration Committee Chair

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The Annual Remuneration Report is subject to an advisory vote at the 2024 AGM.

Dear shareholders

I am pleased to present the Directors' Remuneration Report for the year to 14 September 2024.

Ahead of our policy review next year, this year has seen the Committee consider the implementation of our current reward approach. We are delighted that the focus and effort of the executive directors has been reflected in good strategic progress, improved operational performance and a strong set of financial results for the year.

At Primark, sales growth was driven by the ongoing store rollout programme, particularly in our growth markets. The strength of our value proposition, our product relevance, category stretch and increasingly effective digital engagement helped Primark to achieve good year-on-year profit growth.

Significant profit improvement was achieved in Grocery led by good sales growth in international and regional brands and supported by new product launches. Sales and profit progress in the Sugar division and continued strong performance from AB Mauri in the Ingredients division also contributed significantly to our year-on-year profit growth.

Incentive Plan Outcomes for 2023/24

Short-Term Incentive Plan (STIP) 2023/24

15% of the STIP is based on strategic KPIs, currently all related to ESG. The diversified nature of ABF means that ESG targets, strategies and plans are developed by each division based on their most important initiatives, with the centre having a key role in governance, overseeing progress and ensuring accountability for performance. Our scorecard of measures for the year focused on our most material ESG priorities across the Group. The Committee assessed the overall score at 23/30. A table setting out more detail on this is on page 115.

Financial measures, specifically adjusted operating profit and working capital, determine 85% of the STIP outcome. We set very stretching targets this year, requiring more than 20% adjusted operating profit growth at target and over 30% growth at maximum.

The Board encourages management to take action, at the most appropriate time, for the long-term benefit of the business and the Remuneration Committee routinely reviews any impact this may have on incentive outcomes. This year executives have taken appropriate action, including restructuring and reorganisation in a number of businesses to ensure optimal performance for the long term. The cost of these actions, which has been charged in arriving at adjusted operating profit, was greater than anticipated when budgets were set. If all of the actions had been planned at the start of the year, they would have been reflected in the STIP performance range. The Committee reviewed all of the actions taken and determined that it was fair and reasonable to make an adjustment, but that this would be made only for a portion of the additional costs.

We were pleased to see a good working capital performance this year with decreased cash outflows, resulting in significantly improved free cash flow and contributing to a higher return on average capital employed. For the Group overall, an excellent all-round performance resulted in adjusted operating profit finishing between the target and maximum of the performance range, after the adjustment discussed above. Working capital levels resulted in a modifier outcome that was just above target. The overall outcome under the financial performance measures for this year is 87.22% of maximum.

Combining the ESG and financial measures, the overall outcome for the 2023/24 STIP was 85.63% of maximum. The adjustment noted above had the impact of increasing the overall bonus out-turn from 82.43%. The Remuneration Committee believes that this outcome is appropriate in the context of business performance and the wider stakeholder experience.

Long-Term Incentive Plan (LTIP) 2021-24

Reflecting the Group's strong post-COVID recovery, EPS performance for the 2021-24 LTIP was ahead of the target set. The EPS-based outcome is subject to potential downward modification based on the Group three-year average return on average capital employed (ROACE) without Sugar, which exceeded the maximum level, and five-year average Sugar ROACE, which was below maximum. The outcome for the 2021-24 LTIP was therefore 96.75% of maximum. The Remuneration Committee is comfortable that this outcome is appropriate in the context of business performance and the wider stakeholder experience over the performance period.

Remuneration decisions for 2024/25

Salary and fees

In ABF's decentralised model, each business is given flexibility to determine its own salary increases and there is no single budgeted increase rate for UK employees. Our resulting average UK salary increases will be around 3.5% for most staff with higher increases for hourly-paid Primark staff. In this context, the Committee has determined that, for 2024/25, the executive directors will receive salary increases of around 3.5%, below the average increase for the wider employee population.

STIP 2024/25

For 2024/25, the financial measures under the STIP remain focused on Adjusted operating profit and working capital. We have, however, determined that it would be appropriate to move to a cash conversion cycle measure for working capital. This measure will still be applied as a modifier which increases or decreases the outcome based on Adjusted operating profit performance by up to 15%. Strategic measures, focused on ESG, will continue to represent 15% of the total measures.

Restricted Share Plan (RSP) 2024-27

ABF has operated a conservative overall incentive quantum for many years. This year, we will continue to make RSP awards at 125% of salary to both executive directors. This remains very modest compared to other companies of our scale. As a reminder, we made the decision to move from a performance share plan to a restricted share plan at the last policy review. We will need to keep this under review.

Work of the Committee over the coming year

Over the coming financial year the Committee will consider any changes to the remuneration policy that may be appropriate. We look forward to engaging with investors as part of this process to ensure that your views are taken into account.

Consideration of wider workforce views and remuneration approaches

As a geographically dispersed group, subject to varied employment market conditions, meaningful comparisons of executive pay against wider workforce compensation are complex. The Committee is mindful of reward practices across the Group when setting and implementing its approach to executive remuneration. The Committee receives data on the remuneration structure for two tiers of management below the executive directors and uses this information to ensure as much consistency of approach as is practicable.

Divisional HR directors provided input to the most recent remuneration policy review and they also share, on an ongoing basis, feedback they receive from employees on remuneration. Richard Reid, a member of the Committee, engages with employees through his work as the Non-Executive Director for workforce engagement and specifically affords them an opportunity to share their views on pay and conditions. This feedback is shared fully with the Remuneration Committee.

We also have an email inbox (remcochair@abfoods.com) to enable employees and other stakeholders to share directly their views on the Company's executive remuneration approach should they so wish. No feedback has been received through this channel over the most recent financial year.

Board review

We were pleased that the externally-facilitated performance review of the Remuneration Committee found that it is performing effectively and that Committee members feel well served and supported by the internal and external advisers.

2024 AGM

Again this year, the Committee has maintained its approach of aligning compensation with business performance and taking into consideration the experience of a wide range of stakeholders. I hope you will feel able to support our Directors' Remuneration Report at the 2024 AGM.

Graham Allan
Remuneration Committee Chair

Remuneration summary

Remuneration principles

Our remuneration approach needs to support efforts to attract and retain top executive talent and to promote the strategic and financial performance of the business. Our principles, which are consistent with the requirements of Provision 40 of the UK Corporate Governance Code, are considered in the Committee's decision making. In particular, we believe that pay should be:

Fair

Total remuneration should fairly reflect the performance delivered by executives. Where appropriate, this may include the application of discretion to ensure remuneration outcomes are aligned to performance that creates value for shareholders and other stakeholders

Aligned

The portfolio we operate is diverse and complex. We aim to align remuneration and business objectives and to use performance measures which provide clear line of sight for executives

Clear and simple

We believe that executive remuneration should be clear and simple for participants to understand. The best way to achieve this is through close alignment with business performance

Remuneration approach

The Remuneration Policy for the executive directors, approved by shareholders in 2022, includes the following elements:

Base salary	Pension and benefits	Short-Term Incentive Plan (STIP)	Restricted Share Plan (RSP)	Shareholding requirement
Base salary set at an appropriate level for the Group's size and scale	The Chief Executive no longer participates in a company pension and receives no cash allowance in lieu. The Finance Director receives a cash allowance of 10% of salary in line with other employees.	Maximum of 200% of salary (Up to 150% of salary cash, and 50% of salary STIP shares)	Normal annual RSP award of 125% of salary	Set at 250% of salary, retained for two years after leaving employment

The policy worked as intended this year and outcomes are in line with performance. The full Remuneration Policy is set out in the 2022 Annual Report and Accounts which is available on the Company's website www.abf.co.uk.

Time horizons for STIP and RSP awards

	2023/24	2024/25	2025/26	2026/27	2027/28
STIP cash	One year performance				
STIP shares	One year performance				
	Deferral period Vest at end of year three				
RSP	Three year performance period – underpins apply Vest at end of year three			Two year holding period	

STIP and RSP payments are subject to malus and clawback provisions.

Performance alignment

Reward in Group and business roles – Group roles, including the executive directors, are granted RSP awards. This structure is consistent with their responsibility for managing the portfolio to achieve sustainable growth in shareholder value. Performance-based LTIPs are used at division and business level where tangible and directly relevant targets are set.

STIP performance measures – STIP performance is based on financial measures (Adjusted operating profit and cash conversion) and a portion based on strategic measures including ESG.

RSP underpins – The RSP underpins are intended to avoid rewards for failure. The underpins ensure a disciplined approach to investment using ROACE as a key indicator, alignment with shareholders using dividends as a key indicator, strategic focus for future sustainable growth, good governance and meaningful progress on the ESG agenda.

Discretion and judgement – In line with the principle of fairness, the Committee has a long history of applying discretion both to increase and reduce incentive outcomes to ensure that they 'feel fair' given the circumstances and achievements across our portfolio, consistent with our established remuneration principles.

Annual remuneration report

Single total figure of remuneration for the executive directors (audited)

		George Weston		Eoin Tonge	
		2024	2023	2024	2023
		£'000	£'000	£'000	£'000
Fixed pay	Salary	1,184	1,118	747	446
	Benefits	18	18	27	17
	Pension	–	–	75	45
	Total fixed remuneration	1,202	1,136	849	508
Variable pay	STIP cash	1,554	1,167	973	449
	STIP deferred shares	514	469	322	253
	LTIP	2,783	1,544	–	–
	Other	–	–	1,793	2,372
	Total variable remuneration	4,851	3,180	3,088	3,074
Single total figure		6,053	4,316	3,938	3,582

Notes to single total figure of remuneration for the executive directors

Salary

For George Weston, the salary paid was reduced for pension-related salary sacrifices until 31 December 2023.

Benefits

The value of benefits for George Weston comprised £15,613 taken in cash and £2,288 taxed as benefits-in-kind and for Eoin Tonge comprised £24,553 taken in cash and £2,288 taxed as benefits-in-kind.

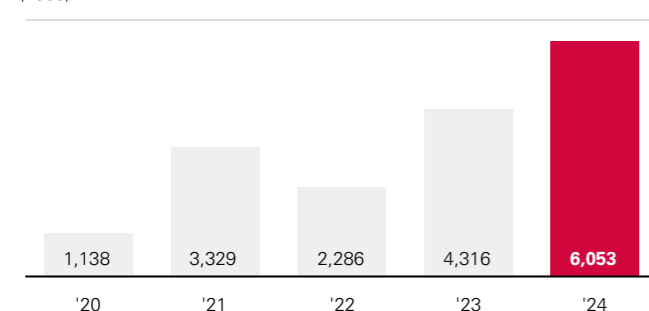
Pension

George Weston opted out of the EFRBS on 31 December 2023. Until that date he had an overall benefit promise of 1/45th of final pensionable pay for each year of pensionable service up to 5 April 2016 and 1/50th of final pensionable pay for each year of pensionable service thereafter, subject to a maximum of 2/3^{ds} of final pensionable pay (basic salary during the last 12 months before retirement, plus if applicable, the average of the last three years' fluctuating earnings). He opted out of the Associated British Foods Pension Scheme on 5 April 2006 and has a deferred benefit in that scheme; the balance of the promise was provided under the EFRBS. His pension benefits are payable from age 65. No alternative defined benefit arrangements are available to any member who chooses to take their benefits early. His accrued pension at 14 September 2024 was £784,886 per annum.

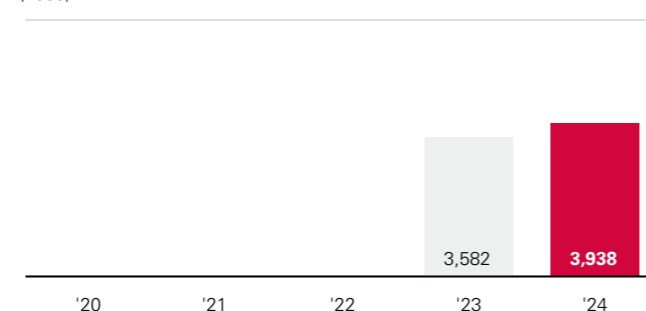
The nature of George Weston's pension benefits did not change in the period before he opted out of the EFRBS and the pensions number for remuneration purposes is £0 as inflation exceeded salary increases in the year.

Eoin Tonge received a cash allowance of 10% of salary in lieu of pension, which is reported under the pensions section in the single figure table for clarity.

George Weston total remuneration
(£000)



Eoin Tonge total remuneration
(£000)



STIP 2023/24

Achievement against financial targets

This table details the financial performance ranges for STIP 2023/24 and the calculated outcome for the cash element of the STIP.

	Cash element			
	Cut In	Target	Maximum	2023/24 STIP outcome
Adjusted operating profit £m ¹	1,721	1,862	2,004	1,998
STIP based on profit (as % of salary)	15.00 %	63.75 %	110.87 %	109.00 %
Working capital as % of 3rd party sales	17.03 %	15.92 %	14.81 %	15.77 %
% modifier to profit element	85 %	100 %	115 %	102.03 %
Total STIP cash financial element (as % of salary)	12.75 %	63.75 %	127.50 %	111.20 %

1. The Adjusted operating profit targets were amended as outlined on page 111. The adjustment had a less than 1% impact on the target range.

At the start of the year, when setting the STIP range, we analysed the risks and opportunities in the budget in detail. These included commodity price movements, currency movements, supply chain disruption and increases in labour costs. Adjusted operating profit was expected to be well ahead of 2022/23 and the performance range was set to be stretching. As explained on page 111, the Group delivered a strong financial performance. The overall outcome under the financial performance measures for this year is 87.22% of maximum.

Achievement against ESG strategic KPIs

This year our STIP strategic KPIs were all related to ESG. As detailed in the responsibility report our Group approach in ESG is to focus on what is material, to the Group and to the world. Therefore we have a set of Group priorities. Accordingly, the ESG targets for incentives were aligned to these priorities.

The targets set were demanding. Against a scorecard of measures, the overall score achieved was 23/30. The Committee also considered our performance on ESG in the round and concluded that the outcome was appropriate taking into account very good progress in this area.

	Score	Commentary and performance outcome
Primark sustainability	6/7.5	<ul style="list-style-type: none"> Strengthened grievance mechanisms with Tier One suppliers across the supply chain, including suppliers of goods for sale and of goods not for resale. 57% of cotton clothing units sold contained organic, recycled or Primark Cotton Project cotton, up from 46% last year. The Primark durability framework was launched in July 2024; see page 19 for more details. More than 309,394 farmers trained or currently in the Primark Cotton Project.
People and community	4.5/7.5	<ul style="list-style-type: none"> In 2024, we began a review of the housing and living conditions across our sugar estates in Zambia, Malawi, Eswatini, South Africa and Tanzania. We renovated approximately 150 houses for employees and their families at the Nchalo estate in Malawi and have put in place detailed plans for further work over the coming years across our estates. See page 59 for more details.
Carbon	5.5/7.5	<ul style="list-style-type: none"> Primark has reduced Scope 1, 2 and 3 emissions significantly this year, as set out on page 19. Wissington projects reduced emissions by 30kt of CO₂e at British Sugar. Despite good progress from projects, emissions per thousand tonnes sugar beet processed did not meet stretch targets set for the year.
Water	7/7.5	<ul style="list-style-type: none"> AB Mauri is focused on using water efficiently and returning it safely to the environment after use. Since 2010, it has invested \$120m in waste water treatment and 2023/24 saw significant progress, as set out on page 31. ABF Sugar improved water-use efficiency in 2024 and 25% of abstracted water was reused during production before being returned to natural watercourses.

Overall achievement

The overall outcome for the STIP cash element was 128.45% of salary (85.63% of maximum) as shown in the table below.

	Cut In	Target	Maximum	Actual
STIP financial element	12.75 %	63.75 %	127.50 %	111.20 %
STIP ESG/KPI element	2.25 %	15.00 %	22.50 %	17.25 %
STIP cash total				128.45 %

The 2023-26 STIP shares element was subject to the same performance conditions as the cash element. 85.63% of the shares that were allocated at the beginning of the performance period will vest in 2025, subject to a service condition. The remaining allocated shares have now lapsed. The number of shares vesting is shown on page 122.

STIP amounts included in the single total figure table

For 2023/24, the figures shown in the single total figure table comprise the annual cash bonus, which is paid in December in respect of the preceding financial year, and the value of deferred share awards, earned for performance in the 2023/24 financial year, calculated based on the average mid-market closing price over the last quarter of the financial year of 2,447p. These shares are subject to a two-year deferral period. 3.6% of the value of the deferred awards is attributable to share price appreciation as the share price has increased from 2,361.6p at allocation in November 2023. No value is included in respect of the STIP deferred shares based on performance in 2021/22 and vesting in November 2024 as these values were required to be reported in the 2021/22 annual report. The directors are also paid dividend equivalents in respect of vested shares. These are not included in the single total figure as the amounts do not relate to the periods being reported on.

For 2022/23, this figure comprises the annual cash bonus, which was paid in December 2023 in respect of the preceding financial year, and the value of deferred share awards, earned for performance in the 2022/23 financial year, calculated based on the average mid-market closing price over the last quarter of the 2022/23 financial year of 2,008.02p. These shares are subject to a two-year deferral period. These values are not updated to reflect vesting share price as the awards have not yet vested. 20.6% of the value of the deferred awards is attributable to share price appreciation as the share price has increased from 1,665.3p at allocation in December 2022. The directors are also paid dividend equivalents in respect of vested shares. These are not included in the single total figure as the amounts do not relate to the periods being reported on.

LTIP 2021-24

The EPS performance for the 2021-24 LTIP was ahead of target. The Group three-year average ROACE without Sugar exceeded the maximum level. The five-year average Sugar ROACE outcome was just below the maximum level. The Group ROACE without Sugar modifier and the Sugar ROACE modifier act only as downward modifiers to the calculated incentive outcomes. The overall outcome for the 2021-24 LTIP was 96.75% of maximum, as shown in the table below.

	Threshold	Target	Maximum	Performance	Calculated outcome	
100% of award	Group adjusted EPS in the non-Sugar businesses	132p	142p	152p	182.29p	100.00 %
	Three-year ROACE in the non-Sugar businesses downward modifier	10.00 %		12.00 %	16.45 %	100.00 %
	Five-year Sugar ROACE downward modifier	5.00 %		9.00 %	8.35 %	96.75 %
	Vesting as % of maximum					96.75 %

LTIP amounts included in the single total figure table

The numbers in the single total figure table reflect the number of shares vesting as a result of performance achieved. Further details in respect of LTIP amounts for 2024 are set out below:

George Weston will receive 106,809 shares in respect of his 2021-24 LTIP award. As required by UK regulations, the vesting value has been estimated using the mid-market closing price over the last quarter of 2023/24 of 2,447p. Vesting will be on 19 November 2024 and a figure recalculated for the share price on that date will be presented in the 2024/25 annual report. The values shown in the table also include an amount in respect of cash dividend equivalent payments that will be made in respect of the shares vesting. The amount included for George Weston is £169,506. 24.0% of the value of the LTIP awards is attributable to share price appreciation as the share price has increased from 1,974.7p at allocation in November 2021.

In respect of 2023 LTIP values, as required by UK regulations, the vesting value reported last year was estimated using the mid-market closing price over the last quarter of 2022/23 of 2,008.02p. On the actual vesting date, the share price was 2,349.55p. The values in the table, which include amounts in respect of cash dividend equivalent payments made, have therefore been updated to reflect this.

Other remuneration

The numbers in the single total figure table for both years reflect buyout awards made to Eoin Tonge related to his recruitment, as disclosed on page 105 of the 2023 Annual Report. Eoin Tonge will receive 73,265 shares in respect of his 2021-24 PSP buyout award made following his recruitment, as disclosed in the 2023 Annual Report. This reflects an outcome of 96.75% of maximum on the 30% of the award based on the same performance measures as George Weston's LTIP, 90% of maximum for the 30% of the award based on performance against strategic KPIs (finance leadership, investor relations, M&A activity, non-financial reporting and risk & controls) and 87% of maximum for the 40% of the award based on the average STIP financial performance as a percentage of maximum over the period. As required by UK regulations, the vesting value has been estimated using the mid-market closing price over the last quarter of 2023/24 of 2,447p. Vesting will be on 19 November 2024 and a figure recalculated for the share price on that date will be presented in the 2024/25 annual report. No dividend equivalent payments will be made in respect of these shares. 52.5% of the value of the deferred awards is attributable to share price appreciation as the share price has increased from 1,604.61p at allocation on joining ABF.

Implementation of policy in 2024/25

Base salary	Our UK salary increases will be around 3.5% for most staff, with higher increases for hourly-paid Primark staff. George Weston will receive a salary increase of 3.5% and Eoin Tonge will receive an increase of 3.6%, below the average increase for the wider employee population including Primark staff.																														
	<table border="1"> <thead> <tr> <th></th> <th>Increase</th> <th>Salary from 1 December 2024</th> </tr> </thead> <tbody> <tr> <td>George Weston</td> <td>3.5 %</td> <td>£1,252,000</td> </tr> <tr> <td>Eoin Tonge</td> <td>3.6 %</td> <td>£785,000</td> </tr> </tbody> </table>		Increase	Salary from 1 December 2024	George Weston	3.5 %	£1,252,000	Eoin Tonge	3.6 %	£785,000																					
	Increase	Salary from 1 December 2024																													
George Weston	3.5 %	£1,252,000																													
Eoin Tonge	3.6 %	£785,000																													
Pension	George Weston opted out of the EFRBS on 31 December 2023 and became a deferred member of this Scheme. He does not receive a cash allowance in lieu of pension contributions. Eoin Tonge receives a cash supplement of 10% of salary in lieu of pension contributions, in line with the approach for the wider ABF UK workforce.																														
STIP 2024/25																															
150% of salary in cash																															
50% of salary in shares	<table border="1"> <thead> <tr> <th></th> <th>Adjusted operating profit (% of salary)</th> <th>Modification based on average cash conversion days</th> <th>Total financial element (% of salary)</th> <th>ESG and strategic measures (% of salary)</th> <th>Total STIP (% of salary)</th> </tr> </thead> <tbody> <tr> <td>Maximum</td> <td>147.83 %</td> <td>x 1.15</td> <td>170 %</td> <td>30 %</td> <td>200 %</td> </tr> <tr> <td>On-target</td> <td>85 %</td> <td>x 1</td> <td>85 %</td> <td>20 %</td> <td>105 %</td> </tr> <tr> <td>Threshold</td> <td>20 %</td> <td>x 0.85</td> <td>17 %</td> <td>3 %</td> <td>20 %</td> </tr> <tr> <td>Below threshold</td> <td>0 %</td> <td>x 0.85</td> <td>0 %</td> <td>0 %</td> <td>0 %</td> </tr> </tbody> </table> <p>The financial measures remain the same as in 2023/24 but this year we will measure working capital performance using a cash conversion cycle measure rather than working capital as a percentage of sales. STIP share awards will be granted in November 2024 and will lapse at the end of the financial year to the extent that performance conditions have not been met. The balance of the shares will remain conditional and be deferred for a further two years. Malus and clawback provisions apply to STIP awards for up to two years after being paid.</p>		Adjusted operating profit (% of salary)	Modification based on average cash conversion days	Total financial element (% of salary)	ESG and strategic measures (% of salary)	Total STIP (% of salary)	Maximum	147.83 %	x 1.15	170 %	30 %	200 %	On-target	85 %	x 1	85 %	20 %	105 %	Threshold	20 %	x 0.85	17 %	3 %	20 %	Below threshold	0 %	x 0.85	0 %	0 %	0 %
	Adjusted operating profit (% of salary)	Modification based on average cash conversion days	Total financial element (% of salary)	ESG and strategic measures (% of salary)	Total STIP (% of salary)																										
Maximum	147.83 %	x 1.15	170 %	30 %	200 %																										
On-target	85 %	x 1	85 %	20 %	105 %																										
Threshold	20 %	x 0.85	17 %	3 %	20 %																										
Below threshold	0 %	x 0.85	0 %	0 %	0 %																										
RSP 2024-27																															
125% of salary in shares	<p>Restricted share awards will be granted in November 2024. At the Committee's discretion, vesting may be reduced if the following underpins are not met:</p> <ul style="list-style-type: none"> ROACE above the weighted average cost of capital; dividend payments maintained; consideration of whether the right actions have been taken to strengthen the Group's competitive position for long-term sustainable growth. Performance will be assessed in the round. The underpin will be deemed to not be met in the event that there is an identified and agreed specific management failure; and satisfactory governance performance including no ESG issues that result in material reputational damage (as determined by the Board). <p>A two-year post-vesting holding period applies to net of tax shares. Malus and clawback provisions apply for two years post-vesting.</p>																														
Shareholding requirement																															
250% of salary	George Weston's shareholding very significantly exceeds the 250% of salary requirement. Eoin Tonge's shareholding does not yet meet the requirement and at least 50% of net shares vested under the STIP and RSP awards as well as 50% of net shares vested under certain new joiner awards must be held by him until it is met.																														
NED fees	Non-executive directors' fees will increase from £81,750 to £85,000 in December 2024. No other changes to fees will be made this year. The Chairman's fee will increase from £460,000 to £476,500 in December 2024																														

Wider Workforce Remuneration

Fair pay

Associated British Foods is a diversified business that currently operates in 56 countries and employs 138,000 people working across five business segments. Our people are central to our business and we pride ourselves on being a first-class employer.

As an international business, we have a duty to operate responsibly and are keen to ensure that the people who work in our businesses are paid fairly. We support the work of governments to ensure that minimum wages are sufficient to allow employees to have an acceptable standard of living. Our businesses, each of which is responsible for setting and managing its own remuneration approach, operate in line with the principles set out below and in compliance with all local laws.

Fair pay should be...

Appropriate	Free from discrimination	Intuitive	Explainable	Market competitive
For the employee's role, experience and skills Fixed pay will meet/exceed legal minimum and appropriate industry standards (e.g. collective bargaining agreements)	Pay should not be impacted by an individual's age, gender, sexual orientation, ethnicity or other characteristics	Employees should always receive compensation regularly, in full and on time	The business should be able to explain how pay has been calculated so that it is easy to understand	Local market conditions (industry/location/cost of living) should be considered when setting pay levels

Workforce engagement on remuneration

Please see the Remuneration Committee Chair's letter on page 111 for more information on how the Committee communicates with the wider workforce.

Directors' pay in the context of the Group's wider pay practices

The Committee has regard to workforce remuneration and related policies across the Group and ensured alignment of incentives and reward with the Company's culture when determining the 2022 Remuneration Policy for directors. The table below summarises the remuneration structure for the wider workforce.

	Below the Board	Executive directors
Salary	Salary increase budgets are determined by each of the businesses for each country, taking into account country-specific conditions such as inflation. Salary increases are then determined by line managers based on factors such as development in role and local market practice. Salaries are benchmarked to ensure that we are able to recruit and retain talented people. We review the ratio of the Chief Executive's pay to that of our UK employees on page 120.	Salary increases as a percentage of salary are normally aligned with, or lower than, those of the wider workforce. Consistent with the wider workforce, salaries are set competitively against peers in support of the recruitment and retention of executive directors.
STIP	In our decentralised model the approach to incentives varies by division. This is consistent with our line of sight approach and ensures design is appropriate for the strategy of each business and market. There is a common governance framework, with central oversight, for signing off all changes to incentive design to ensure that risks are mitigated and cultural considerations are appropriately taken into account. Key performance measures of adjusted operating profit, working capital, ESG targets and personal performance are commonly used across the Group. As employees progress and are promoted, their target and maximum bonus opportunities increase.	The STIP for executive directors is primarily based on the financial performance of the Group. 15% of the STIP is based on ESG performance. STIP share awards are made for 25% of the total STIP payment and are deferred for a further two years after the performance condition has been met.
LTIP	We make share-based LTIP or RSP awards to around 200 of our most senior managers across the Group to support the remuneration philosophy of incentivising superior long-term business results and shareholder value creation. The performance measures for around one-fifth of participants are aligned fully or partially to those of the executive directors. For other participants, the appropriate measures are agreed with the individual business to reflect the strategy and role in the portfolio of the business. Measures include profit growth, returns, working capital management and strategic objectives, e.g. related to business transformation or ESG priorities. We also operate a cash LTIP to ensure long-term incentivisation for a wider population of senior managers and to reward performance in businesses, where relevant long-term targets can be set. All of our LTIPs have a performance period of at least three years with some being up to five years. Awards are made as a percentage of base salary.	Executive directors' LTIP grants up to 2021 were subject to achievement of EPS and ROACE performance conditions. From 2022 the LTIP was replaced with an RSP, granted by reference to a percentage of salary, which vest provided performance underpins are met. Vested shares are subject to a two-year holding period.
Pension	A pension/provident fund is offered to our employees in line with local market requirements and practices. Exceptions to this are countries where pension provision is not prevalent in the local market and/or is provided by the state. In the UK, newly appointed employees and executives of ABF companies are entitled to receive a Company pension contribution that matches their own contribution to a maximum of 10% of salary. They are eligible to take some or all of this as a cash alternative if subject to the lifetime or annual allowance. In certain countries, including the UK and Ireland, longer-serving employees continue to participate in and accrue benefits under defined benefit pension schemes which are closed to new members.	Executive directors are eligible to receive a Company pension contribution of up to 10% of salary in line with the wider workforce in the UK. They are eligible to take some or all of this as a cash alternative if subject to the lifetime or annual allowance.
Benefits	In our decentralised model, we expect our businesses to ensure that core benefits provided to employees in each country remain appropriate and local market competitive. For example, in our African sugar businesses outside South Africa, we have on-site clinics/hospitals (dependent on country) available to employees and their families to ensure that they have access to healthcare. In other locations such provision may be through the state or may be covered by insurances that we offer as a benefit to employees.	Executive directors receive benefits which consist primarily of the provision of a company car/allowance and health cover. In addition, executive directors are eligible for benefits available to the wider head office workforce.

CEO Pay Ratio

Year	Methodology used	Lower quartile	Median	Upper quartile
2023/24	Option B	236:1	218:1	184:1
2022/23	Option B	196:1	166:1	131:1
2021/22	Option B	114:1	104:1	85:1
2020/21	Option B	171:1	155:1	115:1
2019/20	Option B	79:1	70:1	48:1
2018/19	Option B	253:1	238:1	169:1

We have chosen to use Option B of the available methodologies to calculate our CEO Pay Ratio. Given the complexity of our Group, this approach enables us to use existing gender pay data for Great Britain (GB) as a foundation for our calculations. We determined the hourly rates at each quartile of our 5 April 2024 gender pay data then calculated the average annual salary and total remuneration for each quartile as each point represents multiple individuals. We pro-rated the data for part-time individuals to reflect full-time equivalent remuneration and excluded leavers from the calculation.

The increase in the pay ratio reflects the increase in incentive outcomes this year for the Chief Executive. We are pleased that the remuneration levels for our GB-based employees have increased year-on-year by 12.4% at the median.

Whilst based on data for GB only, this year's pay ratio reflects the relationship between the Chief Executive's pay and the experience of UK employees as a whole. Many of our early career employees are in Primark and this affects the data, with those in the food businesses typically later in their careers and with remuneration at higher levels in line with their skills and experience.

	Lower quartile	Median	Upper quartile
Salary for GB-based employees	£24,089	£24,433	£29,960
Single figure of total remuneration for GB-based employees	£25,665	£27,709	£32,868

Annual percentage change in remuneration of directors and employees

	% change in salary/fees				% change in benefits ⁵				% change in cash STIP ⁶			
	2024	2023	2022	2021	2024	2023	2022	2021	2024	2023	2022	2021
George Weston ¹	5.90 %	3.14 %	0.15 %	33.09 %	0.74 %	5.88 %	5.45 %	–	33.16 %	33.83 %	0.04 %	100.00 %
Eoin Tonge ¹	67.41 %	n/a	n/a	n/a	62.13 %	n/a	n/a	n/a	116.70 %	n/a	n/a	n/a
Michael McLintock ³	3.90 %	3.56 %	0.96 %	15.19 %	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Richard Reid ^{2,4}	2.72 %	3.52 %	(2.07)%	42.16 %	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Graham Allan ²	21.59 %	15.79 %	1.33 %	15.38 %	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Heather Rabbatts ²	20.69 %	14.47 %	1.33 %	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Emma Adamo ²	3.85 %	2.63 %	1.33 %	15.38 %	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wolfgang Hauser ²	(65.38)%	2.63 %	1.33 %	15.38 %	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Annie Murphy	1,300.00 %	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Kumsal Bayazit Besson	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lorraine Woodhouse	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average ABF plc UK employee	5.60 %	2.10 %	9.50 %	4.70 %	(0.60)%	(1.50)%	15.10 %	3.90 %	22.90 %	9.30 %	13.50 %	167.00 %

- George Weston and Eoin Tonge's salary rates increased by 4.5%, which was lower than the rate of 5% that applied for other head office employees. The increases for employees shown in the table above also reflect changes in the number of roles in the head office.
- The NED fee increased from £78,250 to £81,750 in December 2023.
- Michael McLintock's fee increased from £440,000 to £460,000 in December 2023.
- The additional fee for responsibility for workforce engagement has remained flat at £25,000 and the Senior Independent Director fee increased from £24,500 to £25,000 in December 2023. There was no change to other additional responsibility fees in the period, but the change in the base NED fee detailed above applies to these roles.
- Benefits data is calculated on the same basis as the benefits data in the single total figure table on page 114 and includes benefits in kind and benefits taken in cash but excludes any pension allowances.
- Includes cash STIP payments only.

Note: % change being based on whole numbers

2024 gender pay gap reporting

Women comprise 57% of our total global workforce. We have chosen to report on the gender pay gap that relates to our employee population in Great Britain (GB) as of 5 April 2024. However, more than half of our workforce is employed outside Great Britain and is not part of this analysis. Consistent with last year we have presented data for the whole Group and for the Group without Primark in Great Britain.

ABF Group businesses in GB	2024	2023	ABF Group businesses in GB (excluding Primark)	2024	2023
Women's mean hourly pay rate is below that of men by	25.6 %	28.2 %	Women's mean hourly pay rate is above that of men by	4.6 %	3.6 %
Women's median hourly pay rate is below that of men by	15.2 %	18.9 %	Women's median hourly pay rate is above that of men by	7.3 %	10.2 %
Women's mean bonus pay rate is below that of men by	41.6 %	27.0 %	Women's mean bonus pay rate is below that of men by	43.3 %	24.1 %
Women's median bonus pay rate is above that of men by	57.4 %	21.8 %	Women's median bonus pay rate is above that of men by	29.9 %	29.8 %
Percentage of men who received a bonus	23.9 %	26.6 %	Percentage of men who received a bonus	46.4 %	50.8 %
Percentage of women who received a bonus	8.5 %	7.9 %	Percentage of women who received a bonus	65.8 %	66.5 %

Gender pay and bonus gaps are calculated by comparing the mean (average) and median (central value in the data list) measures for women to that of men and identifying the percentage difference between the two. 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 their website.

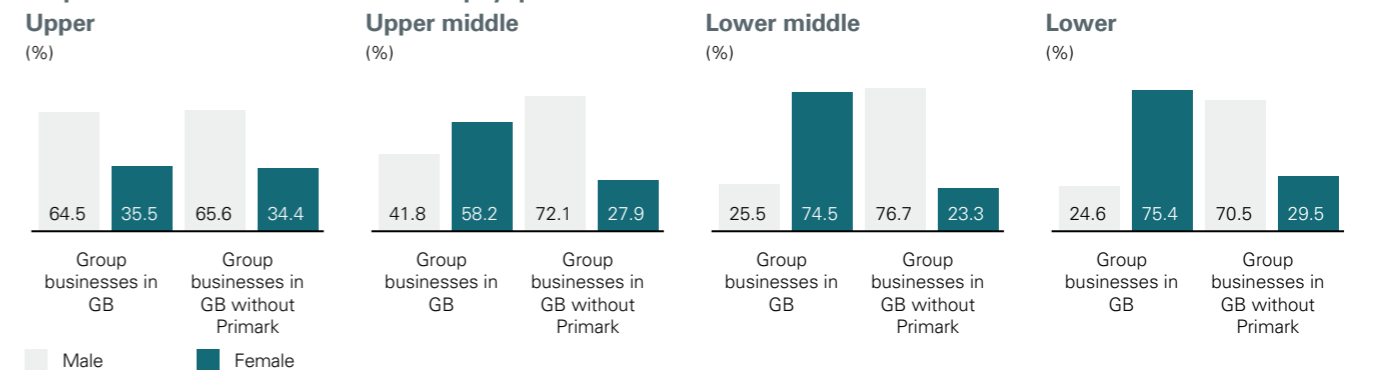
Group

The Group gender pay gap has improved as the number of women at senior levels is increasing (see page 60), though it remains in favour of men. A significant number of female employees work in retail, with 75.4% of roles in the lower pay quartile taken by women.

Whilst the gender balance at the top of the Group is changing, it is slow due to long tenure. Balancing long tenure, fresh external insights and the need for diverse thinking is a focus across our businesses. We support new colleagues to build strong internal networks so that they can more quickly understand the organisation.

The greater presence of senior men in the bonus pool has a distorting effect on the mean bonus gap. The median bonus gap, which includes recognition awards, is in favour of women. Recognition awards are smaller in quantum and often given to men with long service in the manufacturing environment. They are compared to bonuses for women in middle management.

Proportion of men and women in each pay quartile



Food businesses

In the food businesses 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.

Primark

The Primark gender pay data can be found on their website. At median we have only a 0.8% gender pay gap in Primark.

Ethnicity data

This year for the first time, we have collated ethnicity information for nearly all of our businesses in Great Britain. We are pleased that almost three-quarters of our employees have shared their ethnicity with us, with only 0.4% choosing 'prefer not to say'. We believe this indicates a high level of trust in the business.

We need to undertake more work to fully understand our ethnicity pay gap data and to support those businesses that do not yet collect this data to do so. This will enable our businesses to make appropriate action plans and to continue their focus on ensuring that all employees can progress their careers with us, regardless of their background or any protected characteristics.

Executive directors' shareholding and scheme interests

Scheme interests (audited information)

The table below details the conditional share interests held by the executive directors as at 14 September 2024. The awards made before December 2022 were made in line with the 2019 Remuneration Policy.

LTIP, RSP and Buyout Awards

Vesting of LTIP awards is subject to meeting performance conditions over the performance period. RSP awards are expected to vest in full, subject to meeting performance underpins. A further two-year post-vesting holding period applies to net of tax vested shares for LTIP and RSP awards.

Scheme	Award date	Maximum award			End of performance period	Shares vesting			Release date
		% of salary	Face value at grant £000	Market price at grant ¹		Maximum	Target (50% of maximum)	Threshold (10% of maximum)	
George Weston	19/11/21	200 %	2,180	1,974.7p	14/09/24	110,397	55,199	11,040	19/11/24
Weston	09/12/22	100 %	1,158	1,665.3p	13/09/25	69,537	N/A	N/A	17/11/25
	23/11/23	125 %	1,447	2,361.6p	12/09/26	61,293	N/A	N/A	23/11/26
Eoin Tonge	03/03/23	125 %	906	1,665.3p	13/09/25	54,420	N/A	N/A	17/11/25
	23/11/23	125 %	906	2,361.6p	12/09/26	38,374	N/A	N/A	23/11/26
Unvested M&S buyout									
PSP 21-24 buy out ³	03/03/23	N/A	1,358	1,604.6p	14/09/24	84,611	42,306	8,461	01/11/24
DSBP buy out ⁴	03/03/23	N/A	570	1,604.6p	N/A	35,511	N/A	N/A	01/07/25
PSP 22-25 buy out ⁵	03/03/23	N/A	113	1,604.6p	13/09/25	7,068	N/A	N/A	01/11/25

- The price used to determine the number of shares allocated under the LTIP and RSP is the average closing price on the five trading days immediately preceding the main allocation in November/December each year. The details of the buyout awards for Eoin Tonge, including the price used to determine the number of shares allocated was agreed as part of his joining arrangements as set out on page 146 of our 2022 Annual Report.
- The performance underpins that apply to these RSP allocations are the same as those set out for RSP 2024-27 on page 117.
- See page 116 for details of performance measures.
- Performance conditions were met in July 2023 and the shares will vest on 01/07/25.
- Net vested shares to be retained until 01/07/27, underpins apply in line with those on the 2023-26 RSP award.

STIP – shares

The number of deferred STIP shares released is determined based on the achievement of the STIP performance conditions.

Scheme	Award date	% of salary	Maximum award			Deferred awards				
			Face value at grant £000	Market price at grant ¹	End of performance period	Maximum shares	Shares lapsed for performance	Shares subject to service condition	Release date	
George Weston	Deferred awards	19/11/21	50 %	545	1,974.7p	17/09/22	27,599	14,233	13,366	19/11/24
		09/12/22	50 %	579	1,665.3p	16/09/23	34,769	11,415	23,354	17/11/25
		23/11/23	50 %	579	2,361.6p	14/09/24	24,517	3,523	20,994	23/11/26
Eoin Tonge	Deferred awards	03/03/23	50 %	312	1,665.3p	16/09/23	18,745	6,154	12,591	17/11/25
		23/11/23	50 %	363	2,361.6p	14/09/24	15,350	2,206	13,144	23/11/26

- The share price used for determining the number of shares in an allocation is the average closing price on the five trading days immediately preceding the main annual award date. The awards to Eoin Tonge in 2023 were made at the same share price as those for the main award.

Executive directors' shareholding requirements (audited information)

The interests below as at 14 September 2024 remained the same at 5 November 2024. George Weston has met our shareholding requirement. Since joining the business, Eoin Tonge has begun to build a holding of ABF shares.

	Holding requirement	Beneficial	Beneficial as % of salary	LTIP/RSP/buyout awards subject to performance condition/underpins	Unvested deferred STIP/buyout awards	Total 14 September 2024	Total 16 September 2023
George Weston							
Wittington Investments Limited, ordinary shares of 50p	n/a	15,181	n/a	n/a	n/a	15,181	15,061
Associated British Foods plc, ordinary shares of 5 ¹⁵ / ₂₂ p	250% of salary	3,836,046	6707 %	241,227	57,714	4,134,987	4,133,596
Eoin Tonge							
Associated British Foods plc, ordinary shares of 5 ¹⁵ / ₂₂ p	250% of salary	50,855	142 %	135,373	110,346	296,574	245,056

- Calculated using share price as at close of business on 13 September 2024 of 2,189p and rate of base salary as at 14 September 2024.
- George Weston is a director of Wittington Investments Limited which, together with its subsidiary Howard Investments Limited, held 421,243,985 ordinary shares in Associated British Foods plc as at 14 September 2024.

Directors' service contracts/letters of appointment

	Date of appointment	Date of current contract/letter of appointment	Notice from Company	Notice from individual	Unexpired period of service contract
Executive Directors					
George Weston	19/04/99	01/06/05	12 months	12 months	Rolling contract
Eoin Tonge	06/02/23	20/07/22	12 months	12 months	Rolling contract
Non-executive Directors					
Michael McLintock	01/11/17	11/04/18	6 months	6 months	Letter of appointment
Emma Adamo	09/12/11	09/12/11	6 months	6 months	Letter of appointment
Richard Reid	14/04/16	13/04/16	6 months	6 months	Letter of appointment
Graham Allan	05/09/18	05/09/18	6 months	6 months	Letter of appointment
Heather Rabbatts	01/03/21	16/02/21	6 months	6 months	Letter of appointment
Annie Murphy	06/09/23	31/05/23	6 months	6 months	Letter of appointment
Kumsal Bayazit Besson	01/12/23	21/08/23	6 months	6 months	Letter of appointment
Loraine Woodhouse	01/10/24	04/09/24	6 months	6 months	Letter of appointment

Copies of service contracts are available for inspection at the Company's head office.

Payments to past directors and payments for loss of office (audited information)

The only payments made to John Bason in relation to his role as Finance Director since his retirement are those detailed on page 147 of our 2022 annual report in respect of his participation in incentive schemes up to his leaving date.

In line with those terms 37,981 shares in respect his 2021 LTIP award will vest on 19 November 2024, reflecting the performance assessment of 96.75% of maximum (see page 116 for details), and time pro-rating for the 19 out of 36 months of the performance period that he worked. Consistent with the terms of this award he will receive dividend equivalent payments of £60,276.

His 2021 STIP share award will also vest on 19 November 2024 following the completion of the deferral period.

No payments for loss of office were made in the year.

Executive directors serving as non-executive directors

To encourage self-development and external insight, the Committee has determined that, with the consent of both the Chairman and the Chief Executive, executive directors may serve as non-executive directors of other companies in an individual capacity, retaining any fees earned. Neither individual currently holds such other roles.

Non-executive Directors' remuneration (audited information)

	Fees		Fixed pay		Variable pay		Single total figure of remuneration	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Michael McLintock	453	436	453	436	–	–	453	436
Richard Reid	151	147	151	147	–	–	151	147
Emma Adamo	81	78	81	78	–	–	81	78
Wolfhart Hauser ¹	27	78	27	78	–	–	27	78
Graham Allan ²	107	88	107	88	–	–	107	88
Heather Rabbatts ³	105	87	105	87	–	–	105	87
Annie Murphy ⁴	78	6	78	6	–	–	78	6
Kumsal Bayazit Besson ⁵	65	–	65	–	–	–	65	–
Loraine Woodhouse ⁶	–	–	–	–	–	–	–	–

1. Wolfhart Hauser left the Board on 18 January 2024.
2. Graham Allan was appointed as Remuneration Committee Chair on 1 May 2023.
3. Heather Rabbatts was appointed as Senior Independent Director on 1 May 2023.
4. Annie Murphy joined the Board on 6 September 2023.
5. Kumsal Bayazit Besson joined the Board on 1 December 2023.
6. Loraine Woodhouse joined the Board on 1 October 2024.

Non-executive Directors' remuneration

Non-executive directors' fees were reviewed during 2024 and it was determined that increases should be made as shown below.

	Fees effective 1 Dec 2024	Fees effective 1 Dec 2023
Chairman	£476,500	£460,000
Additional fee for Senior Independent Director responsibilities	£25,000	£25,000
Additional fee for Committee Chair (Audit/Remuneration only)	£27,000	£27,000
Additional fee for responsibility for workforce engagement	£25,000	£25,000
Director	£85,000	£81,750

Non-executive Directors' shareholdings and share interests (audited information)

The following shareholdings are ordinary shares of Associated British Foods plc unless stated otherwise. The interests remained the same at 5 November 2024.

	Total ¹ 14 September 2024	Total 16 September 2023	2024 total holding as % of annual fee
Michael McLintock	24,000	24,000	116 %
Richard Reid	3,347	3,347	49 %
Emma Adamo ²			
Wittington Investments Limited, ordinary shares of 50p	1,011	1,011	–
Associated British Foods plc, ordinary shares of 5 ¹⁵ / ₂₂ p	511,234	511,234	13,887 %
Wolfhart Hauser ³	7,161	7,161	581 %
Graham Allan	10,000	10,000	204 %
Heather Rabbatts	395	–	8 %
Annie Murphy	1,830	–	52 %
Kumsal Bayazit Besson	2,930	–	99 %
Loraine Woodhouse	–	–	–

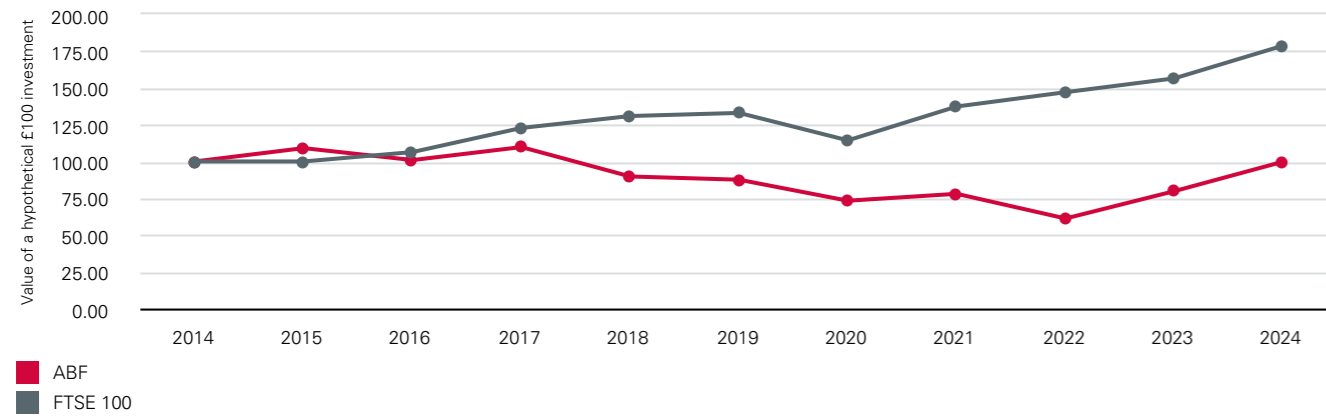
1. Calculated using share price as at close of business on 13 September 2024 of 2,189p.
2. Emma Adamo is a director of Wittington Investments Limited which, together with its subsidiary, Howard Investments Limited, held 421,243,985 ordinary shares in Associated British Foods plc as at 14 September 2024.
3. Wolfhart Hauser's shareholding is shown as at 18 January 2024 when his appointment ended.

Total shareholder return (TSR) performance and Chief Executive's pay

The performance graph below illustrates the performance of the Company over the 10 years from September 2014 to September 2024 in terms of total shareholder return compared with that of the companies comprising the FTSE 100 index.

This index has been selected because it represents a cross-section of leading UK companies and Associated British Foods is a part of the index.

In addition, the table below the graph provides a summary of the total remuneration of the Chief Executive over the last 10 years.



Source: DataStream Return Index

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Single total figure remuneration (£'000)	3,056	3,133	4,849	3,843	4,204	1,138	3,329	2,286	4,316	6,053
Annual variable element – STIP (% of maximum)	44.46 %	86.75 %	97.47 %	50.34 %	73.37 %	0.00 %	52.50 %	51.09 %	67.17 %	85.63 %
Long-term variable element – LTIP (% of maximum)	18.54 %	0.00 %	51.02 %	100.00 %	57.13 %	0.00 %	40.00 %	0.00 %	58.46 %	96.75 %

Relative importance of spend on pay

A year-on-year comparison of the relative importance of pay with significant distributions to shareholders and taxes paid is shown below. Taxes paid represents part of our societal contribution, alongside the activities detailed in our Responsibility Report.

	2024 £m	2023 £m	Change %
Pay spend for Group	3,408	3,158	8
Dividends relating to period	666	459	45
Taxes paid	340	341	–

Shareholder voting

We were pleased last year that 99.69% of our investors supported the Directors' Remuneration Report, as shown below.

Resolution	Dates of AGM	Votes for	Votes against	Votes withheld
Directors' Remuneration Policy 2022	December 2022	92.37 %	7.63 %	2,539,398
Directors' Remuneration Report 2023	December 2023	99.69 %	0.31 %	101,291

We look forward to reconnecting with investors on the topic of executive remuneration over the course of 2024/25 as we review our Remuneration Policy.

Members of the Remuneration Committee

In the financial year and as at the date of this report, members and Chair of the Committee have been as follows:

	Role on Committee	Independence	Year of appointment	Meetings attended
Wolfhart Hauser	Member	Independent Director (until January 2024)	2015	2/2
Richard Reid	Member	Independent Director	2016	4/4
Michael McLintock	Member	Chairman	2017	4/4
Graham Allan	Chair	Independent Director	2018	4/4
Heather Rabbatts	Member	Senior Independent Director	2021	3/4
Annie Murphy	Member	Independent Director	2023	4/4
Kumsal Bayazit Besson	Member	Independent Director	2023	3/3
Loraine Woodhouse	Member	Independent Director	2024	0/0

The Chairman was considered independent on appointment and, as such, is a member of the Committee. George Weston (Chief Executive), Sue Whalley (Chief People and Performance Officer) and Julie Withnall (Group Director of Reward) attend the meetings of the Committee. No individual is present when their own remuneration is considered.

Role of the Committee

The Committee is responsible to the Board for determining:

- the Remuneration Policy for the executive directors and Chairman, considering internal and external trends on remuneration;
- the overall policy for remuneration of the Chief Executive's direct reports;
- the design and monitoring of the operation of any Company share plans;
- stretching performance targets for executive directors to encourage enhanced performance;
- an approach that fairly and responsibly rewards contribution to the Company's long-term success; and
- the specific terms and conditions of employment of each executive director, ensuring that contractual terms and payments made on termination are fair to the individual and Company, that failure is not rewarded and loss is mitigated.

The Committee's remit is set out in detail in its terms of reference, which are reviewed regularly to ensure that they are compliant with the latest corporate governance requirements and were most recently updated in November 2022. They are available from the corporate governance section of our website at www.abf.co.uk.

Remuneration Committee advisers and fees

Following a competitive tender the Committee appointed Deloitte LLP (Deloitte) in March 2020 to provide independent advice to the Committee. Deloitte are members of the Remuneration Consultants Group and adhere to its Code of Conduct in relation to executive remuneration consulting. The Committee is satisfied that the advice it received in the year was objective and independent and that Deloitte did not have any connections with the Company or any individual directors which may impair their independence. This advice included independent meetings with the Committee Chair during the year. During the year, other services that Deloitte provided to the Company were corporate and employment tax advice, advice related to transactions, and risk and controls-related advisory work. The fees paid to Deloitte for Committee assistance over the past financial year totalled £100,100.

Herbert Smith Freehills LLP and Addleshaw Goddard LLP provide the Company with legal advice. Their advice is made available to the Committee, where it relates to matters within its remit.

Compliance

Where information in this report has been audited by Ernst & Young LLP, it has been clearly indicated. The report has been prepared in line with the requirements of The Large and Medium-sized Companies Regulations (as amended), the recommendations of the UK Corporate Governance Code (July 2018) and the requirements of the UK Listing Rules.

The Directors' Remuneration Report was approved by the Board and signed on its behalf by

Paul Lister
Company Secretary

5 November 2024

Directors' Report

The directors of Associated British Foods plc present their report for the 52 weeks ended 14 September 2024, in accordance with section 415 of the Companies Act 2006. The Financial Conduct Authority's Disclosure Guidance and Transparency Rules and UK Listing Rules also require the Company to make certain disclosures, some of which have been included in other appropriate sections of the Annual Report and Accounts.

The information set out on page 131 and the following cross-referenced material, which would otherwise be required to be disclosed in this Directors' Report, is incorporated into this Directors' Report:

- likely future developments in the Group's business (pages 1 to 47);
- greenhouse gas emissions and energy consumption (page 62 to 63);
- the Board of Directors (pages 90 and 91);
- information on our employees including disabled persons (pages 58 to 60; 101 to 102; 121);
- information on how the directors keep employees informed on and involved with the Company's performance (pages 48; 95 to 96);
- information on how the directors have engaged with employees (including those in the UK), have had regard to employee interests and the effect of that regard on the Company's principal decisions (pages 48 to 53; 58 to 60; 95 to 96);
- information on how the directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others and the effect of that regard, including on the principal decisions taken by the Company during the year (pages 48 to 65); and
- the Corporate Governance Statement (pages 88 to 127).

Results and dividends

The consolidated income statement is on page 142. Profit for the financial year attributable to equity shareholders amounted to £1,455m.

The directors recommend a final dividend of 42.3p per ordinary share to be paid, subject to shareholder approval, on 10 January 2025. Together with the interim dividend of 20.7p per share paid on 5 July 2024, this amounts to 63.0p for the year. See page 162 for the note on dividends. In addition, a special dividend of 27.0p is proposed by the directors as an interim dividend which will also be paid on 10 January 2025 to holders of ordinary shares on the register at the close of business on 13 December 2024. Shareholder approval for this special dividend is not required.

Directors

The names of the persons who were directors of the Company during the financial year and as at 5 November 2024 appear on page 97.

Appointment of directors

The Articles give directors the power to appoint and replace directors. Under the terms of reference of the Nomination Committee, any appointment must be recommended by the Nomination Committee for approval by the Board. A person who is not recommended by the directors may only be appointed as a director where details of that director have been provided at least seven and not more than 35 days prior to the relevant meeting by at least two members of the Company.

The Articles require all directors to retire and seek re-election at each AGM in line with the 2018 Code.

Details of unexpired terms of directors' service contracts are set out in the Directors' Remuneration Report on page 124.

Power of directors

The directors are responsible for managing the business of the Company and may exercise all the powers of the Company subject to the provisions of relevant statutes, to any directions given by special resolution and to the Articles. The Articles, for example, contain specific provisions and restrictions concerning the Company's power to borrow money. Powers relating to the issuing of shares are also included in the Articles and such authorities are renewed by shareholders at the AGM each year.

Directors' indemnities and insurance

The directors of a subsidiary company that acts as trustee of a pension scheme benefitted from a qualifying pension scheme indemnity provision during the financial year and at the date of this report.

The Company has in place appropriate directors' and officers' liability insurance cover in respect of legal action against its executive and non-executive directors, amongst others.

Directors' share interests

Details regarding the share interests of the directors (and their persons closely associated) in the share capital of the Company, including any interests under the Restricted Share Plan, LTIP and any deferred awards, are set out in the Directors' Remuneration Report on pages 123 and 125.

Disclosures required under UK Listing Rule 6.6.1R

The following table is included to meet the requirements of UK Listing Rule 6.6.1R. The information required to be disclosed by UK Listing Rule 6.6.1R, where applicable to the Company, can be located in the Annual Report at the references set out below.

Information required	Location in Annual Report
(1) Amount of interest capitalised by the Group	Note 4 on page 160
(3) Long term incentive scheme	See page 122
(11) Shareholder waiver of dividends	Note 24 on page 181
(12) Shareholder waiver of future dividends	Note 24 on page 181
(13) Board statement on carrying on business independently from controlling shareholders	Directors' Report on page 129

Paragraphs (2), (4), (5), (6), (7), (8), (9) and (10) of UK Listing Rule 6.6.1R are not applicable.

Relationship with controlling shareholders

Any person who exercises or controls, on their own or together with any person with whom they are acting in concert, 30% or more of the votes able to be cast at general meetings of a company is known as a 'controlling shareholder' under the UK Listing Rules.

Wittington Investments Limited ('Wittington') and, through their control of Wittington, the trustees of the Garfield Weston Foundation (the 'Foundation') are controlling shareholders of the Company. Certain other individuals, including certain members of the Weston family who hold shares in the Company (and including two of the Company's directors, George Weston and Emma Adamo) are, under the UK Listing Rules, treated as acting in concert with Wittington and the trustees of the Foundation and are therefore also treated as controlling shareholders of the Company. Wittington, the trustees of the Foundation and these individuals together comprise the controlling shareholders of the Company and, as at 14 September 2024, had a combined interest in approximately 60.3% of the Company's voting rights.

On 14 November 2014 the Company entered into a relationship agreement with Wittington and the trustees of the Foundation (the 'Relationship Agreement') as required by the then provisions of the UK Listing Rules. The Relationship Agreement remains in force and contains certain independence-related undertakings from the controlling shareholders.

The Board confirms that, as required by UK Listing Rule 6.6.1(13)R, the Company is able to carry on the business it carries on as its main activity independently from its controlling shareholders at all times.

Major interests in shares

During the period under review, and up until 1 November 2024, the Company received the following formal notifications under the Disclosure Guidance and Transparency Rules of material interests in its shares:

Shareholder	Number of ordinary shares	% of issued share capital	Date of notification of interest
Wittington Investments Limited	421,243,985	56.1 %	3 June 2024

Further details of the Company's controlling shareholders for the purpose of the UK Listing Rules who, as at 14 September 2024, had a combined interest in approximately 60.3% of the voting rights, are set out above.

Share capital

Details of the Company's share capital and the rights attached to the Company's shares are set out in note 22 on page 179. The Company has one class of share capital: ordinary shares of 5¹⁵/₂₂p. The rights and obligations attaching to these shares are governed by English law and the Articles.

No shareholder holds securities carrying special rights with regard to the control of the Company. There are no restrictions on voting rights.

There are no restrictions on the holding or transfer of the ordinary shares other than the standard restrictions for an English incorporated company.

Authority to issue shares

At the last AGM, held on 8 December 2023, authority was given to the directors to allot shares in the Company up to an aggregate nominal amount equivalent to two thirds of the shares in issue (of which one third must be offered by way of rights issue). This authority expires on the date of this year's AGM to be held on 6 December 2024. No such shares have been issued. The directors propose to renew this authority at the 2024 AGM for the forthcoming year.

A further special resolution passed at the 2023 AGM granted authority to the directors to allot equity securities in the Company for cash, without regard to the pre-emption provisions of the Companies Act 2006 in certain circumstances. This authority also expires on the date of the 2024 AGM and the directors will seek to renew this authority for the forthcoming year.

Authority to purchase own shares

The Companies Act 2006 empowers the Company to purchase its own shares subject to the necessary shareholder approval. At the last AGM, authority was given to the directors to allow the Company to purchase its own shares. This authority expires on the date of this year's AGM. The directors propose to renew this authority at the 2024 AGM for the forthcoming year.

During the financial year, the Company continued to buy back shares under its announced share buyback programmes in order to reduce the capital of the Company. In the financial year, the Company purchased a total of 23,649,281 of its ordinary shares of 5¹⁵/₂₂p (being approximately 3.1% of called-up share capital) for a total consideration of approximately £557,710,000. All such shares were subsequently cancelled. Further details of the Company's share capital are set out on page 179.

Amendment to Articles

Any amendments to the Articles may be made in accordance with the provisions of the Companies Act 2006 by way of special resolution of the shareholders.

Significant agreements – change of control

The Group has contractual arrangements with many parties including directors, employees, customers, suppliers and banking groups. The following arrangements are considered to be significant in terms of their potential impact on the business of the Group as a whole and could alter or terminate on a change of control of the Company:

- the Group has a number of borrowing facilities provided by various banking groups. These facility agreements generally include change of control provisions which, in the event of a change of control of the Company, could result in their renegotiation or withdrawal. The most significant of these is a £1.5bn syndicated loan facility dated 9 June 2022, maturing in June 2029, which was undrawn at the year end. In the event of a change in control of the Company, the lenders may request cancellation of the commitment and repayment of any outstanding amounts; and

- on 16 February 2022, the Company issued £400m 2.5% Notes due 16 June 2034 ('the Notes'). In the event of a change of control of the Company, in certain circumstances set out in the Terms and Conditions of the Notes as set out in the Prospectus dated 14 February 2022 (which is available on the Company's website at www.abf.co.uk), noteholders shall have the option to require the Company to redeem or repay the notes at their principal amount together with interest accrued to (but excluding) the date of redemption or purchase.

There are no agreements between the Company and its directors or employees providing for compensation for loss of office or employment that occurs as a result of a takeover bid.

Political donations

During the year, the Group did not make any political donations or incur any political expenditure (within the ordinary meaning of those words) in the UK. However, under the wider definition of those terms in Part 14 of the Companies Act 2006, the Company and subsidiaries of the Company paid costs totalling approximately £12,200, predominantly relating to attendance of employees at events at the Conservative and Labour Party Conferences, which could potentially fall within that wider definition. The Group did not make any contributions to non-UK political parties during the year.

Charitable donations

Companies within the Group contribute significant sums to charities of their choice. In addition, the dividends paid by the Company to its shareholders are the principal source of funding of the Garfield Weston Foundation. The Foundation is one of the UK's leading grant-making charitable institutions and, in its last financial year, donated some £100m to charities.

Financial risk management

Details of the Group's use of financial instruments, together with information on our risk management objectives and policies, including the policy for hedging each major type of forecasted transaction for which hedge accounting is used, and our exposure to price, credit, liquidity, cash flow and interest rate risks, can be found in note 26 starting on page 183.

Research and development

Innovative use of existing and emerging technologies will continue to be crucial to the successful development of new products and processes for the Group.

The Company has a technical centre in the UK at the Allied Technical Centre. R&D facilities also exist across the Group, including at: ACH Food Companies in the USA; AB Mauri in Australia and the Netherlands (including the Global Technology Centre); AB Enzymes in Germany; and our (now wholly-owned) Roal pilot plant in Rajamäki, Finland. These centres support the technical resources of the trading divisions in the search for new technology and in monitoring and maintaining high standards of quality and food safety. The Company also acquired National Milk Records plc in 2023 which invests in an innovative range of milk quality, herd health and genomic testing services, generating data and building robust insights that empower farmers to make informed decisions on cow productivity.

Branches

The Company, through various subsidiaries, has established branches in a number of different countries in which the Group operates.

Disclosure of information to auditor

Each of the directors who held office at the date of approval of this Directors' Report confirms that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

For these purposes, relevant audit information means information needed by the Company's auditor in connection with the preparation of its report on pages 132 to 139.

Auditor

Resolutions for the reappointment of Ernst & Young LLP as auditor of the Company and to authorise the Audit Committee to determine its remuneration are to be proposed at the forthcoming AGM.

Annual general meeting

The AGM will be held on 6 December 2024 at 11.00 am. Details of the resolutions to be proposed are set out in a separate Notice of AGM which accompanies this report for shareholders receiving hard copy documents and which is available at www.abf.co.uk for those who elected to receive documents electronically. All resolutions for which notice has been given will be decided on a poll.

The Directors' Report was approved by the Board and signed on its behalf by

Paul Lister
Company Secretary

5 November 2024

Associated British Foods plc
Registered office:
Weston Centre
10 Grosvenor Street
London W1K 4QY

Company No. 293262

Statement of directors' responsibilities

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with Adopted IFRS and have elected to prepare the parent company financial statements in accordance with UK Accounting Standards, including FRS 101.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of their profit or loss for that period.

In preparing each of the Group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with Adopted IFRS;
- for the parent company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the parent company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the directors in respect of the Annual Report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board

Michael McLintock
Chairman

George Weston
Chief Executive

Eoin Tonge
Finance Director

5 November 2024