

Associated
British Foods
plc

Responsibility Report 2023

Investing for tomorrow Delivering today





ABOUT OUR RESPONSIBILITY REPORT 2023

This Report covers the scope of environmental, social and governance (ESG) factors of Associated British Foods plc (ABF)¹. It focuses on the most significant environmental and social risks, opportunities and impacts facing our businesses, and how we are responding.



Our ESG agenda is shaped by the leaders within each of our businesses. Environmental and social challenges differ by business and geography, and local knowledge is vital to setting and implementing meaningful programmes and delivering for stakeholders. As such, the structure of the Report reflects the diversity of our business segments.

Following an introduction to the Group and our six key material topics, each chapter of this Report focuses on one of our five business segments – Grocery, Ingredients, Agriculture, Sugar, Retail.

The risks, opportunities and impacts of greatest significance for the various businesses within that segment are discussed.

This Responsibility Report 2023 was published in November 2023 and, unless otherwise indicated, the information and data recorded relates to the period from 1 August 2022 to 31 July 2023. It has been independently assured by Ernst & Young (EY) against the International Federation of Accountants’ International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information – known as ISAE 3000 (Revised). EY has provided independent limited assurance over the 29 environment and safety key performance indicators (KPIs) for the year ended 31 July 2023 and those non-financial KPIs reported on page 13 of our Annual Report 2023. These are highlighted in this update with the symbol Δ.

1. In this report, references to “Associated British Foods”, “ABF”, the “Group”, “we”, “us”, and “our” are either to Associated British Foods plc and its subsidiaries and/or those who work for them generally, or where it is not necessary to refer to a particular entity, entities or persons. The use of those generic terms is for convenience only, and is in no way indicative of how the Group or any entity within it is structured, managed or controlled.



British Sugar plant, Wissington, UK



Allied Mills, Senior Engineer, Manchester, UK

Group

- 2 Chief Executive's introduction
- 3 Our business model
- 3 Our value chain
- 4 Our values
- 5 Our operating businesses
- 6 Governance
- 8 Materiality and stakeholders
- 11 Agriculture and farming practices
- 13 People in our supply chains and surrounding communities
- 15 Our people
- 18 Carbon and climate
- 21 Efficient resource use
- 24 Food and nutrition

Our operating segments

- 25 Grocery
- 38 Ingredients
- 48 Agriculture
- 59 Sugar
- 72 Retail

Appendices

- 86 Scope of reporting
- 87 Data and performance
- 98 Our impact on the Sustainable Development Goals
- 99 Climate-related Financial Disclosures (TCFD)
- 114 Independent Assurance Statement to Associated British Foods plc
- 120 Additional information for operating segments

Associated British Foods is a highly diversified group, with a range of food and ingredients businesses as well as our retail brand, Primark.

Investing for tomorrow Delivering today

Our purpose is to provide safe, nutritious and affordable food, and good quality clothing that is great value for money. We live and breathe our values through the work we do every day. They guide our behaviour and help us deliver long-term benefits for our people, suppliers, communities, customers and the environment.

These do not replace each business's own values, but rather consolidate and summarise the most common themes found across the Group.



Chief Executive's introduction

Investing for tomorrow, delivering today

As a business we have a clear sense of our social purpose. We work hard to provide safe, nutritious and affordable food and good quality, affordable clothing to millions of customers worldwide every day. Only if we do these things well should we make a profit.

But we can only do this if the global agricultural system allows us to. This system is under increasing pressure to provide for a growing population while responding to the challenges and impacts of climate change. Extreme weather events, increasing water stress, biodiversity loss and soil degradation are all adding to pressures within the system.

This year has demonstrably shown us the potential impact of extreme weather and climate change on our business with the devastating floods in Mozambique which wiped out the entire sugar crop. Our businesses continue to proactively adapt and put in place mitigation action, to build our resilience against these events. They also support a wide range of social and environmental interventions at farm level, across the globe, tailored to the locations in which they operate. These span management models including certified organic production, standards to promote wildlife biodiversity, engagement with smallholder growers in developing markets and the adoption of integrated farm management systems built on the principles of sustainable intensification. Our Responsibility Report highlights some of that action, as well as our Task Force on Climate-Related Financial Disclosures (TCFD) statement which includes additional information on the Group's climate related risks and opportunities.

At a Group level our priorities are clear: decarbonisation of British Sugar; building our understanding of Scope 3 emissions across the Group and then working with our suppliers to reduce them; water quality in AB Mauri; social factors within the Primark supply chain, as well as Illovo Sugar Africa, where concerted effort is being made to continuously enhance the housing on its estates. We will focus on these areas and our businesses' delivery against them. We also have an expectation that our businesses will set their own additional priorities as appropriate to them.

I am pleased with the ongoing progress being made by the Group, in particular ABF Sugar which accounts for 82% of the energy used by the Group in our own operations. Our Group Scope 1 and 2 emissions have now fallen by 39% since the Paris Agreement was signed in 2015. Our other businesses are also making good progress in reducing Scope 1 and 2 emissions.

We want to make sure our suppliers are also taking action, not least at Primark where its supply chain's carbon emissions dwarf those that originate from within the business. Beyond Primark more of our businesses are now measuring their Scope 3 emissions and we will be able to report on these more widely across the Group next year.

Our people are key to driving the necessary innovation and implementing the action required. It is only through their skills and capability that we will make necessary and timely progress. Our businesses thrive on the diversity of their people, so we are investing in programmes to help remove barriers to talent. We want to attract, recruit and retain the best people, ensuring they are stimulated by the jobs they do and equipped with the skills they need to succeed. We focus on equity and we are intent on providing inclusive working environments where everyone feels they can belong and excel. Their safety and wellbeing are also a priority, our people must be safe and feel safe when interacting with our businesses, both on site and on the move. Across the Group, we maintain a working environment that values and promotes safety, health and mental wellbeing.

We know there is always more to do, particularly in the lower tiers of the Group's supply chains, but we are making progress. I am delighted to say that the Primark Sustainable Cotton Programme celebrated its 10th anniversary this year. This year Primark has sold over 337 million products made from this cotton. As at the end of July 2023, 299,388 farmers have received training through the programme. Further details are included in this report, along with information for other businesses who are also working further into their supply chains.

We remain committed to doing the right thing for the long-term and to taking action now.

George Weston
Chief Executive
Associated British Foods plc




Our business model

We have a devolved operating model across our five business segments of Grocery, Ingredients, Agriculture, Sugar and Retail and believe the best way to create enduring value involves setting objectives from the bottom up rather than the top down.

We make and implement operational decisions locally, because in our experience decisions are most successful when made and owned by the people with the best understanding of their customers and markets. This accountability is highly motivating for our strong local management teams, encouraging an entrepreneurial approach that drives innovative business thinking.

The same is true of our ESG agenda, which is shaped by the leaders within each business who are closest to the opportunities and risks, and who benefit from detailed local knowledge, customer insights, and clear ownership of actions. It means ESG factors are not only taken into account within business strategy, they are put into effect by people at every level of the Group who are trusted and empowered to exercise good judgement and take action. The Group, or corporate centre, provides a framework for the sharing of ideas and best practice.

The Group is in constant dialogue with the people who run our businesses, giving our corporate leaders a comprehensive overview of their material opportunities and risks and enabling collaboration, where appropriate. Because the centre is small and uses short lines of communication, we can also ensure prompt and unambiguous decision-making. Our 2023 Annual Report, pages 10 to 11 shows how our business model works, from the discussion and scrutiny of each business by the Group leadership team to general oversight by the Board through our structured governance framework.



Read about our business model in our Annual Report on pages 10-11

Our value chain

Our businesses set out their strategies and choose how best to address their most material ESG risks, opportunities and impacts at relevant points in their value chains.

Supply chains

- Respecting human rights and labour rights
- Supporting surrounding communities
- Improving the environmental performance of our suppliers' farms and factories



Operations

- Focusing on climate change
- Making finite resources go further

People

- Prioritising all aspects of safety, health and wellbeing
- Championing diversity, equity and inclusion
- Engaging, supporting and developing our people



Products

- Providing safe, nutritious and affordable food
- Tackling plastic and packaging
- Enabling others to cut their carbon emissions
- Increasing the durability of clothing

Learn why these issues are important to each of our operating segments

Grocery: page 25	Ingredients: page 38	Agriculture: page 48	Sugar: page 59	Retail: page 72
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Our values

Our businesses aim to make a lasting contribution to society, delivering for our people, suppliers, communities, customers and the environment. They do so by following our established Group values.

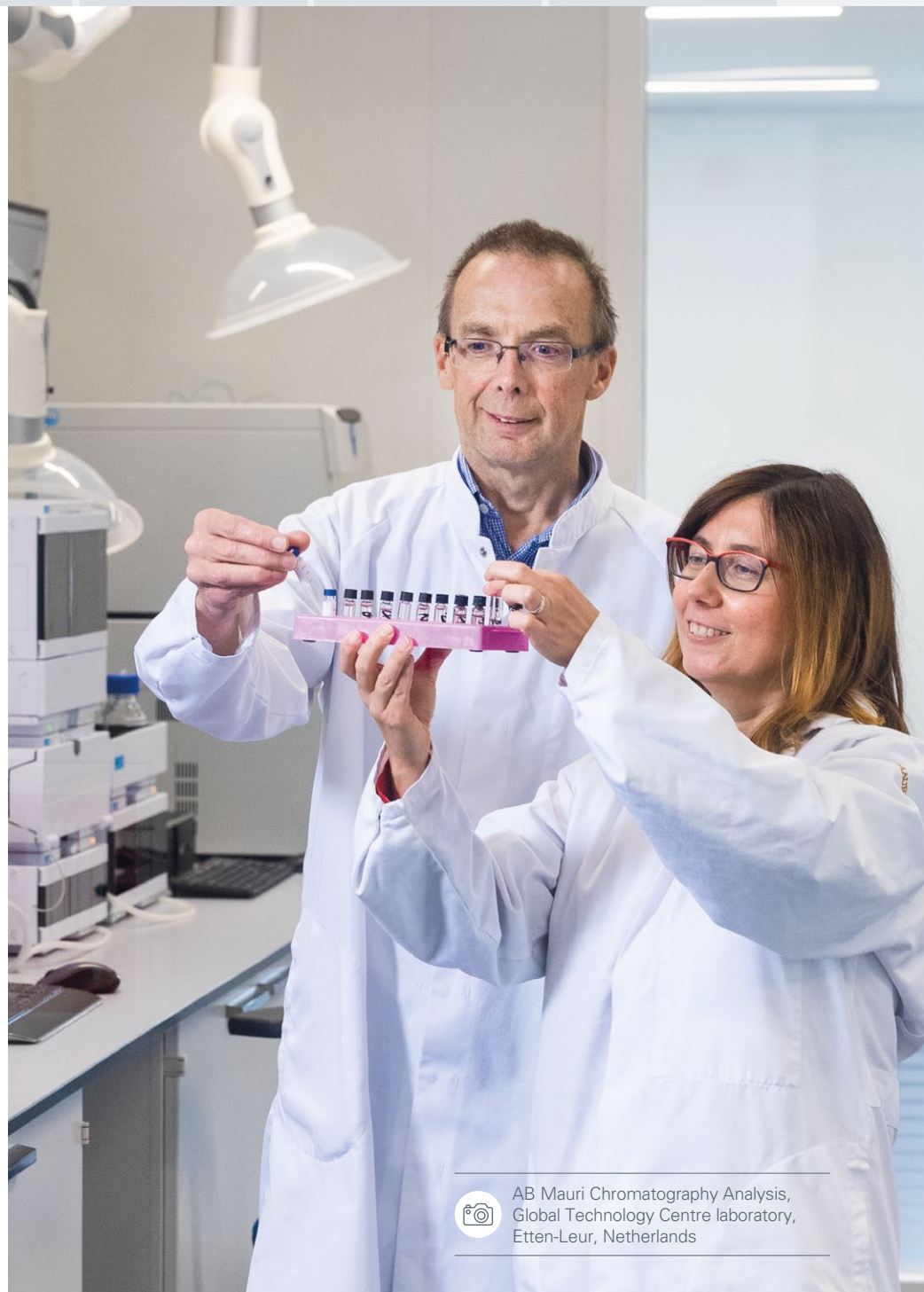
We strive to protect the dignity of everyone within and beyond our operations, so that the people who make our products feel safe, respected and included.

We proudly promote and protect a culture of trust, fairness and accountability that puts ethics first. From farms and factories right through to our boardroom, we are committed to embedding integrity into every action.



From the products we make, to the way we preserve the resources we rely on and support the people we work with, we are always learning and incorporating better practices. Across our businesses, we are partnering with industry experts to help us work towards the highest standards.

We work with others to leverage our global expertise for local good. Through collaboration with our stakeholders, including non-governmental organisations (NGOs), we are working to create safer, fairer working environments and promoting thriving, resilient communities.



AB Mauri Chromatography Analysis, Global Technology Centre laboratory, Etten-Leur, Netherlands



Our operating businesses

Twinnings and Ovaltine are enjoyed in more than 100 countries worldwide

[Read more on page 25](#)

Grocery

Our Grocery division employs more than 15,000 people and comprises brands which occupy leading positions in markets across the globe. In the UK, nine out of 10 households use our brands. Our Twinnings and Ovaltine brands are enjoyed in more than 100 countries worldwide.

Revenue
£4,198m
(2022: £3,735m)

Adjusted operating profit
£448m
(2022: £399m)

Retail

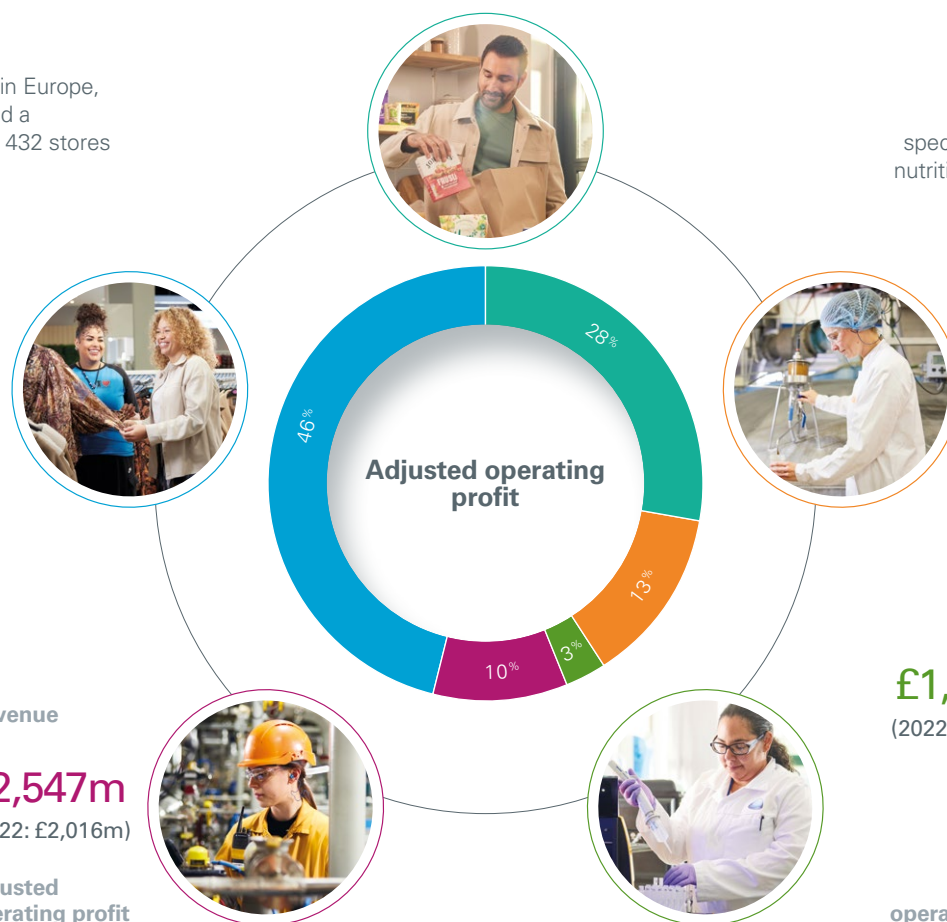
Primark is one of the largest clothing retailers in Europe, with the highest sales by volume in the UK and a growing presence in the US. In total, we have 432 stores in 16 countries across Europe and the US.

One of the fastest-growing fashion retailers in Europe

[Read more on page 72](#)

Revenue
£9,008m
(2022: £7,697m)

Adjusted operating profit
£735m
(2022: £756m)



Ingredients

Our Ingredients businesses are leaders in yeast and bakery ingredients as well as in specialty ingredients for the food, human and animal nutrition, pharmaceutical and various other industries.

A global leader of specialty yeast ingredients

[Read more on page 38](#)

Revenue
£2,157m
(2022: £1,827m)

Adjusted operating profit
£214m
(2022: £159m)

Sugar

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

One of the largest sugar producers in the world

[Read more on page 59](#)

Revenue
£2,547m
(2022: £2,016m)

Adjusted operating profit
£169m
(2022: £162m)

Agriculture

AB Agri is an international agri-food business and a leader in the UK. We supply farm performance services, animal feed, specialty ingredients and supplements to farms, feed manufacturers, food producers and retailers.

The UK's largest animal feed business

[Read more on page 48](#)

Revenue
£1,840m
(2022: £1,722m)

Adjusted operating profit
£41m
(2022: £47m)



Governance

All our businesses operate within a clear governance framework defined by the Group. Our devolved business model gives businesses autonomy to operate in ways that aim to create enduring economic, environmental and social value.

The Board has overall responsibility for the general oversight of ESG factors across the Group. It reviews each business segment every year, including a review of ESG issues.

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

- our Director of Legal Services and Company Secretary who reports to the Chief Executive and has responsibility for ESG issues. He acts as the focal point for communications to the Board and shareholders on ESG matters;
- our Chief People and Performance Officer (CPPO) who reports to the Chief Executive and has responsibility for all employee matters, including safety, mental health, financial wellbeing, employee development, workforce engagement and diversity, equity and inclusion (DEI), as well as initiatives within procurement in our supply chains, the coordination of environmental reporting across our operations, and how we ensure security for our people and assets; and
- our Group Corporate Responsibility Director who leads the Group's Corporate Responsibility Hub team.

The Corporate Responsibility Hub is a central resource available to all our businesses, which provides support to them as required on environmental and human rights issues. It provides a network that brings together professionals across the Group working in these areas, the Corporate Responsibility (CR) Leads, so that they can share knowledge and best practices with each other.

Within the remit of the CPPO, other teams have been assigned dedicated focus areas, including DEI, health, safety and environment (HSE), and procurement.

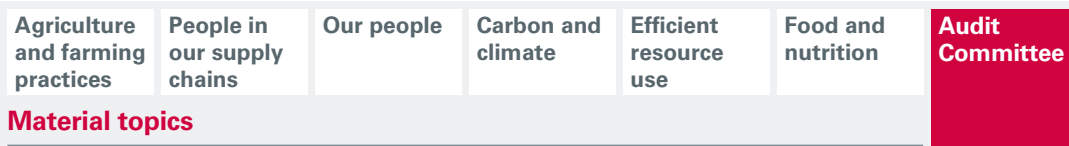
Governance structure

ABF Board

Annual business reviews



Risk reviews of material topics



Continuous oversight and support



In addition to individual business leaders, divisional chief executives also have responsibility and are accountable for their ESG programmes. This covers their ESG risks, opportunities and impacts. They can draw on support from the Corporate Responsibility Hub and the Director of Legal Services and Company Secretary, the CPPO as well as specialist legal advice from the team led by the Associate General Counsel for ESG.

We also have processes to share legal compliance standards across the Group, policies and procedures to address risks such as bribery and corruption; for more information, see our 2023 Annual Report, page 52.

From this year we are including an ESG and Strategic KPI element in our short-term incentive plan (STIP) for executive directors. The specific measures that applied this year and how we assessed progress against them are disclosed in the Directors' Remuneration Report of our 2023 Annual Report, page 100.

Across most of our divisions, ESG measures are cascaded to the STIP as part of the personal objectives of the divisional chief executives. In a diversified business such as ours, the relevant measures are different for each business and our STIP approach reflects this.



GOVERNANCE CONTINUED

Management of risks and opportunities

The Board is accountable for risk management, for agreeing the principal, including emerging, risks facing the Group and ensuring these are successfully managed.

ESG risks are considered by the Board alongside other principal business risks. The process for identifying and assessing ESG risks is the same as for other risks within the Group and sits with the business where the risk resides. These risks are collated and reviewed at both a business and divisional level, and then reported to the Director of Financial Control, who reviews any risks material to the relevant division with the Board.

We recognise that climate change presents a material risk throughout our operations and supply chains, resulting in challenges as well as opportunities for our businesses. While each business is responsible for identifying and managing its climate risks, we also undertake an annual risk assessment at Group level, which covers climate risk. Individual businesses may also include climate-related matters in their regular updates to the Board. Divisional chief executives are responsible for managing and mitigating the impacts of climate change on their divisions.

Our Task Force on Climate-related Financial Disclosures (TCFD) reporting is overseen by a cross-functional steering committee, which briefs the Board and the Audit Committee. As part of this year's disclosure, we are including transition plans for the Primark and ABF Sugar businesses, our top contributors to Scope 1, 2 and 3 emissions. For more information on our TCFD reporting, see pages 56 to 67 in our 2023 Annual Report or Appendices pages 99 to 113 in this report.

Our Group-level policies

In support of our governance framework, we maintain and keep under review a series of Group-level governance policies. Ranging from Health, Safety and Wellbeing, Environmental, Animal Health and Welfare, to Board Diversity (which also applies to the Group approach to DEI), our policies articulate the Group's minimum requirements and set expectations for the actions of our employees, suppliers and partners. We also have an established Supplier Code of Conduct.

It is the responsibility of the chief executive of each business to ensure that the business is compliant with both relevant legislation and Group policies.

Our governance policies can be accessed [online](#).

The Red Book

Also in support of our governance framework and to bring a consistent approach to a diversified Group, we have an internal operating rule book, 'The Red Book', which applies to all subsidiaries, joint ventures and associates of ABF. The Red Book states that all businesses are required to operate in an ethical manner in terms of their stewardship of the environment, their employees, suppliers and workers in the supply chain and the communities in which they operate. Businesses are responsible for ensuring that the high standards expected by the Group are maintained throughout business operations, including raw material sourcing.

Speak Up

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

Our Speak Up Policy provides a route for our employees to raise concerns confidentially about inappropriate behaviour at work.

Speak Up empowers our people to tell us whenever they see anything inappropriate, improper, dishonest, illegal or dangerous and ensures that their concerns will be handled confidentially and professionally. Speak Up includes both a telephone line and a web reporting device managed by a leading independent provider, People Intouch.

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

Any contact made via Speak Up is disseminated to the appropriate management team responsible for investigating the issues raised. An investigation is then undertaken and any remediation agreed.

In the year to 31 May 2023, 216 notifications were received, of which:

- 24% were resolved, with outcomes ranging from reviews of processes and support for individual employees to, where necessary, disciplinary procedures being followed;
- 60% were investigated as appropriate and required no action; and
- 16% remain under investigation.

A copy of the ABF Speak Up Policy is available [online](#).





Materiality and stakeholders

We recognise the need to understand the ESG issues most relevant to our operations, our industries and our stakeholders.

Materiality assessment helps us understand how ESG factors might impact our businesses. This assessment helps us prioritise our activities. We consider the guidance of globally recognised sustainability standards and frameworks when compiling potential material topics and issues.

Stakeholder engagement

At business and Group levels, we engage directly with many different stakeholder groups, including our shareholders, customers, consumers, employees, suppliers and their workers, communities, NGOs, industry and trade associations, trade unions, institutional investors and governments.

We believe that ongoing dialogue with stakeholders across the Group’s businesses is fundamental to our success. ESG is a part of our conversation with different stakeholder groups, and we consider their views and priorities in our materiality assessments. Read more about stakeholder engagement and decision-making in our Annual Report Section 172 Statement, pages 40 to 45.

Our materiality process

In line with our devolved business model, assessing and prioritising the most material environmental and social opportunities starts with our businesses. This builds on their business-level assessments of risk, including ESG risks and their divisional reporting to the Board.

In the materiality process at Group level, we aggregate the material topics and risks identified by our businesses and incorporate a Group perspective. This includes considering topics discussed with stakeholders, including investors, as well as the information expected by external ESG benchmarks, and rating agencies.

The topics presented in the table below are material for the Group. Most topics are material for all businesses, for example, the wide-ranging impacts of climate change, however the degree to which each topic is material for each business varies.

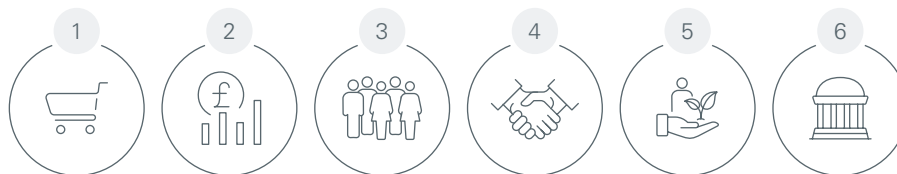
This year, we conducted a review of our list of material topics and subsequently updated it. The updated list of material topics is grouped into the following six key areas to demonstrate where we are focusing:

- Agriculture and farming practices;
- People in our supply chains and surrounding communities;
- Our people;
- Carbon and climate;
- Efficient resource use: and
- Food and nutrition.

Looking ahead, we are working to develop our materiality approach further, in line with the reporting requirements under the EU’s Corporate Sustainability Reporting Directive (CSRD). We are currently undertaking a pilot project on double materiality assessment in one of our businesses. Once our double materiality approach has been finalised, it will be used to support the rest of our businesses that fall within the scope of the CSRD.

Our stakeholders

1. Customers
2. Investors and shareholders
3. Employees
4. Suppliers and their workers
5. Communities
6. Governments



Our Sustainable Development Goals (SDGs) contribution

We understand the potential to contribute towards certain SDGs through the ESG programmes of some of our businesses. See page 98 for further information.



MATERIALITY AND STAKEHOLDERS CONTINUED

Material topics and issues

Our business segments



Our value chain



Group-level material topics	Impacts on the business segments	Impacts in the value chain	Why it is material
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Agriculture and farming practices

Responsible agriculture



Our businesses depend upon agricultural systems for most of the raw materials we use in our products.

Biodiversity and land use



Our products are made from agricultural commodities, which are dependent on biodiversity and healthy natural ecosystems.

Animal health and welfare



A number of our businesses have direct involvement with animals. Several also purchase ingredients derived from animals and some sell products into the livestock industry.

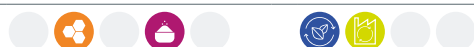
People in our supply chains and surrounding communities

Human and labour rights in our supply chains



The risk of human rights and modern slavery issues occurring across our businesses' supply chains.

Supporting communities



Contributing to the development of the communities in which we work protects our licence to operate, supports job creation and builds public trust.

Our people

Health, safety and wellbeing



Our businesses' priority and duty of care are to safeguard the wellbeing, health and safety of our employees, contractors and visitors to our sites.

Diversity, equity and inclusion



Fostering inclusive cultures and providing tailored support makes the most of all employees' unique backgrounds and characteristics.

Engagement and development



We support our people to develop skills and capabilities through training, and we create opportunities for professional and personal development.



MATERIALITY AND STAKEHOLDERS CONTINUED

Our business segments



Our value chain



Group-level material topics

Impacts on the business segments

Impacts in the value chain

Why it is material

Carbon and climate

GHG emissions



Our businesses and supply chains operate in many areas subject to climate risks and opportunities as we transition to a lower-carbon world. Our success depends on mitigating these risks and making the most of the opportunities. We need to cut greenhouse gas (GHG) emissions and build resilience to secure a net zero future.

Energy and renewables



Efficient energy use and switching to renewables in our operations and supply chain are vital to reducing emissions and costs, and increasing energy security.

Efficient resource use

Waste and circularity



A shift towards a circular economy, focusing on waste reduction and sustainable material use, presents significant opportunities and urgent challenges for our businesses.

Water use



Our suppliers and our operations use water, and the communities and environment around them need it too. We recognise water as a very valuable, shared resource that is becoming increasingly scarce in some parts of the world.

Plastic and packaging



Packaging has an important role to play in ensuring the safety and quality of food products. Less plastic, and using plastic which contains more recycled materials and is recyclable, contributes to reducing waste and moving towards circularity.

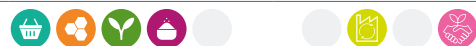
Food and nutrition

Nutrition and health



Governments and consumers are increasingly focused on healthier lifestyles. We want to support consumers' preferences and enable governments to achieve their wider health and wellbeing goals.

Food safety



As a leading food manufacturer and retailer, it is vital that we manage the safety and quality of our products throughout our operations and value chain.

Agriculture and farming practices

ABF is a diversified group, with a wide range of food and ingredients businesses as well as our retail brand, Primark. Our businesses depend upon agricultural systems for most of the raw materials we use in our products, and we recognise the need to support sustainable farm management practices.

Responsible agriculture, biodiversity and land use

We have a strong association with the UK agricultural sector, where our businesses collectively form the country's largest end-to-end food producer. Globally, we are also a significant purchaser of cotton, sugar beet, sugar cane, tea and cereals.

Global agricultural systems are under increasing pressure to provide for a growing population while responding to the challenges and effects of climate change. Extreme weather events, increasing water stress, biodiversity loss and soil degradation are all adding to pressures within the system. Many workers in rural communities, who often live in poverty, are subject to food and financial insecurity, and are at risk of exploitation. There is also growing public concern about the treatment of animals in agricultural supply chains.

A wide range of stakeholders, including consumers and policy makers in developed markets expect corporations such as ABF to demonstrate leadership in addressing the urgent challenges the agricultural system is facing.

We expect our businesses to go further than legal compliance by continuously considering and implementing other appropriate activities, voluntary commitments and internationally recognised management systems to reduce their environmental and social impacts and risks. This encompasses the responsible stewardship of our environment in line with the following requirements:

- [Group Environment Policy](#);
- [Group Animal Health and Welfare Policy](#); and
- [Group Supplier Code of Conduct](#).

Our businesses support a wide range of social and environmental interventions at farm level. These span a very broad range of farm management models including certified organic production, standards to promote wildlife biodiversity,

engagement with smallholder growers in developing markets, as well as the adoption of farm management systems built on the principles of sustainable intensification.



A Jordan's Farm Partnership grower tending the infield crop alongside woodland habitat, Manor Farm, UK



AGRICULTURE AND FARMING PRACTICES CONTINUED

For example, Primark launched its Sustainable Cotton Programme in 2013, with farmers in the programme trained on techniques to help improve efficiency, increase soil quality and reduce their use of agrichemicals. It also aims to address a wide range of social development issues related to income improvement.

While it is not possible for our businesses to intervene in every farm supply chain, collectively we support many farm-focused intervention programmes. The objective of these is to shape management practices to promote systemic commercial, social and environmental resilience for the long term. Science, technology and data are essential to achieving this aim.

Many of the farm management standards our businesses support align with the core principles of [Integrated Farm Management \(IFM\)](#). They require the incorporation of a range of management practices across a number of designated criteria in the context of improving overall supply chain efficiency and driving more sustainable farm productivity. Requirements typically include the safe handling of agrochemicals, improving soil structure and land management practices to sustain habitats for wildlife biodiversity. IFM can make a significant impact on a range of measures. The UN Sustainable Rice Platform (SRP) Standard, for example, requires Alternate Wet and Dry farm management techniques to reduce water use in the rice sector by around 30% and, by association, GHG emissions by up to 50%. Westmill has committed to source 20% of all the rice it purchases from farms in Pakistan and Thailand to follow this Standard.

Our businesses supply a range of products and services to the agricultural sector that facilitate efficient farm management and regenerative approaches, such as cover-cropping to improve soil structure and water retention. AB Agri is the UK's largest supplier of animal feed and nutrition products to the dairy, poultry and pig sectors, providing a range of technology and consultancy-based services to promote efficiency.

We support the responsible use of precision science and technology to maximise efficiency, reduce greenhouse emissions and limit biodiversity losses while maintaining commercially productive agricultural outputs. For example, Illovo – Africa's largest sugar producer – manages cane estates and farming activities according to the SUSFARMS® environmental management system. Allied Mills and British Sugar require the farms they purchase from to meet the Combinable Crops Standard specified under the Red Tractor mark. In Jordans Dorset Ryvita, Jordans' Farm Partnership programme is run across 15,000ha in conjunction with both LEAF (Linking Environment And Farming) and The Wildlife Trusts.

Kings seed merchant – operated by ABF joint venture Frontier – is the largest supplier of cover crops to UK farms. Cover crops are essential for farms seeking to improve soil quality and displace carbon emissions typically associated with deep ploughing on arable land.

Animal health and welfare

We believe in the importance of high animal health and welfare standards. This is captured in our Group Animal Health and Welfare Policy, which applies to all our businesses.

Only a small number of our businesses have direct involvement with the farming or management of animals, primarily through our AB Agri business in Europe and George Weston Foods in Australia. Several businesses purchase ingredients derived from animals, such as eggs and dairy products, and some sell products into the livestock industry. Wherever the farming or management of animals, or the purchasing of ingredients derived from animals, is relevant to a business, our current policy reflects the guidelines set by the internationally recognised Five Freedoms. Our main animal inputs are eggs and pork used by George Weston Foods.

These are addressed by specific policies at those businesses, and you can find more regarding them on page 28 and page 50 of this Report. ABF has a Group commitment that requires our businesses to purchase eggs to source from cage-free hens or have a cage-free commitment which they are working towards.

Grocery



- Learn more about our Grocery businesses' approach to sourcing agricultural raw materials, including rice, tea, spices and cereals, on [page 26](#)
- Read more about the animal health and welfare approach of George Weston Foods and UK Grocery on [page 28](#)

Ingredients



- Read more about our Ingredients businesses' approach to sourcing agricultural commodities linked with risks related to deforestation and biodiversity loss on [page 39](#)

Agriculture



- Read more about AB Agri's palm oil and soya commitments on [page 49](#)
- AB Agri's technical expertise and products help to improve animal health through technology and better nutrition, see more on [page 50](#)

Sugar



- ABF Sugar businesses are investing in more sustainable agriculture approaches, see more on [page 61](#)
- Learn more about how ABF Sugar is achieving more sustainable agriculture with robots on [page 61](#) and targeting a more secure and sustainable sugar cane supply in Tanzania on [page 62](#)

Retail



- Learn more about the Primark Sustainable Cotton Programme on [page 74](#)
- Read about Primark's Wood and Wood-Derived Fibre Policy and its Animal Derived Material Policy on [page 75](#)



People in our supply chains and surrounding communities

Respect for the working conditions and labour standards of the workers in our businesses' supply chains is important to us. We also recognise the potential contribution we can make to surrounding communities.

Human and labour rights in our supply chains

Our businesses work with a diverse range of suppliers from large businesses to smallholder farmers. Most of them use the United Nations Guiding Principles on Business and Human Rights (UNGPs) as a reference point to guide their activities in implementing human rights due diligence processes. The OECD's Guidelines for Multinational Enterprises, Due Diligence Guidance for Responsible Business Conduct and various sectoral guidance documents all provide valuable models and reference material.

Our Group Supplier Code of Conduct is an essential requirement of the responsible business conduct of our businesses. This document is based on the core conventions of the International Labour Organization (ILO) and on the Base Code of the Ethical Trading Initiative, of which Primark is a member. All businesses within the Group are responsible for managing their relationships with suppliers and satisfying themselves that they operate in line with the principles contained in the Group Supplier Code of Conduct. We support the objective of Decent Work as defined by the ILO and, through the application of our Code in our many global supply chains, we recognise our potential contribution to SDG 8 – Decent Work and Economic Growth.

In line with our Group Supplier Code of Conduct, our businesses prohibit all forms of modern slavery, including forced labour and human trafficking. For more information, see our Group Modern Slavery Statement 2023. Alongside our Group statement, some of our businesses publish their own supplementary modern slavery statements.

Human rights due diligence across our Group

In their application of the Group Supplier Code of Conduct, our businesses continue to develop and improve human rights due diligence processes in their supply chains as laid out in the UNGPs.

Risk management and monitoring

Knowledge of where potential negative human rights

impacts might exist, combined with supply chain mapping, helps them to monitor and identify actual issues, to seek remedy or even to anticipate and prevent them before they arise, prioritising those that are most salient. Our diversified business model enables each of our businesses to choose which approach to take, based on its specific supply chains and the nature of its supplier relationships. In many cases we find that suppliers have their own programmes that meet our expectations in this area, but where this is not the case our businesses seek to use their leverage or collaborate to drive change.

Our businesses also use a number of data platforms to assess and monitor potential human rights risks. Our UK Grocery businesses monitor their supply chains and engage suppliers through the utilisation of the Sedex (Supplier Ethical Data Exchange) online database. Many of our businesses monitor risk through audits carried out by internal teams or third parties. Primark's Ethical Trade auditing and monitoring programme is one of its most important resources for identifying risks, see more on page 76. Some businesses also engage workers and their representatives directly outside of the audit process to understand what issues they face.





PEOPLE IN OUR SUPPLY CHAINS AND SURROUNDING COMMUNITIES CONTINUED

Governance and policies

The senior leaders of each business are responsible for managing risks related to human and labour rights in that business's supply chain. They are accountable for the management of those risks, including assigning resources commensurate with the level of risk and the responses required.

The Group Supplier Code of Conduct underpins any relevant policies that our businesses may choose to follow. A number of our businesses, including Twinings Ovaltine and Primark have also developed their own Human Rights Policies.

Grievance mechanisms and remedy

Our businesses seek to use the leverage they may have with their suppliers to secure access to an effective remedy for workers facing negative human rights impacts in their supply chains. For example, in India, Primark's Ethical Trade and Environmental Sustainability team has developed a comprehensive programme called the India Worker Empowerment Programme to address the root causes and manifestations of key human rights risks.

Our businesses have or are developing grievance mechanisms to give workers a voice on the issues they face in the workplace. Examples include ABF Sugar's 'We Listen, We Act, We Remedy' toolkit. Primark has multiple approaches to achieve effective grievance mechanisms, these include the Amader Kotha programme in Bangladesh, where a helpline is available to workers in garment factories, more information on page 76.

Stakeholder consultation and transparency

Different stakeholders including NGOs, trade unions, governments, other businesses (subject to relevant competition and anti-trust laws) and industry bodies inform our approach to human rights due diligence. We work with these organisations due to their expert knowledge and we acknowledge their contribution.

Transparency about who and where our businesses source from is essential to our understanding of human rights risks and, where necessary, encourages collaboration to resolve issues both locally and across our industry. Some of our businesses – including Primark, Twinings and ABF Sugar – publish global sourcing maps and provide information about their processes, progress and challenges through corporate reports, websites, stakeholder engagement activities and submissions to benchmarks.

Supporting communities

Alongside our work to respect human and labour rights, we aim to positively contribute to the communities in which we operate. For instance, Illovo recognises that its sugar estates are a key part of the communities they are located in, and this is reflected by its activities to support those communities, such as by providing clinics, schools and local services to support its employees and in some cases also to support their families and neighbouring communities.

Grocery

- Read more about human rights due diligence across our Grocery businesses on [page 29](#)
- Learn more about Twinings approach to gender-based violence and harassment (GBVH) risk in the tea supply chain on [page 29](#)

Ingredients

- Read more about human rights due diligence across our Ingredients businesses on [page 40](#)
- See how AB Mauri and ABFI are exploring opportunities to add value to communities beyond their business operations on [page 40](#)

Agriculture

- Read more about human rights due diligence at AB Agri on [page 51](#)

Sugar

- Read more about human rights due diligence at ABF Sugar on [page 63](#)
- ABF Sugar continues to invest in its relationships with communities and key stakeholders, see more on [page 64](#)

Retail

- Read more about human rights due diligence at Primark on [page 76](#)
- Find out more about Primark's solutions and projects to address systemic issues in factories on [page 76](#)

Our people

Our people drive our success. We prioritise their health, safety and wellbeing, encourage and support their development, and endeavour to build a company where everyone feels welcome and included.

133,000
people across
55
countries

We employ over 133,000 people and have operations in 55 countries across Europe, Africa, the Americas, Asia and Australia. The people across our businesses are united by our purpose, culture and passion for delivering for our customers. We empower them to innovate and support them to grow and develop.

Their safety, health and wellbeing is a priority. Our people must be safe and feel safe when interacting with our business activities, both on site and on the move. Across the Group, we maintain a working environment that values and promotes safety, health and wellbeing.

Our businesses thrive on the diversity of their people, so we are investing in programmes to help remove barriers to diverse talent succeeding and developing. We want to attract, recruit and retain the best people, ensuring they are stimulated by the jobs they do and equipped with the skills they need to succeed. We focus on equity, as not everyone starts with the same advantages in achieving their workplace potential. We are intent on providing inclusive working environments where everyone feels they belong and can excel.

Health, safety and wellbeing

Our businesses strive to safeguard the health, safety and wellbeing of our people when they are working or travelling for business, as well as safeguarding contractors and visitors to our sites. Safety is non-negotiable.

Loss of life in our operations is unacceptable and we expect all colleagues to return home after work as well as when they arrived. As such, we are deeply saddened to report three fatalities this year and recognise the irreplaceable loss this has caused their families, friends and colleagues. A contractor in Spain was fatally injured during an off-site traffic accident. An employee was involved in a fatal incident with a forklift truck in

one of our bakeries in Australia. In Malawi an employee was fatally injured while working on an overhead electricity line.

Following these tragic events, our priority was to support the families and colleagues of those who died. We investigate all fatalities and serious accidents thoroughly, sharing the learnings with safety and operational colleagues across the group to minimise the risk of such events from happening again. These fatalities have reinvigorated our understanding of the dangers of working with moving vehicles and electricity.

All our businesses must comply with our Group Health, Safety and Wellbeing Policy. Many of them supplement this with additional policies of their own. Responsibility for ensuring compliance with these policies is devolved to the chief executives of the various businesses. Each business also has a nominated director with specific accountability for health, safety and wellbeing.

In line with the Policy, our businesses focus their safety efforts in four key areas:

- providing strong leadership from senior management;
- identifying and managing activities with the highest risk of fatal and serious injuries;
- supporting line managers accountable for workplace safety with safety specialists; and
- actively involving employees in their own health, safety and wellbeing.

A growing number of our businesses are investigating the potential of human behavioural and psychological techniques, some of them based on neuroscience, to help employees and contractors stay focused on health, safety and wellbeing.

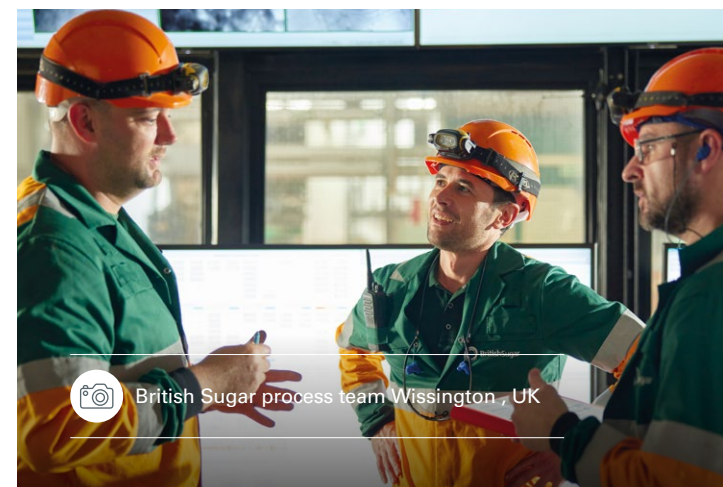
Across the Group, we have identified the following key on-site and off-site safety risks:

- harm from moving vehicles;
- falls from height;
- machinery safeguarding;
- the storage and handling of hazardous materials;

- manual handling of heavy and awkward loads;
- working in confined spaces; and
- the management of contractors.

Supporting our people’s mental health and their sense of general wellbeing remains a priority. We continue to invest in support across the Group, including programmes designed to raise awareness and provide practical assistance, for example, we have close to 18,000 managers trained to support our employees wellbeing (including topics such as mental health). Across the businesses we also have Mental Health First Aiders on hand to support our people. In response to rising living costs this year, we have continued to focus on ensuring financial wellbeing tools and resources are available internationally. We ensure the vast majority of our people have easy access to employee assistance programmes and increasingly provide information across a range of topics to support our people.

We engage independent HSE specialists to provide us with an objective opinion of our safety performance, through a compliance and risk management audit programme.





OUR PEOPLE CONTINUED

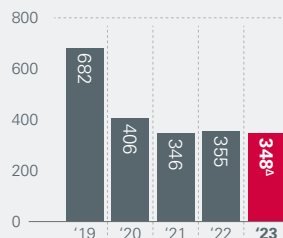
Our safety performance in 2023

This year, the Group’s on-site employee Lost Time Injury (LTI) rate has reduced slightly from 0.36% in 2022 to 0.35%. The number of on-site employee LTIs has also reduced by 2% from 355 to 348. Primark has decreased its on-site LTI rate again this year by 15% from 0.40% of employees experiencing an LTI to 0.34%.

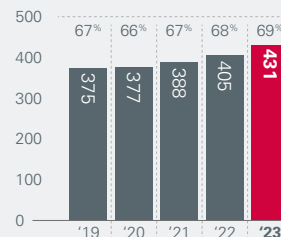
The on-site contractor LTI rate this year has increased from 0.14% to 0.33%, and the number of contractor LTIs has risen significantly by 85% from 41 to 76. Of this year’s on-site contractor LTIs, 80% are attributed to our Retail and Sugar segments.

Primark has worked with its contractor providers and introduced a new system this year to capture and monitor contractor LTIs. Primark’s annual increase in on-site contractors LTIs is partially due to more accurate reporting. We will continue to work with the specific businesses with high incident rates to address the root causes of contractor injuries and embed internal reporting processes.

Employee lost time injuries on-site (LTIs)



Number and percentage of factories and retail operations without on-site employee LTIs



Of our factories and retail stores, 69% have operated for one or more years without an onsite employee injury. This demonstrates that, while we have a wide range of activities which entail an element of risk, for example operating powerful machines or working in fast-paced environments, safe working remains our priority. See pages 87 and 88 for more details on our health and safety data.

During the year, we received 269 visits from health and safety regulators including 178 for routine inspections. Other visits were follow-ups to complaints or incidents, fire department visits, routine boiler and electrical equipment inspections or to support the sharing of good practice. We welcome these regulatory visits as an opportunity to learn from safety specialists and to ensure we swiftly address any changes in working practices.

Diversity, equity and inclusion (DEI)

We celebrate diversity in all its forms. Our businesses focus on widening and deepening their talent pools, attracting new recruits and connecting with the diverse communities they serve. We believe engaging with a diverse talent pool gives us a competitive edge and enhances our ability to deliver long-term success.

The approach to DEI in the Board diversity policy applies across the Group. Many of our businesses also have their own diversity policies, DEI teams and dedicated programmes to support their people, be they women, people from ethnic minorities, those working with disabilities or people who identify as LGBTQIA+, ensuring full and fair access to employment, training, career development and promotions.

Our Group DEI Network brings together people from across our businesses to share knowledge, best practices and ideas. We have over 300 DEI advocates across the Group, who benefit from access to masterclasses and self-study kits across a range of topics, including allyship, handling difficult conversations, neurodiversity inclusion, disability inclusion, racial and ethnic diversity and anti-racism, female careers and leadership, gender identity and LGBTQIA+ inclusion.

To create a more inclusive workplace, we ensure leaders and line managers have the skills they need to set the tone, model appropriate behaviour and put in place targeted campaigns relevant to local circumstances. We provide unconscious bias and cultural awareness training and tools to all our businesses.

Our ‘Women in ABF’ network was established over 10 years ago and continues to grow and evolve. It provides support for our women to develop skills, business awareness and networks that will enhance their current performance and future careers across the Group. Virtual events with external and internal speakers and networking opportunities are available to women across the Group.



OUR PEOPLE CONTINUED

To further address gender and ethnicity imbalances, we need to prioritise attracting and developing a broader range of talent using more inclusive and effective processes. We are addressing the barriers that have historically discouraged talent from being attracted to or joining ABF, or from reaching the top of our organisation.

Overall, the gender balance of the Group is fairly equal, with women making up 55%Δ of our total global workforce. Women also account for an increasing number of our senior management roles, currently at 38%. We voluntarily report on our overall gender pay gap for employees in Great Britain on page 110 of the 2023 Annual Report. Each of our GB-based businesses with over 250 employees also reports on its own gender pay gap, with these reports published on their websites. These reports share some inspirational business-level insights about the actions being taken successfully to close pay gaps by providing greater equity of opportunity for diverse talent to progress to more senior roles. See page 89 for more details on our people data.

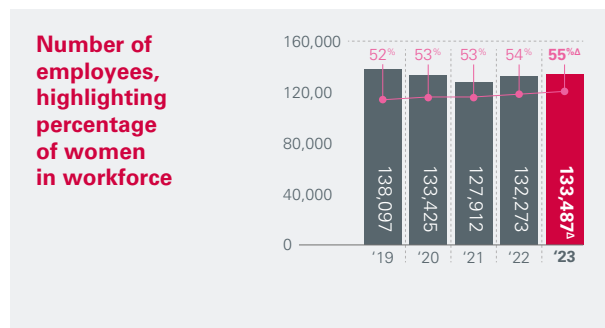
Engagement and development

We ensure all our employees have the opportunity to provide feedback to their business. To listen to our people and understand their needs, we are improving and extending our use of employee surveys and other mechanisms for seeking feedback from our people.

Our businesses strive to attract and develop the most talented people. We enable this by creating opportunities for professional and personal development, and by fostering environments that enable our people to showcase their diverse and unique skills.

Our businesses offer a variety of learning and development programmes designed to help our people gain the skills required and help them build a rewarding career with us. These include skills training, personal development, apprenticeships and mentoring. At a Group level we have development programmes focused on Executive Leadership, Finance Excellence, and Business Acumen.

Employee surveys are run in close to 90% of our businesses, at least annually. In the last 12 months 70% of our businesses used engagement surveys to understand the views and opinions of their people. These surveys reached almost 85% of the employees in these businesses, with almost 70% taking the opportunity to respond and share their feedback. Our divisions and businesses work with a range of global partners such as Willis Towers Watson, Workday Peakon, Gallup and Korn Ferry to provide their engagement surveys and highlight key insights; it is however the business leaders who are accountable for ensuring local teams and managers develop their own tailored action plan to address the areas most important to them. The surveys run over the last 12 months show that almost 90% of our businesses report a 70% and above favourable score for their main measure of engagement. We can also see that over 95% of our businesses are reporting over 70% favourable inclusive cultures measures. These surveys are also able to verify that our focus on wellbeing is felt positively by our employees, with over 85% of the businesses reporting a 70% or above favourable score for wellbeing. More information on our approach to employee engagement can be found from Richard Reid, our Non-executive Director for workforce engagement, on pages 84 and 85 of our Annual Report.



Grocery



- Our Grocery businesses are embedding practices to build inclusive workplaces, see more on [page 31](#)
- See how people are driving the success of our Grocery segment on [page 32](#)

Ingredients



- Learn more about health, safety and wellbeing initiatives across our Ingredients businesses on [page 41](#)
- Ingredients businesses are aiming to create workspaces that value cultural diversity, see more on [page 42](#)

Agriculture



- Find out how AB Agri manages its 3,000 colleagues on [page 52](#)
- Health and safety is a fundamental pillar of AB Agri's Target Zero programme, see more on [page 52](#)

Sugar



- Read more about ABF Sugar's focus on safeguarding, developing and inspiring its people on [page 65](#)
- Learn more about Illovo's Millennial Board programme on [page 66](#)

Retail



- Learn more about Primark's focus on the wellbeing of its colleagues on [page 79](#)
- Read more about diversity, equity and inclusion at Primark on [page 79](#)



Carbon and climate

Climate change poses a risk to our businesses and their supply chains. We are focusing on taking action today, in line with our ambition of achieving net zero by 2050 or sooner.

As a Group, we recognise that climate change represents a material risk throughout our supply chains and poses challenges to some of our businesses worldwide. However, we also recognise that climate change and the transition to a lower-carbon world presents opportunities. As we increase our understanding of the impacts of climate change, it becomes clearer that our success depends on mitigating and adapting to these climate risks and making the most of the opportunities.

We wholly support policies that are aligned with the goals of the Paris Climate Agreement to limit the rise in global temperatures to well below 2°C above pre-industrial levels, and to pursue efforts to limit the temperature increase even further to 1.5°C. Some of our products help others to reduce their own impacts.

Our ambition – net zero by 2050 or sooner

Collectively our businesses are working towards an ambition to achieve net zero by 2050 or sooner.

Beyond that broad ambition, we do not set groupwide climate-related plans or targets. In line with our devolved business model, our businesses set plans and targets that are appropriate to their operations and supply chains. Our businesses are all committed to cutting their Scope 1 and Scope 2 greenhouse gas (GHG) emissions, and several of our businesses have set their own GHG emissions reduction targets.

ABF Sugar, Primark, Twinings Ovaltine and UK Grocery have all set specific reduction targets. Primark has set targets in line with the Science Based Targets initiative ('SBTi'). ABF Sugar is in the process of validating its reduction targets against the SBTi, and we expect this work to be completed by the end of the calendar year. Those businesses together comprise 77% of Group adjusted operating profit and 72% of Scope 1 and 2 GHG emissions. Primark's GHG emissions arise predominantly in Scope 3.

We are making good progress on our emissions reductions plans. However, achieving net zero across the Group will depend on a number of factors that are currently beyond our control – for example, the availability of renewable energy and the decarbonisation of vehicle fleets and processing equipment. We plan to use our expertise and influence to help address these and shape wider solutions.

GHG emissions, energy and renewables

Our businesses are facing the challenge of climate change in four ways:

1. improving our understanding and responses to climate-related risks and opportunities;
2. reducing our own GHG emissions (Scope 1 and 2);
3. supporting our suppliers and partners to reduce their GHG emissions (Scope 3); and
4. providing products that help others reduce their GHG emissions.

We regularly review our methodologies, estimates and calculations for monitoring our carbon footprint. To ensure we align with latest protocols, we use the best data available and continually work to improve the accuracy of our reporting.

Energy and renewables

Energy efficiency has long been a driver of better performance for our Group, and we remain focused on finding ways to produce more from less energy. Much of the 2,027 gigawatt hours (GWh) of electricity and steam used across the Group is purchased from third-party power generation companies via national grids.

Our businesses understand the benefits of transitioning to renewable energy and do so when it becomes operationally and commercially feasible. At present the options for switching to renewable tariffs is limited or non-existent in some geographies where we operate.

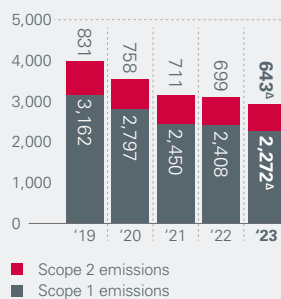
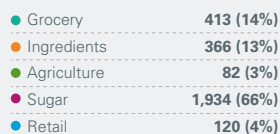
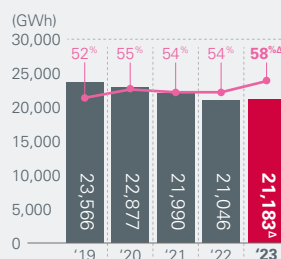
However, this year 29% of the electricity we bought came from a renewable source. This is a 62% increase in the amount of purchased renewable electricity compared with last year with the majority coming from the UK and European energy markets. This reflects the positive purchasing decisions our businesses are making to buy electricity from a renewable source.

Several of our businesses are also contributing to decarbonisation by exporting renewable energy to national grids. During 2023, 909 GWh of renewable energy generated by our sites was exported, with ABF Sugar contributing 94% towards the Group total. We continue to approach 1 terawatt hours per year of electricity for homes and businesses from renewable biomass sources that are a natural by-product of our sugar, food and ingredients production.

This year our businesses consumed 21,183 GWh of energy Δ which is a 1% increase compared with last year. Of this total energy, 58% Δ was derived from renewable sources. These are predominantly biomass fuels from by-products generated as part of the production process within our agricultural businesses. In the main, the renewable energy we generate comes from bagasse, the renewable plant-based fibrous residue that remains after the extraction of juice from the crushed stalks of sugar cane. Some renewable energy is also derived from the anaerobic digestion of a range of waste materials. See page 94 for more data on total and renewable energy.



CARBON AND CLIMATE CONTINUED

Scope 1 and 2 GHG emissions(000 tonnes CO₂e)**Scope 1 and 2 emissions by segment**(000 tonnes CO₂e and % of group total)**Total energy consumed and proportion from a renewable source****Energy use by source****GHG emissions¹**

We recognise our role in transitioning to a low-carbon economy. Our businesses are targeting reductions in GHG emissions through carbon reduction plans, energy efficiency measures and increasing use of renewable energy. ABF Sugar and Primark have transition plans in place, for more information please see our TCFD reporting on pages 99 to 113 in the Appendices or pages 56 to 67 in our 2023 Annual Report.

At a Group level, we use the Implied Temperature Rise (ITR) methodology to benchmark our consolidated businesses' carbon reduction plans. In simple terms, ITR provides a way to compare our business plans with published global temperature pathways. Emissions projections are complex to model, with a high degree of uncertainty, so we have worked closely with expert external environmental advisers to collate data and modelling outcomes.

Our Scope 1 and 2 (location-based) emissions decreased by 6% this year from 3.11 million tonnes of CO₂e to 2.91 million tonnes of CO₂e Δ. This decrease has been driven primarily by a reduction in imported electricity and a change in the fuels used on site. See page 91 for more data on our Scope 1 and 2 emissions.

Scope 3 footprint

A significant portion of supply chain emissions comes from the sourcing of agricultural crops, which are the foundation of most of our businesses. This includes Primark which uses cotton as the main fibre in its garments.

Many of our businesses are in the process of calculating their wider Scope 3 emissions, focusing initially on their supply chains. Primark completed this process in 2021 and is currently implementing plans to support its suppliers and partners to reduce their GHG emissions in line with its reduction target. This year, ABF Sugar completed a project to calculate its Scope 3 emissions and it is also in the process of validating its Scope 3 reduction target with the SBTi.

1. We calculate and disclose our GHG emissions based on the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard Revised Edition, except for alignment with the GHG Protocol's approach for determining our organisational boundary and limitations with our Scope 3 disclosures. See Appendix page 86 for detail on our current treatment of emissions from joint ventures and Scope 3 limitations. We use carbon conversion factors published by the UK Government in June 2022, other internationally recognised sources, and bespoke factors based on laboratory calculations at selected locations. Scope 2 market-based emissions have been calculated in accordance with the GHG Protocol Scope 2 Guidance on procured renewable energy. Since 2021, we have excluded Primark's third-party transport emissions from the Group figure as these are accounted for in the reported Primark Scope 3 emissions.

Primark reports 7.02 million tonnes of CO₂e Δ this year for their full Scope 3 emissions. For the rest of the Group, we currently report emissions from third-party transport for which we are responsible. These equate to 656,000 tonnes of CO₂e Δ which is a 3% increase compared with last year. This increase has been driven primarily by third-party transport emissions from our Retail and Sugar segments.

Our total Scope 3 emissions, which include Primark's Scope 3 emissions and Group third-party transport emissions, increased by 8% from 7.09 million tonnes of CO₂e to 7.67 million tonnes of CO₂e. This is largely due to Primark's continued increase in trading activity during the year and expansion into new markets, resulting in increased materials and products brought into the business.

Our businesses have started to collect their third-party transport data to align with the internationally recognised GHG Protocol. We aim to publish a far wider range of our material Scope 3 emissions across the Group next year.

See our calculation methodology on page 92 for further detail on our Scope 3 emissions data.

Providing products that help others reduce their GHG emissions

We provide products and services that have the potential to assist others in reducing their carbon emissions, often referred to as carbon enablement. This has always been integral to our businesses, and a key focus for investment and innovation. ABF businesses including ABF Sugar, AB Enzymes and AB Agri play a role in facilitating the potential reduction of other businesses' emissions. For example they do this by creating products which have environmental benefits for the end user.



CARBON AND CLIMATE CONTINUED



AB Mauri yeast plant, Bandirma, Turkey



Grocery 


- Learn more about UK Grocery’s target to reduce Scope 1, 2 and 3 emissions by 50% by 2030 on [page 33](#)

Ingredients 

- Read more about how AB Mauri and ABFI are reducing their energy use and GHG emissions on [page 44](#)
- See how AB Mauri is growing its use of renewables on [page 44](#) and learn more about ABFI’s carbon enablement products on [page 45](#)

Agriculture 

- AB Agri has committed to reducing its direct GHG emissions across its global operations. Find out more on [page 55](#)
- Learn more about AB Agri’s Scope 3 emissions assessment and see how its businesses are helping the agriculture industry reduce emissions on [page 55](#)

Sugar 

- Read more about ABF Sugar’s target to reduce its Scope 1 and 2 emissions by 30% on [page 67](#)
- British Sugar has made progress in its low-carbon strategy, read more on [page 68](#)

Retail 

- Primark has committed to reducing absolute Scope 1, 2 and 3 emissions by 50% by 2030 from a 2018/19 base year. This year, Primark have also had their science based target validated by the SBTi. See more on [page 81](#)

Efficient resource use

At ABF, we have a long history of finding ways to make more from less and to maximise by-products and co-products from our operations.

We are reliant on a range of natural resources to deliver our products, and new processes and technologies have enabled us to become highly efficient at maximising the value that we can derive from them.

As a first step, our businesses aim to avoid waste generation as far as possible, and reuse and recycle waste where they can. Some of our businesses also explore energy recovery solutions for any remaining waste. Landfill and other final disposal techniques are always the last resort.



Primark is working with WRAP to establish an industry-wide fashion durability standard

Waste and circularity

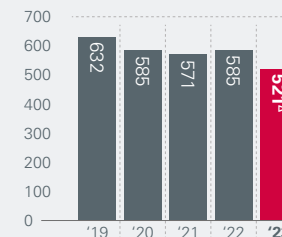
We believe that waste materials are simply products for which we have not yet found a use. With that in mind, our businesses are implementing practices to reuse, recycle or reduce food, plastic and/or textile waste. For example, our approach to the issue of waste has led our sugar businesses to become a major supplier of raw materials for animal feed and an important feedstock source for many different sectors. It has also resulted in our food and ingredients businesses becoming highly efficient at maximising the value that can be derived from the crops and raw materials they use. This makes good commercial sense. We also use on-site anaerobic digesters to generate biogas from our waste streams.

In Retail, Primark has made a commitment to giving its clothes a longer life. Its ambition is to drive forward innovation and collaboration within the industry to make its clothes last longer and reduce clothing waste.

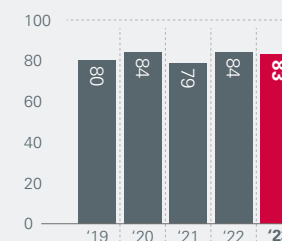
Our food businesses also aim to avoid products going to waste by donating surpluses to food banks, community groups and charities.

Across the Group, we generated 520,618 tonnes of waste Δ in 2023 which is an 11% decrease compared with the 584,845 tonnes generated in 2022. Of the total generated, 83% was sent for recycling or other beneficial use. Our businesses continue to focus on reusing waste materials where possible. This year, 11% of all our factories achieved zero waste to landfill and 37% recycled or reused 95% or more of their total generated waste. See page 95 for more details on our waste data.

Total waste generated
(000 tonnes)

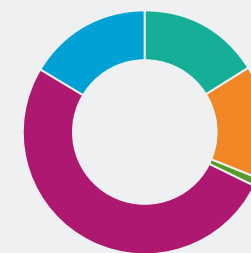


Proportion of total waste sent for recycling or other beneficial use
(%)



Total waste generated 2023, by segment
(000 tonnes)

Grocery	85
Ingredients	78
Agriculture	5
Sugar	268
Retail	85





EFFICIENT RESOURCE USE CONTINUED

Water use

Water is an essential input for clothing and food production, and a vital resource for people and all living organisms. As it becomes increasingly scarce in some parts of the world, we remain aware that it is a valuable resource we share with the environment and communities local to our operations.

Our businesses aim to reduce the amount of water they abstract, to reuse process water as much as possible, to return treated wastewater to nature having ensured it meets or exceeds local and national water standards, and to protect aquatic ecosystems.

We have carried out a high-level water risk assessment for our Group operations using internationally recognised methodologies to identify sites operating in water-stressed areas. We provide a more detailed picture of water-stress risks in our CDP submission.

Our businesses use a range of technologies in their operations to manage their water use in fields and factories, and constantly work to further reduce water footprint.

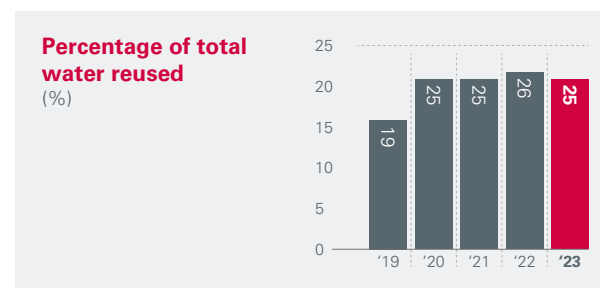
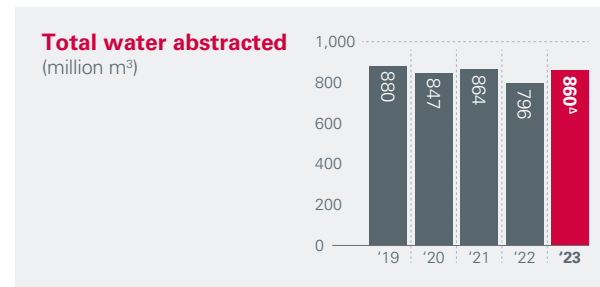
This year, the Group collectively abstracted 860 million m³ Δ of water for use in operations and irrigation, an 8% increase compared with last year. This rise is driven by three of Illovo's estates which account for a significant proportion of the Group's total water. Their increase in water abstraction, which is primarily used for cane irrigation, is aligned with their increase in tonnes of production from their operations for this year. See page 96 for more details on our water data.

ABF Sugar accounts for a significant proportion of the water used in our own operations across the Group, at 97% of the total water abstracted. Water is used carefully and extensively throughout the sugar manufacturing operations; from the processing stage to extract and refine the sugar, to generating steam in the boilers, through to cleaning the equipment. A significant amount of ABF Sugar's abstracted water is also used for crop irrigation within Illovo and where possible the sites reuse abstracted water for this irrigation, for dust control, landspreading and cleaning machinery.

Most of the water used by our businesses is sourced from water occurring naturally on the earth's surface, such as rivers and lakes, as well as man-made dams. Our businesses' sites are regulated by water permits or licences, and they withdraw water within their agreed limits.

This year, across the Group, 25% of the water abstracted was reused before being returned to watercourses. This is a cost- and resource-efficient way of managing water. Our sites reuse the water for irrigation and landspreading, cleaning machinery and horticultural purposes.

This year, ABF Sugar made notable improvements in water management, including the approval of a large-scale irrigation project and continued conversions from furrow to more efficient drop irrigation systems. See Sugar Segment on page 59 for more details.



Solar irrigation project, Azucarera, Spain



EFFICIENT RESOURCE USE CONTINUED

Plastic and packaging

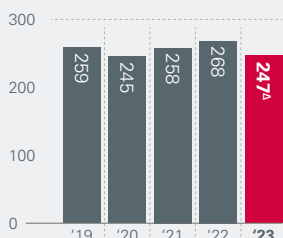
As a leading provider of food, ingredients and clothing, packaging contributes significantly to our environmental footprint. Paper is the main packaging material used across the Group, followed by plastic and glass. We also use wood, steel, aluminium and a number of other materials.

Though we fully recognise the harmful effects of plastic waste on ecosystems, it currently plays a vital role in both food safety and reducing food waste, by extending the shelf life of food. Our challenge is to use plastic materials responsibly and find solutions which balance the needs of our customers and our desire to minimise our impact.

Our businesses are doing this by removing unnecessary packaging, switching to more easily recyclable types of plastic and increasing the use of recycled content in the plastics we use. They also demonstrate their commitment to tackling plastic and packaging challenges by involvement with and support for a number of pacts and programmes, including the WRAP UK Plastics Pact and the Soft Plastic Recycling Scheme in New Zealand.

In 2023, our businesses used 246,683 tonnes Δ of packaging compared with 267,638 tonnes used in 2022. This is an 8% annual decrease even though tonnes of production from Group operations increased by 3%. There has been a decrease in the use of all the packaging materials, including plastic, steel, glass and paper. Tonnes of plastic used as a packaging material has decreased by 9% this year and demonstrates the commitment of our businesses to reduce the use of plastic where appropriate. See page 97 for more data on plastic and packaging.

Quantity of packaging used (000 tonnes)



Grocery



- See how our Grocery businesses are reducing food waste on [page 34](#)
- Read more about our UK Grocery target to source 50% of fresh food from areas with sustainable water management on [page 34](#)
- Learn about programmes and initiatives on [page 34](#) to reduce packaging waste and increase recyclability and reusability

Ingredients



- See how AB Mauri and ABFI are focusing on a strategy to eliminate, reduce, reuse and recycle waste on [page 46](#)
- Read more about AB Mauri's water strategy on [page 46](#)

Agriculture



- AB Agri is avoiding waste and turning waste into energy, find out more on [page 57](#)

Sugar



- Learn about ABF Sugar's 2030 commitment to reduce its water footprint by 30% on [page 69](#)
- ABF Sugar is committed to ensuring all its plastic packaging is reusable, recyclable, biodegradable or compostable by 2030, see more on [page 70](#)

Retail



- Read more about Primark's commitment to strengthening the durability of its clothes by 2025 on [page 82](#)
- Read more about how Primark is driving the use of more sustainable chemistry in its supply chain on [page 83](#)
- Read more about Primark's target to remove all single-use plastic by 2027 on [page 83](#)



Jordans cereal production, Poole, UK



Food and nutrition

Our businesses are united by our purpose to provide safe, nutritious and affordable food.

Nutrition and health

Providing safe food and enabling customers to make healthier choices have both been central to our approach for a long time.

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

As part of ABF Sugar’s commitment to thriving and healthy communities, the business has published the Making Sense of Sugar website, which provides factual information based on robust science to help inform and educate people about sugar and the role it can play as part of a healthy balanced diet.

The majority of the food products we sell to consumers in Europe, Australia and New Zealand do not contain Genetically Modified (GM) ingredients. However, we have a Group policy laying out our approach to GM ingredients, including compliance with local regulations on the use and labelling of GM ingredients.

Seven separate ABF brands – including Ryvita and Kingsmill – are among 24 signatories to the UK Food and Drink Federation’s Action on Fibre pledge, to increase fibre consumption in the UK. Our UK Grocery division is also a long-term sustaining member of the British Nutrition Foundation.

Food safety

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

These KPIs are formally reported to the Board on an annual basis, and any themes identified are relayed to the ABF Product Risk Reduction Group (formerly the Heads of Technical Forum) for review and resolution. To navigate the ever-changing legal landscape pertinent to food law, all divisions have access to a food law specialist within the Group legal team.

Each division employs staff at divisional and site level to assure the safety, quality, legality, integrity and authenticity (Vulnerability Assessment and Critical Control Points – VACCP) of both raw materials and finished products. Raw material approval format is dependent on the risk posed but will typically comprise vendor assessment by audit or questionnaire, supplier certification review and product testing. At site level, HACCP outcomes and Good Manufacturing Practice determine the scope of quality assurance and quality control regimes. To continually improve site practices, structured Food Safety and Quality Culture programmes are in place. Threat Assessment and Critical Control Points (TACCP) protocols covering supply chains and site activities to counter malicious intent are also in place. All of the above regimes are subject to ongoing verification and validation activities.

Grocery



- Our Grocery segment produces safe, nutritious and affordable food, see more on [page 36](#)
- Read more about the non-HFSS (non-high in fat, salt or sugar) portfolio of our UK Grocery products on [page 37](#)
- All Grocery businesses ensure the safety, quality, legality, integrity and authenticity of their raw materials and products, see more on [page 37](#)

Ingredients



- Read more about how our Ingredients businesses are developing products which offer health and wellbeing solutions for customers on [page 47](#)
- Learn more about our Ingredients businesses’ processes and policies to deliver the highest global food and safety standards on [page 47](#)

Agriculture



- Read more about feed safety at AB Agri on [page 58](#)

Sugar



- Learn more about ABF Sugar’s Making Sense of Sugar platform and its commitment to thriving and healthy communities on [page 71](#)
- Across ABF Sugar and its value chain, an all-encompassing culture built on quality and food safety has been embedded, see more on [page 71](#)

Grocery

Grocery comprises brands which occupy leading positions in markets across the globe. In the UK, nine out of 10 households use our brands.

International brands

Twining's has been blending tea since 1706 and sells premium teas and infusions in over 100 countries. Ovaltine malted beverages and snacks are consumed across the globe. Patak's is the spice blending expert recognised for authentic Indian food that is quick to prepare. Jordans uses traditional methods to produce delicious wholegrain cereals. Blue Dragon offers authentic ingredients to create delicious dishes from China, Thailand, Japan and Vietnam. Mazzetti is our leading Balsamic Vinegar of Modena.

North America focused

We at ACH make and market leading cooking and baking products. These include Mazola and Capullo cooking oils, Fleischmann's yeast, Karo corn syrup and Argo corn starch. Anthony's Goods is a leading brand of organic and natural ingredients and superfoods.

UK focused

We have a broad set of food brands. Kingsmill produces bakery products for the whole family. Dorset Cereal's award-winning muesli and granolas are renowned for quality ingredients. Ryvita is UK category leader in crispbreads. We also supply the Indian, Chinese and Thai foodservice with Lucky Boat noodles, Rajah spices, and Elephant atta flour.

Australia and New Zealand focused

We at George Weston Foods are one of Australia and New Zealand's largest food manufacturers. Tip Top is one of the most recognised bakery brands in Australia while Don manufactures bacon, ham and meat products. Yumi's produces hummus, vegetable dips and snacks and is the leader in the Australian market.

ABF's Grocery segment comprises : UK Grocery, Twinings Ovaltine, George Weston Foods and ACH.



A selection of grocery products from our businesses around the world



ESG at Grocery

Within the UK Grocery division, businesses have set their own medium- to long-term ESG targets – such as meeting the Courtauld Commitment 2030 – to demonstrate their commitment to achieving more socially responsible supply chains and reducing their environmental impacts. The UK Grocery Finance Director (FD) is accountable for the overall ESG agenda for the division, while the individual business FDs are accountable for business-level ESG programmes and policy implementation. There is also a divisional Corporate Responsibility team at the UK Grocery division level whose function is to provide guidance and oversight on ESG topics.

George Weston Foods' ESG initiatives are run at the business unit level and aligned centrally under a common framework, which has three pillars (Products, People and Planet). A cross-business Sustainability Taskforce comprising senior representatives from each George Weston Foods business ensures individual business unit ESG plans and objectives are reflected in George Weston Foods' groupwide priorities.

Within the Twinings Ovaltine division, Twinings Ovaltine's Social Impact and Sustainability team oversees the development and implementation of its ESG agenda and has a presence in all key sourcing locations – including Kenya, India and China – in order to monitor and address risks. The team reports directly to the Twinings Ovaltine Chief Executive. For Twinings, ESG risks and impacts related to its tea and herb supply chain are managed through the Sourced with Care responsible sourcing programme. Sourced with Care also aims to improve the lives of the communities from which Twinings sources, focused on three key areas: life opportunities; living standards; livelihoods and land.

Agriculture and farming practices

The businesses within our Grocery segment are highly dependent upon key agricultural commodities and supply chains to deliver their leading brands.

Responsible agriculture, biodiversity and land use

Our Grocery businesses have strong links to the global farming sector, with products made from crops grown on farms, tea gardens and smallholdings around the world. Consequently, the varied approaches and solutions that our businesses pursue reflect the structure of the supply chains and the nature of our operations in that context.

Traditionally our Grocery businesses' approach to engagement with ESG at farm level has focused on implementing intervention plans within some of their own specific supply chains. In pursuit of broader, more systematic interventions to address a wider range of ethical and environmental factors, they recognise that collaboration across the industry will increase leverage. They are therefore working alongside governments and civil society partners, as well as other industry players, to co-ordinate on addressing supply chain issues. How our Grocery businesses approach a range of commodities is presented below.

Rice

Traditional rice-growing methods are particularly water-intensive and release a significant amount of GHGs into the atmosphere. Rice cultivation is estimated to be responsible for 10% of the world's methane emissions. Westmill, a UK Grocery business and a leading supplier of food products to the Indian, Chinese and Thai foodservice sectors, aims to promote the standards of the Sustainable Rice Platform (SRP), a multi-stakeholder partnership set up by the United Nations Environment Programme (UNEP), of which Westmill is a founding member. In 2022/23, 49% of the basmati rice purchased by Westmill came from the SRP project in Pakistan. Due to the success of the project, Westmill set up an SRP project in Thailand to grow Thai hom mali rice. This project commenced in May 2023, with the first harvest expected in November 2023.

Tea and spices

Twinings sources all its tea from carefully selected third party tea gardens in China, Kenya, India, Sri Lanka, Argentina and Indonesia.

Through its Sourced with Care programme, Twinings aims to improve the lives of workers and farmers growing its tea. Twinings is also a founding member of the [Ethical Tea Partnership](#), a global membership organisation aiming to catalyse long-term, systemic change to benefit everybody who works in tea, especially people in tea-producing regions.



Sustainable Rice Platform
rice crop, Thailand

AGRICULTURE AND FARMING PRACTICES CONTINUED

Twinnings sources over 60 herbs and spices from across the world. In 2023, it achieved 82% traceability by volume (back to farm or producer community) for its 17 high-priority herbs and spices¹ and is working with suppliers to ensure full traceability of its high-priority herbs by 2025. Twinnings' Sourced with Care programme is also expanding into its herb supply chain. For example, in partnership with the NGO Mercy Corps, Twinnings is undertaking a three-year programme to strengthen its cardamom supply chain in Guatemala. The project's multifaceted approach promotes more efficient and environmentally friendly production practices, such as replacing inefficient traditional driers and developing agroforestry systems by introducing cloves and peppers. These approaches aim to increase farmers' incomes, whilst contributing to species diversification and forest conservation. Farmers' incomes were also improved by the creation of 13 producer associations to enable farmers to benefit from economies of scale and increase their bargaining power. Twinnings is also a member of the Sustainable Spice Initiative (SSI).

AB World Foods and Westmill support the SSI and are working towards the goal of sourcing 25% of spices from SSI-certified sources in at least its top three product categories by 2025, and 50% by 2030. Westmill is making progress towards these targets. During 2022/23, 34% of the turmeric, 73% of the chilli and 40% of the cumin it sourced had SSI certification. AB World Foods is making similarly strong progress towards these targets, and has sourced 29% of its top three spices (coriander, paprika and kibbled onions) with SSI certification.

Since 2019, AB World Foods has been working on Project SPICE with partner NGOs Mercy Corps and GRAVIS to support rural cumin and coriander farming communities in Rajasthan, India. The project delivered agronomy and business skills alongside training on the importance of water, hygiene and sanitation to over 1,000 farmers. Another key focus was to support women within the community, encouraging them to play a key role in the farmer group and raising awareness of the importance of girls' education.

From January 2023, the extended project SPICE II started working directly with GRAVIS, building on the gains made in phase one but helping farmers to move towards climate-resilient farming through better water harvesting and irrigation methods.



Worker in Twinnings supply chain, India

Allied Mills' joint venture dedicated to more sustainable farming practices

Allied Mills is four years into a five-year wheat sustainability supply project, in which a select group of its suppliers are adopting agricultural techniques that aim to improve soil quality and health, as well as land use practices that support wildlife. The joint venture between Allied Mills and Frontier Agriculture – the UK's leading crop production and grain marketing business – aims to develop better insights into how commercial arable growers in the UK can adopt more sustainable farming practices. Downforce Technologies also joined the project, bringing expertise in the use of satellite technology to map environmental outcomes. They have assessed current and historical soil carbon for all the farms in the trial, to estimate the levels of soil carbon and their long-term sequestration potential. Latest results have seen participating farmers adopt more sustainable farming methods, using less energy and increasing carbon sequestration in the soil.

Cereals including wheat

Jordans Cereals, a UK Grocery premium cereal brand, has supported wildlife in its UK farm supply chain since 1985. The Jordans Farm Partnership pays farmers a premium for their grain in exchange for them managing at least 10% of their land for the benefit of wildlife. That average proportion is now 17% across the 15,000 hectares of farmland managed under the Partnership. Allied Mills, a business within the UK Grocery division and which also supplies ABF companies and other bakeries with milled flour and semolina, ensures all the UK wheat it sources is Red Tractor Assured.

1. These herbs represent 85% of Twinnings' herb volume and include: peppermint, camomile, ginger, hibiscus, orange, lemongrass, rosehip, lemon peel, spearmint, blackberry leaves, apple, liquorice, cinnamon, rooibos, turmeric, cardamom and vanilla.



AGRICULTURE AND FARMING PRACTICES CONTINUED

Jordans Dorset Ryvita supporting more sustainable agriculture in California

Jordans Dorset Ryvita continues to sponsor the work of Project Apis in California through its Seeds for Bees programme. In this programme, Jordans Dorset Ryvita purchases wildflower seeds for growers to use as cover crops in almond orchards. By sponsoring enough seed to sow an area of orchard equivalent to the volume of almonds it buys, Jordans Dorset Ryvita aims to support more sustainable almond cultivation. The approach of co-cropping with wildflowers promotes organic matter content, improved bee health, water infiltration, increased nitrogen availability, improved dust control and weed suppression.



Seeds for Bees programme, California, US

Animal health and welfare

George Weston Foods purchases ingredients derived from animals, including eggs, dairy products, pork and other meat. The business believes in maintaining and improving good animal welfare and meeting relevant animal welfare standards, including the internationally recognised Five Freedoms. George Weston Foods follows groupwide commitments on cage-free eggs (see page 12). George Weston Foods-owned piggeries in Australia have been sow stall-free since 2010, with directly owned and supplier-owned piggeries in Australia certified by the Australian Pork Industry Quality Assurance (APIQ) program. For pork sourced by George Weston Foods from overseas, suppliers in Europe and North America are regularly audited and expected to undertake continuous improvement in welfare standards.

UK Grocery produces foods primarily derived from ingredients of plant origin, except for a small quantity of dairy products and eggs. It believes in the importance of high animal health and welfare standards within agricultural systems and supports the Group's commitment to source ingredients derived from animals in alignment with the internationally recognised Five Freedoms. UK Grocery businesses are either working towards or have achieved their commitment to source 100% Cage-Free Eggs by 2025.



People in our supply chains and surrounding communities

Our Grocery businesses recognise that they have an obligation to respect human rights and can positively impact human rights across the value chain, from their own employees to workers in the supply chains and local communities.

Human and labour rights in our supply chains

Respect for human rights is of paramount importance to our Grocery businesses. They respect internationally recognised labour rights and seek to mitigate adverse impacts in their supply chains and operations in line with the standards contained in the Group Supplier Code of Conduct.

Twinings Ovaltine's approach is articulated in its [Human Rights Policy](#). It undertakes risk assessments following the framework set out in the UNGPs to identify and prioritise salient human rights risks. The business monitors working conditions and supports continuous improvement in some of its tier one supply base through an audit and capacity building programme, for example by implementing tailored e-learning modules for suppliers.

In its tea supply chain, Twinings has pioneered a Community Needs Assessment, a detailed holistic and participatory framework which is conducted in communities connected to the tea gardens from which it sources. This assessment is carried out by Twinings to give it an awareness of the conditions and risks facing workers, farmers and communities associated with the tea gardens. Examples of activities arising from this assessment include awareness training, capacity building programmes and specific projects related to topics including financial literacy or access to water.

Twinings recognises that effective dialogue between companies, workers and their representatives is crucial for establishing conditions that allow workers to have a stronger voice in improving pay and conditions. This also reduces the risk of human and labour rights abuses.

Since 2017, in partnership with CARE International, Twinings has established Community Development Forums (CDFs) on tea gardens in Sri Lanka. CDFs provide a space for sharing, debating and dialogue between workers, management and the wider community. Find more information about this approach in the [Twinings Ovaltine Human Rights Update 2023](#).

UK Grocery has identified its raw material, packaging, finished goods suppliers and services suppliers (including security, cleaning workwear, temporary labour and logistics providers) as its focus. It uses Sedex to understand the risks associated with tier one and relevant tier two priority suppliers' sites in these focus areas.

Over the past year, UK Grocery has continued to work on the development of a central data management team to embed procedures to monitor supplier engagement with Sedex and provide accurate data, which is now distributed on a monthly basis to management teams. A key use of this data is to provide status updates on non-conformances derived from ethical audits to allow the businesses to engage with their suppliers to resolve them effectively and in a timely manner. Suppliers of raw materials and other key commodities to UK Grocery are required to complete a self-assessment questionnaire, and post details of ethical audits onto the Sedex platform to help the division identify potential salient human rights risks and prioritise suppliers and supply chains where additional due diligence is required. Any issues identified are escalated to the UK Grocery Corporate Responsibility Leads as well as Technical and Procurement contacts within the individual business. All identified risks are continuously monitored and evaluated for improvement.

Twinings is seeking to address gender-based violence and harassment (GBVH) in the tea supply chain

Twinings has been supporting mechanisms that seek to address sexual harassment and discrimination and promote gender-equitable behaviour in its tea supply chain. In India, it has joined the Women's Safety Accelerator Fund, a new programme established by IDH, and the Sustainable Trade Initiative, which works to set up mechanisms aiming to prevent gender-based violence and to support women's empowerment. In Kenya, Twinings has been rolling out a supervisor training programme based on guidance developed by the Ethical Trading Initiative over the last two years. To mitigate GBVH risks and ultimately protect workers, Twinings has also developed and launched its first Gender-Based Violence and Harassment Policy for suppliers in its tea supply chain. Overall, relevant managers and supervisors in 40% of the tea gardens in its supply chain have now been trained in prevention and response to sexual harassment and gender-based violence with the aim to cover all gardens in the supply chain by the end of 2024.



PEOPLE IN OUR SUPPLY CHAINS AND SURROUNDING COMMUNITIES CONTINUED

KPIs are utilised to track progress, such as monitoring suppliers that have fully completed the self-assessment questionnaire, which has increased from 60% to 90% since the development of the central data management team.

Over the past year, the UK Grocery division has contracted an independent third-party ethical consultant to undertake a review of all businesses. Policies and management procedures are assessed against best practice specified by the OECD and Food and Agriculture Organization (FAO) in their 'Five Steps Guidelines for Due Diligence in the context of Agricultural Supply Chains'. As a result of this assessment, its businesses are amending policies to cover responsible sourcing, environmental impacts and remediation. For example, UK Grocery is piloting a new hotline which it intends will serve as a grievance mechanism for workers across all its raw material suppliers, packaging finished goods suppliers, and services suppliers.

In 2023, the two UK Grocery businesses with significant supply chain links to Asia – AB World Foods and Westmill Foods – aligned to appoint a specialist ethical sourcing manager in the region and agree a specific work programme to help facilitate supply chain risk assessment and management programmes in India, Pakistan and Thailand.

Key developments at George Weston Foods include the first full year of work for its Ethical Sourcing Working Group across all businesses in Australia and New Zealand. The division's achievements in the year included co-ordinating its businesses to start using Sedex, the development of a strategy for implementing supply chain due diligence, and the development of an audit programme and grievance mechanism.

Helping migrant workers and their families in Turkey

UK Grocery businesses Jordans Dorset Ryvita, AB World Foods, Allied Bakeries and Speedibake are supporting an active and longstanding supply chain engagement programme with the Fair Labor Association (FLA) to review recruitment and employment practices among seasonal migrant agriculture workers in Turkey. The project supports vine fruit and hazelnut suppliers to assess the needs of workers, farmers and labour intermediaries.

As a result of this programme, since October 2022, the businesses have engaged with their suppliers to understand the potential to develop a set of common management controls aligned to Turkish labour requirements and ensure workers in the supply chain are treated fairly. Businesses have reshaped their procurement contracts to reward the suppliers that are most engaged via the FLA project.

Rolling out ongoing support for vulnerable migrant workers in Thailand

In Thailand, Twinings Ovaltine is working with the Issara Institute to create an Inclusive Labour Monitoring (ILM) programme in supplier factories with high levels of vulnerable migrant workers. Issara works to provide workers with a way to raise their voice through a multilingual hotline, smartphone app and worker interviews. This work includes remediation of grievances which cover recruitment and the workplace.

As a result, Twinings Ovaltine suppliers in Thailand are on a journey to improve responsible recruitment practices for all workers in the scope of the programme.

Our people

There are more than 15,000 employees around the world in our Grocery businesses. Their people drive their success.

Our Grocery businesses have their own distinct business cultures which are reflective of the uniqueness of the individuals who work within them and the markets that they serve. They share a common thread of striving to encourage the development of diverse talents and fostering workplaces where everyone belongs and feels included. This goes hand-in-hand with working to ensure the safety, health and wellbeing of all people.

Health, safety and wellbeing

Our Grocery businesses continuously explore ways to make their sites safer for employees, contractors and visitors, as well as prioritising employee health and wellbeing, including mental health.

Despite the ongoing focus on safety, we were extremely saddened that a colleague in a George Weston Foods business in Australia lost their life in an accident involving a forklift truck.

This year, the Grocery segment's employee on-site Lost Time Injury (LTI) performance has increased 14% from 106 injuries in 2022 to 121. The on-site LTI rate for employees increased from 0.81% to 0.93% this year. Of these, 34 injuries occurred at two sites within the Asia Pacific region where action is being targeted to address the root causes.

The number of contractors experiencing an on-site LTI decreased by 50% from 6 to 3 this year. This equates to a contractor on-site LTI rate of 0.12% compared with 0.24% last year. See page 87 for more detail about our LTI methodology and performance.

In the UK, Jordans Dorset Ryvita has a strategy focused on making progress through policies and practices, leadership, inclusion and data collection. Silver Spoon has created a Wellbeing Team that focuses on specific activities and education to support its employees. It has trained Mental Health First Aiders, supported with education for financial wellbeing and stress awareness, as well as a Wellbeing Week, focusing on both physical and mental health awareness, which includes external speakers at business briefings.

Safety remains the first of George Weston Foods' four values, and its activities are guided by its five strategic safety pillars. It has developed a suite of leadership programmes to provide tools, frameworks and common language for leaders. Its 'Steps to Zero' programme aims to inspire everyone to work safely so that, at the end of each working day, everyone goes home to their families, healthy and safe.

George Weston Foods' business Tip Top Bakeries has taken action to prevent workplace injuries by introducing Health Hubs at its bakery sites. Tip Top partnered with Employ Health at 14 sites to deliver a range of proactive programmes to improve worker health, reduce manual task risk, and reduce injuries. In the past year, 874 employees have interacted with the programmes. These programmes have included a health check and health challenge that have seen workers make significant improvements to their health,

including reducing weight and reducing chronic disease risk.

Following a successful pilot of a team-led safety goal, Tip Top is commencing the roll-out of this across its business. This initiative provides for teams to set and monitor their own safety goals based on risks within their work area.

Twinnings Ovaltine recently launched Beyond Zero, a training programme rooted in neuroscience aiming to promote health and safety-conscious behaviours amongst employees. It focuses on going beyond achieving zero accidents to create a culture of care, collaboration and understanding so all employees can work safely, effectively and enhance their physical and mental wellbeing. 150 champions have been trained across the organisation to date. It is being rolled out across sites in Australia, China, India, Poland, Switzerland and the UK.

The team at the new Mauri Hope Valley animal feedmill in Western Australia is trialling high visibility clothing with colourful patterns and a tagline "this is a conversation starter" written on the back to help tease out mental health conversations.

Diversity, equity and inclusion (DEI)

Our Grocery businesses thrive on the diversity of their people. They are continually reviewing and embedding practices to build inclusive workplaces, supported by training, education, celebrations and events.

UK Grocery values the diverse perspectives of the people across its businesses. It shares best practice approaches to engagement designed to promote inclusion and diversity across the division. The UK Grocery inclusion and diversity programme is overseen by the Managing Director of Westmill Foods, who is deeply committed to the agenda and, together with senior managers from each individual business, holds accountability for ensuring its effective delivery.



GWF Mauri mental health awareness "conversation starter" high visibility clothing, Hope Valley mill, Western Australia



OUR PEOPLE CONTINUED

Over the past year UK Grocery businesses have focused on creating a sense of belonging among all employees, undertaking a number of critical projects to engage employees on important but sensitive issues. Areas of focus have included mental health, financial wellbeing and the menopause, as well as asserting the fundamental importance of people feeling safe to openly express their faith, national customs, gender and sexual identity in the workplace. AB World Foods has a Smashing Stigmas programme with a range of activity from external speakers, awareness training for line managers and other activities that celebrate Pride month, various cultural traditions linked to our global hubs, and support with breaking down of barriers in talking about topics such as mental health and menopause.

Through sharing experiences and challenges in attracting diverse talent, UK Grocery recognised an opportunity to make its existing talent acquisition processes more attractive to a broader audience. Representatives from five businesses formed a Resourcing Working Group to share existing good practice and identify knowledge and capability gaps. This led to the creation of an Inclusive Recruitment Guide featuring materials and tools to ensure fair processes are set up to attract a more diverse talent pool.

George Weston Foods has focused on reflecting the needs of its workforce and these include gender, age, race and ethnicity, First Nations people, disability and LGBTQIA+. It has established an Inclusion and Diversity Taskforce to continually review and embed practices, and it actively supports and celebrates its diverse workforce with networking events, celebrations, education and communication.

This included educating many of its leaders and people on unconscious bias, implementing new recruitment policies and practices, and enhancing the benefits it offers to parents and carers and their families. It has made progress attracting, developing and promoting women in operational leadership roles and has introduced a Women in Operations forum to support women growing their careers. Women now hold 28% of manager roles and 35% of the top 130 positions.

Twinnings Ovaltine has continued to raise awareness and understanding of the importance of inclusivity for all employees. It introduced two new modules to its manager capability programme, focused on leading inclusively by building trust and psychological safety. In the UK, Twinnings Ovaltine is running unconscious bias and culture mapping workshops for colleagues as well as marking key awareness days throughout the year via an inclusion calendar and champions network. It also introduced a 'Diversity Dashboard' combining employee engagement survey results with the demographic data and action plans of each business unit. Dashboards are reviewed and discussed by human resources directors and general managers after each update to maintain the focus on creating an environment where everyone can be themselves and feel included and valued for what they contribute.

Westmill forms four groups dedicated to inclusion

Promoting inclusivity is a key element of Westmill's ESG strategy and one of its objectives was to create four Employee Resource Groups (ERGs), starting with the Celebrating Ethnic Diversity team formed in 2021. In 2023, this group supported the business to celebrate Diwali, Chinese New Year and Black History Month using lunch and learns, quizzes and live online cooking sessions hosted by chefs and influencers. Its LGBTQIA+ group was formed in 2022, and it filled the month of June with activities and personal stories to educate and encourage understanding and allyship across the business. The Women in Westmill group was launched in 2023, with the first activity on International Women's Day seeing 93 colleagues join a session to discuss how we can Embrace Equality, with the UK Grocery Chief Executive. The fourth ERG is currently taking shape and will focus on disability and neurodiversity with the aim to educate, inform and ensure the business creates an inclusive environment for all.

ACH has an ongoing and consistent culture of enabling inclusion and diverse perspectives as a key business imperative for organisational success, driven and led by ACH's senior leadership. ACH's "Flourishing Together" framework sets the foundation for actionable solutions to talent development and an overall engaged culture/workforce, where employees are valued and positioned to perform at their greatest potential. ACH has invested in and delivered shared experiences, critical learning and insightful expertise to foster an environment vested in the mental and physical health, well-being and economic fortitude of employees and their families.

Engagement and development

Our Grocery businesses strive to attract, retain and develop great people with a wide range of skills and experiences. Learning and development opportunities and engagement are key to providing fulfilling and successful career paths.

For example, Career Compass is a development programme designed to support individuals in the Westmill business who wish to progress their career in Westmill or across the wider Group. Its third cohort started in 2023, meaning there are now over 30 participants working with 10 senior leaders who provide coaching, support and regular touch points on career development.

UK Grocery businesses recognised that the past 12 months have been exceptionally challenging financially for many employees. To offset the impact of inflation, its businesses have made several one-off pay awards, in addition to regular salary reviews, salary-linked loans, early access to salary, and financial guidance for employees in need.



Carbon and climate

Climate change poses serious global risks for our Grocery businesses. Their responses focus on reducing energy use and emissions while preparing for changes in the environment and regulatory developments.

GHG emissions, energy and renewables

Due to the nature of their operations, our Grocery businesses are focused on energy efficiency and growing their use of renewables to reduce both GHG emissions and costs.

Since 2009, businesses within the UK Grocery division have supported the Waste Resources Action Programme (WRAP) food sector-wide Courtauld Commitment. Initially focused on waste reduction, the programme has evolved to include supply chain decarbonisation.

UK Grocery businesses are signatories to the Courtauld Commitment 2030, which outlines an ambitious set of industry-wide targets aligned to a 1.5°C pathway. The commitment is to achieve net zero by 2050 across the wider food sector. UK Grocery has committed to a 50% reduction across Scope 1, 2 and 3 emissions by 2030 against a 2015 baseline, in line with the Courtauld Commitment 2030.

Driven by operational structure changes, investment in renewable energy and ongoing capital investment in more efficient equipment across the division, UK Grocery businesses have delivered a 40% reduction in Scope 1 GHG emissions between 2015 and 2023, and a reduction of 63% in Scope 2 emissions.

The reduction in Scope 3 emissions required to deliver the commitment will be more challenging given the fragmented nature of UK Grocery supply chains and the complexity associated with capturing accurate management data. Over the past year, a divisional project team was established to oversee the implementation of new data systems specifically focused on Scope 3 emissions, to ensure all UK Grocery businesses can report verified Scope 1, 2 and 3 emissions data by the end of 2025. Where businesses already know the categories of their most significant Scope 3 emissions, they have initiated discussions with key suppliers to find supply chain-wide interventions that can be delivered at scale and pace.

Twinings previously set a commitment to be carbon neutral by 2030, from bush to shelf. 'Bush to Shelf' captures the GHG emissions from growing tea and herbs on tea gardens and farms that go into its blends, all the way to the shelf where Twinings is purchased by consumers. They are still on a carbon reduction journey, however in line with industry best practices, Twinings is working with expert organisations to develop new, more specific net zero targets. It is also committed to drive decarbonisation in the tea sector through the Ethical Tea Partnership.

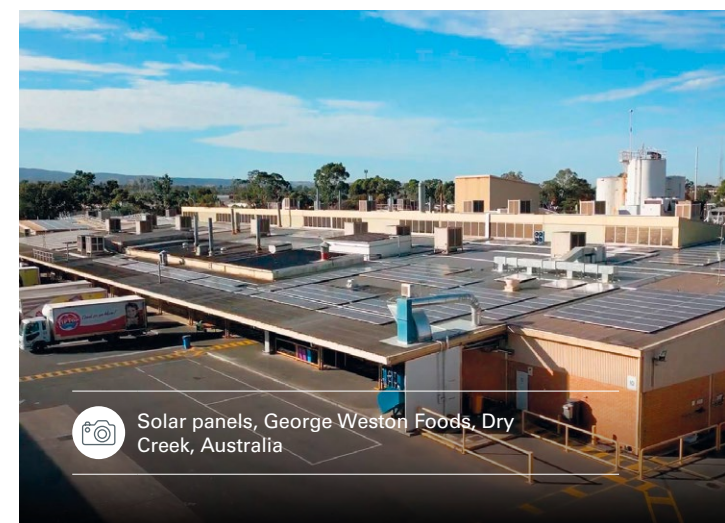
Twinings Ovaltine has been working to reduce the footprint of its own operations, for example by installing solar panels and LED lighting at UK and Poland manufacturing sites. It will continue to look carefully at ways to reduce its carbon emissions (Scope 1 and 2) and promote energy saving and manufacturing efficiencies.

This year, Twinings has reduced carbon emissions across Scopes 1 and 2 by 5,960 tCO₂e, an annual reduction of 13%. However, most of its carbon footprint lies in the supply chain: the production of raw materials, transporting ingredients to its factories and getting finished products to customers. Therefore, working with its suppliers to tackle emissions and reduce their carbon footprint is a key priority. Working with CarbonTrust, an external consultancy, Twinings has developed a tailored tool for assessing the emissions footprint of tea gardens. It will enable Twinings to gather consistent and comparable data across its supply chain, from growing to manufacturing. The tool has been successfully piloted with key tea gardens and is in the process of being gradually rolled out.

At the same time, as part of its Sourced with Care programme, Twinings is also working with Solidaridad, a civil society organisation with over 50 years of experience in developing solutions to make supply chains more sustainable and communities more resilient. Together, they are piloting an innovative nature-based project which aims to reduce carbon emissions in tea farming through the implementation

of more regenerative agriculture practices, including agroforestry. The pilot started in September 2023 in Argentina, it will cover 100 farmers, and will produce a manual for regenerative agriculture practices for tea production, with a view to replicating this in other regions.

George Weston Foods is developing goals and targets for both energy efficiency and reducing carbon emissions as part of its roadmap, which will be finalised in 2024. This year, George Weston Foods' businesses continued to consider ways in which they can integrate more renewable energy into the energy mix long term, and factored energy and carbon-related risks into its decision-making. Tip Top and DON installed further solar panels at various sites. DON also announced an updated energy supply strategy, which could reduce its total emissions by 40% by 2030 (from a 2019 baseline). George Weston Foods' businesses also continue to look into replacing synthetic greenhouse gas refrigerants with less harmful alternatives.



Solar panels, George Weston Foods, Dry Creek, Australia



Efficient resource use

Our Grocery businesses are focused on making improvements in their water use, waste and packaging.

Waste and circularity

The principles of circularity and efficient resource usage align with the management ethos across our Grocery businesses as, alongside delivering environmental benefits, they directly support operational efficiency and cost control.

Twinings Ovaltine is reducing its waste output by targeting improved operational efficiencies, introducing various initiatives to reduce waste at source. These include improving machine efficiencies, reusing all production waste, returning plastic packaging materials back to suppliers after use and promoting a waste segregation culture across the entire business. Twinings Ovaltine is on a journey to achieve zero waste to landfill, with Twinings Australia delivering it this year.

Food waste

With a product portfolio including staples such as bread, flour, rice, noodles, bagged sugars, tea, cooking sauces and breakfast cereals, reducing food waste remains a major area of focus.

For UK Grocery businesses, the Courtauld Commitment 2030 includes the goal to deliver a 50% per capita reduction in food waste by 2030 against the UK 2007 baseline (covering manufacture, retail, hospitality and food service, and household).

Between 2015 and 2022, UK Grocery food waste tonnage has fallen by 18%. All of its food waste now serves another purpose. In calendar year 2022, animal feed accounted for around 90% of food waste, and 6% of material unfit for feed was used for energy generation. Donations to food banks from UK Grocery businesses of finished goods due to be at their use by date or end of line products, have also steadily increased during this time, now at over 300 tonnes per annum.

In 2022, George Weston Foods' Tip Top Bakeries became a signatory of the Australian Food Pact which aims to halve food waste in Australia by 2030. Tip Top Bakeries has a

rigorous programme for reducing waste whereby most of the waste is either turned into breadcrumbs or used as animal feed. It is engaging with technical experts from Stop Food Waste Australia (SFWA) to investigate whether food that is currently sent to animal feed can be upcycled or donated to charity. Tip Top Bakeries sends <1% food waste to landfill, which is the lowest of all Australian Food Pact signatories. It is developing a Food Waste Action Plan to address reducing returns, food waste in home and bakery waste.

Throughout 2022, George Weston Foods' businesses deepened their commitments to Foodbank in Australia and KidsCan in New Zealand. Tip Top donated 1.7 million loaves to Foodbank, while Don provided 2.7 million meal equivalents in 2022. In New Zealand, Tip Top provided 120,000 loaves to KidsCan.

Water use

Some of our Grocery businesses use significant volumes of water in their manufacturing. This year, water abstraction across our Grocery businesses has reduced from 5 million m³ to 4 million m³. Some of this reduction is linked to production but sites have also reduced leaks and implemented more efficient equipment washing procedures which reduces the water requirements. In addition, the businesses recycled 4% of the water coming into their sites which also reduced abstraction.

In the UK, water use across UK Grocery facilities has reduced by 16% since 2015. Although water is a key ingredient for many of its products, ensuring water usage in non-ingredient applications is minimised has helped achieve this reduction. It continues to operate programmes in several key agricultural supply chains to optimise water use efficiency in the context of decarbonisation and security of supply.

The Courtauld Commitment 2030 includes an overall target that 50% of fresh food is sourced from areas with sustainable water management by 2030.

Plastic and packaging

Packaging has an important role to play in ensuring the safety and quality of products and our Grocery businesses take the environmental impact of packaging seriously. Across many programmes and initiatives, they are working to reduce packaging and increase recyclability and reusability to reduce the environment impacts from packaging. During the reporting year, our Grocery businesses reduced total packaging by 10% compared with 2022. Some of this is due to changes to production mix and volumes, and projects in the businesses to replace plastic packaging with alternative materials such as cardboard.



Tip Top 100% recycled cardboard bread tags, Australia and New Zealand



EFFICIENT RESOURCE USE CONTINUED

Since 2018, UK Grocery’s businesses have been members of the UK Plastics Pact. Led by WRAP, the voluntary UK Plastics Pact commits signatories to eliminate problematic or unnecessary single-use packaging through redesign, innovation or alternative delivery models.

The commitment requires food producers and other users of plastic materials to factor recyclability into the specification and design of their packaging, and the waste reprocessing sector to adapt to ensure that those materials that technically can be recycled easily are collected and taken for reprocessing.

Similarly, George Weston Foods is a signatory to the Australian Packaging Covenant Organisation (APCO) 2025 National Packaging Targets and a foundational member of the National Plastics and Recycling Scheme (NPRS). The NPRS is being developed by Australia’s food and grocery manufacturing industry, with funding support from the federal government, to create a new advanced recycling industry in Australia, aiming to turn plastic packaging back into new food-grade packaging.

Over the past year, our Grocery businesses continued to focus on the removal of packaging formats that use materials that are difficult to recycle. As a result, 83.4% of the packaging materials UK Grocery used over the past year were either fully recyclable in the UK or recyclable where facilities exist. Materials classified as difficult to recycle across its branded foods portfolio now account for less than 0.3% of all packaging and materials. AB World Foods has removed all PVC from its plastic packaging and implemented a kerbside recyclable packaging solution for Patak’s Pappadums. Jordans Dorset Ryvita and Silver Spoon have moved several products to recyclable solutions and continue to trial more.

George Weston Foods brand DON is converting all its thermoforming rigid packaging machines to materials which are 100% kerbside recyclable.

The businesses are also focused on the incorporation of recycled content within packaging materials, though this requirement is still difficult to deliver in practice because of strict food contact materials legislation. Currently 11.1% of UK Grocery packaging materials meet this target. For instance, following a successful trial with Kingsmill No Crusts 50/50®, Kingsmill has rolled out a second product in the No Crusts range with a 30% recycled content bread bag. George Weston Foods brand Ploughmans Bakery in New Zealand was also the first and only bakery brand in the region to introduce recycled plastic into its bread bags from May 2022. Significant plans are underway in a number of businesses to increase recycled material content in packaging for key product lines over the coming 12 months.

Twinnings is accelerating its own move towards more sustainable packaging. Removing plastic overwraps across its markets is underway, with more than 50% removed by September 2023, followed by further reductions in 2024. It is also accelerating the switch to 100% recyclable paper envelopes for individual tea bags, with more than 50% of envelopes being made from 100% paper and recyclable by September 2023 with further reduction to follow in 2024.

Innovation in delivery is another solution. For example, in 2022 AB Sports Nutrition launched a range of reusable gel flask and bulk refill gel bottles to replace products typically sold in individual portion sachets. This recyclable bottle holds 13 gels, saving 13 non-recyclable sachets in the process.



AB Sports Nutrition, High5 reusable flasks, reducing packaging and littering, UK



Food and nutrition

Our Grocery businesses are united by our Group purpose: to provide safe, nutritious and affordable food.

Nutrition and health

Our businesses have always taken nutritional factors into account across our grocery portfolio which includes staples such as bread, flour, rice, noodles, bagged sugars, tea, cooking sauces and breakfast cereals.

In the UK, businesses have undertaken work to develop internal policies to set out each individual business's approach to addressing issues related to food and nutrition in the context of their specific supply chains.

Our UK Grocery businesses believe they can facilitate improvements in diet and public health through pragmatic interventions. For example, a number of brands – including Ryvita, Jordans Cereals, and Kingsmill – are signatories to the UK Food and Drink Federation's Action on Fibre pledge to increase fibre consumption in the UK. During the year, Kingsmill was able to meet its pledge that the majority of its bread, roll and savoury morning goods launches would provide a source of fibre. The industry-wide pledge provided 7.2 billion more servings of fibre to the population through product reformulation and new product launches.

Many of our food products already support healthier choices – from high-fibre breakfast cereals, wholemeal bread, and crispbreads to specialist sports nutrition products. A good example of this is Allied Bakeries' Kingsmill 50/50 range which is the leading brand of 'healthier white' bread in the UK. Examples of products becoming healthier include Jordans Dorset Ryvita launching several new non-HFSS (not high in fat, salt, or sugar) recipes and AB World Foods reducing sugar, fat and salt from Patak's sauces.

George Weston Foods is an active participant in the Australian and New Zealand governments' Health Star Rating system. This voluntary front-of-pack labelling system educates consumers on the healthiness of products. The Yumi's brand is currently working towards all products featuring the rating. Tip Top was the first bakery brand to adopt the system and all its products now have the rating displayed on pack. Now, 92% of its products have a Health Star Rating of 3.5 or more.

Tip Top Bakeries is voluntarily committed to the Healthy Food Partnership sodium targets for the bread category. Over the past few years, we have been working towards meeting these targets and have met our commitment of reaching over 80% of the category by sales volume ahead of June 2024. Since removing added sugar from Tip Top Raisin and Wholemeal Raisin Toast we have removed 238 tonnes of sugar from the food supply.

Twinnings and Ovaltine both have products that carry nutrition and health claims. Twinnings has blends that target specific need-states, including sleep and menopause. Ovaltine has a wide range of fortified products targeted at all ages. Ovaltine Smart is a specifically designed for children, it is high in calcium, vitamins and minerals and fortified with DHA (Omega-3 fat).



AB World Foods, Patak's vegetarian meals, with no added sugar

FOOD AND NUTRITION CONTINUED

Nutrition reporting – UK Grocery

As part of their commitment to responsibly produce and market safe, nutritious and affordable food, our UK Grocery businesses provide details of the revenue generated by their UK branded portfolio in terms of the 2004/5 Nutrient Profiling Model and the Food (Promotion and Placement) (England) Regulations 2021. The Nutrient Profiling Model uses a formula to assess the nutritional content of foods, designating them as either HFSS (high in fat, salt, or sugar), or non-HFSS.

There are some recognised anomalies associated with the application of this model to certain categories of foods. As a result, some of the foods that our businesses produce are designated as being HFSS, although they would not typically be considered poor dietary choices.

For example:

- under the Nutrient Profiling Model, all foods are assessed based on standard 100g portions, although concentrated cooking pastes, Balsamic Vinegar of Modena, and soy sauce are eaten in smaller quantities; and
- the Nutrient Profiling Model makes limited differentiation between fats and sugars that occur naturally and added fats and sugars. Wholegrain oats, fruits, nuts, and seeds all contain valuable fibre, vitamins, and minerals, as well as naturally occurring fats or sugars. As a result, some high fibre ‘no added sugar’ fruit and nut muesli recipes are classified as HFSS.

UK Grocery branded product portfolio analysis

Overall, more than 94% of the revenue generated from our UK Grocery businesses’ branded portfolio in 2022/23 was derived from products that are designated as being non-HFSS, or that are classified as HFSS but are not subject to restrictions under the Food (Promotion and Placement) (England) Regulations 2021. For context, foods designated HFSS within our UK Grocery businesses’ branded portfolio that are not within the scope of public health-related sales restrictions include bagged sugars and cooking oils, as well as some cooking sauces and condiments.

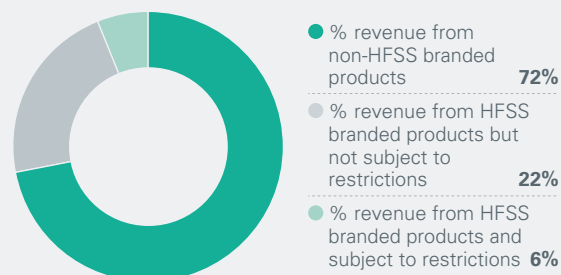
Some 72% of revenue from our UK Grocery businesses’ branded portfolio was derived from foods that are classified as non-HFSS. These include staples such as bread, crispbreads, tea, flour, rice and noodles, as well as some breakfast cereals (including muesli and some granola recipes), cooking sauces, and condiments.

Finally, foods designated HFSS that are also subject to sales restrictions include a small number of our baked breakfast cereal recipes, some ice-cream accompaniments, and some baked goods. Many of these product ranges have already been reformulated, or will be considered for reformulation in future, subject to feasibility and consumer acceptance.

Food safety

In line with the Group approach on food safety, see Group section on page 24, all Grocery businesses ensure the safety, quality, legality, integrity and authenticity of their raw materials and products. This is achieved by operating Hazard Analysis Critical Control Points (HACCP), Threat Assessment and Critical Control Points (TACCP) and Vulnerability Assessment and Critical Control Points (VACCP) protocols, alongside Good Manufacturing Practices (GMP) and product assessment. All critical processes are subject to ongoing verification and at least annual validation. UK Grocery businesses are typically subject to unannounced audits to Global Food Safety Initiative (GFSI) standards and employ food safety specialists who are responsible for ensuring ongoing compliance to the required certification, in-house and customer standards.

George Weston Foods has been making progress to improve its food safety and quality culture for several years, with training, data collection and new processes introduced.

UK Grocery branded product analysis 2023



Ingredients

Our Ingredients businesses are leaders in yeast and bakery ingredients as well as in specialty ingredients for the food, human and animal nutrition, pharmaceutical and various other industries.

Our Ingredients segment comprises of, **ABF Ingredients (ABFI) and AB Mauri.**

ABFI is a global leader in specialty ingredients offering innovative, differentiated, sustainable and value-added products to the food, health and nutrition, pharmaceutical, animal health and industrial sectors. Our ingredients are an essential part of products that are just as likely to be found in the kitchen and medicine cabinet as in production units and research laboratories. ABFI has over 1,200 employees and serve customers in more than 50 countries from manufacturing and R&D facilities in 15 countries across Europe, the Americas and India. ABFI comprises seven businesses which operate worldwide with distinct identities: AB Biotek Human Nutrition and Health, AB Enzymes, ABITEC Corp., Fytexia, Ohly, PGP International, and SPI Pharma.

AB Mauri has a global presence in bakers' yeast with significant market positions in the Americas, Europe and Asia. It has over 5,000 employees and sells products to customers in over 100 countries, operating from 52 plants across 32 countries. AB Mauri is a technology leader in bakery ingredients, supplying bread improvers, dough conditioners and bakery mixes to industrial and craft bakers across the globe. The business employs experts who have extensive knowledge and understanding of the functionality of yeast and bakery ingredients and of the raw materials and processes to produce them. In addition to bakers' yeast, AB Mauri supplies specialty yeast products to a wide range of other markets, providing associated technologies and fermentation capability to the alcoholic beverages, bioethanol and animal nutrition markets.



AB Mauri, Ingredients Research and Development Centre, Etten-Leur, Netherlands





ESG at Ingredients

Sustainability leaders in each business meet regularly to share knowledge, experience and best practices in developing and implementing their respective approaches to the management of the ESG risks, opportunities and impacts.

ABFI has developed a sustainability strategy based on three pillars: People, Planet and Customers. It strives to protect its people and to respect those it partners with as well as the planet's environment and natural resources.

At AB Mauri, ESG leaders in each business meet regularly to share knowledge, experience and best practices in developing and implementing comprehensive and effective ESG strategies. AB Mauri has a global ESG steering group, headed up by AB Mauri's Chief Executive. It sets guiding principles and maintains a network of experts that provides guidance, tools and best practice needed to fulfil the business's objectives and ambitions.

Agriculture and farming practices

Our Ingredients businesses create products from a range of agricultural commodities, and support the adoption of responsible farming practices.

Biodiversity and land use

Our Ingredients businesses source agricultural commodities, such as palm oil, that are linked with potential risks related to deforestation and biodiversity loss. AB Mauri and ABFI's purchasing practices are guided by these risks.

AB Mauri aims to purchase palm oil that has been physically certified to RSPO standards. In cases where the quantities needed are accessible in our local markets, AB Mauri will buy palm oil that has been physically certified to RSPO standards. In instances where such certified palm oil is unavailable, the company will acquire RSPO credits.

ABFI's business ABITEC responsibly sources a limited quantity of palm-related raw materials. Since 2016, ABITEC has been RSPO certified for its mass balance supply chain model.

Another ABFI business, PGP International, procures rice and rice flour from California and the southern states of the US. The company is a proud participant in the USA Rice Millers' Association, an organisation advocating for environmental responsibility, biodiversity preservation, and conservation efforts as a part of the [USA Rice Group](#).



A harvested rice field, California, US

People in our supply chains and surrounding communities

Our Ingredients businesses understand the importance of the working conditions and labour standards within their supply chains and are committed to operating as responsible neighbours to their surrounding communities.

Human and labour rights in our supply chains

AB Mauri and ABFI comprise international businesses with global and complex supply chains. Due to the nature of the agricultural commodities they source, certain raw materials and geographies have a higher risk of human rights issues.

Both businesses use the Group Supplier Code of Conduct to manage human rights issues in the supply chain, and choose individually how best to apply this across their respective raw material purchases.

AB Mauri and ABFI also share the Group's position against all forms of modern slavery as expressed in the [ABF Modern Slavery Statement](#).

A number of our Ingredients businesses use desk-based screening to identify product categories and origins deemed to be at high risk of human rights issues and supplier self-assessment questionnaires to further assess policies and working practices of higher risk suppliers. In its work on human rights ABFI refers to the internationally recognised framework of the UNGPs, and is using Sedex for supply chain mapping and risk management. As a result of this work purchases of palm oil, soy and citrus have been identified as having a higher risk of human rights-related issues.

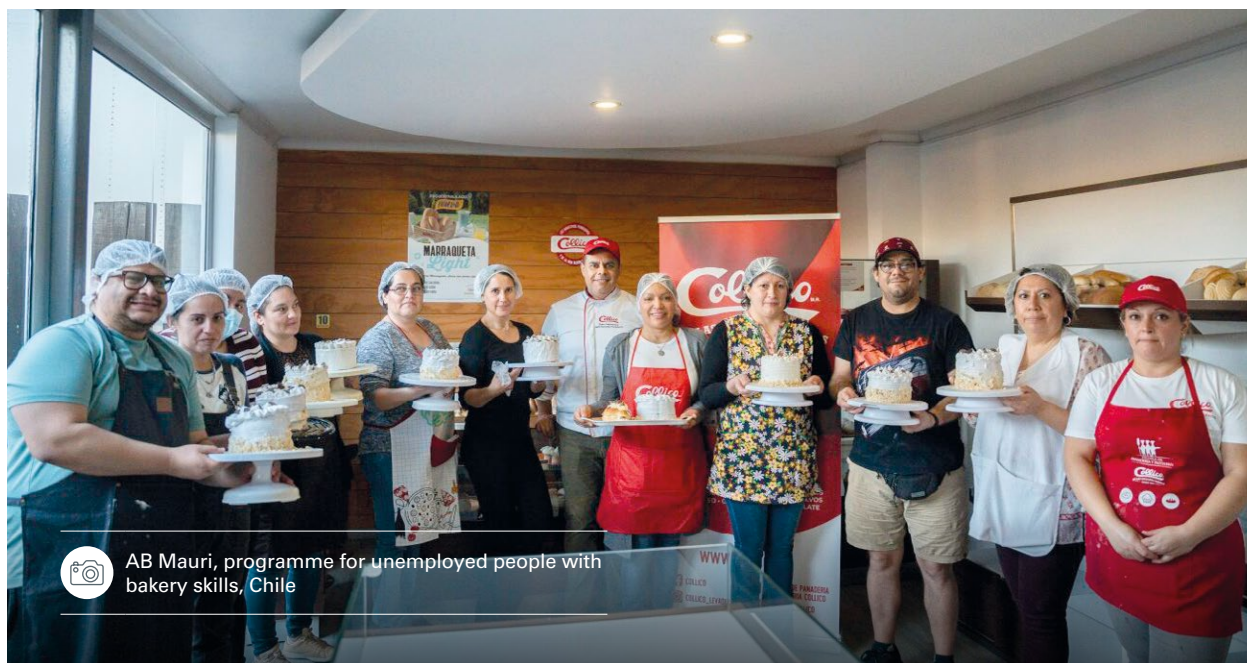
ABFI is developing a training programme to raise awareness about modern slavery for its senior leadership, procurement staff, quality teams and customer-facing employees. The programme highlights the risks and dangers of forced labour and provides guidance and support to employees with concerns or suspicions. Through this training, ABFI hopes to play an active role in preventing and combating modern slavery, equipping its employees with knowledge and tools they themselves can use to identify and address any issues that may arise.

Supporting communities

AB Mauri and ABFI both explore opportunities to add value to communities beyond their business operations. Food, inclusion, education and other projects supporting local communities are implemented across the global network.

For example, in 2022 AB Mauri created a programme to provide unemployed people in Chile with bakery skills. After the success of the first phase, the programme was renewed in 2023, with 200 students picked from 5,000 applicants.

PGP International collaborated with a food bank to launch a food equity initiative in 2022 which provides nutritious meals to essential food system workers.



AB Mauri, programme for unemployed people with bakery skills, Chile



Our people

People are central to the success of our Ingredients businesses. Each business prioritises having a positive impact across health, safety, wellbeing, diversity, equity and work-life balance.

Health, safety and wellbeing

Keeping people safe will always be a priority for our Ingredients businesses. Their ultimate aim is to create a safe working environment that sustains zero injuries and no work-related ill-health.

Safety and health are a focus at all global leadership meetings. Performance and progress are benchmarked, and any work-related accidents are reviewed to identify any process weaknesses and the corrective actions being implemented. Leaders are responsible for setting the tone for safe working environments and promoting good health and wellbeing across all sites.

PGP International staying ahead of potential hazards in the workplace

PGP International's Hazard Hunt initiative has been acknowledged for its effectiveness in identifying potential hazards. Through a user-friendly app, employees can report potential hazards directly to managers in real time rather than waiting for scheduled audits. This has resulted in faster risk identification and remediation. Additionally, the initiative allows sharing findings and applying learnings across PGP International's sites in the US.

AB Mauri has a Health and Safety steering group, which develops new strategies and oversees implementation. It is supported by a Health and Safety leadership team consisting of regional health and safety managers, which co-ordinates and delivers activities across regions. Its SAFE programme – Safety For Everyone – is a set of systems aimed at increasing awareness of health and safety issues, highlighting best practices and reducing or eliminating risk

wherever possible. The programme is embedded in the culture of the business and continues to expand as the division learns and grows from its experiences.

AB Mauri's health and safety approach has led to strong results. It has maintained the same rate of 0.12% for employee on-site Lost Time Injuries (LTI) over the last two years. This equates to six employees experiencing an LTI on-site in 2022 and in 2023. There were zero employee LTIs off-site in 2023.

In 2023, 80% of AB Mauri's production sites recorded zero employee or contractor LTIs.

For contractors working within AB Mauri's sites, there has been an increase from two in 2022 to five this year. The LTI rate has increased from 0.11% to 0.27%.

Similarly, ABFI's '6 Points of Success' guides its health and safety activity, and safety performance is continually monitored. All employees are encouraged to take responsibility for improving safety, resulting in an impressive 90% of ABFI's production sites recording zero LTIs in 2023. This means no employees missed work due to workplace injuries at these sites. Since 2017, the annual ABFI Health, Safety & Environment Recognition Awards have been held to honour individuals or teams who have significantly contributed to workplace safety through various initiatives.

Whenever accidents occur at AB Mauri or ABFI, learnings are shared through a safety alert system. All sites must then assess and report whether the underlying risk applies, whether corrective action is needed and, if so, when this will be done. Critical risks to those working or visiting the business are also a key focus. Critical risks are identified through audits and data analysis, and champions are then appointed to address them through developing toolkits, training and mobilising colleagues at local site level, supported by global expertise where necessary.

Both businesses believe that promoting employee wellbeing can help create a more positive working environment where

ABFI recognising Mental Health Awareness Week at a divisional level

There has been a renewed emphasis on promoting good mental health and overall wellbeing at ABFI. One way this is being highlighted is through Mental Health Awareness Week, which includes a series of workplace events. Additionally, ABFI employees can access the Unmind app for free. This app is a wellbeing platform that provides proactive and preventative tools, including meditations and self-care techniques. It also offers learning opportunities, such as building confidence, nurturing high performance and stress relief tools.

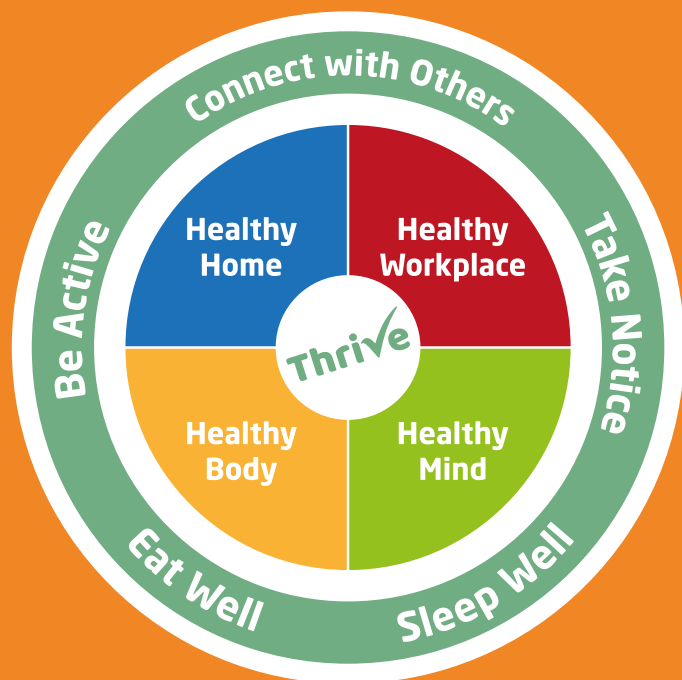
both individuals and businesses can thrive. They deliver a range of programmes to improve employees' mental and physical health, maximising engagement at all levels of the business on the support, protection and education of employees and their families.

Though wellbeing programmes for employees differ between the businesses to suit the local context, wellbeing focuses include physical (health promotions, good rehabilitation, diet and exercise), mental (mental health awareness, dignity at work, stress management, emotional support), social (employee voice, social events, ESG) and financial (pension advice, financial education or provision of financial benefits).

OUR PEOPLE CONTINUED

AB Mauri's thriving health and wellbeing framework

Across AB Mauri, there are various examples of wellbeing initiatives. Thrive is the health and wellbeing framework for its UK and Ireland business, which recognises the interconnected nature of home and work life, and of physical and mental health. The programme aims to support and enable employees to bring their whole self to work and to flourish, grow and contribute to business performance.



thrive@abmauri.com

The outer ring captures some of the fundamental elements that form the foundations of personal health and wellbeing. The inner circle of four quadrants represents AB Mauri UK&I's 360° approach, which includes raising awareness, developing initiatives, providing information and signposting colleagues to external professional advisory services and information.

The programme seeks to proactively support employees mentally and physically and to have a positive impact both inside and outside of work. The goal is for each and every employee to thrive at life. Initiatives have included:

- **Healthy Mind:** Mental Health First Aiders, Employee Assistance programme, stress awareness and managing mental health advice;
- **Healthy Body:** Nutritional advice including fibre, cholesterol, microbiome health, health assessments;
- **Healthy Home:** Financial Awareness Webinar, Bonfire Night safety tips, energy saving, encouraging children to eat vegetables; and
- **Healthy Work:** Programme SAFE and Behavioural Safety, Food Safety at Work, learning and development opportunities.

Diversity, equity and inclusion (DEI)

Our businesses respect all individuals, strive to foster a sense of belonging among all employees and create workspaces that value cultural diversity.

ABFI encourages inclusive work practices and fair compensation throughout the organisation and its supply chain. These efforts contribute to the company's reputation as a top employer in the specialty ingredients industry.

AB Mauri celebrates its diversity across the 32 countries it operates in, with an approach designed to respond to the local cultures and traditions of the societies it serves.

DEI considerations vary by country, culture and legislation, and therefore local businesses are empowered to determine which aspects are most relevant and prioritised according to local factors. A network of DEI Champions is in place to capitalise on best practices and expertise, and to deliver improvements.

As operators in the manufacturing and STEM sector, the businesses continue to face an imbalance of women in important roles.

AB Mauri recognises there is always more to be done on diversity and inclusion. Some examples of how AB Mauri is embedding DEI across its network include its family-friendly policies, awareness and education including unconscious bias training, and its external partnerships and support of charities.

AB Mauri aspires to achieve greater female representation, particularly amongst senior leadership. To achieve this, it has committed to ensuring diversity in its recruitment, with a minimum expectation to always have at least one female candidate for consideration. The business monitors its gender balance throughout the organisation, and the balance of candidates and hires in its top 100 recruitment. This is reviewed by the senior leadership team monthly.



OUR PEOPLE CONTINUED

Engagement and development

The skills and experience of people are key to the success of our Ingredients businesses. Alongside the need to provide ongoing development opportunities, engaging employees and keeping them informed in a more hybrid environment has never been more important.

ABFI has a new Development Academy, which is successfully reaching and developing people through structured virtual and classroom training. A new on-demand learning platform was launched to reach people who need quick recaps of key skills or want to improve their soft skills and leadership abilities.

ABFI has also initiated a programme of internal sessions for its Head Office employees to educate them about ESG fundamentals.

AB Mauri has a philosophy comprising 70% on-the-job experience, 20% coaching and mentoring, and 10% formal training. Individual high performance is achieved through multiple inputs, including 'Talking Talent Leaders' who are experts within their individual fields, with responsibility and ownership for best practice toolkits.

Technical experts from AB Mauri's Global Technology Centre in Etten-Leur, Netherlands, deliver Technology Bakery Ingredients training through modular training programmes, designed to build knowledge on specific bakery product applications for all regions worldwide. Training is provided at foundation, specialist and master level, and is completed via a combination of online and live training.

The businesses have many established ways of connecting with their employees to gather feedback and understand how to build happy, healthy and productive workplaces. Periodic employee engagement surveys are held and action plans developed to tackle issues raised. A number of the AB Mauri businesses run town hall meetings, hold toolbox talks, publish newsletters and share business and employee updates.



Fytexia colleagues working together, Vendres, France



Carbon and climate

Climate change is a material risk, and AB Mauri and ABFI are determined to play their part in the transition towards a net zero economy.

GHG emissions, energy and renewables

AB Mauri and ABFI recognised climate risks in their operations and supply chains, however the two divisions see the transition to a low-carbon economy as an area of opportunity. By producing more using less energy and switching to renewables, they can improve the efficiency and resilience of their operations, help customers reduce their own carbon emissions and reduce their total carbon footprint.

The approach taken by AB Mauri and ABFI to reduce their energy use and emissions focuses on investing in energy efficiency and increasing their use of renewable energy. AB Mauri's sites have access to a wealth of energy efficiency guidance and tools specific to its operations, as well as a database of successful carbon reduction initiatives from its businesses. The business identifies the most impactful new energy technologies and works with its network of regional engineering and operational experts to assess their viability and assist in implementation.

An increasing number of AB Mauri sites are purchasing renewable energy from external suppliers, with manufacturing sites in Brazil, Chile and Spain all using 100% renewable electricity in the financial year. Sites in Italy, Spain, the US and Mexico also have on-site solar installations. In AB Mauri's yeast plants, biogas created from biological wastewater treatment is turned into a source of heat and/or power for operations where feasible.

ABFI businesses are encouraged to consider the use of renewable energy, with four out of 10 production sites already utilising renewable energy. In 2024, some sites are planning to generate power using heat recovered from operations.

In 2023 the Ingredients segment reduced its energy consumption by 9% compared with 2022 from 1,762 GWh to 1,162 GWh. The businesses have not consumed coal or anthracite during 2023, which led to a reduction of 2,565 MWh in the year, because the LPG boilers used are more efficient than coal.

Of the total energy consumed in 2023, 20% was from a renewable energy source including biogas, wood and on-site solar. On-site solar energy has increased by 269% this year across four sites, and the segment contributes 51% of the Group's consumed self-generated renewable energy.

The segment's Scope 1 and 2 (location-based) GHG emissions decreased by 19% compared with 2022 from 455,000 tCO₂e to 366,000 tCO₂e. Scope 3 emissions from third-party transport have decreased by 11% across the Ingredients segment, and the emissions from biogenic carbon from the yeast fermentation process have reduced by 3%.

AB Enzymes and Ohly have worked with ClimatePartner, a specialist consultant, to measure their Scope 1, 2 and 3 emissions. This data is guiding activities and has enabled certain sites to plan to reduce their GHG emissions.

Growing renewables at AB Mauri

AB Mauri is increasing its use of renewable energy in its operations. Alongside buying from third-party suppliers, it produces renewable energy on-site from biogas and, increasingly, through installing solar panels at sites.

This year, it has made progress towards utilising 100% renewable energy across its operations. Its yeast plant in Chiplun, India, has entered a multi-year contract to source electricity from a nearby solar farm. The solar farm began operating in July 2023, and it is estimated it will save over 6,500 tCO₂e/annum compared with electricity from the local power grid.

AB Mauri's site in Córdoba, Spain has also achieved 100% use of renewable electricity. Solar panels installed in August 2022 generated a small amount of the site's electricity needs in 2022/23. The remainder of its electricity used has been 100% renewable since January 2022.

New biogas co-generation plant in Brazil

AB Mauri invests in water treatment technologies to ensure that the water it returns to the environment is safe and compliant with local standards. In some cases, a by-product of water treatment can also be a source of energy.

The business has recently completed a new wastewater treatment installation paired with a biogas co-generation plant at its site in Pederneiras, Brazil. This will both improve water quality and produce electrical and thermal energy from steam and hot water. The plant comprises digesters – where biogas results from a wastewater treatment process known as anaerobic digestion. It also has a facility where it treats this biogas to a quality where it can be used as a fuel source, and a co-generation plant, where the treated biogas is transformed into energy. The new plant generates renewable energy equivalent to over 30% of the plant's consumption. This complements the site's existing low-carbon energy sources – heat and electricity generated from burning renewable, low-carbon biomass and 100% renewable electricity from the grid.

The site aims to identify other renewable energy generation alternatives to increase the factory's self-sufficiency and lower carbon emissions, for example through the installation of solar panels.



AB Mauri new biogas cogeneration plant, Brazil

CARBON AND CLIMATE CONTINUED

Ohly switches to 100% renewable electricity at its site in Hamburg

Ohly, a leading global supplier of yeast-based ingredients and part of ABFI, switched to 100% renewable electricity at its manufacturing site in Hamburg, Germany. This achievement was a significant step towards the site's commitment to reduce its carbon footprint and achieve net zero for its Scope 1 and 2 emissions.

Ohly plans to achieve this target through a combination of investing in more efficient manufacturing processes, renewable energy sources and partnering with key service providers. Significant progress has been made towards this goal, with Ohly reducing Scope 1 and 2 carbon emissions per tonne of product produced by over 50% in 2023, and reducing total overall energy usage by 21% compared with a 2018 baseline.

Working alongside ClimatePartner, Ohly measures its site carbon emissions to understand its end-to-end value chain impact and is following a 'Measure, Reduce, Compensate' strategy.

In 2022/23, Ohly invested in more efficient manufacturing processes and started the installation of a new state-of-the-art spray drying tower as well as e-charging stations to incentivise lower emissions transportation for employees.

1. Calculations are based on the emissions saving from the reduced energy consumption when using an average detergent and washing machine type with 164 cycles per household in Central Europe. The use of the enzyme results in an average reduction of 13°C in washing temperature, which equates to a reduction of 258 kWh electricity and 119kg avoided emissions per 1000 washing cycles.
2. Calculations are based on the emissions savings from the reduced in energy consumption in the South East Asia region, which is the largest cotton producing region. The use of the enzymes results in an average reduction of 20°C in water temperature, which equates to a reduction of 350 kWh and 360kg avoided emissions.

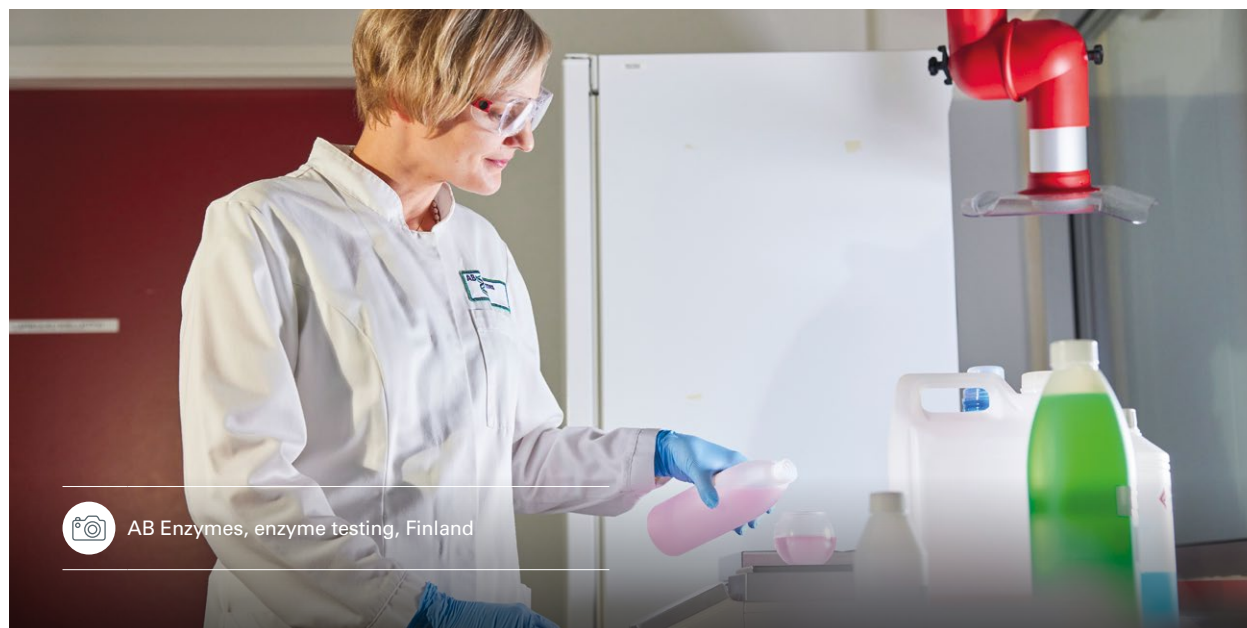
Carbon enablement

ABFI is particularly focused on providing products and services that have the potential to assist others in reducing carbon emissions, often referred to as carbon enablement. Carbon enablement is integral to ABFI's offer to customers, and a key focus for investment and innovation.

AB Enzymes, an industrial biotech company that specialises in the development of enzymes used in multiple industries for various applications, has enablement at the core of its purpose. Enzymes are biological catalysts that essentially accelerate biochemical reactions, making them a very effective alternative to petrochemical-based products. AB Enzymes has developed a number of innovative products that enable emissions reductions with no impact on product performance. One example is washing powder that uses a specialist enzyme produced by the business that enables clothes to be washed at 30°C just as effectively as at 40°C. This has the potential to reduce electricity consumption by around 260kWh or 120 kg of CO₂e per 1,000 washes¹.

Another example is a product that reduces the water temperature required to biopolish cotton textiles. Biopolishing is a stage of cotton production which cleans the surface and removes fluff. For many years, that process involved immersing the fabric in water heated to 50°C, but this enzymes-based alternative has enabled the same results in 30°C water. This has the potential to reduce energy consumption by around 350kWh or 360 kg CO₂e for every tonne of cotton processed. This potential saving has the capability to be particularly significant given that textile processing tends to be carbon-heavy².

Another example from ABFI company AB Biotek Human Nutrition and Health is the formulation of inactivated yeast postbiotics that do not require refrigeration. This allows for more energy-efficient transportation and storage of perishable foods and medicines that would normally need to be chilled, resulting in lower energy consumption.



AB Enzymes, enzyme testing, Finland



Efficient resource use

Raw materials and water are essential to many operations across our Ingredients businesses. Respecting the natural environment means using those resources efficiently.

Waste and circularity

Central to our Ingredients businesses' approach to protecting finite resources is a commitment to reducing the waste generated by their operations. Waste streams are increasingly repurposed for new uses and markets, and if waste cannot be eliminated or repurposed, it is recycled wherever possible.

AB Mauri and ABFI are focusing on a strategy to eliminate, reduce, reuse and recycle waste.

Wherever possible AB Mauri reduces waste by continuously improving the efficiency of its operations, such as through the smart design of its production lines. For example, some of its operations collect the waste created during the bakery ingredient manufacturing processes to sell as by-products in several locations.

At its plant in Royston, UK, husks from soya milling are sold for processing into animal feed, providing the site with an additional revenue stream and helping it achieve zero waste to landfill. In another example, vinasse, a product of its yeast process, is used to create potassium fertiliser for agriculture and animal feed applications.

ABFI is implementing innovative processes to reduce waste, including collaborating with partners in the value chain to turn waste into a raw material. For example, PGP International uses the Define, Measure, Analyse, Improve and Control process to understand and evaluate its waste streams. To track and trend its progress, the business has implemented weekly dashboards that are assessed and shared, striving to eliminate wastefulness in all its resources and using a risk assessment process to determine where to invest resources to make further improvements.

An innovative container tilting system recently implemented at SPI Pharma's facility in Septèmes, France, allows the site to use every drop of liquid cleaner. Previously, 10% of the liquid was wasted, but by gradually tilting the containers as the contents are used, this new system has significantly reduced waste, cut costs and improved safety.

In 2023, there was a 29% reduction in the generation of all waste materials across the segment from 109,000 tonnes last year to 78,000 tonnes. Of this waste, 86% of ABFI's and 89% of AB Mauri's total was recycled, recovered, reused, or sent for another beneficial use. In addition to reducing overall waste, the businesses regularly explore positive ways to use the waste created with examples this year including soil and construction materials, animal feed and recycling of paper and plastics.

Water use

Water is vital to our Ingredients segment, in particular AB Mauri. In AB Mauri's yeast plants, water is the medium in which yeast cells live, grow and reproduce. Throughout its operations, water is also vital for keeping equipment and facilities clean and efficient. By using water efficiently and returning it safely to the environment after use, AB Mauri ensures it can continue to operate over the long term by minimising its impact on local water security, communities and biodiversity.

Water abstracted by the Ingredients segment decreased by 26% from 23 million m³ to 17 million m³ compared with the prior year. Of the amount abstracted in the year, 74% is attributed to AB Mauri which has reduced the need for over 1.5 million m³ from targeted water management initiatives and reducing leaks.

The amount of wastewater generated also decreased this year by 25% compared with 2022 from 20 million m³ to 15 million m³. This decrease is driven by AB Mauri's 31% reduction in wastewater and is aligned with the reduction in water abstracted as well as investment in recycling water on-site and wastewater management.

AB Mauri's water strategy focuses on sharing best practice in reducing, reusing and recycling process water, in addition to returning it safely to the environment. The division is focusing on reducing its water-intensity ratio (the quantity of water consumed per tonne of product, excluding by-products) over time. Examples include upgrading the cooling tower at

its plant in Memphis, USA, saving 26% of the site's annual consumption, and numerous incremental improvements including re-using water in the yeast filtration process at its plant in Atzala, saving 5% of the site's total annual water consumption. This approach has enabled AB Mauri to reduce its water-intensity ratio by 48% since 2017/18.

All AB Mauri sites with material water use are required to forecast their expected abstraction to 2030. This is accomplished through guided self-assessment and in conjunction with tools provided by the WWF and Aqeduct.

ABFI also monitors water usage at all its sites. It uses benchmarks to identify opportunities for improvement and to encourage its teams to find ways to increase efficiency, such as by recirculating water. ABFI reduced water abstraction by 9% in 2023 from 4.7 million m³ to 4.3 million m³ primarily due to a major water conservation project in its ABITEC business and changes in production mix across other sites.

Additionally, effluent waste water is treated before discharge and ABFI monitors the oxygen demand of wastewater effluent across its operations. This information and regular monitoring are fundamental to ensure its operations remain compliant with regulation.

Water also plays a crucial role in safely cleaning machinery at ABFI businesses, such as PGP International. A recent project has optimised the production schedule and reduced the water used in this process, leading to a 48% decrease in wastewater volumes between 2018 and 2023. Similarly, engineers at Roal Oy, AB Enzymes' joint venture manufacturing partner in Finland, identified that cleaning specialist machinery accounted for 85% of the waste water produced. Modifying software and reprogramming cleaning sequences saved water and contributed to a reduction in the site's overall waste water by 8%.



Food and nutrition

The quality and safety of products is critical to our Ingredients businesses. Developing healthier and more nutritious products is also a key focus.

Nutrition and health

Our Ingredients businesses develop and produce a range of ingredients which offer health and wellbeing solutions for customers in the food and beverage, functional food, nutraceutical and pharmaceutical industries.

Their teams work towards developing new ingredients that aim to improve people's health and wellbeing, such as PGP International's natural ingredients that are designed to replace artificial food products or ABITEC's nutritional ingredients for food, drinks and supplements.

ABFI also produces scientifically supported active ingredients for healthcare products, such as AB Biotek's ABB C1™, a product that enhances the immune system's ability to respond quickly and effectively to viruses, allergies and infections.

Food safety

Our Ingredients businesses have a system of robust processes and policies around their operations and supply chains to deliver the highest global food and safety standards.

They rely on a well-established process for identifying emerging food safety and regulatory risks. These risks are evaluated and managed through their risk register, which is reviewed and updated at least twice each year with all regions.

Regional, territory, country and site senior management are responsible for ensuring that formal reviews are conducted at least annually and are tracked to demonstrate commitment to continuous improvement.

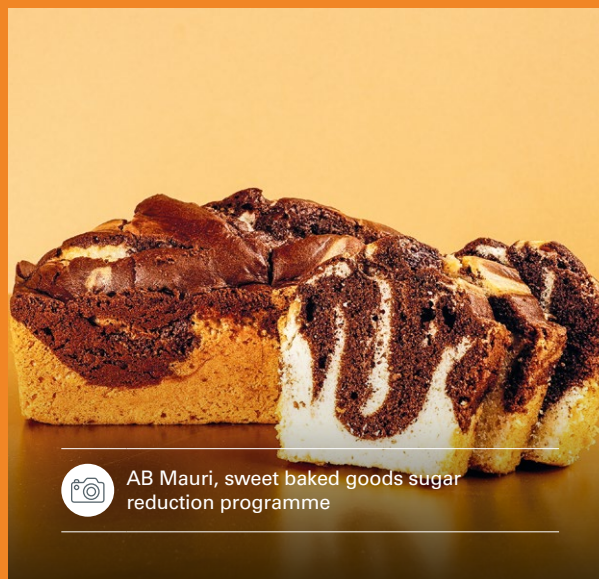
AB Mauri aims for zero food safety incidents or recalls and full customer satisfaction through a 'Right First Time Product Quality' approach. It uses risk-based food safety and quality (FS&Q) systems focused on assessment, mitigation and control of potential hazards at production facilities and in the supply chain. Its FS&Q systems, scorecards and toolkits (procedures, guidance and ways of working) enable food safety behaviours at all levels.

ABFI, through use of the ABF Code of Practice for Suppliers, sets clear expectations for its supply chain partners and employees, and provides regular training programmes to ensure continuous improvement. Strong working relationships with suppliers are built on trust, robust testing systems and risk assessments.

Balancing delight and nutrition in sweet baked goods

AB Mauri has successfully developed solutions for its sweet bakery portfolio that enables up to 100% sugar reduction while preserving the delightful taste experience. Across its cake, muffin and doughnut product categories, AB Mauri is also improving the nutritional profile of its sweet bakery goods by increasing the amount of fibre, helping consumers reach their recommended daily intake of fibre. This facilitates production of healthier alternatives that prioritise taste and nutritional content, contributing to a shift towards healthier consumption patterns.

AB Mauri has also prioritised fat reduction in sweet bakery goods, notably in doughnuts. This not only enables the production of a doughnut with reduced fat content but also increases the fibre content, further enhancing its nutritional value.



AB Mauri, sweet baked goods sugar reduction programme

New ABFI life science business

In 2022, ABFI acquired Fytexia Group, a well-known life science company specialising in developing active dietary supplement nutrients. Fytexia has a reputation for creating innovative ingredients that have been extensively tested through clinical research and have been used in some of the most advanced healthcare products worldwide.



Agriculture

AB Agri is an international agri-food business and a leader in the UK supplying farm performance services, animal feed, speciality ingredients and supplements to farms, feed manufacturers, food producers and retailers.

AB Agri employs more than 3,000 people around the world, it sells products and services into more than 100 countries and its global operations continue to grow.

AB Agri has an expert understanding of agriculture and animal nutrition, it combines data and technology with industry expertise to enable the production of nutritious and affordable food.

Its core capabilities include:

Creating innovative nutrition and technology-based products – AB Agri is a major investor in innovation of speciality feed ingredients for livestock, equine and pet foods. It develops pioneering ingredients including feed additive products, high-quality bespoke vitamin and mineral pre-mixes, starter feeds and alternative proteins.

Making animal feed – AB Agri is one of the UK’s largest compound feed businesses for pig and poultry customers and one of the UK’s largest marketers of co-products from the food and drink industries for dairy and beef farmers. It has international manufacturing capabilities extending into Europe and China and plan to increase global manufacturing further.

Delivering farm performance services for the agri-food industry – its data and technology platforms deliver targeted insights that help create continuous improvement for agricultural supply chains. AB Agri works with major food processors, retailers and directly with farmers, enabling them to: increase productivity and yields sustainably; improve animal wellbeing and husbandry; and develop quality assurance and operate in a more sustainable way.

Its products, insights and technological solutions enable its customers to produce high-yielding, safe and nutritious food using fewer chemicals whilst safeguarding natural resources and reducing environmental impact.



AB Vista laboratory technician, Wales, UK





ESG at AB Agri

AB Agri is passionate about producing responsible, affordable food and enabling people and animals to thrive. Its businesses share common values and a commitment to doing the right thing, which is key to its success.

In 2022, AB Agri completed a materiality assessment to identify the 'responsibility factors' that are most important to its stakeholders and determine where it has the greatest opportunity to act. The assessment was validated by AB Agri-funded independent consumer surveys in four markets, the UK, Germany, the US and China and supported by additional stakeholder data from Kantar. It identified eight 'care factors' across three main themes: environment (greenhouse gas, resource use, land use, water, biodiversity, plastic), lives and livelihoods in the supply chain, and animal health and welfare.

AB Agri is focused on making progress in these areas. It has monthly steering groups for Climate, Responsible Sourcing and Animal Health and Welfare. Led by the Director of Responsibility, these groups monitor and govern those areas and report to leadership on a quarterly basis.

Alongside adherence to Group policies, AB Agri has the following supplementary policies and statements:

- [Animal Health and Welfare Policy](#);
- [Antimicrobial Resistance in Agriculture Positioning Statement](#);
- [Deforestation Statement](#); and
- [Equality, Diversity and Inclusion Policy](#).

These can be accessed online, alongside its Gender Pay Gap and Modern Slavery reporting.

Agriculture and farming practices

Over the last century, improvements in farming practices and technology have enabled food to be produced at scale, more economically than ever before.

Responsible agriculture, biodiversity and land use

AB Agri's focus is to produce food that remains affordable, while continuing to safeguard the land, protect the animals reared for food, and support biodiversity.

It is well-evidenced that where possible, scale farming methods are most appropriate for achieving these combined goals. AB Agri believes scale farming is well-placed to make improvements in future.

Deforestation is a key focus area within AB Agri's Responsible Sourcing Policy. The business sources palm oil and soya as they are nutrient-efficient and cost-effective ingredients for animal feeds. Soya in particular is a material ingredient in its supply chain due to its use in poultry feeds.

However, the significant global increase in demand for palm oil and soya has resulted in the clearing of land, sometimes illegally, or at the expense of local communities and precious natural ecosystems. AB Agri believes in responsible supply chains, including deforestation-free palm oil and soya.

The business is an active member of the European Feed Manufacturers' Federation (FEFAC) Sustainability Committee, which introduced soya sourcing guidelines in October 2015, as well as the Agricultural Industries Confederation Sustainability Committee and the UK Roundtable on Sustainable Soy.

AB Agri has committed that by 2025 all palm oil and soya usage will be certificated, supporting zero deforestation responsible sourcing schemes. As of September 2023, all its South American maize and maize co-products will be certificated to a minimum book and claim standard.

By the end of 2022/23, 64% of the soya products AB Agri bought worldwide was certificated to the FEFAC benchmark for responsibly sourced soya¹. This is a significant increase compared to 37% in 2020. This improvement has been further supported by its China team, which has worked hard over the last 12 months to have 15% of its soya meal certificated by schemes that meet the FEFAC benchmark.

Following its policy, 100% of AB Agri palm oil has been certificated, using a combination of book and claim and mass balance RSPO Trace.

The EU Deforestation Regulation, which entered into force in June 2023 and will apply after December 2024, will restrict certain forest risk commodities (including palm oil and soya) from being placed on the EU market where they have led to deforestation or forest degradation. This requires implementation of new supply chain practices across global markets. AB Agri is working closely with external bodies such as FEFAC, with suppliers and customers, and with its purchasing and commercial teams to build knowledge, capability and develop enhanced processes across its supply chains.

1. The percentage for the reporting year is estimated based on actual volume purchased in calendar year 2022



AGRICULTURE AND FARMING PRACTICES CONTINUED

VIVE Sustainable Supply Programme


AB Agri’s business AB Sustain has developed VIVE, a programme which its customers use to monitor and improve environmental and social aspects of their agricultural commodity supply chain.

The VIVE programme supports its customers to encourage economic viability, social protection and environmental preservation within their selected agricultural commodities supply chain, by monitoring performance of nearly 1,000 indicators, including due diligence on child labour and worker rights.

As VIVE is aligned to the UN SDG targets and is benchmarked to different sustainability initiatives and standards such as a SAI Platform and ProTerra, a single VIVE assessment also enables assessment against other programmes.

Where supply chain issues are identified, the VIVE customer actively engages in remediation to ensure that action plans are created, implemented and evaluated as part of continuous improvement. These indicators and remediation plans are monitored through independent second-party assessments by organisations such as Control Union and SGS.



 Mechanised sugar cane harvesting on VIVE participating farm, Thailand

This approach to supply chain transparency is enabling buyers of VIVE-assessed products to better understand supply chain-issues and further collaborate with suppliers.

Animal health and welfare

Though AB Agri is not a farming business, its technical expertise and products help to improve animal health through technology and better nutrition. AB Agri is a committed supporter of the globally recognised ‘Five Freedoms’ for animal health and welfare. These form the basis of its Animal Health and Welfare Policy.

AB Agri has an Animal Health and Welfare Steering Committee, with representation from across AB Agri businesses. The Steering Committee oversees the Animal

Health and Welfare Policy being applied effectively throughout its businesses wherever they have contact with animals, including all product evaluation facilities, and any activities conducted by third parties on its behalf. The committee is also responsible for monitoring and responding to animal health challenges in AB Agri’s markets, sharing expertise and supporting customers in protecting against disease where outbreaks occur.


AB Neo reducing medicines in animal agriculture

The agriculture industry is striving to reduce the use of medicines in animal agriculture and learn more about the important role nutrition can play in supporting animal health. Neonatal pigs require particular attention as the risks of sickness are higher during infancy compared with more developed animals.

AB Neo, an AB Agri business focusing on neonatal and maternal stages in animals, has opened a new Centre of Excellence piglet trial farm facility. It will enable the business to trial products in an environment that better replicates commercial farms compared with typical research facilities.

The facility, based in Aragon, Spain, will help AB Neo better understand the impact of early nutrition for piglets, including how it can accelerate gut maturation and create a balanced and diverse microbiota. This should enable customers to rear piglets more responsibly, with reduced dependency on antibiotics.



 AB Neo feed intake, Aragon, Spain

People in our supply chains and surrounding communities

AB Agri recognises the risk of human rights impacts in the global supply chains of its businesses, and takes its responsibility to respect human rights very seriously.

Human and labour rights in our supply chains

AB Agri is taking steps to introduce due diligence programmes and procedures targeting material and salient issues in the supply chains of its businesses. These are covered in its Modern Slavery Statement, which is reviewed and published annually. It also continues to provide information and training for new employees as part of the induction process on issues relating to human rights and forced labour.

The Group Supplier Code of Conduct is included within AB Agri's legal terms and conditions of purchase, and the signing and commitment to the code is a mandatory component of its raw material supplier approval process.

AB Agri has an internal Responsible Sourcing Policy and newly developed Responsible Sourcing Standards which apply to all its businesses.

The Policy outlines areas of focus for AB Agri, including deforestation and conversion of natural ecosystems, human and labour rights, and efficient and sustainable use of resources. It also explains the roles and responsibilities of its businesses and its employees, as well as the process taken to develop its Responsible Sourcing Standards.

The Responsible Sourcing Standards, which are based on the Group Supplier Code of Conduct and the Ethical Trading Initiative Base Code, describe the sourcing approach and processes required for different sourcing categories. AB Agri has started to implement the requirements for its raw material sourcing category, and has committed for all purchases to meet them by 2030. This year it has expanded its risk mitigation process. Human and labour rights risks for certain raw materials are identified and monitored using the Maplecroft global risk analysis tool and the online Sedex assessment. AB Agri also works collaboratively with its suppliers to understand the country of origin of the feed materials purchased as the first stage of risk evaluation, which has now been determined for more than 95% of its suppliers of raw materials.

Once the initial Maplecroft evaluation has been completed, AB Agri supports its suppliers in mitigating their risks and complying with its Responsible Sourcing Standards. This includes completion of an online Sedex assessment, which is reviewed by the ethical compliance team and may result in an on-site audit. Throughout this process, the focus is on supporting suppliers to achieve the standards in place, and only to seek an alternative supplier if efforts to use its leverage to address relevant issues have failed.

As result of this process, AB Agri has assigned an ethical risk level to all its raw material suppliers ranging from Level 1 to Level 3. Level 1 is for suppliers with higher risks, with high or no Maplecroft risk rating and no risk mitigation in place. Level 3 is for suppliers with a low risk rating in the Maplecroft evaluation or if the supplier is rated as medium or high risk on Maplecroft, but AB Agri has commenced its risk mitigation process.

AB Agri has a target to achieve AB Agri Level 3 ethical risk rating for all raw materials suppliers by 2025. At the end of this financial year, with a higher number of raw material suppliers, the percentage of suppliers in Level 3 is 26% as last year but the percentage of suppliers in Level 1 has reduced from 54% to 38%.

AB Agri is now broadening the scope of this goal beyond raw materials, with third-party manufacturing and contracted labour being the areas of focus in 2024.

Regarding its own operations, all AB Agri-owned manufacturing sites have completed a Sedex self-assessment. These are reviewed annually. In 2022, it implemented a three-year rolling internal audit plan to conduct SMETA (Sedex Members Ethical Trade Audit) audits on all its manufacturing sites globally. Five of these audits were conducted this year, with further sites to be scheduled in 2024.



ABN delivery, Enstone, UK

Our people

As an employer to over 3,000 people, AB Agri's ambition is to create workplaces where every colleague can grow and succeed. It delivers this through action on diversity and inclusion, safety and wellbeing, and learning and development.

AB Agri's people leverage passion and experience to responsibly feed a growing global population. They are bold and pioneering about innovation, maintaining quality and putting responsibility at the heart of operations.

As well as being a flexible employer, AB Agri has a wide range of activities to broaden its colleagues' knowledge and expand its talent pool. Many initiatives provide people with opportunities to develop their full potential and positively contribute towards the division's goals. It also seeks to nurture and maintain a fair, innovative and inclusive culture where people can bring their true self to work every day.

Health, safety and wellbeing

Health and safety is a fundamental pillar of AB Agri's Target Zero programme. Alongside its commitment to HSE, it also seeks to provide a healthy working environment and aims to improve the quality of working lives for all colleagues.

AB Agri has developed a training programme to support all employees from leadership to frontline workers. Its e-learning health and safety modules were completed over 4,000 times this year, alongside the delivery of monthly training topics from subject matter experts to support personal development.

AB Agri manages health and safety through its 'Take 2' programme. Take 2 is both a mindset and a formalised

process, which empowers people to stop and think before doing a task to ensure that the task is completed safely. Development of Take 2 this year has included new digital 'Take 2s' being embedded into operations, maintenance activities and on-farm activities, and all UK operational staff starting to be given a smart device, enabling the workforce to access digital HSE information and tools from any location.

There is also a Target Zero calendar, which cascades key information on specific health and safety topics each month. It aims to provide awareness, instructions and controls for key risks to the workforce. The new 'Go, Look, See' approach is a guide to reviewing the work area with a health and safety topic in mind, enabling hazard spotting and highlighting any opportunities for improvement.

Lost Time Injuries to AB Agri employees, which occurred on-site, increased from 11 in 2022 to 13 this year. This equates to an employee on-site LTI rate of 0.50%, a 19% increase compared with last year. The increase in LTIs relates to incidents on either newly acquired sites or sites that have been transferred into AB Agri from other parts of the Group during the year, and on a like for like basis AB Agri performance remains unchanged when compared with last year.

We consider our contractors valuable members of our workforce. Lost time injuries to contractors in 2023 increased from two to three which equates to an on-site contractor LTI rate of 1.53%.

AB Agri has implemented a number of measures to address safety performance, with the leadership of each business leading the way by adopting safety improvement objectives. Other changes being embedded across AB Agri include investments in safety standards, global training and targeted communications, specific training to line managers about their safety responsibilities, sharing of lessons learnt from incidents and reorganisation of safety support to the businesses.



AB Vista colleagues, Wales, UK



OUR PEOPLE CONTINUED

In wellbeing, two new initiatives were launched this year. We established a Menopause Community for women, their partners and colleagues to discuss and understand how best those suffering with symptoms can be supported. This led to Personal Protective Equipment with more breathable fabrics being introduced. We also introduced 'Nudge', an impartial financial education platform helping colleagues to better understand their finances, take action and plan their future.

Diversity, equity and inclusion (DEI)

AB Agri believes that having a thorough and robust approach to managing talent will result in a diverse workforce and an environment which is welcoming to all. This is reflected in 34% of our employees being women.

AB Agri has a number of Employee Network Groups, such as PRIDE, Parents and Carers, and Enable – Disability Inclusion. The groups were allocated a Senior Leadership Team sponsor this year, and group leads enjoy quarterly meetings with the Chief Executive and the People and Performance Director to discuss any challenges or support required.

AB Agri remains focused on creating the best place to work for all, regardless of gender and any other characteristics.

AB Agri works hard to ensure it recruits in a fair and inclusive way. For all roles, whether new hires or development, internal talent management and external talent acquisition practices are considered together. This ensures an optimum talent pool of candidates from a variety of sources and enables the division to find the right candidate for the role.

When recruiting and selecting senior roles in the business, the division actively encourages a balanced shortlist of male and female candidates and embraces CV blinding practices. Globally, all recruitment agencies are expected to sign agreements which insist upon adherence to the Group Supplier Code of Conduct. References to the Equality, Diversity, Inclusion and Dignity at Work policies are also central to these agreements.

AB Agri partners with a number of organisations to inform the development of its internal processes and promote its offering externally. These include:

- Armed Forces Covenant – Being a member of this organisation opens up businesses to veterans looking for roles, often in quite rural areas of the UK, which works well for AB Agri's UK mills; and
- Disability Confident – AB Agri has achieved Level 1 certification of the Disability Confident scheme, adhering to its charter on how we work, opportunities we offer and support we provide.

An Accessibility Toolbar has been added to all external websites to ensure neurodivergent people and those with sight difficulties are able to interact with the business and apply for roles with ease. A new dyslexic font specifically designed to increase readability for those with dyslexia has been added.



AB Vista colleagues, Wales, UK



OUR PEOPLE CONTINUED

Engagement and development

The AB Agri publication 'Between The Lines,' initially launched in 2019, was created to bring together AB Agri's global colleagues, highlight personal stories from various parts of the company, and mirror its inclusive culture.

It has since become a crucial component of the division, distributed in seven different languages, both in digital and print formats, at all locations at least three times annually.

The business is providing opportunities for development within roles and broader career progression. This year, 76 workshops were delivered to over 600 delegates across AB Agri. In addition to workshops, Insights Discovery, a psychometric assessment tool, is used by practitioners and qualified coaches support people to better understand themselves and their teams.

AB Agri offers levy-funded apprenticeships and has increased its programme offering from 12 to 36 programmes in the last two years. It has seen significant return on investment for its talent programmes in the last three years, with 68% of high-potential programme attendees either promoted or given greater responsibility within their current role.

This year, AB Agri launched its first town hall to all employees, with approximately 1,600 attendees over two sessions. Translated recordings were also sent out for those who were unable to attend. This was an opportunity for all at AB Agri to hear from colleagues across the globe, as well as increase their engagement with business strategy and growth plans.

The Pulse

AB Agri's engagement survey provides colleagues with an opportunity to answer a short survey every other month, with feedback helping to drive improvements in ways of working. The overall engagement score across the whole of AB Agri has remained steady for the last 18 months, currently sitting at a score of 7.3 out of 10 which is the expected benchmark for an organisation such as AB Agri.

Colleagues can add comments to all ratings, and managers are encouraged to interact with these comments to establish whether individuals want to discuss them further. Comments and ratings remain anonymous unless the individual wants to discuss them. Reviewing comments and data has led to the following recent developments:

- a Sales and Operational Planning strategy has been informed by comments about customer feedback;
- a Supply Chain Development Programme has been created, and new senior co-ordinator role was created as a result of feedback around career paths;
- a Pulse action taskforce has been set up in Finance. One action has been to reinstall the desk booking app to increase collaboration;
- an AB Dairy Wellbeing Committee has been established, with 'Take your Time' and coffee roulette campaigns currently running;
- a Benchmarking overview was given to teams as a response to fair pay questions about how the system works; and
- regular town halls have been introduced across a number of AB Agri's businesses.



Kite consultants on-farm training, UK

Carbon and climate

AB Agri aims to help its customers reduce the environmental impact of food production and is working towards reducing GHG emissions in its operations.

Two-thirds of the emissions from global food systems come from the land-based sector, comprising agriculture, livestock, land use and land-use changes. AB Agri's environmental plan focuses on balancing the positive and negative impacts of the 'end' consumer product, for example considering the nutritional benefits of a kilo of chicken or a litre of milk and the GHG emissions generated. This drives a holistic approach, assessing whole farming systems to identify and act on the biggest opportunities for improvement.

GHG emissions, energy and renewables

AB Agri has committed to reducing its direct GHG emissions across its global operations and is focusing on implementing renewable energy across five sites in UK and Europe.

AB Agri has identified the energy used in its manufacturing and distribution operations as the priority focus areas in relation to Scope 1 and 2 emissions. In the UK, a lack of infrastructure and grid capacity for AB Agri to export any excess energy has meant it has been unable to obtain planning consent or achieve viable returns on investment because of excess battery storage requirements and fluctuating energy prices. This has impacted plans in the short term, but these projects will be pursued in the future as the situation changes.

For example, AB Agri business Germain's Seed Technology has invested in solar panels to reduce its carbon footprint and power its operations in California. Over 1,000 roof-top solar panels have been installed across its research and development centre and production facility, which provide around half of the energy the facilities require.

Transport is another key area of impact for the business. This is challenging due to limitations in current low-emission fleet options and infrastructure, although this landscape is also expected to change in the coming years as technology evolves.

Despite these challenges, AB Agri's Scope 2 location-based emissions have decreased by 21% this year, driven by a decrease of 7% in the amount of electricity imported since 2021.

Scope 3 emissions

The vast majority of AB Agri's emissions are related to Scope 3. Those emissions include everything from the raw materials it buys through to how customers use its products. Having conducted a mapping exercise on Scope 3 emissions, it has identified two material categories for its business:

- Category 1: Purchased Goods and Services; and
- Category 11: Use of Sold Products.

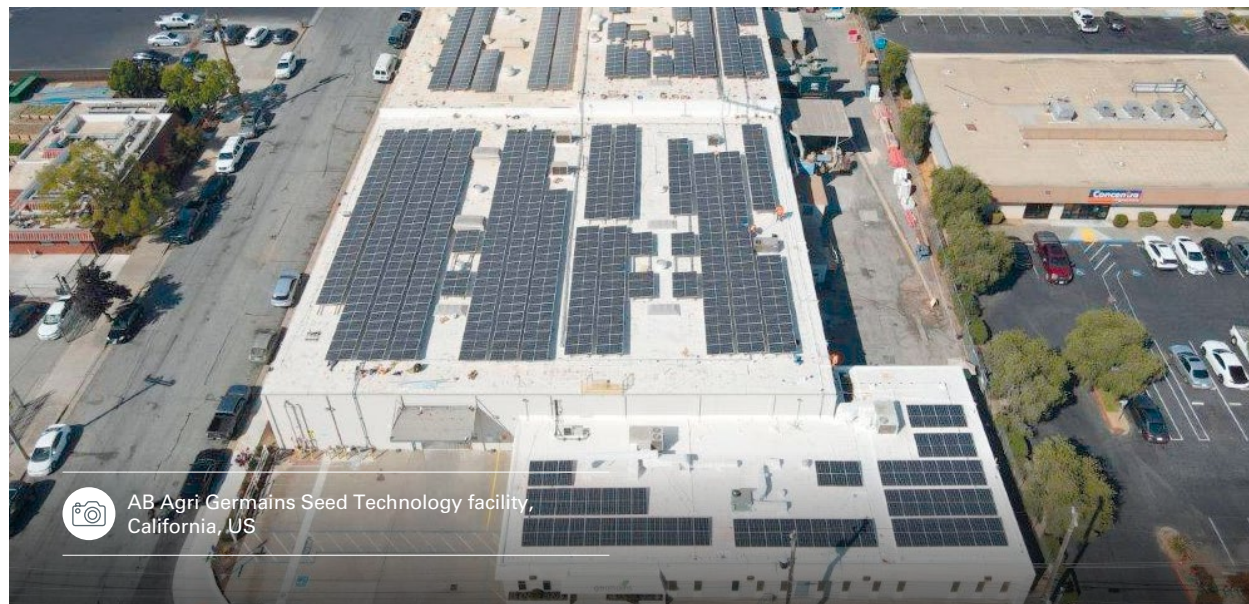
The most significant is Category 1, largely attributed to the raw materials which make up over 80% of emissions from the two categories determined as material.

AB Agri is aiming to set Scope 3 emissions reduction targets within the next financial year. Progress will be shared in the next Responsibility Report.

Helping the agriculture industry reduce emissions

AB Agri businesses are involved in a variety of programmes to help the agriculture industry reduce its emissions.

AB Sustain's Farm Footprints service was one of the first tools to measure on-farm greenhouse gas emissions. It continues to support some of the most well-known international food producers in measuring emissions more than 15 years later.





CARBON AND CLIMATE CONTINUED

UK feed business ABN has joined a consortium of UK companies, research institutes and farmer networks on a four-year project, 'Nitrogen Efficient Plants for Climate Smart Arable Cropping Systems' (NCS). The initiative aims to increase pulse cropping in arable rotations from 5% to 20% across the UK, and to develop and test new feed rations.

Germins Seed Technology is researching how seed can be inoculated with a bacterial endophyte that contains a gene associated with atmospheric nitrogen fixation. When brassica seeds are coated with the endophyte, they colonise inside the plant roots and shoots, helping the plant to reduce the use of fertiliser through nitrogen 'fixing'. This is the biological process by which nitrogen is pulled from the air by the broccoli plant, and deposited back into the soil. This allows the farmer to use less fertiliser during the growing season.

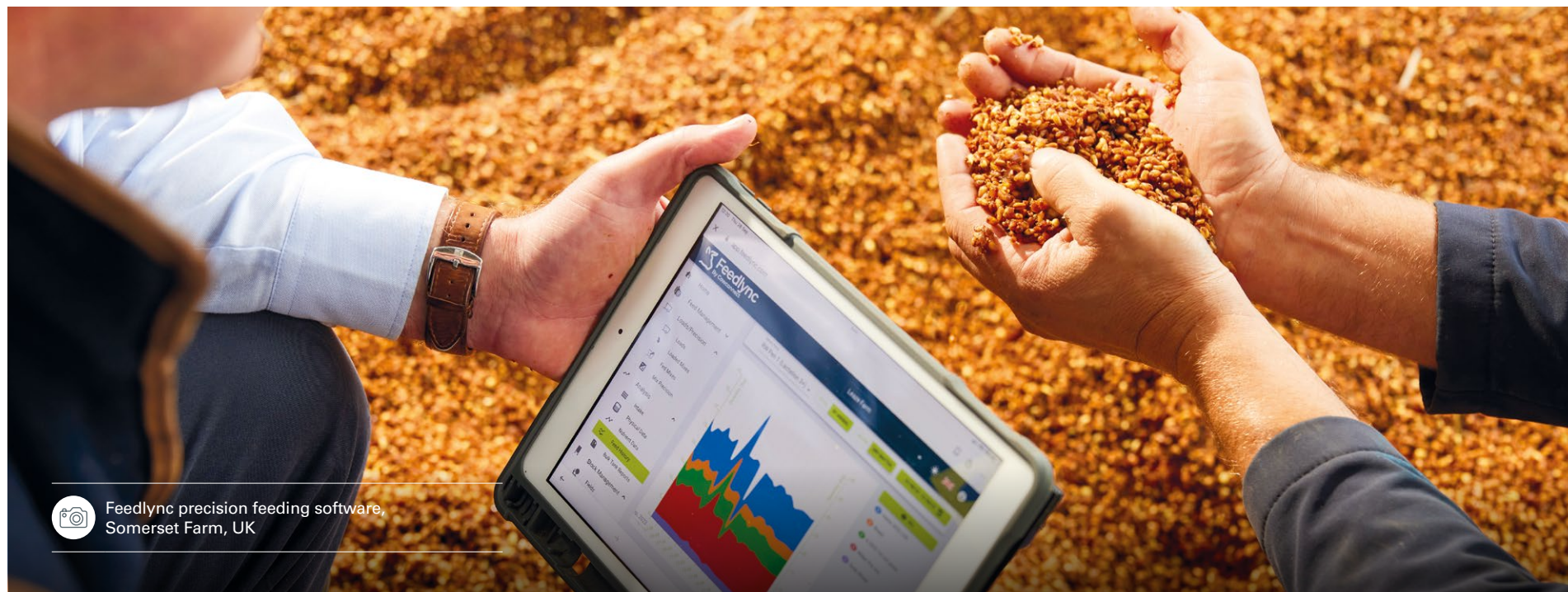
Calculating the environmental footprint of its products

AB Agri has committed to calculating product environmental footprints for all branded animal nutrition products by 2027. To do this, it has developed a carbon footprint tool for its feed, using emission values from the Global Feed LCA Institute (GFLI) database. While this database provides a lot of information, there is still a significant gap in the industry's emission value information.

This year, AB Agri gathered emission values for all the raw materials used in its compound feeds globally. This has been achieved by using data values provided by suppliers where available. Otherwise, it has been established using suitable proxies based on nearest type of raw material, or closest/ similar location, or by working with external experts.

The values within the tool are then incorporated into formulation systems, which calculate a total carbon footprint for products. To ensure the approach is robust, the carbon footprint tool and methodology was peer reviewed by University College London.

It is now mapping out its speciality feed ingredients. This is much more complex as in many cases this information is unavailable or not easily accessible. Working closely with its technical teams, suppliers and carbon footprint specialists, it aims to have completed this work by 2025, with all remaining products completed by 2027.



Feedlync precision feeding software, Somerset Farm, UK

Efficient resource use

AB Agri is contributing to more responsible and efficient resource use in agriculture.

Waste and circularity

The business's primary aim is always to avoid the use of primary products and utilise co-products for animal feeding. Any co-products and food waste not fit for animal feed are used to generate bio-energy through its specialist anaerobic digestion business, Amur.

Turning waste into energy

AB Agri's Amur business helps operations to increase biogas production through performance products, feedstocks and technical advice. By maximising value from raw materials that would otherwise go to waste, Amur contributes to waste reduction and reuse, reducing reliance on fossil fuels.

Amur continues to invest in developing new products to increase biogas production and replace currently used minerals and additives with more responsible alternatives. Through partnership with the British Coal Authority, the business recently launched a new additive, ADFe, an iron hydroxide-rich material sourced from disused coal mines. Iron hydroxide is an essential additive used to manage hydrogen sulphide (H₂S) levels in biogas facilities. ADFe has been shown in trials to be 30% more effective than conventional products.

AB Agri's anaerobic digestion facility in Yorkshire is used as a test site for Amur research and development. The site produces biogas from materials including locally sourced food waste and material from animal feed mill sites that has failed to meet quality control standards. In the past 12 months, the anaerobic digestion facility has produced 4GWh of electricity and 38GWh of biogas that it has exported to the UK National Grid. Due to the lack of available feed stock during the reporting period, we have seen a decrease of 19% in the amount of biogas exported this year. The business is also currently investigating the potential for additional alternative proteins that may be suitable for use in pet food and livestock animal feed, with current innovation partnerships and trial work including peas and beans, algae, single-cell protein and insects.

Circularity in agriculture

AB Agri is proud of its heritage and track record in sourcing ingredients for animal feed that would otherwise go to waste, avoiding the use of primary products. Its nutritional expertise enables the best use of a variety of food co-products, from the fibre-rich sugar beet remains of sugar production to the nutritious grains left over from brewing beer and whisky.

AB Agri is working to identify new responsible sources of protein. In 2018, it launched NovaPro, a product derived from rapeseed once the plant has been crushed for oil. NovaPro has been proven to perform as well as soya in dairy cow diets, and as a co-product. More than 40,000 tonnes of NovaPro is now supplied to UK farms per year, saving more than 130,000 tonnes CO₂e compared with an equivalent South American soya-based diet.



AB Agri's Amur biogas production facility, Yorkshire, UK

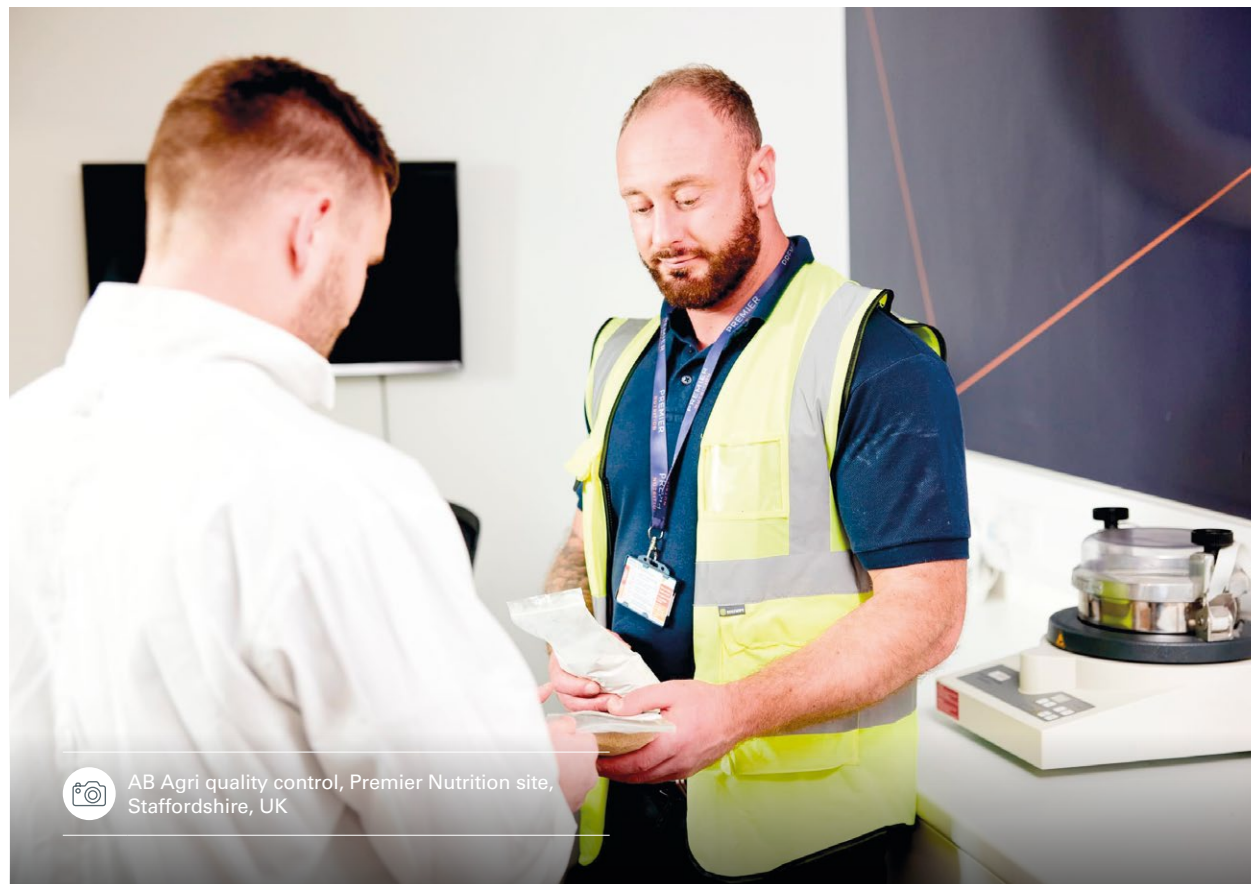


Food and nutrition

Animal feed safety is non-negotiable for all the businesses in AB Agri. The division strives to supply safe products, services and advice, supported by transparent and consistent policies and standards.

Food safety

Feed safety is essential for food safety and is incorporated within AB Agri's Target Zero programme, which also encompasses health and safety, security, and environmental considerations. This programme ensures all teams are competent to deliver their feed safety responsibilities, through driving collaboration across the businesses and looking for more effective ways of meeting feed safety challenges.



AB Agri quality control, Premier Nutrition site, Staffordshire, UK

AB Agri has developed new feed safety training with leading global certifier

Maintaining feed safety in a rapidly changing environment with challenging resource requirements is a risk the whole industry must continually address. With that in mind, AB Agri has partnered with GMP+ Academy's Collective Knowledge Programme, and three other animal nutrition businesses, to develop a series of feed safety culture e-learning modules.

The GMP+ Academy, facilitated by GMP+ International – one of the leading global feed safety certification schemes – is open to all professionals in the animal feed supply chain. It offers educational content for companies, auditors, teams, individual employees, trainers, training institutes and consultants, benefitting the whole industry.

The course features seven short modules which include exercises, case studies and real-life examples to raise awareness of the importance of feed safety, and the active contribution participants can make to building positive feed safety cultures within their organisations. They are designed for companies both up and down the global supply chain and, so far, are available in five languages. Each module takes no longer than 10 minutes to complete and has been designed with flexibility in mind, with participants able to complete them anywhere and at any time.



Sugar

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

ABF Sugar is a group of agribusinesses which together employ 30,000 people and operate 20 plants in nine countries, with the capacity to produce some 4.5 million tonnes of sugar annually. It farms more than 330,000 hectares worldwide, and works with over 25,000 growers.

In Africa, it has sugar cane operations in Eswatini, Malawi, Mozambique, South Africa, Tanzania and Zambia, and packing operations in Rwanda. It is the largest sugar producer in Spain and in the UK it is the sole processor of the beet sugar crop and one of the largest bioethanol producers. ABF Sugar also has a sugar business in China.

Its sugar-making plants are efficient bio-refineries that enable us to produce a range of products including sugar, animal feed, biofuels and a number of speciality products. ABF Sugar has the market leading consumer brand in over half its markets, including Silver Spoon in the UK, Azucarera in Spain, Bwana Sukari in Tanzania, White Spoon in Zambia and Illovo in multiple markets. ABF Sugar is also a large-scale power generator, with renewable sources providing 66% of our own energy use as well as significant renewable energy exports into national grids.

Although it has a global portfolio, ABF Sugar operates on a local basis, working together to do what is right in each location and market. As it continues to evolve to meet the changing needs of customers, growers and others, its role is to ensure we use resources responsibly, build strong rural economies and support local communities.



British Sugar refinery technician monitoring sugar crystallisation, Wissington, UK



ESG at ABF Sugar

ABF Sugar is committed to growing a more sustainable future for its businesses, customers and communities. Its key priorities include keeping its people safe, reducing its carbon footprint and water use, using farming practices that lead to improved environmental outcomes, using raw materials more efficiently, better supporting its supply chain and educating consumers on healthy diets.

'Global Mind, Local Champions' is ABF Sugar's sustainability framework with ambitious 2030 commitments. Local Champions drive environmental, social and economic benefits by creating high-quality sugar and a range of co-products. By encouraging collaboration, sharing knowledge and innovation across its businesses, the programme aims to create a global mindset to tackle key issues.

ABF Sugar's environmental and social focus areas are grouped under three pillars: supporting rural economies, thriving and healthy communities, and consuming resources responsibly. These are underpinned by four 2030 commitments:

- build vibrant, diverse ways of working that increase prosperity for communities;
- provide access to objective scientific advice on sugar, diet and health to over 25 million people around the world;
- reduce end-to-end supply chain water and CO₂ footprints by 30%; and
- aim that all plastic packaging is reusable, recyclable, biodegradable or compostable.

In 2023, ABF Sugar's ESG programme focused on meeting these targets. It has a wealth of projects and programmes underway, dedicated to safety, climate and energy, water, yield and regenerative agriculture, pollution, labour conditions and communities. It also worked to enhance processes to address the evolving requirements of managing climate change impacts and other ESG-related considerations.

ABF Sugar has a comprehensive governance framework that integrates social and environmental issues into its decision-making processes. The Senior Executive Team has oversight of and responsibility for ESG risks and opportunities which are material to the business. Managing directors of each business are responsible for setting ESG strategy focus areas and action plans based on their material risks, understanding local regulatory requirements, customer expectations and best practice approaches.

ABF Sugar has developed a dashboard to enable its businesses to monitor and report on progress on their ESG priorities, such as GHG emissions reduction and issues related to modern slavery risks.



British Sugar plant, Wissington, UK

Agriculture and farming practices

ABF Sugar's operations and sugar estates are reliant on more sustainable agricultural practices and strong relationships with growers.

A key element of ABF Sugar's success depends on a productive, high-yielding and resilient agricultural supply chain. However, the agriculture industry faces challenges due to the uncertainty brought by changing weather patterns.

Responsible agriculture, biodiversity and land use

To build a more resilient and productive supply chain, ABF Sugar's businesses are investing in more sustainable agriculture approaches and trialling regenerative practices. These include projects on Illovo's own estates and across the wider supply chain for AB Sugar China, British Sugar, Azucarera, Illovo and Vivergo Fuels.

ABF Sugar is an active member of the Sustainable Agricultural Initiative (SAI), the global food and drink industry platform for developing sustainable agriculture solutions, and a founding member of its Regenerative Agriculture Platform.

Growers for Azucarera and British Sugar and Illovo's estates are using the SAI Platform Farm Sustainability Assessment (FSA) tool to drive continuous improvement in on-farm sustainability practices. The tool can be used to assess operations or to benchmark against a standard that is already being used in the field, such as Red Tractor in the UK or SUSFARMS in South Africa. ABF Sugar has achieved FSA Silver Level across all its own operations, and one key co-operative, Phata in Malawi, which supplies the Nchalo estate, which was awarded the FSA Growing a Better Planet Award in 2023.

Achieving more sustainable agriculture with robots

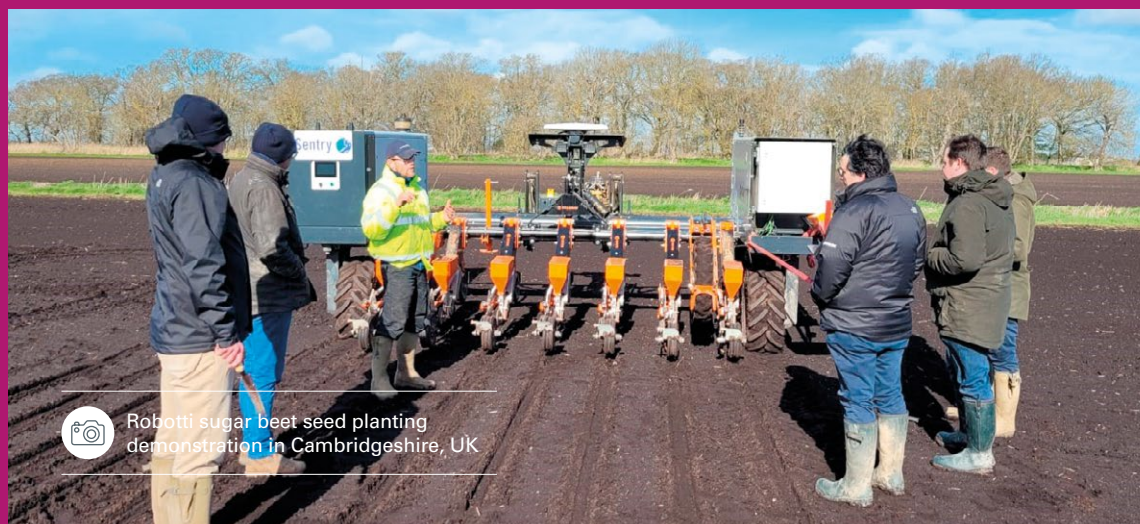
Falling biodiversity, increased frequency of flooding and droughts, and more extreme temperatures are all affecting growing conditions. ABF Sugar is striving to tackle these challenges through the use of cutting-edge technology and new growing practices.

This year, in collaboration with technology companies Sentry and Autonomous Agri Solutions, British Sugar has tested the viability of two robots, the Robotti and FarmDroid, to reduce reliance on plant protection products. Controlled by GPS, the robots autonomously plant and carry out weed control, boosting the quality and yield of crops. Robotti uses cameras that can detect plant rows, using AI to identify the beet and the weeds, continually improving its learning and only

spraying the weeds, not the crop. FarmDroid ensures precise placement of each seed. With clear knowledge of where seeds have been placed, weeding can also start before crops are even visible.

With lightweight structures and efficient processes, the robots have minimal impact on the environment and there is less erosion and compaction of the soil. FarmDroid also runs on solar panels.

The use of robots has major potential for agriculture. ABF Sugar is evaluating the practicalities and affordability of this technology to build a more sustainable future for sugar beet.



Robotti sugar beet seed planting demonstration in Cambridgeshire, UK



AGRICULTURE AND FARMING PRACTICES CONTINUED

ABF Sugar businesses also work with growers and research institutions such as AIMCRA (Spain), SASRI (South Africa) and the British Beet Research Organisation (BBRO). For example, together with the BBRO, British Sugar is working alongside growers to test different approaches to collecting soil and emissions data as part of a long-term project to monitor emissions from sugar beet cultivation.

Improving agriculture practices, such as reducing usage of nitrogen fertiliser, is crucial to achieving reductions in Scope 3 emissions. The business is currently analysing agricultural emissions data, assessing nature-related dependencies and understanding impacts in the field and surrounding areas, such as soil compaction for its operations and supply chains. This analysis will be informed by global modelling, primary data from national field surveys conducted by British Sugar, and in-field data systems utilised by Azucarera and Illovo.

Targeting secure and more sustainable sugar cane supply in Tanzania

With rising regional demand in the East African sugar market, ABF Sugar is expanding and optimising sugar processing at Kilombero Sugar in Tanzania. Its Tanzanian business established a joint venture expansion scheme with the government in 2021, supporting the national objective to ensure Tanzania is sugar self-sufficient by 2025.

The project has seen an increase in growers supplying cane to the sugar factories, rising from 7,500 to 9,925 growers in 2023, with an expected further increase to around 16,000 growers for the opening of the factory in 2024/25. It has also increased direct employment, with over 2,000 new jobs rejuvenating economic prosperity across the Kilombero valley. The project has also upgraded irrigation systems and developed best management practices in areas such as soil and leaf analysis, green cane harvesting techniques, and pest, disease and variety control.

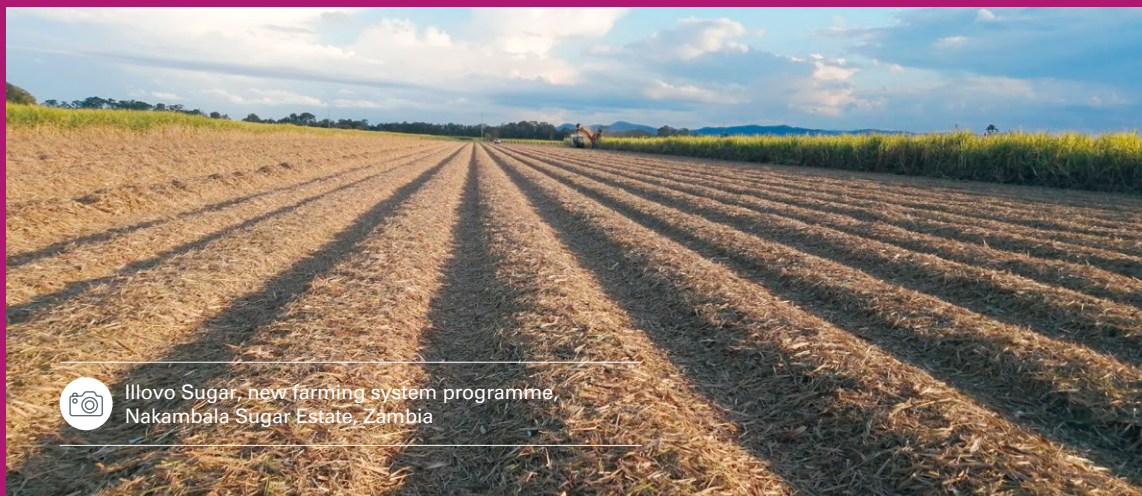
Supply chain training

External growers contribute more than 50% of the sugar cane processed by Illovo. Illovo's Grower Agriculture Development Programme is crucial to improving wider agricultural practices and embedding new approaches. It ensures that managers and extension officers are well-equipped to support growers in navigating some of the complex issues in the operating environment, such as pest management and resilience to climate shocks.

Zambia Sugar's new farming system producing exceptional yields

Illovo's Nakambala sugar cane estate in Zambia is trialling a new farming system to improve resource stewardship and agricultural profitability. The expectation is that there will be wider adoption across Illovo in the coming years.

Early findings suggest this system creates higher yields of cane per hectare in the sections converted to the new system. Key components of the system include an innovative replanting schedule, minimal tillage, upgraded drainage and irrigation systems to ensure that more drop gets to the crop, precise application of fertilisers with more green-cover manures and GPS-assisted vehicles which travel efficiently to reduce the disturbance of the soil and save fuel. Less replanting means the system substantially reduces costs and less disturbance protects natural resources, such as soil and water.



Illovo Sugar, new farming system programme, Nakambala Sugar Estate, Zambia



People in our supply chains and surrounding communities

As a diverse agriculture and manufacturing business working across four continents, ABF Sugar faces complex people and community challenges.

Human and labour rights

ABF Sugar recognises the risk of human rights breaches including modern slavery in its operations and supply chains. Globally, human rights and modern slavery risks exist in sugar cane supply chains because they rely on a significant workforce in low-paid, labour-intensive and seasonal jobs, such as weeding, planting, cane cutting and harvesting.

The values and standards of the Group Supplier Code of Conduct guide both ABF Sugar's operations and its supply chains. All businesses expect their external partners to follow the Group Supplier Code of Conduct. Illovo also has its own [Code of Conduct and Business Ethics](#) and a policy on [Combating Workplace Sexual Harassment](#). Each policy is managed, reviewed and communicated with Executive committee approval.

ABF Sugar will be launching a Human Rights Policy in 2024. It is also in the process of evolving its human rights due diligence approach towards a framework aligned to the OECD due diligence guidelines, as well as a diagnostic tool to utilise various global standards and develop a 'fit for purpose' wages model for its business and supply chains. Finally, it is also undertaking a deep dive on its global raw sugar value chains.

Training is an important part of ABF Sugar's approach. Businesses train their staff and their grower partners on key issues such as child labour, forced labour and safety. This includes online training for all head office staff every three years, training for all new starters, and in-person training.

ABF Sugar launched its "We Listen, We Act, We Remedy" toolkit in 2021 to support its businesses in developing grievance reporting mechanisms. The toolkit gives clear guidance on the types of grievance reports that the businesses might receive and the process to address them appropriately. ABF Sugar also launched a global email reporting mechanism available for all workers in its operations and supply chain.

Illovo addressing land rights in the Kilombero Grower Expansion

ABF Sugar's business, Kilombero Sugar Company Limited (KSCL) in which Illovo Sugar Africa holds 75% of the shareholding and the Government of the United Republic of Tanzania 25%, announced in 2021 a sugar manufacturing expansion project.

Landesa, an international NGO, and local partners PELUM Tanzania, are implementing the Community-Smart Consultation and Consent project to strengthen land rights and inclusive, collaborative natural resource governance within the Kilombero Valley in Tanzania. KSCL as corporate partner to the project provides technical input to Village Land Use Plans and in turn is empowered to implement and apply the [Illovo Group Guidelines on Land and Land Rights](#), especially the commitments to free, prior, and informed consent (FPIC) and gender equity.

The area under expansion is significant. The project aims to work with communities and village leadership in the grower expansion zone to improve their capacity to manage their land and natural resources more sustainably and equitably, taking into consideration social, economic, environmental, and gender impacts. Through this work, this year, the project has delivered training to 165 villagers (66 women and 99 men), including distribution of a villager's land rights handbook; supported the mapping, demarcation, and issuance of 1,158 Community Certificate of Rights Occupation (CCRO) to 1,098 people (424 women and 674 men); and facilitated participatory village land use planning (VLUP) of 13,228 hectares.

Illovo seeking to address workplace sexual harassment

Seeking to address and prevent workplace sexual harassment is an area of focus for Illovo, having identified this topic during risk assessment and stakeholder engagement. It has introduced a new policy that provides standards, guidance and processes to prevent sexual harassment. Its operations in Malawi, Tanzania, Zambia and South Africa have already begun to implement the policy and create processes to change behaviours in their businesses. Over 80 employees have attended sexual harassment training in Malawi as part of a campaign to support the new policy.



PEOPLE IN OUR SUPPLY CHAINS AND SURROUNDING COMMUNITIES CONTINUED

Supporting communities

ABF Sugar continues to invest in its relationships with communities and key stakeholders. For instance, Illovo recognises that its sugar estates are a key part of the communities where it operates, and this is reflected in its activities to support those communities, such as providing clinics, schools and local services to support its workforce, and in some cases their communities and surrounding neighbours. Here are just some of the ways Illovo has supported our communities this year.

Tackling Malawi's deadliest cholera outbreak

Malawi is experiencing the deadliest cholera outbreak in the country's history with close to 60,000 cases and 1,700 deaths reported between March 2022 and September 2023. The government has declared the cholera outbreak a public health emergency. Illovo has prioritised reducing the risk of cholera by ensuring employees and their families in Nchalo and Dwangwa have access to clean water and follow the WASH (Water, Sanitation and Hygiene) prevention steps.

It has helped local communities by administering over 8,000 cholera vaccinations from its medical facilities, and distributing critical hygiene kits, disinfectant and soap. It also increased access to treated water in cholera hotspots in communities surrounding its operations, by scaling up chlorination at both point-of-source water points and at the household level.

Emergency relief

Malawi and Mozambique experienced extreme weather events this year, leading to subsequent challenges related to damaged infrastructure and displaced people across each of those countries. In Malawi, Illovo worked with communities and local partners to provide support in the aftermath of cyclone Freddy, ensuring that more than 2,000 people displaced by the floods received vital help. Working with the Red Cross Society, a temporary site was set up on Illovo's Nchalo estate to accommodate over 1,200 people displaced by the floods and provide shelter, blankets, clothing, food and chlorinated water.

In Mozambique, a devastating flood hit ABF Sugar's business, Maragra Açúcar SA, causing the loss of over 98% of the cane crop. Despite a comprehensive response plan, the business was unable to prevent the flood damage to its own estate, but there was no loss of life of any employees or local community members.

The extent to which the business has supported employees includes assistance with financial planning, medical and psychological support, transitional housing support and working with employment agencies to assist with redeployment to other operations and local re-employment placements. The medical team has been successful in assisting employees and communities in the control and prevention of malaria and cholera – an expected consequence of the flooding.

Maragra has also actively engaged with central government to ensure support for the local community and growers.

Azucarera fighting loneliness in Spain

Loneliness affects more than two million people in Spain, of which 72% are women. ABF Sugar's Azucarera business has collaborated with the Grandes Amigos Foundation, whose mission is to provide practical support to older people affected by loneliness, and mental and physical health problems. One initiative of the collaboration was called 'Bakery Therapy' ('Reposterapia' in Spanish), in which young volunteers were paired with older people to socialise while learning about traditional recipes.



Azucarera, helping to fight loneliness, Spain



Our people

As one of the world's largest sugar producers, ABF Sugar is focused on safeguarding, developing and inspiring its diverse workforce.

Health, safety and wellbeing

As part of its 2030 strategy and its most material issue, safety is ABF Sugar's number one strategic priority.

ABF Sugar's focus is on providing a safe place to work. This requires its businesses to live a culture of zero compromise towards safety, where everyone feels secure, valued and empowered to prioritise safety above all else.

It is with sadness that we report one of our colleagues in Malawi died from electrocution this year. In addition, a contractor in the Azucarera supply chain was fatally injured in a road traffic accident transporting our sugar. Our strategy has a renewed focus on a safe place to work in our own operations, factories, estates and transport.

ABF Sugar continually enhances its systems to ensure that health and safety standards, risk management practices and performance measurement are all robust. It is investing in data and reporting systems to reduce reliance on paper-based processes and deal with hazards and risks more proactively.

This year, ABF Sugar's employee on-site Lost Time Injury (LTI) rate has remained static at 0.15% with the number of injuries reducing by 1 from 46 to 45. The number of contractors experiencing an LTI while on-site this year increased by 150% from 10 to 25. This is an LTI rate of 0.16% in 2023 for contractor on-site LTIs. While some of this reported increase is attributed to improvements in internal reporting processes as ABF Sugar embeds the collection of contractor injuries, this is nonetheless a disappointing outcome and the businesses are working hard to address the root causes of the injuries.

Our businesses are working together to improve safety performance and protect all colleagues from injury. This year, cross-business collaboration has involved an exercise to identify 'critical-to-life risks' with 10 risks prioritised for further action. A Safety Competency development programme and supportive learning platform have also been approved and implemented.

Finally, a pilot for a Psychological Safety development programme was conducted at British Sugar. British Sugar has invested in a behavioural-based approach to safety and health. The Personal Choices programme is designed to inspire people across the business to make better choices in their everyday work, by understanding what drives them subconsciously to make decisions. The programme centres around four currencies: risk perception, time vs. risk, habits and the subconscious mind.

A wide selection of people across British Sugar's sites are being trained to act as coaches in Personal Choices, ensuring the programme is owned, delivered and nurtured by British Sugar employees.

ABF Sugar's people are encouraged to speak up when they see something potentially unsafe and to challenge anyone regarding a risky decision or process. Leadership is endorsing this message as the business becomes a more inclusive learning organisation.

ABF Sugar businesses are also focusing on employee wellbeing, incorporating physical, emotional, social and financial wellbeing. New employee wellbeing committees were introduced at Illovo this year.

Illovo has a medical services capability, delivering a risk-based medical surveillance system that ensures employees are screened for workplace risks they are exposed to. Its medical services team recorded over 29,000 occupational health visits by employees this year. Over 90% of these visits accessed screening tests, such as lung function tests for employees exposed to dust and fumes, and hearing tests for those exposed to noise. Illovo Sugar also extends these occupational health services to contractors on site.

Housing

Illovo is conscious of the rural and remote nature of its sugar estates, which is why it aims to provide accommodation for many of its employees and their families. Each of its operations has developed a comprehensive plan to continuously enhance its accommodation infrastructure.

As an example, Illovo has collaborated with partners to initiate the 'Thriving Homes & Communities' project in Malawi. This forward-thinking project is designed to enhance the integration of its employees with the surrounding communities by introducing property development opportunities beyond its estates in Malawi. Through this initiative, both employees and community members will have the opportunity to invest in various accommodation options. In partnership with its collaborators, the goal is to provide affordable, standards-compliant housing and facilitate accessible finance options. This project places the decision-making power regarding living arrangements and the potential for wealth creation through property ownership in the hands of the employees, their families, and the local communities.



OUR PEOPLE CONTINUED

Diversity, equity and inclusion (DEI)

ABF Sugar believes that DEI has a positive relationship with business performance, innovation, talent attraction and retention. Alongside cross-business efforts, individual businesses take an approach suited to their local context and develop projects to support their aspirations.

This year, Illovo had a strong focus on women and women's empowerment. There has been a series of activities supporting its ambition to have a better workplace for women, including women's circles in South Africa, women in leadership forums in Tanzania and Malawi, coffee sessions with the Managing Director in Eswatini, and profiling women in leadership and manufacturing on social media to attract more women candidates.

Similarly, Azucarera's progress this year included holding a diversity week and an event to encourage young girls in the local community to consider technical roles. It also held DEI workshops, training with external partners, introduced a communications programme to share personal experiences and reviewed key diversity indicators.

Engagement and development

ABF Sugar is committed to developing its people based on their skills and expertise. Developing people and supporting their career progression is crucial to a successful business.

To encourage diverse talent, it has an International Experience Programme, which enables colleagues to experience six months in another country. It tests their resilience and ability to adapt to a different culture and ways of working, while growing their network and encouraging learning to be taken back to their home business. It also has Talent Talks, which enabled around 50 individuals with high potential to spend time with an ABF Sugar Executive Committee member this year, discussing their career aspirations and associated development.

Azucarera has its own mentoring programme which had 13 participants in 2022/23.

At British Sugar, there has been a focus on upskilling the capability of line managers with around 450 participating across a range of workshops on 'Leadership', 'The Role of Line Leader', and 'Managing Difficult Conversations'. These programmes are being supported by action plans that celebrate positive behaviours and promote the role of feedback in supporting growth and development.

Significant progress has also been made in capturing development pathways to improve career visibility and enable more effective succession planning. This is supported by the SAP platform 'PeopleHub', where objectives, talent reviews and development conversations can all be captured.

Another example is the Illovo Group Leadership Development Programme, created in partnership with the Gordon Institute of Business Science in South Africa. This programme aims to build leadership capability across Illovo with 20 delegates from the six countries in which it operates. The eight-month programme consists of assessments, classroom learning, action learning projects, in-country immersion and engagements with the Illovo Executive Committee.

Across ABF Sugar, businesses are increasing their employee engagement. The ABF Sugar Insight Survey is used to understand the effectiveness of the businesses and line managers, in getting the best from employees. Line managers share the results with teams, and run focus groups to gain further insight and identify actions.

At British Sugar, 92% of the workforce have an account on its Workplace platform, with 62% of colleagues engaging with it in 2023. The platform has supported the sharing of video content, as well as being a means of sharing best practice and recognising positive good behaviours. This complements regular face-to-face communication, as well as weekly, monthly and annual briefings. It has also established a network of 19 Communication Champions to ensure all voices are heard.

The Millennial Board

Illovo's Millennial Board programme was created to provide a platform for younger generations to come together and leverage their diverse expertise and backgrounds to solve complex business challenges. It is also a development opportunity for high-potential and high-performing individuals.

The six-month programme, held from July to December 2022, consisted of classroom-based skills building sessions, workshops with global DEI experts, coaching support, virtual working tools and board meetings with the Illovo Sugar Africa Executive Committee.

The Millennial Board was tasked with solving the challenge of how to embed a culture that truly embraces DEI. The nine board members from across Zambia, Malawi, Eswatini, South Africa and Tanzania identified five barriers to belonging at Illovo and made recommendations for improvements, which were handed over to Illovo's leadership for consideration and implementation.



Illovo's Millennial Board programme, Africa



Carbon and climate

Climate change is material to ABF Sugar – it is already impacting its businesses, from changing weather patterns and extreme events to the increasing lack of water security.

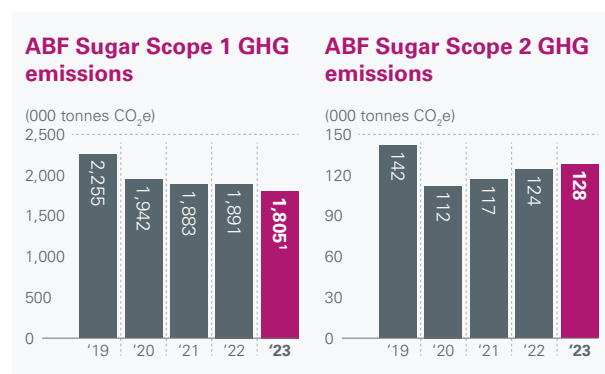
To tackle these challenges, ABF Sugar is seeking solutions and opportunities to reduce its carbon footprint, understand its emissions across Scope 1, 2 and 3, and innovate in the field, in transport and in the factories.

GHG emissions, energy and renewables

ABF Sugar is committed to reducing Scope 1 and 2 emissions by 30% from a 2018 baseline by 2030. It is in the process of validating its reduction targets of Scope 1, 2 and 3 GHG emissions against the Science Based Targets initiative (SBTi), with this process likely to be completed by the end of the calendar year.

Since 2018, ABF Sugar has reduced its Scope 1 and 2 emissions by 24%¹ by improving how efficiently it produces sugar, innovating to use less energy and reducing its use of fossil fuels. This year, the businesses have reduced Scope 1 and 2 emissions by 4% compared with 2022.

Each business has been working to understand further its challenges and opportunities in order to develop decarbonisation plans. Progress against decarbonisation plans will form part of the performance improvement programme connected to capital allocation at each business.



Scope 1 and 2 emissions

Since setting its 2030 commitments, ABF Sugar has delivered a number of projects to support the transition to a low-carbon economy. These centre around energy efficiency, switching to renewables and process improvements.

This year, ABF Sugar has delivered 17 projects which resulted in around 20,000 tCO₂e savings. This is in the context of restarting the Vivergo Fuels plant in the UK (which did not operate in 2021/22), which accounts for an increase of 197,000 tCO₂e (Scopes 1 and 2), and having an increased crop volume leading to a larger requirement for more energy to be used in processing in China, Spain and Africa. These two factors have slightly slowed the reduction trajectory but ABF Sugar is on track to meet its target in the years ahead.

British Sugar, ABF Sugar's largest contributor of Scope 1 emissions, has undertaken a programme of initiatives across its sites in recent years, leading to 34%¹ of GHG emissions savings of 346,000 tCO₂e since 2017/18. It has emitted 678,750 tCO₂e in 2022/23 as stated in the TCFD section on page 56 of our 2023 Annual Report and on page 99 of this Report. Its factories continue to improve performance and efficiency, with key machinery in its production processes like heaters, evaporators and dryers all upgraded to save energy and use less coal and natural gas, resulting in reductions to carbon emissions. Another contributing factor this year was frost, which meant more energy was required to extract sucrose from the beet.

Replacing fossil fuel consumption with low-carbon alternatives will be a key step in the journey to decarbonise ABF Sugar's site operations in the Europe and South Africa. This is a key pillar of the business's decarbonisation plan.

Across all ABF Sugar sites, combined heat and power plants (CHP) are used to provide the steam and electricity needed throughout the sugar-making process. By efficiently generating its own heat and electrical energy, the business is reducing its carbon emissions and impact on the environment. The surplus electricity is fed back to the national grid from some operations including the UK, Spain and Eswatini.

Scope 3 emissions

ABF Sugar is focused on reducing the emissions generated by its grower partners. Further details are included on page 61.

This year, a project was completed to calculate ABF Sugar's Scope 3 emissions following the GHG Protocol Scope 3 methodology, for which details and figures will be published next year.

As per the GHG Protocol categories, ABF Sugar's main sources of Scope 3 emissions are:

- Category 1: Purchased goods and services;
- Category 2: Capital goods;
- Category 3: Fuel and energy-related activities;
- Category 4: Upstream transport and distribution; and
- Category 9: Downstream transport and distribution.

These are the material areas that ABF Sugar can have influence over.

1. Please see [page 92](#) for additional information on ABF Sugar Scope 1 emissions calculations.



CARBON AND CLIMATE CONTINUED

Meeting the demands of a green energy future

British Sugar has an annual energy demand of over 1,500GWh for low pressure natural gas across its sites, and has made significant progress in the continued decarbonisation of its manufacturing sites with key investments across the network:

- In 2022/23, British Sugar invested £17 million in an energy reduction scheme at its Wissington site. This project included the installation of a new evaporator and associated equipment, which will reduce its steam usage by 25% during its annual sugar beet campaign operations. This equates to a reduction of around 29,000 tonnes of CO₂e annually.
- The animal feed coal dryer in its Newark site will be converted to run on natural gas instead of coal, resulting in over 5,000 tonnes of CO₂e savings annually. The conversion will be commissioned at the beginning of 2023/24.
- An Air Liquide CO₂ capture plant has been commissioned at our Wissington site. The purpose of this plant is to capture the CO₂ from the site's bioethanol fermenters and process it for sale in the market. As a result, British Sugar can reduce the site's GHG emissions by at least 20,000 tonnes of CO₂e annually.
- During the year British Sugar has continued to invest in the efficiency of sugar beet pulp pressing operations across its sites by installing new spindles in some of its pulp presses, which remove water more efficiently from the pulp before drying. This will reduce animal feed dryer fuel usage and thereby GHG emissions by 3,300 tonnes of CO₂e annually.
- Two on-site water treatment plants in Newark and Cantley sites are currently being upgraded with an investment of £17m. These upgrades will ensure that the sites comply with the new environmental legislation, improve water treatment efficiency, and reduce emissions. Newark's plant has already been commissioned in September 2023, while Cantley's plant will come online later in 2024.



British Sugar colleague, Wissington, UK



Efficient resource use

ABF Sugar promotes more efficient use of resources across both sugar beet and sugar cane production, from the field to the factory and en-route to customers and consumers.

ABF Sugar continually invests in new technology and process optimisation to make its factories more efficient, improve its use of raw materials, and move towards a more circular approach.

Waste and circularity

ABF Sugar's facilities are highly efficient bio-refineries that play a key role in other sectors' value chains.

ABF Sugar's ethos is that waste materials are products for which it has yet to find a use. This is demonstrated by its bio-refineries, which transform sugar beet and sugar cane into a range of commercially viable products thanks to innovative manufacturing processes. The business continues to develop how it maximises the quantity of sugar beet processed so as little as possible is left in the field.

During the year, the business reduced the total amount of waste generated by 14% compared with last year. In 2023, only 23% of all waste generated was sent to landfill with the remaining 77% recycled or sent for a beneficial use.

For example, British Sugar is a major producer of animal feed and a supplier of raffinade and betaine for use in the petrochemical and pharmaceutical sectors. British Sugar also uses bio-methane produced from its fermented sugar beet pulp to generate electricity, and carbon dioxide and low-grade heat generated at its operations to grow medicinal cannabis. This ingredient will be used in a new prescription medicine that has been developed to treat rare but serious forms of epilepsy in children.

Illovo produces a wide range of by-products. These include furfural, an important and natural chemical feedstock with numerous applications in the food and other industries. Illovo also uses bagasse – the dry fibrous material that remains after crushing sugar cane – as its feedstock to generate up to 70% of the annual power requirements of its own factories. It also provides the opportunity to co-generate electricity in Eswatini which goes into the national grid.

In June 2023, Illovo Sugar Africa's Eston plant also started to export power into the grid.

Vivergo is the largest bioethanol plant in the UK and one of the largest in Europe. Vivergo Fuels is now operational. At peak capacity, the business will use around one million tonnes of UK feed-grade wheat, typically around 40% of the UK's exportable surplus. One of the main co-products is protein for animal feed, and at peak capacity the business will also be the largest single-source animal feed supplier in the UK.

The blending of bioethanol with petroleum is a key aspect of many governments' greenhouse gas reduction strategies. At full capacity, it is estimated that it will produce 420 million litres of ethanol product per year. The net benefit of using this product blended with gasoline to create E10 is the saving of approximately 500,000 tonnes of CO₂ emitted from vehicle tailpipes on an annual basis.

Water use

Water is crucial for ABF Sugar's businesses to reach their potential crop expectations and for their factories to run efficiently. ABF Sugar accounts for a significant proportion of the water used across the Group's own operations, using 97% of the total water abstracted. Almost all of this relates to crop irrigation within Illovo's operations.

ABF Sugar's businesses are committed to reducing water abstraction as well as using water more effectively in the field and factory. Water is predominantly used for growing the crop on its Illovo estates. ABF Sugar set a 2030 commitment to reduce the water footprint by 30% from its 2018 baseline. This year the division has concentrated activities in two areas: accuracy of water measurement and investment in irrigation efficiency making sure that every drop can reach the crop. Since its baseline year, ABF Sugar has increased water abstraction by 4%.

However, each business has a clear target to reduce water usage as part of its environmental plans in their five-year strategy. In 2023, the businesses reused 26% of the total abstracted water before it was returned to a watercourse.

Harnessing the sun for irrigation

Reducing water use while trying to maintain or improve yields in an increasingly hot climate is a difficult goal to achieve for ABF Sugar and its growers. Azucarera is leveraging innovative and smart technology to harness the sun instead of fighting it.

Working alongside the Research Association for Sugar Beet Crop Improvement (AIMCRA), it has installed more than 80 sustainable watering systems. The innovative structures extract water from an underground well, powered entirely by solar energy. They have reduced water consumption by 20%, representing an annual saving of 1.6 million m³ of water. By replacing a less-efficient diesel-powered system, they have also saved around 28,000 litres of diesel per year.



Azucarera, solar irrigation programme, Spain



EFFICIENT RESOURCE USE CONTINUED

Illovo has a long-standing performance improvement programme focused on optimising water use. The business takes a strategic approach to water efficiency across its estate with continuous investment in enhanced irrigation systems.

Illovo has programmes in place to address the three main areas where savings can be made: bulk water losses, infield losses and accurate scheduling of irrigation events. It has completed a study this year to audit all bulk water abstraction locations and has completed the process of metering 50% of all abstraction sites, with the rest to be completed in 2024.

Two major projects underway are the Shire Valley Transformation Project and the SWIM (Smart Water and Irrigation Management) project at the Nchalo estate in Malawi. These projects will have a major impact on water usage. The largest project addressing bulk water usage is the Shire Valley Transformation Project. This £30m project is expected to achieve water savings of 17% at the estate, as well as a significant reduction in power demand. Further details are below.

In irrigation scheduling, there are ongoing training sessions and workshops, as well as soil water potential meters and irrigation efficiency assessments. At the Nchalo estate, the SWIM project (Smart Water and Irrigation Management) piloted a satellite and centralised data system irrigation scheduling tool in 2023, which will be rolled out to all sites.

Plastic and packaging

ABF Sugar has committed to ensuring all its plastic packaging is reusable, recyclable, biodegradable or compostable by 2030. It uses plastic to maintain the integrity and safety of products for customers, but is striving to reduce packaging to avoid both cost and the impact on the environment.

In 2022/23 ABF Sugar reduced its plastic packaging by 31% from 12,700 tonnes to 8,800 tonnes. This reduction is primarily driven by market requirements for different types of products and volumes across Illovo.

Azucarera has a long-standing strategy to reduce its packaging. In the reporting year, achievements included replacing the plastic doypack of its sugar for marmalades with a paper pack, reducing the plastic weight used in the film retractile of pallets, replacing its agave syrup jar with a 100% recycled jar, increasing the proportion of recycled material in its icing sugar jar to 50%, and using an easier-to-recycle plastic for its panela doypack and coconut sugar.

Illovo’s strategy is to reduce packaging weight and use more packaging that can be reused or recycled. 97% of Illovo’s sugar packaging is recyclable. It has over 10 workstreams looking at packaging solutions, trialling new products and finding ways to enable customer recycling. One area of particular focus this year was assessing solutions where local recycling is sparse as not all the countries where Illovo operates currently have facilities. In Tanzania, it is trialling Biaxially Oriented Polypropylene 25kg and 50kg bags without plastic liners. These bags are extremely durable and resistant to water. Without plastic liners, Illovo’s intention is to see if it can reduce the volume of packaging or remove other plastic liners, and see if the new packaging can be used/recycled in the future.

Transforming water supply to improve irrigation practices at Nchalo, Malawi

In Nchalo, Malawi, Illovo is transforming water supply systems to reduce waste and improve its energy efficiency.

The Shire Valley irrigation project aims to transform the bulk water supply system to a more energy-efficient system, improving agricultural yields and contributing to the country’s long-term energy self-sufficiency objectives.

The project, which began in June 2023 and is scheduled for completion in June 2025, will see the installation of a new buried bulk water pipeline system to replace a series of open canals and lift pumps. It will stop evaporation losses and reduce leakage by removing water lost to evaporation and seepage. The estimated water savings will be over 33 million m³ per year – with the gross volume of water reduced to approximately 150 million m³ per year. Similarly, the new system is estimated to save 56 million kWh in the estate’s annual irrigation power consumption.



Illovo Sugar, bulk water canal, Malawi

Alongside water and energy savings, the project aims to provide environmental and social benefits to the local community. A buried, fully closed pipeline will improve water quality by reducing the risk of contaminated water entering the system. The clean water supply will benefit local farmers and will prevent the need for dredging, reducing potential biodiversity impacts across the Shire River.

Food and nutrition

ABF Sugar strives to inform and educate people about sugar and the role it can play as part of a healthy balanced diet.

Nutrition and health

Making Sense of Sugar began as ABF Sugar’s campaign to educate people about the role of sugar in diet, as part of its commitment to thriving and healthy communities. It has developed into a global platform for providing access to factual information based on robust science, helping to find collaborative solutions to the health challenges in the different countries where ABF Sugar operates.

ABF Sugar is keen to play its part in ensuring that the public understands how to eat sugar as part of a balanced diet. It is committed to providing information so that people can make informed choices about what they eat.

To make advice on portion sizes and nutrition as simple as possible, in the UK it has partnered with the British Nutrition Foundation to aid consumer understanding. The guidance, which draws from the UK Government’s Eatwell Guide, gives practical suggestions for estimating portion sizes that are easy to follow at home, using just hands or spoons. It also offers specific guidance for treat foods – such as chocolate – to make it clear how to eat these as part of a healthy diet, and shared examples on alternative healthy options to reduce consumption.

To encourage consumers to engage with and remember these learnings, the division has designed a quiz to increase knowledge about portion sizes and share the key tips that can make a difference.

Food safety

In support of its vision to be the world’s leading sugar business, ABF Sugar strives to be a customer-led business which consistently delivers a secure supply of products that are quality assured, safe to consume and meet ABF Sugar’s customers’ needs.

Across the businesses and value chain, an all-encompassing culture built on quality and food safety has been embedded with a clear focus on the continual improvement of management systems and processes. This is underpinned by a rigorous approach that targets assurance and control for

product quality and food safety, regular auditing and reviews, education, training, and investment.

In the past year, Illovo has developed and implemented the Quality Way to drive a step change in ways of working and behaviours. This has delivered a major improvement in ‘Right First Time’ quality for its Malawi business, resulting in enhanced on-shelf presence for retail packs and significant reductions in the level of customer complaints received.

In Azucarera, the Food Safety Culture Plan introduced in 2015 continues to see behaviour change in line with the ethos of quality and food safety. In the last year, this has been further enhanced through the creation of a multidisciplinary group in a factory (Miranda de Ebro) to focus on zones of excellence (quality and food safety) in the factory and to extrapolate the conclusions across the whole business.





Retail

Primark is one of the largest clothing retailers in Europe, with the highest sales by volume in the UK and a growing presence in the US. In total, Primark has 432 stores in 16 countries across Europe and the US.

Founder Arthur Ryan opened the first store in 1969 in Mary Street and this remains its flagship Dublin city centre store and home of the global headquarters. Today Primark has stores in the UK, Ireland, Europe and the US with ambitious expansion plans: it expects to trade from 530 stores by the end of 2026, including from 60 in the US. It has expanded but remains true to its roots: offering unbeatable value alongside great quality products.

Primark targets a wide customer base, offering quality essentials and affordable fashion across women’s, men’s and kidswear, as well as beauty, homeware, accessories and licensed ranges with some of the biggest names in entertainment, sport and food. Through its Primark Cares strategy, Primark has set open and measurable targets relating to product, planet and people and is evolving how the business operates. This is alongside its existing commitment to high ethical trading standards.

Primark’s intention is to use its scale for good, deploying it to have the most benefit across its end-to-end supply chain, so ultimately enabling customers to access more sustainable products affordably.

Primark is a retail store business and the store model centres on finding the right-sized stores in the right locations. It seeks to continually improve its in-store experience, creating exciting retail destinations with additional services including beauty, food and beverage and its vintage concession WornWell. Primark focuses on cost alongside price leadership; keeping operating costs low and maximising efficiencies across its supply chain and operations to keep prices competitive and maintain margins.

Digital is a core enabler of how Primark showcases its offering to customers and drives footfall into stores. It has now launched an enhanced customer website into all markets, significantly improving customers’ digital experience. The new site has increased traffic in all markets and Primark believes this is driving incremental growth in store sales. Primark has also launched a Click + Collect trial across selected stores in the UK to offer customers more choice and convenience.



Primark, retail colleague Oxford Street East store, London, UK



ESG at Primark

Primark's business model is underpinned by its Ethical Trade and Environmental Sustainability programme, which is over 15 years old.

The business is building on these foundations with Primark Cares, its 2030 vision for making more sustainable fashion affordable for all. Across three areas – Product, Planet and People – Primark is adapting its business and supply chain, from how it designs and makes clothes, to the materials it uses, the suppliers it works with and how its products are packaged and shipped.

The Primark Cares strategy is enabled by four key elements:

- its commitment to ethical trade and human rights through the implementation of its Code of Conduct, as explained in its [Supply Chain Human Rights Policy](#);
- its [Environmental Policy](#);
- how it collaborates and innovates with suppliers, stakeholders and partners; and
- traceability and transparency.

Primark has a comprehensive governance system to manage ESG risks, opportunities and impacts in this area, including the delivery of its commitments related to Primark Cares. Relevant topics are fed into the wider business governance strategy as and when needed. For example, matters relating to human rights due diligence in its supply chain which require ongoing, cross-functional discussions are raised through its Steering Committee governance structure. This year, Primark held regular Myanmar Steering Committee meetings to discuss its responsible exit from the country.

Agriculture and farming practices

Primark depends on effective agricultural practices and natural commodities to make its products.

Responsible agriculture, biodiversity and land use

Textile and apparel companies rely on many land-based raw materials and the health of the ecosystems which produce them. Primark depends on the agricultural sector for its raw materials, such as cotton. Globally, cotton is the most widely grown non-food crop, providing income for more than 250 million people.¹

Overall, cotton is the main fibre used in Primark's products. In 2013, it launched the Primark Sustainable Cotton Programme (PSCP) in India. The PSCP trains farmers, the majority of whom are smallholder farmers, on more sustainable agricultural practices. Cotton farmers within the programme are trained to reduce their use of water and dependence on chemical fertilisers and pesticides, in addition to learning new skills such as seed selection; land preparation and sowing; crop management; and harvesting.²

Primark recognises the importance of identifying biodiversity-related risks and addressing biodiversity loss. In 2021, it commissioned an independent Biodiversity Risk Assessment of its supply chain. This assessment was carried out by Biodiversify, a biodiversity consultancy, and was aligned with the Interim Guidance for the Science Based Targets for Nature (SBTN).

Given the complexity and local contextual nature of biodiversity, Primark is keen to develop a scientifically rigorous framework for monitoring biodiversity risks and improvements. In 2022, Primark worked with Biodiversify to develop a Biodiversity Monitoring framework for its PSCP programme. This aligned with the SBTN, the Task Force on Nature-related Financial Disclosures (TNFD) and the IUCN's (International Union for Conservation of Nature) guidelines for planning and monitoring corporate biodiversity performance.

In April and August 2023, the first pilot biodiversity field surveys were carried out on 18 PSCP farms in Gujarat, India, in partnership with the Srushti Conservation Foundation. The objective of this pilot was to evaluate what survey methodologies would be most effective in the field. The results of this pilot will help inform the evolution of the framework and the monitoring programme.



A cotton farmer in Primark's Sustainable Cotton Programme, India.

1. WWF Website
 2. Based on CottonConnect's REEL Code

AGRICULTURE AND FARMING PRACTICES CONTINUED

The Primark Sustainable Cotton Programme – 10 years old and the largest of its kind of any single fashion retailer

The PSCP equips smallholder farmers with essential skills to drive the adoption of more sustainable agriculture practices. These include practices to improve yields, reduce chemical inputs, such as pesticides and fertilisers, and improve farmer incomes.

Primark has committed that 100% of the cotton in its clothing will be either organic, recycled or made from its PSCP by 2027. Currently, 46% of clothing units sold contained cotton that is organic, recycled or sourced from the PSCP.

Primark started the programme in India in collaboration with agronomic experts CottonConnect and the Self Employed Women's Association (SEWA). The PSCP subsequently expanded to Pakistan and Bangladesh where it also works with local partners – Rural Education and Economic Development Society (Reeds) in Pakistan and Thengamara Mohila Sabuj Sangha (TMSS) in Bangladesh. As at the end of July 2023 299,388Δ

farmers have received training in the Primark Sustainable Cotton Programme.

Traceability is an important element of PSCP. Primark uses CottonConnect's system, TraceBale, to track and segregate the cotton from farmers in the PSCP to its supply chain (ginners and spinners). Primark was also one of the first high street fashion retailers to partner with Oritain, a specialist scientific verification firm which uses forensic science techniques to verify the origin of samples of the PSCP cotton.

Compared to a set of controlled farmers not within the PSCP, from 2019 to 2022 farmers trained within the PSCP have seen their cotton yields increase by an average of 8% and their chemical inputs reduce by 26% for chemical pesticides and 35% for chemical fertilisers.

Primark has committed that the PSCP will use more regenerative agricultural practices by 2030. As progress

towards this commitment, 3,000 PSCP farmers are participating in a three-year pilot on regenerative practices in India, Bangladesh and Pakistan. The pilot has shown that the optimal approach needs to be localised to farmers' needs and their surroundings. For example, the pilots have found a variation in adoption of practices such as use of farmyard manure. In India, adoption of this practice is generally lower than in Pakistan and Bangladesh due to differences in livestock ownership in the three countries. In India, Primark found a greater use of natural inputs into farming, as women farmers worked together to produce agri-inputs collectively, making these inputs easier to access at a village level. There were other practices that programme farmers found challenging to adopt across the three countries, such as minimum tillage or zero tillage and green mulching. With guidance from the International Cotton Advisory Committee, Primark has been working with CottonConnect to assess the results from the pilot and the level of changes that PSCP farmers are willing and able to make.

Reflections and learning from ten years ago today

Earlier this year, Primark and SEWA met with over 70 farmers involved in the programme at its beginning. Primark heard how, since participating in the PSCP, the farmers continue to be active in driving learning and skills around sustainable cotton methods 10 years on. They have also re-invested their improved cotton incomes into their farms and homes, and in the education of their children. They said the PSCP training increased their confidence, and they felt more respected. They also highlighted how, as members of SEWA, they have been able to rely on continued support and advice as they have needed it, far beyond the completion of the PSCP training.



PSCP farmers with the Primark team and its partners SEWA and CottonConnect on a PSCP farm, India

AGRICULTURE AND FARMING PRACTICES CONTINUED

Deforestation

In 2022, Primark published its Wood and Wood-Derived Fibre Policy, which sets out its approach to sourcing these materials responsibly. Primark is also a partner of not-for-profit environmental organisation, Canopy, since 2022. Canopy's mission is to protect the world's forests, species and climate, and to help advance frontline community rights. Primark continues to work alongside other fashion brands through the CanopyStyle initiative, which aims to transition fashion supply chains away from using ancient and endangered forest material and bring lower-impact fabric alternatives to customers.

Primark aims to source a greater proportion of man-made cellulosic fibre products made from innovative fibre sources, reduce its reliance on 'virgin' paper and packaging, and reduce paper waste.

Primark also joined Canopy's Pack4Good initiative, which is working to ensure companies move away from forests to use more eco-friendly, low-impact paper packaging options and reduce dependency on virgin wood-derived packaging.

Animal health and welfare

Animal-derived materials make up less than 1% of the material used in Primark products, but it is committed to ensuring that all materials used are responsibly sourced.³

Through its Animal Derived Material Policy, which was updated in 2021 to focus on transparency and traceability, Primark supports the use of animal welfare standards and certifications. The Policy requires suppliers to comply with these industry standards in the sourcing of its products. Primark does not conduct or support the use of animal testing that is not required by law.

Primark's own-brand cosmetics are approved by the Leaping Bunny Programme, an internationally recognisable gold standard for products that are cruelty-free. This includes make-up, skincare and haircare products which feature the Leaping Bunny logo. Primark monitor across its supply chain to ensure compliance in line with the Leaping Bunny criteria are met.



Primark supports Leaping Bunny, the internationally recognised symbol for cruelty-free products

3. Materials include wool, cashmere, leather and silk.



People in our supply chains and surrounding communities

Primark has a long-term commitment to promote decent work in its supply chains.

Human and labour rights in our supply chains

Primark's Supply Chain Human Rights Policy outlines its commitment to human rights due diligence in its supply chain, the foundation of which is built on its [Supplier Code of Conduct](#), which sets the ethical standards the business expects of its suppliers. Compliance with the Primark Supplier Code of Conduct is a key condition of doing business with Primark, and is included in the terms and conditions on all orders. The Primark Supplier Code of Conduct includes requirements on areas such as health and safety, freedom of association, discrimination and child and forced labour. It is based on the Core Conventions and the Fundamental Principles and Rights at Work of the International Labour Organization, in addition to the Ethical Trading Initiative's Base Code.

The business takes a risk-based, worker-centric approach to human rights due diligence that makes use of multiple channels of information to set priorities and manage risk. This includes desk-based research, audits, direct engagement with workers and their representatives, as well as engagement in local and international forums. Primark greatly values engagement with a global network of local and international stakeholders, unions, governments and civil society organisations, whose support and feedback are essential to its progress.

Primark's Ethical Trade and Environmental Sustainability (ETES) team has over 130 people in its 12 key sourcing markets. The team works across all aspects of human rights and environmental due diligence, from strategy and risk assessment to supporting suppliers and their factories in implementing the Code of Conduct.

Primark's Ethical Trade auditing and monitoring programme is the backbone of how human rights due diligence is implemented in its product supply chains. Through this programme, Primark conducted 2,360 audits during 2022, most of which were unannounced.

Primark carries the full cost of these audits, which include rigorous checks for human rights issues based on first-hand assessment of the working environment, reviews of relevant documentation and confidential worker interviews. At the end of the audit, supplier factories are issued with a time-bound corrective action plan that outlines any areas for improvement.

Using these audits Primark approves any tier one⁴ factory before any orders are placed, assuming the outcome of the audit is satisfactory. Any potential new factories are audited before any orders can be placed.

Primark will also implement additional due diligence activities where necessary. One example is its own Structural Integrity Programme which was established in 2013 in Bangladesh to assess the safety of all supplier factory buildings against international standards. If areas are found to require improvement, it works with the suppliers and their factories, in collaboration with a team of structural and civil engineers from international engineering firms, to provide technical support and guidance. The Structural Integrity Programme has since been expanded to Pakistan, Cambodia and Turkey.

Another example is the Amader Kotha Helpline in Bangladesh, an external and independent grievance mechanism operated by a third-party LRQA (formerly Elevate) and a local NGO Phulki to provide workers with a trusted, accessible means to raise concerns and access remedy. In July 2023, Primark committed to scale up access to this mechanism across its supply chain in Bangladesh. Building on the success of Amader Kotha, this year Primark also signed new partnerships to establish independent industry-wide grievance mechanisms in Pakistan and India.

More detail about Primark's approach to human rights due diligence can be found in its [Modern Slavery Statement](#), [Supply Chain Human Rights Policy](#) and Primark's [Sustainability and Ethics Progress Report](#).

Transparency and traceability

For the past five years, Primark has published its [Global Sourcing Map](#), which includes the production sites that make its products and the number and gender of employees working at each site.

This year, Primark established a Transparency and Traceability department within the sourcing team, to help implement a new traceability programme, initially piloting with 11 key suppliers. Over the last two years, Primark has been building a partnership with a market-leading platform for supply chain traceability and compliance, TrusTrace. This traceability platform allows Primark to gather data from the full supply chain of a product, from its fibre production all the way through to the final garment. Primark will use the information to better understand and manage its supply chain.

Starting with cotton, Primark rolled out a pilot to map its supply chain with some key suppliers based in China, Pakistan, Bangladesh and India. Primark has now expanded the programme to include more suppliers, fibres and products. Primark will use the learnings from the initial phases of the roll-out and are continuing to work with suppliers to validate the data and help embed this process further.

Solutions and projects for systemic issues in factories

Where trends and more systemic issues are identified, Primark's Social Impact team works with suppliers' factories to address issues through longer-term solutions and projects. The first projects began 14 years ago and the portfolio of work continues to grow. Local teams play a key role in working closely with supplier factories and external experts identify issues, find solutions and share learnings with others. Over the years, Primark has identified a number of thematic areas to support factory workers in its supply chain, which are included in the Primark Cares strategy. These include:

- creating financial resilience;
- promoting equal opportunities for women;
- improving health and wellbeing.

4. Factories manufacturing finished goods.



PEOPLE IN OUR SUPPLY CHAINS AND SURROUNDING COMMUNITIES CONTINUED

There are currently 40 external partners working across more than 34 projects in nine sourcing countries. Here are some examples of the Social Impact team’s work this year.

In early 2023, it began a new partnership with Indian social enterprise Haqdarshak, a technology platform that connects Indian citizens with government welfare schemes. Alongside the Primark team, they assessed the needs and challenges of a sample of 136 garment workers across four factories in Tirupur and Bangalore to understand current uptake of government welfare entitlements and identify key constraints to greater uptake. This information informed the design of a partnership agreement between Primark and Haqdarshak, which aims to improve the uptake of social security among 1,500 workers across eight to ten factories in its first year and refine a model of support that can be further embedded and scaled.

It also further developed its programmes to help prevent and address gender inequality in the workplace this year.

The Snowball programme in Turkey began in 2021 through Primark’s partnership with ACEV/Equality Matters, a Turkish NGO. The programme provides training to support awareness and understanding of gender equality and women’s rights among workers and management. In May 2023, ACEV trained 18 participants to become trainers, 16 from Primark suppliers and two from the Primark ETES team in Turkey. The programme aims to reach 3,000 workers by the end of 2023.

Moner Kotha project

In partnership with the British Asian Trust and Sayeeda Foundation, Primark is supporting a programme to improve mental health awareness in five factories in Bangladesh. The programme uses results from the MySpace project in India, which was set up in 2017 and implemented in partnership with St John’s Medical College, to provide practical support to workers’ mental health, including raising awareness of, and reducing the stigma around addressing mental health issues in the workplace. The Moner Kotha (‘mind talk’ in Bengali) program, launched in late 2022, aims to increase awareness of mental health issues, build resilience, self-coping mechanisms, and provide support for workers in the supply chain through training, capacity building, awareness-raising, and the provision of mental health information in the workplace.

In January 2023, the programme held awareness-raising sessions for 52 senior managers from participating sites. This was organised and facilitated by the Sayeeda Foundation with sessions covering issues such as understanding mental health, self-care and mental health services.

Primark is currently rolling out the programme across factories in its Bangladesh supply chain and is on track with its goal to run awareness sessions with 2,500 workers across five sites in Bangladesh by the end of 2024.



Primark, programme to improve mental health awareness, Bangladesh

PEOPLE IN OUR SUPPLY CHAINS AND SURROUNDING COMMUNITIES CONTINUED

Measuring impact

Over the past year, Primark has been developing a social impact measurement framework in partnership with Tandem, a specialist in this field. This framework will help Primark to better understand the impact of initiatives that support worker welfare.

For example, its Sudokkho programme helps factories establish an effective in-house technical training system for workers as well as supporting the development of supervisors. Support to deliver the programme is provided by its technical partner [Rajesh Bheda Consulting \(RBC\)](#). Up to July 2023, over 1,000 workers have been directly trained and close to 13,000 workers have been indirectly trained through Sudokkho across 38 participating factories in Primark's supply chain. Last year Primark partnered with a social impact measurement company to assess the impact of its Sudokkho programme in Bangladesh. The majority of respondents reported significant improvements across numerous indicators related to satisfaction with the training, quality of life, reported income increases and improvements to their social status. In addition to the workers survey, Primark commissioned a separate smaller study on the trainers of Sudokkho to understand more about their ability to train as a result of the programme. Here too, the results showed positive impact across similar indicators. More details on this case study can be found on our partner's [website](#), 60decibels. The learnings from Sudokkho have already been disseminated to factories that participated and through a learning event in Dhaka held in late 2022. The evidence generated from the independent impact assessment will continue to help Primark understand how it can evolve and adapt programmes in the future.

Primark acting on living wages

Primark is committed to pursuing a living wage for the workers in its supply chain. In 2014, Primark became a founding member of ACT (Action, Collaboration, Transformation). ACT is a groundbreaking agreement between trade unions, global brands and retailers seeking to transform the garment, textile and footwear industry and achieve living wages for workers.

Primark's social audit programme monitors compliance with legal wage requirements.

Primark is running a pilot using the Fair Labor Association's Wage Data Collection Tool to collect wage data in factories across four of its key sourcing markets: Bangladesh, Cambodia, India and Turkey.

Information from the pilot will be used to compare actual wages paid against the living wage benchmark of the Global Living Wage Coalition. Primark then intends to support factories to help close that gap.

Further details on Primark's work in this area can be found in the [Primark Sustainability and Ethics Progress Report](#).



Primark, Sudokkho training programme, Bangladesh



Our people

Primark is embedding people at the heart of its business strategy. Taking care of its people is not just something it aims for, it is an integral part of the business's ongoing success.

Health, safety and wellbeing

Primark is committed to achieving the highest health, safety and welfare standards for its people. This includes ensuring legal compliance, incident reduction and the continual promotion of health and safety practices each day. This commitment is epitomised by its Health and Safety strategy: Safe Today, Safe Tomorrow.

Over the course of the year, 161 employees experienced an on-site Lost Time Injury (LTI) which equates to 0.34% of the Primark full-time equivalent workforce. This is a decrease of 15% in the LTI rate for our on-site employees compared with 0.40% in 2022. This trend reflects the work carried out across Primark in recent years to address employee safety, implement safe working practices and create a culture of high safety and welfare standards.

As part of this focused approach towards safety, Primark recognises that it has more to do to support safe working practices for its contractors. During the year a new system was introduced to capture and monitor contractor LTIs. The increase in the on-site contractor LTI rate from 0.65% to 1.16% this year is partially due to the improvement in internal reporting processes and the practical implementation of the Safe Today, Safe Tomorrow programme.

This year 36 contractors experienced an injury on Primark's premises that resulted in being absent from work, an 80% increase compared with the 20 injuries in 2022. Primark operates across countries where the approaches to safety, in terms of national legislation, can influence injury reporting. For example, nearly two thirds of these contractor LTIs occurred within Spain and France where Primark is targeting support to those teams in these countries to address the root causes and accurate reporting of accidents. This support includes working with suppliers via procurement contracts to ensure injury investigation processes are robust and reporting is aligned with ABF Standards.

Primark sets both central and global KPI targets and objectives to drive continuous improvement in its health and safety performance. This includes the roll-out of a new dedicated EHS and Operations Lead in stores across all markets. Other key initiatives include safety training days, World Health and Safety Day campaigns, surveys and webinars to drive engagement and meetings where colleagues can escalate issues.

Wellbeing

Primark continues to focus on the wellbeing of its colleagues. Spark is Primark's colleague wellbeing programme, created to empower colleagues to become their best selves at work and in life. The programme focuses on the three pillars of Mind, Body and Life. New wellbeing initiatives during the year included the roll-out of new Mental Health Awareness training, with over 6,000 colleagues invited to complete a six-part eLearning programme. The next step in equipping colleagues with the tools to support those who may be struggling is its Mental Health First Responder (MHFR) training programme. This has been rolled out to 5% of colleagues, meeting Primark's target. Primark's Let's Talk Employee Assistance Programme (EAP) is also available to all colleagues.

Other new 'Mind' initiatives included identifying Wellbeing Champions in all stores and establishing a rolling calendar of activities. In the 'Body' pillar, Primark offers a range of fitness and nutrition learning options through webinars and events. In the 'Life' pillar, it launched Life Stages support covering a variety of themes including fertility, surrogacy, adoption, baby loss, paternity and menopause. While the focus of these programmes has been ROI and the UK, Primark is working with all markets to understand which similar initiatives can be implemented to support all colleagues.

Diversity, equity and inclusion (DEI)

Primark's customers and colleagues come from a wide range of backgrounds. As such, it sees DEI as not only part of its culture, but key to its continued success. It has over 76,000 employees, made up of over 180 nationalities and includes staff over 65 years of age. Of senior roles at Primark, 48% are filled by women, helping to create workplaces that are ambitious, engaging and inclusive.

Primark's Head of Diversity and Inclusion and its DEI business partners work across multiple markets to deliver its DEI strategy. The success of internal activity is greatly supported by DEI sponsors, who form part of an extended DEI community. All leaders have a critical role in embedding inclusive behaviours and values across Primark, and to ensure this is always front of mind. To encourage that, this year Primark developed an Inclusive Leader workshop.

Guided by its Global Diversity and Inclusion Policy, Primark is listening to colleagues and customers to create an environment where everyone feels included, empowered and able to be their authentic selves.

Primark's four global colleague networks not only create safe spaces for people to share their lived experiences, but their contributions also enhance its products, evolve its processes and strengthen its strategies:

- LGBTQIA+ network: Creating a safe space for the LGBTQIA+ community and their allies to be represented, supported and heard;
- Cultural Diversity network: Celebrating the diversity of culture and heritage to raise awareness, understanding and visibility of role models throughout the business;
- Life Stages and Gender network: Identifying opportunities to empower and support women and men throughout all stages of their working lives; and
- Disability and Neurodiversity network: Helping Primark to become a barrier-free and inclusive workplace for its remarkable people.



OUR PEOPLE CONTINUED

These networks have over 360 members across 15 markets. The networks collaborate to create safe spaces for people to share feedback, challenges, insights and ideas that will help to shape Primark’s priorities for the future, make a positive impact and enable change at grassroots level.

One example of the impact of the networks is this year’s Pride campaign, ‘Found Family’. This included the launch of an inclusive, gender-neutral clothing range for adults and kids and a month-long internal campaign to drive engagement among colleagues. Members of the LGBTQIA+ network shared feedback which influenced changes to product design, and they also provided guidance which improved in-store placement of the products.

Engagement and development

This year, Primark invested in more well-rounded onboarding for new retail colleagues. Its new Retail Induction ensures a consistent experience across markets and improves the time it takes to train new retail assistants. It also enables the business to share its Primark Cares strategy with colleagues as soon as they join the business, focusing on sustainability and ethics from the outset. The new solution has three components: a classroom induction, a training plan and trainer support materials.

Primark’s Early Careers programme is creating a talent pipeline for the future. Engaging with students early in their careers allows the business to attract and retain people who can enable continued growth and innovation at Primark.

In July 2022, as part of the Early Careers programme, Primark welcomed its first cohort of 46 students for their university placement years. Students had the opportunity to gain hands-on experience while contributing exciting and inspiring ideas across many work streams. Feedback from both line managers and students was positive, and 40 students have been offered graduate roles once they finish their degree. In Autumn 2022, when recruiting for its second cohort, applications were up 62%.



Primark colleagues in store Bucharest, Romania



Carbon and climate

Reducing its carbon footprint is imperative to Primark meeting its environmental commitments and ensuring it does its part to mitigate the impacts of climate change.

GHG emissions, energy and renewables

Primark has committed to reducing absolute Scope 1, 2 and 3 emissions by 50% by 2030 from a 2018/19 base year. This year, Primark has also had its science-based target validated by the SBTi.

The business has also committed to Textiles 2030, a voluntary initiative led by WRAP, which includes a target to reduce the aggregate GHG footprint of new products by 50%.

Primark has defined a roadmap to realise these ambitions, focusing on key emissions hotspots across Scope 1, 2 and 3 for the short and medium term, defined as up to 2025 and 2030 respectively.

Primark's carbon reduction programme focuses on managing climate-related risks. It aims to further embed analysis of climate-related risks and management to support operational continuity and better inform its climate strategy. Find out more about Primark's climate-related risks in the TCFD section of our 2023 Annual Report, page 56.

This year, there has been an overall increase of 11% in carbon emissions across the value chain against Primark's baseline year 2018/19. This is the result of an increased volume of material used to produce the products sold over that period. In the short term, this trend is likely to continue, but there will be a decline as Primark increases the use of more sustainably sourced materials across its product range and once the energy programmes being rolled out across the supply chain begins to deliver at scale.

5. Following the issuing of this report, it was identified that 3,798.41 tCO₂e from steam had been omitted from market-based emissions for 2023. Scope 2 market-based emissions for 2023 should have totalled 75,860.26 tCO₂e, contributing to a 40% (not 42%) reduction against the Scope 1 and 2 baseline.

Scope 1 and 2 emissions

Working with suppliers to tackle emissions and reduce their carbon footprint is a key priority for Primark. However, it also continues to look carefully at the footprint of its own operations. Its Energy Policy was developed in 2018 and updated in 2022.

The introduction of efficiency measures and renewable or low carbon electricity procurement has produced an overall reduction of 40%⁵ in Primark's Scope 1 and Scope 2 emissions (market based) compared with its 2018/19 baseline.

Primark started by reducing its demand for energy. Its energy management system has maintained its certification to ISO 50001 covering stores, offices and distribution centres. This certification covers all markets where Primark trade with the exception of Romania and Slovakia, as it only entered these markets during the year. Both will be incorporated into our audit and accreditation next year. Maintaining this certification shows a commitment to continuous energy efficiency improvements and reductions, which helps to drive down its carbon footprint.

This year, Primark continued the roll-out of its energy bureau in the UK, which has now been introduced to 179 stores. It allows the business to maintain suitable store conditions in an energy-efficient manner. The business is currently scoping further roll-out of the initiative in other regions from 2024.

Primark has upgraded to LED light fittings in 141 stores across 8 markets. There are plans to roll out LED lighting to a further 110 stores in 2024.

Primark has signed renewable power contracts in seven countries, covering the UK and Europe. At the time of publishing this report, approximately 70% of stores were covered by a renewable or low-carbon electricity contract. However, as these contracts have come into operation at different times over the course of the year, their full benefit isn't seen in the Scope 2 emissions reporting. Continuing its progress in the renewable power market is a key priority for Primark in the next year, alongside addressing Scope 1 emissions from onsite heating.

Scope 3 emissions

Primark's Scope 3 emissions represent the largest share of the business's GHG impact, with upstream transportation and the product supply chain the largest contributors to

these emissions. Strengthening the connection between its decarbonisation programme and its work on materials, circularity and waste reduction is a key focus in order to develop a robust strategy.

The decarbonisation programme's core focus is primarily on the impact of energy consumption within manufacturing, under tier one and tier two of the supply chain.

A key focus of the decarbonisation programme is building on the learnings of small-scale energy and water efficiency pilot projects conducted over recent years in China using the Apparel Impact Institute's (Aii) Clean by Design (CbD) programme. Primark is expanding its use of CbD initiatives alongside its own bespoke programme, which it is building and launching with consultancies in key sourcing regions.

These programmes create improvements in factory operations by delivering training, guidance and workshops. Dedicated technical services for data collection and assessment also identify opportunities and support in developing action plans to improve practices and reduce greenhouse gas emissions. A range of factory types are being engaged in this first wave of 'enhanced pilots' to assess not only the effectiveness in reducing energy but also, in facilities with wet processing, how the programmes address the interrelated issues of energy, water and chemistry, and tie in with water stewardship and chemistry programmes. The average duration of a programme is 18 months, at which point measurable improvements are expected to be achieved alongside roadmaps for continuous impact reduction.

A total of 57 factories have been engaged by Primark on energy and resource efficiency in Bangladesh, China, and Cambodia this year. Informed by this programme, Primark is scaling its engagement on emissions reduction into the supply chain. To achieve this, Primark has hired three Regional Carbon leads in its key sourcing regions of Bangladesh, China and India.

On renewable energy in the supply chain, Primark has created its first renewable energy roadmap to 2030 for its supply chain. Having assessed the data gathered with RenEnergy last year, it has mapped the energy and carbon associated with supply chain locations and considered the feasibility of renewable energy procurement solutions for suppliers' factories by country and region. Consultations have begun on a procurement solution for the first project, with RenEnergy leading the process of RFPs, analysing bids and providing strategic guidance to suppliers on contract negotiation.



Efficient resource use

From the raw materials it sources to the waste in its stores, Primark is striving to responsibly manage the natural resources it relies on.

Waste and circularity

Primark has made a commitment to give its clothes a longer life. Its ambition is to drive forward innovation and collaboration within its industry to make its clothes last longer and reduce clothing waste. With regards to circularity, Primark has committed to make more clothes that are recycled by design by 2027.

Circular product design

This year, Primark launched its Circular Product Standard CPS, a framework for how it intends to design products now and in the future. In development for over two years, Primark consulted with climate action NGO WRAP, circularity think tank Circle Economy and the non-profit sustainability educator Sustainable Fashion Academy. The new framework is built on the vision for a circular economy for fashion of its partner the Ellen MacArthur Foundation, a global thought leader on the circular economy.

This year, Primark launched a 35-piece denim and jersey collection across menswear, womenswear and kidswear which adhered to the principles of the CPS and focused on three key areas: more sustainably sourced materials, durability and recyclability. Primark is currently scaling circular design principles across more of its clothing ranges for Spring/Summer 2024.

Though the CPS represents a starting point, there is more to be done across the fashion industry to scale up collection, sorting and recycling to help build a more effective circular system. Primark recognises the challenges associated with the recyclability of more complex and blended clothing types but believes the CPS will help towards better understanding and navigating these complexities.

To support and embed the CPS, Primark is upskilling its Product teams via a Circular Design Training programme, which has been co-developed by Circle Economy and the Sustainable Fashion Academy.

Durability

Primark is committed to strengthening the durability of its clothes by 2025. This year, Primark has continued to evolve, embed and learn from the data gathered on the pilot product categories tested to Primark's enhanced durability framework. Starting with denim, it has since moved onto testing socks and all jersey categories across womenswear, menswear and kidswear.

Primark will continue to gather data to learn which products need further development and to learn from those products that are already performing to durability expectations. This year, Primark has scaled up its extended durability wash testing to cover 39% of our clothing. On its more established product category of denim, where Primark implemented the extended wash and performance testing 18 months ago, 57% of denim tested met the highest level under the enhanced wash framework. Since testing began in April 2023, 58% of socks tested met the entry-level requirements under the enhanced testing framework level.

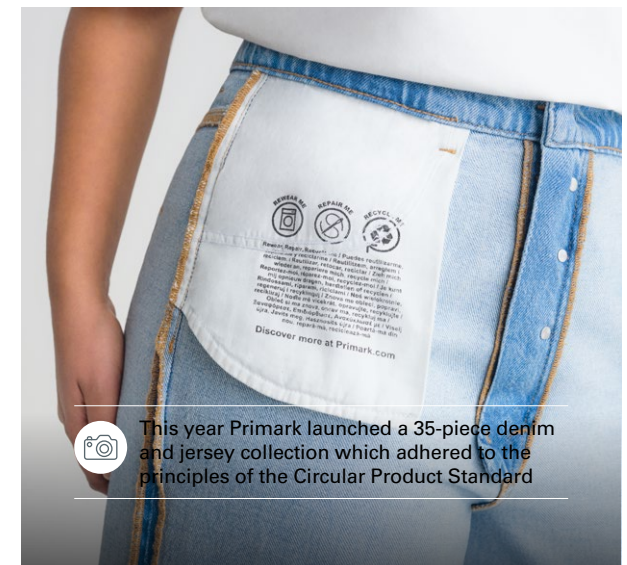
In partnership with WRAP and Textile 2030 signatories, Primark continues to explore creating an industry standard for durability, as one currently does not exist. Primark is working alongside WRAP and its signatories to develop a set of testing protocols by product category and create the foundations for a minimum durability standard.

This year, Primark worked with the environmental charity Hubbub which commissioned the University of Leeds School of Design to study the relationship between price and durability.⁶ One of the largest studies of its kind, clothing performance was assessed against a series of industry-recognised standards under controlled lab conditions. The study found that retail price cannot be used to indicate which garments are going to last longer than others. For both high- and low-priced items, durability ranged from excellent to very poor. Furthermore, the research highlighted the need for alignment within the industry on a recognised

durability measure or standard to allow customers to make more informed choices when shopping.

Primark is also working with Hubbub to research consumer attitudes to clothing and examine consumer wearing and washing habits.

As part of its durability commitment, Primark has continued to roll out its repair workshops, supporting customers and colleagues to love and wear their clothes for longer. The free repair workshops are accessible and inclusive for all, and focused on quick, easy and practical skills that empower participants to complete their own repairs. Over the last year, these have been scaled further in the UK and Ireland, and introduced in the Netherlands and France. To date, Primark has held 113 workshop sessions, offering more than 1,700 free places to customers and colleagues. To maximise the reach of the repair workshops, Primark has created an online customer hub featuring easy-to-follow .



This year Primark launched a 35-piece denim and jersey collection which adhered to the principles of the Circular Product Standard

6. <https://hubbub.org.uk/worn-out-new-research-on-clothing-durability-raises-big-questions>



EFFICIENT RESOURCE USE CONTINUED

Water use

Water is a critical natural resource within the fashion industry, from the irrigation of the cotton fields to the dyeing and finishing of fabrics and materials.

Primark joined the Alliance for Water Stewardship (AWS) as a funding member in December 2021, supporting its approach to improve the use of water resources and its commitment to adopt and promote a universal water stewardship framework, the AWS Standard.

Through an AWS-led Impact Accelerator programme, Primark committed to its first collective action project last year, enrolling 15 key suppliers based in Dhaka, Bangladesh. The programme is designed to bring brands, governing bodies and other stakeholders together to tackle shared water challenges within a water catchment area. As part of the programme, an independent, local third party, Esolve International, has also conducted a holistic catchment assessment to better understand the relationship between industry and the local environment.

This year, Primark initiated the development of its 2030 Water Impact and Stewardship Strategy. The goal of the strategy, initially focused on the supply chain, will be to improve the management of water, reduce its water footprint and to reduce the negative impact of water usage on hydrological systems, ecosystems and human health.

To enable these goals, it is committed to working with suppliers to improve water efficiency and to recycle water where possible. It is also committed to collective action, working with other brands and trade associations to address shared water challenges. Primark is a signatory of WRAP's Textiles 2030, which has the collective target to reduce the aggregate water footprint of new products sold by 30% by 2030. In 2023, Primark commissioned an independent third party to undertake a detailed water footprint assessment across its supply chain. This will be used in combination with previously conducted water risk assessments, to build a water action plan to underpin the strategy.

Water risks and challenges vary depending on geographical location. This year, Primark mapped its strategic tier one and tier two supplier factories to assess the likelihood of water risks materialising.

The wet processing stages of clothing manufacturing, such as bleaching and dyeing, use significant volumes of water. Energy and water consumption during these stages are intrinsically linked since most of the energy usage is during water-intensive processes. Between 2018 and 2022, Primark engaged the Apparel Impact Institute (Aii) to enrol six factories onto the Clean by Design energy and water efficiency initiative.

Primark's water use footprint is also driven by raw material cultivation, primarily from cotton. Through its longstanding PSCP, Primark is training and influencing farming practices to improve resource efficiency.

Chemicals

Chemistry enables the creation of a wide array of materials and colours used in Primark's clothes. Chemistry can also improve the performance, safety and environmental impact of products, and play a key part in the raw material production. Most of the chemicals used are applied during the 'wet processing' phase, which includes dyeing, printing, bleaching, tanning or washing of materials.

Primark's Restricted Substance List (RSL) aligns with that of the Apparel and Footwear International RSL Management (AFIRM) Group. It is also a board member of the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation. As part of this commitment, Primark completes an annual assessment of its chemical management programme. This year, its performance was rated as 'Progressive' in recognition of its continuous improvement.

Driving the use of more sustainable chemistry is essential to the delivery of Primark Cares. Primark has selected three wet processors to pilot the Clean By Design Chemistry and Wastewater programme, which is focused on reducing chemical consumption and improving other areas like GHG emissions.

Primark is committed to supporting its suppliers with the tools and guidance needed to use chemicals safely. It has regional environmental teams across strategic sourcing regions, which engage directly with suppliers' facilities to provide awareness and training in relation to chemical management. This includes requirements for facilities to compile and submit chemical inventories so that Primark can assess their usage of chemicals in reference to the ZDHC Manufacturing RSL. In 2022, 175 of its key wet processors generated ZDHC InCheck reports.

Our ETES team delivers regular training on its chemical management requirements to suppliers and wet processors in the supply chain. With Primark's support, 80 facilities in the supply chain completed ZDHC's Supplier to Zero programme, focused on improving chemical management systems. A further 61 wet processors have been selected to complete ZDHC Chemical Management System training, including implementation efforts supported by a consultant to identify improvements and help put them into practice.

Primark also successfully expanded its focus on wastewater testing beyond Bangladesh to include China, India and Turkey this year. 107 of its key wet processors tested to the ZDHC guidelines from January to December 2022. The ZDHC guidelines apply to certain facilities such as those discharging wastewater above a daily threshold (15m³/day). A further 20 key facilities have been selected to undertake targeted risk-based testing.

Plastic and packaging

As one of its main sources of non-clothing waste, product packaging is a priority focus area for Primark. It has set a target to remove all single-use plastic by 2027 and estimates it has already removed and/or avoided over 1 billion units of single-use plastic from its business since 2019.

Its dedicated team, the Packaging Centre of Excellence, is currently in the process of establishing a baseline for this metric by calculating the total footprint of its single-use plastic. This baseline will enable Primark to accurately measure this reduction as a percentage of its total usage in years to come.



EFFICIENT RESOURCE USE CONTINUED

Clothes hangers are estimated to account for around two thirds of total single-use plastic volumes used within Primark. The business is aiming to move to recycled materials for all hangers, helping to reduce the carbon footprint of hangers by 40%. The durable new hanger design is made of a minimum of 90% recycled polypropylene and can be used multiple times. Alongside reusing hangers retained in stores, it will collect unusable hangers to be recycled and made into new hangers. In 2023, Primark replaced the plastic hook with cardboard in kids' socks and tights, and created a new baby clothes range which uses cardboard-only hangers.

The second largest use of plastic packaging is the film used to protect Primark's garments during transit (polybags). Primark has developed a process to collect the waste film from UK distribution centres and send it to partners for separation and processing. The reprocessed material is transformed into Post Consumer Recycled (PCR certified) pellets which are then used to manufacture new polybags, as part of a closed loop circular system. Primark's commitment to become a more sustainable business extends to the use of recycled content in its plastic packaging, minimising its reliance on virgin materials.

Primark preferences is to reduce the use of virgin paper where possible and use wood fibres certified by the Forest Stewardship Council (FSC), or the Programme for the Endorsement of Forest Certification (PEFC). The certified wood is harvested from forests that are responsibly managed and economically viable. It is also exploring next-generation alternatives to wood fibre.





Appendices

- 86 Scope of reporting
- 87 Data and performance
- 98 Our impact on the Sustainable Development Goals
- 99 Climate-related Financial Disclosures (TCFD)
- 114 Independent Assurance Statement to Associated British Foods plc
- 120 Additional information for our business segments



Allied Mills, Senior Engineer, Manchester, UK



Scope of reporting

Our reporting year for safety and environment data is from 1 August to 31 July. Key performance indicators reported, including the diversity, equity and inclusion data, may have different start dates but still cover a 12-month period, closely aligned with the Group financial year.

Associated British Foods plc has five business segments: Grocery, Ingredients, Agriculture, Sugar and Retail. Across these segments, we have a total of 732 production sites, warehouses, distribution centres, offices or retail stores which have collated their relevant environment and safety data for this reporting period. Primark's stores, offices and distribution centres account for 442 reporting sites. Where relevant, the data also includes Primark sites which closed during the reporting year along with some new locations that are preparing to open.

Any new site or business acquired part-way through a reporting year is not required to provide its annual safety or environment data to Associated British Foods in that year. Sites or businesses may be granted an additional grace period for reporting its annual safety or environment data to Associated British Foods on a case-by-case basis, dependent on their material contribution to Group performance and establishment of accurate measurement processes and systems.

For the current and prior reporting years, safety and environment data is from all companies over which the Group has full operational control or has financial control but does not fully own. In addition relevant safety and environmental data is included from joint ventures and associates where we do not have a majority shareholding but do have either joint control or significant influence. These are our most material joint ventures, measured in terms of net assets: Frontier Agriculture, UNIFERM, Czarnikow, Stratas Foods, and two sites jointly operated with Wilmar International.

Across the Group, we use a number of key performance indicators to measure our safety and environmental performance. To ensure these are applied consistently, we apply standard definitions. These definitions are included in our detailed reporting guidance, including the methodologies we use for our greenhouse gas (GHG) emission reporting. A summary of these methodologies are included in this Appendix.

Due to rounding, business segment numbers presented throughout our Responsibility Report may not add up to precisely the Group totals reported.

Our reported KPIs on employee and gender metrics are average numbers of men and women employed for the financial year.

The basis of reporting information for the Primark metrics listed below can be found on the [Primark website](#):

- percentage of Primark's clothes containing cotton that is organic, recycled and/or sourced from the PSCP;
- percentage of Primark's clothing unit sales containing recycled or more sustainably sourced materials; and
- number of farmers that have received training in the PSCP.

How we assess our safety and environmental performance

Environment and safety data is entered by each site into a Group-managed data system. All data is reviewed at the individual business level, by a senior environmental, safety, operational or financial representative, or a cross-functional team representing these roles, with a finance representative approving final data.

Our Health, Safety and Environment (HSE) Team conducts an annual verification process, supported by an independent team of data analysts, and we commission independent external assurance to ensure Group's HSE data is complete, accurate and aligned with our Group guidelines.

Throughout the year, we collaborate with all our businesses to help them with continuous improvement in data accuracy and to meet recognised reporting standards. This work includes regular training, distribution of materials and consultation if changes are made to data requirements or the reporting system.

All the data we report is based on the best possible systems and methodologies currently available to us and, where applicable, aligned with internationally or nationally recognised standards. Where possible, we use accurate data from sources such as invoices, meter readings and weight measurements. These are also subject to continuous improvement.

We report our Group-level and business segment data for the past five years to provide a good overview of our short- to medium-term performance and identify segment-level contribution to Group data.



DATA AND PERFORMANCE

Health, safety and wellbeing

Work-related fatalities – employees

	2019	2020	2021	2022	2023
	0	2	2	1	2Δ

Work-related fatalities – contractors

	2019	2020	2021	2022	2023
	0	1	0	3	1Δ

Lost Time Injuries – on-site

	2019	2020	2021	2022	2023
Employees	682	406	346	355	348
Employee rate	0.65%	0.42%	0.39%	0.36%	0.35%
Contractors	58	48	42	41	76
Contractor rate	0.19%	0.18%	0.17%	0.14%	0.33%

Lost Time Injuries – on-site by location

	2019	2020	2021	2022	2023
LTIs on-site employees					
United Kingdom	71	84	79	84	93
Europe and Africa	517	245	174	178	162
The Americas	31	10	10	12	12
Asia Pacific	63	67	83	81	81
Total	682	406	346	355	348
LTIs on-site contractors					
United Kingdom	20	16	15	13	20
Europe and Africa	35	22	18	24	48
The Americas	1	1	1	1	5
Asia Pacific	2	9	8	3	3
Total	58	48	42	41	76
LTIs on-site total					
United Kingdom	91	100	94	97	113
Europe and Africa	552	267	192	202	210
The Americas	32	11	11	13	17
Asia Pacific	65	76	91	84	84
Total	740	454	388	396	424

Lost Time Injuries – on-site by segment

	2019	2020	2021	2022	2023
Grocery					
Employees	96	106	109	106	121
Employee rate	0.64%	0.74%	0.79%	0.81%	0.93%
Contractors	3	11	11	6	3
Contractor rate	0.03%	0.12%	0.17%	0.24%	0.12%
Ingredients					
Employees	15	15	11	9	8
Employee rate	0.22%	0.23%	0.17%	0.14%	0.13%
Contractors	3	4	2	3	9
Contractor rate	0.16%	0.22%	0.10%	0.15%	0.44%
Agriculture					
Employees	15	19	7	11	13
Employee rate	0.63%	0.83%	0.29%	0.42%	0.50%
Contractors	0	1	2	2	3
Contractor rate	0.00%	0.14%	0.87%	1.00%	1.53%
Sugar					
Employees	43	54	39	46	45
Employee rate	0.13%	0.17%	0.13%	0.15%	0.15%
Contractors	9	13	14	10	25
Contractor rate	0.07%	0.11%	0.11%	0.05%	0.16%
Retail					
Employees	513	212	180	183	161
Employee rate	1.07%	0.51%	0.50%	0.40%	0.34%
Contractors	43	19	13	20	36
Contractor rate	1.05%	0.57%	0.57%	0.65%	1.16%



DATA AND PERFORMANCE CONTINUED

Factories and retail operations with zero employee on-site LTIs %

	2019	2020	2021	2022	2023
	67	66	67	68	69

Factories and retail operations with zero employee on-site LTIs – by segment %

	2019	2020	2021	2022	2023
Grocery	62	45	42	45	45
Ingredients	80	77	80	83	87
Agriculture	64	64	79	66	67
Sugar	40	41	43	31	45
Retail	68	71	71	73	73

Methodologies

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

Contractor: An independent person who works for the business and is under our control but who is employed by another company or is self-employed. A contractor or seasonal worker does not work regularly or permanently for the business. They work only as and when required. Typically, a contractor or seasonal worker will have a period of work specified in their contract, and an end date will usually be specified. As the nature of contract work varies across our businesses – for example from contract cleaning, security and catering staff to seasonal agricultural staff – our businesses are responsible for applying the Group's definition of a contractor to their workforce. With each year of monitoring contractor safety, we see improvements in how this definition is applied with greater consistency from year to year and across the businesses.

Fatal injury: We report the death of an employee, contractor or seasonal worker as a result of work activities with the business. This includes activities in our operations, under our direct control and for people who are our responsibility be they an employee, contractor or seasonal worker. It also includes employees and contractors travelling for work purposes (for example, engineers visiting factory sites or travelling to attend a training course). Deaths that occur during an individual's commute to or from work are not included unless the national legislation stipulates this as a work-related fatality. Deaths from natural causes, such as heart attacks and deaths from non-work activities, are not included.

Safety data: For Group safety data, we include Associated British Foods plc central employees based in our head offices as part of our total headcount.

Lost Time Injury (LTI): An injury that arises out of, or in connection with, work activities, which occurred on-site and results in the injured employee or contractor being absent from work for at least one day or one shift within 12 months of the accident.

When we report the percentage of sites without an LTI during the year, we include the number of factories providing employee numbers and production figures and, in the case of Primark, the number of stores and distribution centres.

Lost Time Injury (LTI) rate: The LTI rate is the percentage of employees (full-time equivalent) or contractors having an LTI during the year.



DATA AND PERFORMANCE CONTINUED

Diversity, equity and inclusion

Location of employees

Location	Number of employees
United Kingdom	42,071
Europe and Africa	73,573
The America	6,727
Asia Pacific	11,116
Total	133,487

Gender metrics

	Total employees*	Men in workforce	Women in workforce	% of workforce who are women	Number of senior management roles**	Number of men in senior management roles	Number of women in senior management roles	% of senior management who are women
Grocery	15,788	10,164	5,624	36%	795	470	325	41%
Ingredients	6,257	4,583	1,674	27%	562	387	175	31%
Agriculture	3,052	2,028	1,024	34%	454	263	191	42%
Sugar	30,975	24,849	6,126	20%	246	171	75	30%
Retail	76,857	17,466	59,391	77%	253	131	122	48%
Central	558	350	208	37%	71	55	16	23%
Total	133,487 Δ	59,440	74,047	55% Δ	2,381	1,477	904	38%

* Full-time, part-time and seasonal/contractors.

** Includes directorships of subsidiary undertakings.

Methodologies

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

Women: within local legislation these are those that are defined, or define themselves, as female or women.

Men: within local legislation these are those that are defined, or define themselves, as male or men, plus this will also include where voluntary selection has indicated other classifications or where an explicit choice has not been made.

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

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

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



DATA AND PERFORMANCE CONTINUED

Gender pay gap

Overall, the gender balance of Associated British Foods plc is fairly equal, with women making up 55% of our total global workforce. Consistent with previous years, we have chosen to report voluntarily on the gender pay gap that relates to our employee population in Great Britain (GB) as of 5 April 2023. However, more than half of our workforce is employed outside GB and therefore not included in this gender pay analysis. Consistent with last year we have presented data for the Group businesses in GB as a whole and for the Group businesses in GB without Primark.

Gender pay gap reporting – Group businesses in GB as a whole %

	2021	2022	2023
Mean pay gap (women lower than men)	-34.1	-31.6	-28.2
Median pay gap (women lower than men)	-24.3	-22.6	-18.9
Mean bonus gap (women lower than men)	-23.6	-34.1	-27.0
Median bonus gap (women higher than men)	36.0	25.9	21.8
% of men received bonus	20.2	26.5	26.6
% of women received bonus	5.7	7.2	7.9

Proportion of men and women in each pay quartile – Group businesses in GB as a whole %

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Upper	71.8	28.2	68.9	31.1	64.5	35.5
Upper middle	46.5	53.5	42.7	57.3	42.9	57.1
Lower middle	19.7	80.3	19.6	80.4	23.5	76.5
Lower	25.2	74.8	24.1	75.9	22.8	77.2

Gender pay gap – Group businesses in GB without Primark %

Location	2021	2022	2023
Mean pay gap (women higher than men)	5.4	4.0	3.6
Median pay gap (women higher than men)	11.5	9.0	10.2
Mean bonus gap (women lower than men)	-23.7	-34.0	-24.1
Median bonus gap (women higher than men)	36.3	30.0	29.8
% of men received bonus	40.8	48.0	50.8
% of women received bonus	57.0	61.3	66.5

Proportion of men and women in each pay quartile – Group businesses in GB without Primark %

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Upper	69.3	30.7	68.5	31.5	68.0	32.0
Upper middle	72.9	27.1	72.6	27.4	71.0	29.0
Lower middle	80.9	19.1	80.4	19.6	79.0	21.0
Lower	74.3	25.7	72.1	27.9	71.3	28.7

For more information on our gender pay gap see our 2023 Annual Report, page 110.



DATA AND PERFORMANCE CONTINUED

GHG emissions

Total GHG emissions – Scopes 1 and 2 (location-based)

000 tonnes CO ₂ e					
	2019	2020	2021	2022	2023
	3,993	3,555	3,161	3,107	2,915Δ

GHG emissions – Scopes 1 and 2 by segment (location-based)

000 tonnes CO ₂ e					
	2019	2020	2021	2022	2023
Grocery	543	495	492	436	413
Ingredients	801	787	468	455	366
Agriculture	91	85	83	79	82
Sugar	2,397	2,055	1,999	2,014	1,934
Retail	160	134	118	124	120

GHG emissions – by Scope

000 tonnes CO ₂ e					
	2019	2020	2021	2022	2023
Scope 1: Combustion of fuel and operation of machinery	3,087	2,719	2,370	2,336	2,196
Scope 1: Generation and use of renewables	75	78	80	72	76
Total Scope 1	3,162	2,797	2,450	2,408	2,272Δ
Scope 2: Location-based	831	758	711	699	643Δ
Scope 2: Market-based	–	783	777	720	635Δ
Scope 3*: Third-party transport only	753	764	621	637	656Δ
Scope 3: Primark's Scope 3 emissions	6,246	5,114	4,606	6,452	7,019Δ
Scope 3: ABF total Scope 3 emissions	–	–	5,227	7,089	7,675Δ
Biogenic emissions	3,962	4,045	4,208	3,879	4,260Δ

* From 2021 Primark's third-party transport emissions are excluded from the Group Scope 3 third-party transport emissions. For all divisions other than Primark we are reporting GHG Protocol categories 4 and 9 in Scope 3 figures. For Primark we are reporting categories 1, 2, 3, 4, 5, 6, 11 and 12, according to GHG Protocol.

GHG emissions – by segment

000 tonnes CO ₂ e					
	2019	2020	2021	2022	2023
Grocery					
Scope 1	283	242	274	235	208
Scope 2 (location-based)	261	252	218	201	207
Scope 3	125	153	190	167	151
Biogenic emissions	0.23	0.24	6.79	7.72	24
Ingredients					
Scope 1	548	541	222	211	178
Scope 2 (location-based)	253	246	246	243	188
Scope 3	74	80	85	80	71
Biogenic emissions	2	5	326	334	325
Agriculture					
Scope 1	56	51	51	50	60
Scope 2 (location-based)	35	34	32	28	23
Scope 3	91	89	84	73	79
Biogenic emissions	0.12	0.02	0.05	0.002	0.002
Sugar					
Scope 1	2,255	1,942	1,883	1,891	1,805
Scope 2 (location-based)	142	112	117	124	128
Scope 3	218	238	263	316	348
Biogenic emissions	3,960	4,040	3,875	3,537	3,911
Retail					
Scope 1	21	20	20	21	21
Scope 2 (location-based)	140	114	99	103	99
Scope 3	–	–	4,606	6,452	7,019Δ
Biogenic emissions	0	0	0	0	0

GHG emissions intensity against revenue – Scopes 1 and 2 (location-based)

000 tonnes CO ₂ e per £m					
	2019	2020	2021	2022	2023
2915 CO ₂ e / Revenue	252	256	228	183	148



DATA AND PERFORMANCE CONTINUED

Primark's Scope 3 emissions

000 tonnes CO₂e

	2023
Category 1 – Purchased goods and services	5,845
Category 2 – Capital goods	210
Category 3 – Fuel and energy-related activities	23
Category 4 – Upstream transportation and distribution	305
Category 5 – Waste generated in operations (DEFRA 2022)	3
Category 6 – Business travel	5
Category 11 – Use of sold products	588
Category 12 – End-of-life treatment of sold products	40
Total Primark's Scope 3 emissions	7,019Δ

Methodologies

Scope of reporting

Our Group emissions are from:

- the energy we use in our factories, offices, warehouses, distribution centres and stores (sites);
- the processes in our sites, which include bread baking, the production of bioethanol and enzymes, wastewater treatment and from electrical equipment;
- transportation of our goods and people for which we are responsible, in both owned and third-party vehicles; and
- agricultural and horticultural activities directly controlled by Associated British Foods.

Associated British Foods plc reports full GHG emissions in carbon dioxide equivalent (CO₂e) from those activities for which we are responsible.

For the current and prior reporting years, this applies to all companies over which the Group has full operational control or has financial control but does not fully own, and from joint ventures and associates where we do not have a majority shareholding but do have either joint control or significant influence. This includes our most material joint ventures, measured in terms of net assets: Frontier Agriculture, UNIFERM, Czarnikow, Stratas Foods, and two sites jointly operated with Wilmar International. See note 29 in the Annual Report and Accounts for the full list of joint ventures and associates.

Due to rounding, business segment numbers presented throughout this document may not add up to precisely the Group totals reported.

How we calculate our emissions

All CO₂e emissions are reported in tonnes.

We have developed detailed reporting guidance including estimation methodologies, assumptions and calculation methodologies based on the GHG Protocol Corporate Accounting and Reporting Standards (World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) 2004).

Emissions have been calculated using carbon conversion factors published by the UK Government in June 2022, other internationally recognised sources and bespoke factors based on laboratory calculations at selected locations.

Reporting our GHG emissions

Scope 1 emissions include those from:

- the use of non-renewable fuels such as natural gas and coal in boilers and dryers, as well as fugitive emissions;
- our manufacturing processes such as the fermentation process to make bioethanol, as well as the management of on-site wastewater which this year includes more actual input data than estimates that had been applied in prior years;
- directly controlled agricultural activities including growing sugar beet and sugar cane, other crop production and CO₂ emitted from horticulture; and
- owned transport.

To calculate the fugitive emissions from the management of on-site wastewater, we use an in-house methodology that was reviewed, tested and updated with the relevant businesses in 2023. 2023 ABF Sugar Scope 1 wastewater emissions reflect a reclassification of a proportion of wastewater emissions as biogenic emissions. In line with the GHG Protocol, these biogenic emissions, are discounted from international greenhouse gas accounting inventories and are therefore not reported this year. This change follows an expert review this year of the technical approach on current practices within ABF Sugar.

Scope 2 emissions are those from purchased electricity, heat or steam used on our sites. Scope 2 emissions are reported on both a location- and market-based approach in line with the GHG Scope 2 Guidance (WRI & WBCSD, 2015). Scope 2 location-based emissions reflect the average emissions intensity of grids from which the energy consumption occurs. Scope 2 market-based emissions are calculated using the emissions from the electricity that our businesses have purchased. Purchased renewable electricity, which is supported by appropriate evidence from the energy provider (i.e. renewable energy certificates, Guarantees of Origin or similar), and that meets the 'quality criteria' outlined in the GHG Protocol Scope 2 Guidance, is converted to CO₂e by applying supplier-specific emission factors. Where supplier-provided emissions factors are not available, we have applied the specific residual mix factor. Where the residual mix factor is not available, we revert to the location-based grid average emission factor.

**DATA AND PERFORMANCE CONTINUED**

The Group's Scope 3 emissions are those from transport operations carried out by third parties for which we are responsible. The data reported only includes journeys fully dedicated to the transport of our goods or materials in which the third party invoices us directly. We exclude journeys in a subcontracted mode of transport that is carrying other materials or goods for other customers in addition to our materials or goods. Examples of these non-dedicated transport movements are couriers, ferries, groupage operations and pallet networks. The data reported is the combustion of fuel of vehicles. Third party vehicle emissions are calculated using tonnes/km of movement and the latest DEFRA, or international equivalent emissions factors.

We report emissions from third party journeys using information from suppliers and customers, and from estimates using the best of our operational knowledge.

We recognise there are limitations with our current approach of gathering information and reporting the emissions from third party journeys and that, in some cases, the full journey is not always captured: for example, the journey of our goods or materials from customer distribution centre to final destination. As such, we are working with our businesses to improve third party transport data methodologies, aligned with The GHG Protocol Corporate Value Chain (Scope 3) Standard, with the aim to report more complete data in future years for Scope 3 Categories 4 and 9.

Biogenic carbon emissions are those from the combustion or fermentation of biomass/biofuels on our sites. Within our operations, the combustion of biofuels relates to the generation and use of renewable energy on our sites, including leased sites. The main source of renewable energy that we generate is bagasse, the renewable plant-based fibrous residue that remains after the extraction of juice from the crushed stalks of sugar cane.

Tonnes of product includes all products which are deliberately created to satisfy a known market need. Included are co-products and by-products which are materials or substances arising from a production process in addition to the main product streams. Co- and by-products may not always be sold depending on the local market needs. This KPI includes the weight of products, co- and by-products sent to co-packers for packing as well as materials which are sold, not sold or with no financial transaction and are donated. The weight of packaging is not included. Tonnes of product is used as a denominator in intensity measures, for example tonne of CO₂e per tonne of product or amount of abstracted water per tonne of product.

Primark's Scope 3 emissions

Primark completed a Scope 3 inventory for 2023, which was assured by EY. Only the following categories are included in Primark's Scope 3 emissions data as per the screening process. Unless otherwise stated, the UK Government's GHG Conversion Factors for Company Reporting (DEFRA) 2021 factors were applied.

- Category 1 – Purchased goods and services. DEFRA 2012, 2014, 2021 and 2023 factors were applied and supplemented by custom emission factors based on averages for the type of activity (derived from The Higg Materials Sustainability Index version 2.0).
- Category 2 – Capital goods (DEFRA 2012).
- Category 3 – Fuel and energy-related activities (DEFRA 2020, 2022 and 2023).
- Category 4 – Upstream transportation and distribution. Emissions from Primark's upstream transportation and distribution activities include the well-to-tank lifecycle emissions (DEFRA 2022 and 2023).
- Category 5 – Waste generated in operations (DEFRA 2022 and 2023).
- Category 6 – Business travel (DEFRA 2022).
- Category 11 – Use of sold products (DEFRA 2020 and ECOSI 2018).
- Category 12 – End-of-life treatment of sold products (DEFRA 2020, 2022, 2023 and WRAP 2012).

We have removed Primark's emissions from third party transportation from the Group's consolidated Scope 3 data of 945,760 tCO₂e so there is no double-counting. We are therefore reporting a Group Scope 3 figure for third party transport of 655,545 tCO₂e, as Primark has accounted for this activity within its extended Scope 3 inventory.



DATA AND PERFORMANCE CONTINUED

Energy and renewables

Total energy use

GWh	2019	2020	2021	2022	2023
Renewable energy	12,211	12,462	11,856	11,300	12,232
Total energy	23,566	22,877	21,990	21,046	21,183Δ

Renewable energy as share of total energy

	2019	2020	2021	2022	2023
Renewable energy %	52	55	54	54	58%Δ

The renewable energy is mainly generated on our sites from biogenic sources.

Total energy use – by segment

GWh per segment and % towards Group total	2019	2020	2021	2022	2023
Grocery – GWh	1,649	1,490	1,558	1,400	1,364
Grocery – %					6%
Ingredients – GWh	1,836	1,779	1,779	1,762	1,612
Ingredients – %					8%
Agriculture – GWh	267	246	241	234	214
Agriculture – %					1%
Sugar – GWh	19,238	18,883	17,950	17,110	17,468
Sugar – %					82%
Retail – GWh	575	480	461	541	524
Retail – %					2%

Renewable energy use – by segment

GWh / % of segment energy use from a renewable source	2019	2020	2021	2022	2023
Grocery – GWh	12	12	1	85	51
Grocery – %	1%	1%	0%	6%	4%
Ingredients – GWh	105	113	97	288	318
Ingredients – %	6%	6%	5%	16%	20%
Agriculture – GWh	15	11	13	27	12
Agriculture – %	6%	4%	6%	12%	5%
Sugar – GWh	12,078	12,327	11,744	10,798	11,550
Sugar – %	63%	65%	65%	63%	66%
Retail – GWh	0	0	0	103	301
Retail – %	0%	0%	0%	0.19%	58%

2023 energy use – by source

	Electricity	Imported steam	Natural gas	Liquid fuels	Solid fuels	Renewables
Energy – GWh	1,301	137	5,666	450	1,397	12,232
Energy – %	6%	1%	27%	2%	6%	58%Δ

Total energy exported

GWh	2019	2020	2021	2022	2023
Grocery	0	0	0	0.1	0.1
Ingredients	8	9	7	16	18
Agriculture	43	50	47	50	42
Sugar	920	943	855	862	849
Retail	0	0	0	0	0
ABF Group	971	1,002	910	929	909Δ

Methodologies

Energy used: Energy data is reported in line with our GHG reporting scope. The total energy used includes energy from electricity, natural gas, gas oil, coal, diesel, coke, anthracite, petrol, kerosene, heavy fuel oil, liquefied petroleum gas (LPG), imported steam and renewable sources.

The total is displayed as gigawatt hours (GWh) with a split between energy consumed from non-renewable and renewable sources. Energy consumption is calculated using country-specific conversion factors from physical quantities to kWh to provide an accurate representation of our energy consumption.

Energy used from renewable sources: This includes energy that is generated on-site from renewable fuels which includes bagasse and its residue, biogas and wood; energy generated from non-fuel renewable sources on-site including solar and purchased electricity and steam supported by evidence of renewable source. The total is displayed as gigawatt hours (GWh).

The emissions from our on-site generated energy from renewable sources are captured in our Scope 1 GHG emissions, reported on page 91.

From 2022, we include purchased electricity and steam from a renewable source in the total figure.

Energy exported: The total energy exported includes electricity and biogas generated on our sites and is usually sold to the national distribution network or grid, sold to tenants or sold directly to another organisation.

Exported electricity is generated in the main from bagasse, the renewable plant-based fibrous residue that remains after the extraction of juice from the crushed stalks of sugar cane. Biogas is generated from on-site wastewater treatment or anaerobic digestion of waste.



DATA AND PERFORMANCE CONTINUED

Waste and circularity

Total waste generated – Group total

000 tonnes					
	2019	2020	2021	2022	2023
	632	585	571	585	521Δ

Total waste generated by segment

000 tonnes					
	2019	2020	2021	2022	2023
Grocery	100	99	96	83	85
Ingredients	101	60	93	109	78
Agriculture	6	6	7	6	5
Sugar	337	348	318	311	268
Retail	88	72	57	77	85

Waste recycled – Group total

000 tonnes/%					
	2019	2020	2021	2022	2023
Total waste recycled	508	489	450	492	432Δ
Percentage of total waste recycled	80%	84%	79%	84%	83%

Waste recycled by segment

000 tonnes					
	2019	2020	2021	2022	2023
Grocery	87	86	83	71	70
Ingredients	84	45	62	98	69
Agriculture	5	5	7	5	5
Sugar	249	283	244	246	207
Retail	84	69	54	73	81

Waste sent to landfill – Group total¹

000 tonnes/%					
	2019	2020	2021	2022	2023
Total waste to landfill	119	92	121	92	88Δ
Percentage of total waste to landfill	19%	16%	21%	16%	17%

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

Waste sent to landfill by segment

000 tonnes					
	2019	2020	2021	2022	2023
Grocery	9	9	10	8	15
Ingredients	17	15	31	11	9
Agriculture	1	0	1	1	0.5
Sugar	87	64	73	64	61
Retail	4	3	2	3	3

Methodologies

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

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



DATA AND PERFORMANCE CONTINUED

Water use

Total water abstracted – million m³

	2019	2020	2021	2022	2023
	880	847	864	796	860Δ

Water abstracted by business segment – million m³

	2019	2020	2021	2022	2023
Grocery	4	4	5	5	4
Ingredients	24	23	23	23	17
Agriculture	0.2	0.3	0.3	0.2	0.3
Sugar	851	819	835	768	838
Retail	1	0.4	0.4	0.4	0.4

Water abstracted by source – million m³/%

	Surface	Groundwater	Municipal and other
	832 / 97%	17 / 2%	11 / 1%

Total water reused – million m³

	2019	2020	2021	2022	2023
	169	214	220	204	215Δ

Water reused as share of total water abstracted %

	2019	2020	2021	2022	2023
	19	25	25	26	25%

Methodologies

Water abstracted: We measure in cubic metres (m³) the total water abstracted, which has either been supplied by third parties or abstracted from local water sources. This includes the total quantity of water used for agricultural or horticultural purposes on our owned land, used in our factories or stores and distributed to employees, distributed to tenants and worker accommodation, and once-through cooling water used as a heat conductor to cool equipment in our factories. The same amount of water abstracted for cooling water is returned to the watercourse. We exclude rainwater and separately measure reused treated wastewater used on our land or in our sites.

Waste water: We measure in cubic metres (m³) the total amount of waste water leaving our sites for final disposal via the sewerage system or a receiving watercourse. This includes waste water from factories, offices, warehouses, worker accommodation and other sites where we have responsibility. Where meter readings from discharge points or supplier invoices are not available for waste water quantities, estimations are provided based on the volume of water taken into the site and used in the operational processes, including the abstraction of water from certain raw materials such as sugar beet.

This year, 25% of total water abstracted was reused before being returned to the environment. Where possible, our sites reuse water within their operations or off-site before it returns to the watercourse. Examples of water reuse include dust control, crop irrigation and landspreading, cleaning on-site machinery and horticultural purposes.



DATA AND PERFORMANCE CONTINUED

Plastic and packaging

Quantity of packaging used

000 tonnes	2019	2020	2021	2022	2023
	259	245	258	268	247Δ

Quantity of packaging used by business segment

000 tonnes	2019	2020	2021	2022	2023
Grocery	165	165	165	158	142
Ingredients	26	26	27	30	28
Agriculture	4	3	4	4	5
Sugar	15	13	21	21	15
Retail	49	38	41	54	57

Methodologies

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



Our impact on the Sustainable Development Goals

SDG 2: Zero Hunger



Efforts to end hunger and ensure access to safe, nutritious food include several businesses donating surplus products to food banks and other organisations that support vulnerable people in need. Several businesses are involved in initiatives to increase the yields and incomes of smallholder farmers or improve their resilience to the impacts of climate change.

SDG 3: Good Health and Well-being



A number of our businesses implement initiatives to improve the physical and emotional health and wellbeing of their people and some, for example Illovo Sugar Africa, provide a wide range of healthcare benefits for their workforce and their families such as health clinics and vaccination programmes.

SDG 5: Gender Equality



Across our Group's operations and supply chains, there are many initiatives to support the development of women, from the Building Future Leaders programme for women coming into leadership positions in our UK Grocery businesses, to Twinings' partnership with the Women Safety Accelerator Fund, which aims to prevent gender-based violence and harassment on tea estates in India.

SDG 6: Clean Water



Assessing water-scarcity risks at a site level and building partnerships in water-stressed areas, our businesses seek to improve water quality and water management by reducing pollution, treating waste water and reusing or recycling more water in their operations.

SDG 7: Affordable and Clean Energy



Seeking to improve energy efficiency through energy management systems is considered to be 'business as usual' across the Group, and several businesses self-generate or procure renewable energy for their operations. Renewable energy is mainly generated on our sites from biogenic sources.

SDG 8: Decent Work and Economic Growth



Our businesses offer programmes to encourage inclusive working practices, fulfilling employment and fair rewards within our businesses and supply chains. Many of our businesses publish modern slavery statements and supplier codes of conduct, and have initiatives in place to promote labour rights and maintain safe working conditions.

SDG 9: Industry, Innovation and Infrastructure



Across the Group, our businesses continue to invest in upgrading facilities and systems to improve the efficiency of their manufacturing and agriculture operations. These range from the irrigation technology used on our sugar estates to energy reduction programmes at our production sites.

SDG 10: Reduced Inequalities



Several programmes across our Group are designed to promote inclusion, including initiatives to empower women and people with disabilities. For example, Primark has worked with ILGA World to promote LGBTQIA+ rights and has amended its recruitment process to remove any barriers to candidates with a disability.

SDG 12: Responsible Consumption and Production



We have many programmes aiming to support a more efficient use of natural resources in manufacturing, agricultural and sourcing processes. We also help agricultural suppliers to reduce their use of chemical pesticides and fertilisers. Broader initiatives are also in place to reduce waste generation, including single-use plastics, and increase recycling.

SDG 13: Climate Action



There are many projects that seek to mitigate our contribution to climate change and assess and improve our capacity for adaptation. These include process developments to reduce GHG emissions through a mix of energy efficiency, lower-carbon fuels and renewables.

SDG 15: Life on Land



Many projects aim to protect the ecosystems surrounding our operations and supply chains, and minimise the deforestation associated with the sourcing of key commodities such as palm oil and soya. With urgent action needed to reduce habitat and biodiversity loss, we support nature and wildlife habitats through projects to protect and restore nature reserves surrounding our operations and within the supply chains.



Our TCFD disclosure included in this report has been lifted from the Annual Report and page numbers refer to the Annual Report.

Climate-related Financial Disclosures (TCFD)

Climate change continues to represent a material risk throughout our supply chains and presents ongoing risks and opportunities to some of our businesses, some of which we have been working on for many years. We remain committed to taking action and supporting policies aligned with the goals of the 2015 Paris Climate Agreement to limit the rise in global temperatures to well below 2° C above pre-industrial levels, and to pursue efforts to limit the temperature increase even further to 1.5° C.

We recognise our role in working towards a low-carbon economy. We have developed last year's disclosure to highlight actions we have taken in the current year and describe transition plans for two of our largest businesses.

In our diversified Group, climate-related targets are set by our businesses based on their material risks and what is relevant and achievable for them. ABF Sugar, Primark and Twinings remain our most material businesses, comprising 78% of Group adjusted operating profit (2022 – 81%) and 72% of Scope 1 and 2 greenhouse gas ('GHG') emissions (2022 – 70%), mainly from ABF Sugar and Twinings. Primark's GHG emissions arise predominantly in Scope 3, which accounts for 98% of Primark's total GHG emissions. See pages 52 and 53 for the detailed disclosure.

Our most material businesses each have their own emission reduction targets. These are:

- ABF Sugar – a 30% absolute reduction in Scope 1 and 2 emissions by 2030 (baseline: 2018)
- Primark – a 50% absolute reduction in emissions across the value chain by 2030 (baseline: 2018)

Other Group businesses have identified their own emission reduction targets or are in the process of doing so. Further information can be found on our [website](#).

We are committed to the aim of reaching net zero by 2050, but this cannot be achieved by us in isolation. There is a need for systemic change throughout the value chain, including a redesign of national energy strategies and policies.

Twinings' previously set target is under review to develop a new, more specific carbon reduction target. For further details please read page 33 of the Responsibility Report 2023.

Background

We published our approach to TCFD in the 2021 Annual Report before our first TCFD report in the 2022 Annual Report.

Last year we met the requirements of Listing Rule 9.8.6R with TCFD disclosures in line with the 2017 TCFD framework. This year we have applied the same framework, now including the 2021 implementation guidance which requires details of transition plans. For the first time, we have included transition plans for ABF Sugar and Primark as they contribute most significantly to adjusted operating profit and total GHG emissions. Twinings' transition plan will be included next year. These disclosures also meet the Companies Act 2006 requirement to make UK Mandatory Climate Disclosures.

Last year we considered a variety of climate scenarios including <2° C and 4° C scenarios to assess the resilience of the Group to climate change. On the basis of that analysis, we determined that in the period to 2030, the risks to the Group were not material, but are material in the longer term. This year we have identified no significant changes in our businesses or where they operate that would require an update to last year's scenario analyses.

Governance

Our governance processes in relation to overseeing, assessing and managing climate-related issues evolve every year. This year we enhanced our processes to address the evolving requirements of climate change and other ESG matters. The Board continues to have oversight over, and responsibility for, climate-related risks and opportunities.

Oversight by the Board and Audit Committee

The Board receives specific updates each year on climate and other ESG matters from the Group Corporate Responsibility Director, the Director of Legal Services and Company Secretary and the Chief People and Performance Officer. This year, this included:

- an update on TCFD requirements and the additional areas we are required to report against
- our approach to transition plans and why the focus is on ABF Sugar and Primark
- an update on UK Mandatory Climate Disclosures and which entities are in scope
- update on strategic decisions taken by businesses in addressing climate change and wider ESG issues

The Board receives relevant updates, such as updates on transition plans throughout the year outside of this annual presentation. All operating businesses present periodically to the Board, including on significant climate matters.

The Board is proactive and has taken prior assessments of climate risks and opportunities and information from the above meetings and used these to influence strategic decisions. In 2023 this has primarily crystallised through approval and drive of transition plans.



CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

Primark's targets for GHG emission reductions have been validated against the Science Based Targets Initiative (SBTi). By the end of the calendar year, reduction targets for Scope 1, 2 and 3 emissions at ABF Sugar should be validated against the SBTi.

The Board possesses sufficient competencies to lead the Group in responding to climate-related risks and opportunities. Please refer to pages 80 and 81 for details of the Board.

The Audit Committee was briefed on updated TCFD requirements, including transition plans for Primark and ABF Sugar, as well as on UK Mandatory Climate Disclosures, which apply to our largest UK subsidiaries for the first time this year.

Management's role

Assessing and managing the impact of climate change on the Group is the responsibility of the Chief Executive, reporting to the Board. Divisional chief executives are responsible for assessing, managing and mitigating the impact of climate change on their businesses. Every business presents quarterly updates to the Chief Executive and Finance Director, which include discussion of significant climate-related matters.

The Chief Executive and the Board are supported in these activities by the Director of Legal Services and Company Secretary, the Chief People and Performance Officer and the Group Corporate Responsibility Director.

Further details of their activities are set out in the 'Our Group ESG Governance' section on page 47.

15% of short-term incentive targets for the Chief Executive and Finance Director, equivalent to 30% of base salary, is linked to strategic, primarily ESG, measures. See pages 104, 105, 107 and 108 for further details.

Risk management

The Board is accountable for risk management including on climate change issues. The process for identifying, assessing and managing climate-related risks is the same as for other business risks and sits with the business where the risk resides. Risks are collated and reviewed at a business and divisional level and are then reported to the Director of Financial Control, who reviews the key risks with the Board.

More information on our risk management process is available in the 'Our approach to risk management' section on page 68.

We have integrated climate-related considerations into processes affecting our financial statements, including considerations of capital expenditure within the ABF Sugar business as well as for impairment assessments.

Identifying, assessing and managing climate-related risks and opportunities

Last year, we described our groupwide materiality-based risk assessment, focussed on financially material climate risks and opportunities at a divisional level and our decentralised structure. This assessment identified risks and opportunities in the most material divisions contributing to Group adjusted operating profit and GHG emissions – ABF Sugar, Primark and Twinings.

Our cross-functional divisional teams worked with third-party experts to understand climate-related physical and transition risks and opportunities. These were included in our scenario analysis.

Following this we worked with the third-party experts and performed high-level assessments across the remainder of our businesses to understand whether the risks and opportunities in individual businesses, but also in aggregate, could be material to the Group. The most significant risks were incorporated into relevant risk registers, in line with our existing risk management process. We have considered, in aggregate, other risks and opportunities that might have a material impact. None were identified.

This year, ABF Sugar and Primark formalised their transition plans, which confirmed that the risks and opportunities identified last year were still appropriate. No new risks or opportunities were identified.



An Illovo sugar cane field in Malawi



CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

Strategy and action, metrics and targets

We operate a decentralised business model because we believe in giving our leaders the scope and accountability to create and run the best businesses they can.

Enabling decision-making by the people closest to these issues, with the relationships with affected stakeholders, provides resilience, agility and flexibility in planning, allowing for quick action on impacts and opportunities.

Climate risks and opportunities

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

* The focus of the cotton yield analysis was on Primark's Sustainable Cotton Programme (PSCP) locations in India and Pakistan.

Scenario analysis

As described in last year's Annual Report, we engaged third-party experts to help us perform scenario analysis to assess the potential impact of these risks. This year, we considered whether that analysis should be updated for any new material factors. We concluded that the analysis remains appropriate, except in respect of flooding risk in Bangladesh, where revised information is given on page 62.

Knowledge in this area is growing and we expect models and pathways to evolve with time. Models have limitations, and some areas are challenging to model, for example the frequency and severity of extreme weather events. However, our businesses can still consider how they would mitigate or adapt to such events. Additionally, in certain situations different models can project contrasting results. In these situations, we have used our experience of current risks that may be exacerbated by climate change and then considered how different outcomes would impact our businesses.



CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

We have used the following scenarios:

Warming trajectory by 2100	Transition scenarios ¹	Physical scenarios ²
< 2° C	Net Zero Emissions by 2050 Scenario ('NZE') (1.5° C) Sustainable Development Scenario ('SDS')	RCP2.6
2-3° C	Stated Policies Scenario ('STEPS')	RCP4.5
~4° C		RCP8.5

1. The International Energy Agency's scenarios have been used to assess transition impacts with each scenario built on a set of assumptions on how the energy system might evolve. Each scenario has a different temperature outcome. We used scenarios covering 1.5° C, <2° C and <3° C.

2. We used the Intergovernmental Panel on Climate Change's Representative Concentration Pathways (RCP) to assess physical climate risk. RCPs are commonly used by climate scientists to assess physical climate risk, with each pathway representing a different greenhouse gas concentration trajectory which can then be translated into global warming impacts. We used climate data from the World Climate Research Programmes Coupled Model Intercomparison Project – Phase 5 (CMIP 5 adjusted for spatial resolution and bias corrected) to do this translation. RCPs feed into climate, crop and flood models. There are four RCP pathways with RCP8.5 representing the worst case scenario.

The impact of compounding means that even small changes in assumptions can lead to a significant range of outcomes from climate models and scenarios. We have therefore placed more emphasis on projections to 2030, using them for action planning, and used projections to 2050, where there is more uncertainty, to check our sense of direction and consider the resilience of our businesses should certain hypothetical scenarios take place.

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

	Years	Rationale
Short-term	2025	Mid-decade
Medium-term	2030	Our most financially material businesses, ABF Sugar, Primark and Twinings have set 2030 emission targets, which are supported by emission reduction plans
Long-term	2050	2050 is consistent with many national and industry targets. Primark is aligned with the UNFCCC Fashion Industry Charter goal of net zero emissions across all three Scopes by 2050

TCFD physical risk: concepts and frameworks

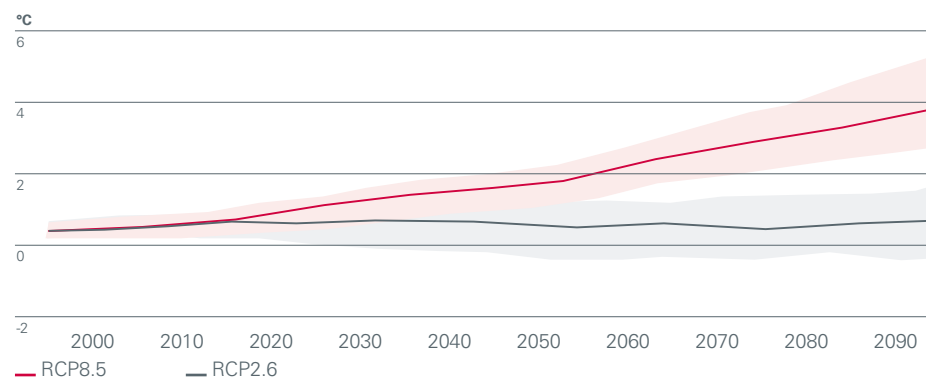
In all physical risk analysis, we have used the RCP8.5 scenario, which is widely considered to represent one of the worst-case climate scenarios with temperatures reaching some 4° C above pre-industrial levels by 2100. This scenario projects an extreme view of physical climate change impacts.

In addition to RCP8.5, the evaluation of physical risks has been supplemented with analysis using either RCP2.6 or RCP4.5 scenarios, depending on which climate scenario is most applicable to the risk. We have focused on the results of RCP8.5 as it is the most challenging scenario from a physical risk perspective.

In line with best practice, we used a multi-modal approach to capture and assess the uncertainty of future climate change projections. The numbers quoted represent the median projected result. Where appropriate we have also disclosed ranges in potential outcomes to reflect the uncertainties and variables inherent when using models to assess future climate outcomes. These outcome ranges represent the 25th and 75th percentiles. Detailed data for the analysis was supplied by our businesses, including individual locations of our own operations, suppliers' factories and the location of the farming communities in Primark's Sustainable Cotton Programme in India, Pakistan and Bangladesh.

Our third-party experts advised us which crop models to use to assess climate change impacts on crop yields. In some cases (e.g. for cotton and tea), only one available crop model was deemed sufficiently robust for evaluating future climate impacts on yields, the analysis was based on the input of five climate models providing sensitivity to the analysis. For other crops (e.g. sugar cane, wheat and corn), multiple crop models were used.

Global average surface temperature change



Climate model projections of average global temperature under the RCP2.6 and RCP8.5 scenarios (IPCC Fifth Assessment Report, 2013).

Use of scenario results to support strategy and financial planning

Scenario analysis has helped our businesses confirm the actions they need to take and strategies they need to adopt on an ongoing basis to mitigate and adapt to risks and take advantage of opportunities. Mitigating actions are managed by the relevant businesses as the actions are specific to them. We consider that the scenario analysis performed in conjunction with the mitigating actions undertaken by our businesses demonstrate that our business models and strategy are resilient to climate change in each of the transition and physical scenarios outlined above.



CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

Impact assessment

Determining the potential impact of climate risks and the size of climate opportunities is challenging. Climate models include several fixed assumptions and there is significant uncertainty around the impacts of climate change and how governments will respond to its threats.

We have taken several factors into consideration when assessing our confidence in mitigating actions:

1. Greater reliance is placed on actions already underway and where we have seen evidence of the success of those actions, for example the benefits seen by farmers in Primark’s sustainable cotton programme and pest control in British Sugar.
2. Physical risks from a changing climate are already present, growing and being managed by our businesses. In many cases, risks may worsen but there is time to find innovative solutions to adapt to their impacts.

This year we experienced significant flooding, damaging the sugar crop in our sugar business in Mozambique, which required an asset write-off, but the financial impact on the group was not material.

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

Significance assessed by considering the impact of climate risks and opportunities on the Group’s financial performance and position.



CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

Results of the climate-related risks and opportunities assessment

Having evaluated, using scenario analysis, all physical and transition risks in the table on page 58, we disclose below the risks we believe have the potential to be the most financially significant and/or of the most interest to stakeholders:

Risk and opportunity: Climate impact on cotton yields

2022 assessment

Low	2030	Medium	2050
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Scenarios assessed: RCP2.6 and RCP8.5 Assessment: based on RCP8.5

The outcomes to 2030 show that effects of climate risks such as extreme temperatures, heavy rainfall and timing/duration of monsoon season range from virtually no impact to a reduction of approximately 4% under RCP8.5.

The outcomes to 2050 project a negative impact on yield of 14% under RCP8.5 and 4% under RCP2.6 before mitigating actions.

Mitigation

- By 2022, 40% of Primark's cotton clothing sales (units) contain cotton that is organic, recycled or is sourced from Primark's Sustainable Cotton Programme ('PSCP').
- Cotton sourced through PSCP is grown using farming methods with a lower environmental impact, including reducing water, chemical pesticide and fertiliser use and training farmers in these methods. Our 2013-2019 study concluded that switching to these farming methods led to increased yields which help mitigate negative yield impacts caused by climate change.
- By 2022, some 250,000 farmers have received training in our PSCP.

2023 update

Metrics and targets

- Proportion of cotton clothing sales (units) that contain cotton that is organic, recycled or sourced from Primark's Sustainable Cotton Programme: 100% by 2027. 46% of cotton clothing units sold against this metric in 2023. This is up from 27% at the launch of the programme and 40% from 2022.
- Number of farmers trained in Primark's Sustainable Cotton Programme: 275,000 by end of 2023. As of July 2023, 299,388 (Assured) farmers had received training through the programme.

Please refer to <https://corporate.primark/en-gb/primark-cares/resources/reports> for Primark's basis of reporting for each metric.

Projects addressing physical risks

Primark Sustainable Cotton Programme

Cotton sourced through PSCP is grown using farming methods with lower environmental impact, including reducing water, chemical pesticide and fertiliser use. This has led to increased yields, lower input costs and an overall increase in income for the farmers trained in these methods.

Project impact

As at July 2023, 299,388 (Assured) farmers had received training through the programme compared to a target of 275,00 farmers. In 2023, the programme was expanded to Turkey.





CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

Impact of climate on sugar yields in Africa (Malawi, Mozambique, South Africa, Tanzania and Zambia)**2022 assessment**

Low	2030	Medium	2050
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Scenarios assessed: RCP2.6 and RCP8.5**Assessment: based on RCP8.5**

Climate impact on sugar yields varies country by country. The outcomes to 2030 under the USDA's EPIC crop model indicate a range from no change to a decline of 10%. The outcomes to 2050 indicate a 5% gain to a 29% decline.

Mitigation

- Our African sugar businesses already experience and manage significant climate variability, so their responses to weather events are well developed.
- Improving irrigation efficiency to mitigate the risk of drought, including investing in drip irrigation and river defences to reduce storm damage.

2023 update**Metrics and targets**

- Sugar production (tonnes): ABF Sugar has produced 2.8m tonnes of sugar
- Volume of water abstracted (million m³): ABF Sugar has abstracted 830 million m³ of water.
- ABF Sugar has a target to reduce its end-to-end supply chain water usage by 30% by 2030. ABF Sugar has reduced water usage by 4% between 2017/18 and 2022/23.

Projects addressing physical risks**Irrigation and drainage investment**

ABF Sugar is implementing a variety of irrigation and drainage projects across its African businesses to reduce the impact climate has on sugar yields. These include drip irrigation conversion, a bulk water supply efficiency programme and sub-surface drainage in Malawi.

Project impact

These are a few of the ongoing projects to improve irrigation and drainage and therefore reduce water usage. This is measured primarily through solutions implemented and volume of water saved.





CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

Risk and opportunity: Climate impact on tea yields**2022 assessment**

Low	2030	→	Low	2050
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Scenarios assessed: RCP8.5**Assessment: based on RCP8.5**

The outcomes through 2030 and 2050 show a positive impact on tea yields. However, the crop model has limited representation of acute weather events such as extreme temperatures, heavy rainfall and droughts. We have a well-grounded experience in understanding volatility in regional tea yields as a result of weather events and by extension the world's tea-growing regions. With this, we can respond to extreme weather events by sourcing tea products to continue to produce tea to our set standards. Where this is not an option for single origin blends, the impact would not be material to the business.

Mitigation

- Twinings' sourcing capability coupled with its blending capability enables the business to manage localised yield issues.

2023 update**Metrics and targets**

- Since the impact of climate change on tea yields is assessed as low, no metrics are disclosed. We will continue to monitor this risk and will develop a metric at such a time where the risk could be material.



CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

Impact on flooding risk on Primark's third-party manufacturers**2022 assessment**

Low 2030 **Medium** 2050

Scenarios assessed: Bangladesh RCP4.5 and RCP8.5; China RCP8.5**Assessment: Bangladesh (based on RCP4.5 and RCP8.5)**

Bangladesh is exposed to both coastal and river flooding. The flood risk outcomes through to 2030 are minimal, but by 2050 there is a distinct increase.

China (based on RCP8.5)

The flood risk in China only changes minimally through to 2030 and 2050. Coastal flooding is projected at 1% in 2030 and less than 2% in 2050. River flooding is projected at less than 5% for 2030 and 2050. Primark has a large geographical spread of supplier factories which would require a large number of rivers and coastlines to flood simultaneously for there to be a material problem.

Mitigation

- The analysis shows that the majority of Primark's suppliers in Bangladesh are located in areas of Dhaka which are less susceptible to flooding.
- The local Dhaka community regularly deals with flooding and has adapted processes to mitigate its impacts.
- Ensuring a geographical spread of supplier factories across China.
- Primark's Sourcing Strategy has been in place for two years with a focus on geographical diversification, creating a more balanced global footprint and developing risk mitigation strategies to increase flexibility and agility when unexpected events occur.

2023 update**Metrics and targets**

- Number of Primark supplier factories (China and Bangladesh) subject to high flood risk.

China

- 10.9% of factories face high ravine flood risk at baseline (2023)
- 2.9% of factories face high coastal flood risk at baseline (2023)

Bangladesh

- 10.2% of factories face high ravine flood risk at baseline (2023)
- 5.1% of factories face high coastal flood risk at baseline (2023)

Projects addressing physical risks**Structural Integrity Programme – Mott MacDonald flood pilot – Bangladesh**

Primark has mobilised an engineering team under its Structural Integrity Programme to pilot an approach in Bangladesh to support supplier factories to mitigate flood risk. Primark has appointed Mott MacDonald to investigate flood risk associated with factories within Primark's supply chain that are deemed high risk. The programme seeks to understand the detailed risk to each site and how those supplier factories have taken appropriate measures to minimise the potential impact of flooding such as damage to property, plant and equipment and finished goods as well as protecting the wellbeing of factory workers.

Project impact

Primark will use the pilot to determine how to deploy wider activity within the existing Structural Integrity Programme. Progress in this area will be provided in next year's report. However, the overarching goal is to ensure factories have the right flood mitigation measures in place.





CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

Impact of carbon pricing mechanisms on ABF Sugar**2022 assessment****Medium** 2030**Scenarios assessed: International Energy Agency's Net Zero Emissions by 2050 Scenario, Sustainable Development Scenario and Stated Policies Scenario Assessment**

Incremental impact ranges from £0m to £48m in 2030. ABF Sugar has developed a plan to reduce Scope 1 and 2 emissions by 30% by 2030 (from a 2018 baseline), achieved through a series of fuel substitution and energy-efficiency programmes that generally have a return on investment above 15%. Beyond 2030, while some technologies exist, they are not yet commercially viable.

Mitigation

- ABF Sugar has a detailed plan to achieve its 30% absolute GHG reduction by 2030. Some 12% reduction has already been delivered versus its 2018 baseline.

2023 update**Metrics and targets**

- A 30% absolute reduction in Scope 1 and 2 emissions by 2030 (from a 2018 baseline).

See also the transition plan on pages 64 and 65.

Projects addressing physical risks**Technology adoption**

ABF Sugar is using SAI platform FSA to support assessing, improving and validating on-farm sustainability. This focuses on soil health, pest management and climate change.

Project impact

ABF Sugar is in the process of defining metrics to monitor the progress of this programme. It will align these metrics to the SAI regenerative agriculture framework.





CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

Impact of carbon pricing mechanisms on Primark**2022 assessment****Medium** 2030**Scenarios assessed: International Energy Agency's Net Zero Emissions by 2050 Scenario, Sustainable Development Scenario and Stated Policies Scenario Assessment**

Incremental impact ranges from £55m to £155m in 2030, driven by hypothetical carbon taxes on Scope 3 upstream emissions. Scope 1 and 2 make up less than 2% of Primark's total emissions. Primark's decarbonisation programme is managed as an integral part of the Primark Cares strategy with a road map to reduce absolute emissions by 50% by 2030 and mitigate potential exposure to increased carbon taxation. The plan focuses on Primark's top five sourcing markets and support to suppliers with implementing energy-efficient measures and making a switch to renewable sources. The plan does not assume the purchase of offsets.

Mitigation

- Primark has a worked-up plan to achieve a significant reduction in supplier emissions by the end of the decade and is aligned with the UNFCCC Fashion Industry Charter goal of net zero emissions across all three Scopes by 2050.

2023 update**Metrics and targets**

- A 50% absolute reduction in Scope 1, 2 and 3 emissions by 2030 from a 2018 baseline.

See also the transition plan on pages 66 and 67.



CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

Transition plans

In line with the 2021 TCFD implementation guidance, this year we are disclosing transition plans for ABF Sugar and Primark. We have applied a materiality-based methodology as set out in the climate risk and opportunity section. ABF Sugar and Primark are currently our largest contributors to GHG emissions. Twinings will be included next year.

Whilst each business prepares and executes their own transition plans, the Board has overall accountability for the transition plan. Transition plans were reviewed by the Board in June. The Board reviews these plans to ensure they align and further the Group's transition to a low-carbon economy. The Board will receive an update annually on the status and execution of the transition plans with the transition plans being revised every three years, or sooner if a material event occurs.

ABF Sugar

ABF Sugar is committed to reducing absolute Scope 1 and 2 emissions by 30% from a 2018 baseline by 2030. ABF Sugar is undergoing a project to measure Scope 3 emissions. Once this is completed, they will be considered. This transition plan explains the activities ABF Sugar has planned to ensure that it can meet this commitment.

Governance

The ABF Sugar chief executive and local managing directors are responsible for overseeing climate-related risks, opportunities, overall strategy and transition plans. ABF Sugar holds regular meetings with the corporate centre which act as a forum for climate-related content, particularly updates on: climate commitments, transition plans, GHG reduction roadmaps and any additional risks or opportunities identified. The frequency of these meetings has increased in this first year of reporting on transition plans.

Climate related targets are included in the personal performance incentive assessment of senior management.

Risk management

The ABF Sugar chief executive and local managing directors are accountable for effective risk management. The process for identifying, assessing and managing climate-related risks is the same as for other risks and sits with the business where the risk resides. These individuals are also accountable for identifying, assessing and managing risks to delivering the transition plan.

Each business develops action plans to respond to relevant climate-related risks and opportunities. All plans and projects are subject to a well-established governance process within ABF Sugar that examines each performance improvement proposal against internal rate of return criteria and ESG factors. These plans are then approved by the local managing director and the chief executive of ABF Sugar.

Strategy, metrics and targets

ABF Sugar has categorised existing and new plans and projects into three timeframes:

1. Short term (present to 2025): Focus on improving efficiency and reducing operational GHG emissions; investing in energy efficiency with the aim of reducing energy consumption and eliminating coal.
2. Medium term (2026 to 2030): Targeting key sites and pairing them with key technological resources.
3. Long term (beyond 2030): Focusing on employing low-emission technologies, managing climate-related risks across the value-chain, and partnering to innovate at factories across the business.

There are assumptions on low-emission technologies for hydrocarbons and government regulations surrounding biogas that underpin these goals. The above short- and medium-term goals have been identified to achieve ABF Sugar's 2030 commitments.

These goals have been set in line with the Science Based Targets Initiative ('SBTi'). ABF Sugar's emissions reduction target will be validated by the SBTi throughout 2023, with the aim of completion before the end of the calendar year.

In alignment with the best practice, ABF Sugar will need to develop a strategy to neutralise residual emissions that will not be abated through emissions reductions initiatives in the future.

The progress of each project is monitored by a defined governance structure which aligns with the capital and performance improvement programme quarterly review. This is owned by the Head of Advocacy who monitors each project with appropriate metrics. Progress against the transition plan is also monitored as part of this process.

The selection and implementation process for these projects are included in ABF Sugar's financial planning process. Each selected project undergoes a formal capital expenditure process.

Some of the long-term projects are reliant on external factors. For example, development of hydrogen solutions will require significant government policy change and support. If this does not eventuate, ABF Sugar will have to reassess its long-term plans.



CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

GHG improvement road map

Impact from today

Plan and execute

Efficiency programmes

Co-generation in Africa

Tactical electrification

Feed drying

Green cane harvesting

Solar electricity

Moving towards 2030

Develop projects and commercial relationships

Hydrogen and carbon capture, usage and storage (Vivergo)

EU biogas/biomass

Beyond 2030

Monitor the horizon

Hydrogen, carbon capture, usage and storage and negative carbon

General electrification

New sugar process technology

Projects supporting carbon reduction to date

Since communicating its 2030 commitments, ABF Sugar has delivered a number of projects to support the transition to a low-carbon economy. These are a sample of the projects ABF Sugar has delivered, there is a larger number and carbon impact.

Project	Impact
Bury St Edmunds hot gas generator dryer (February 2019 – September 2021)*	Modifications made to dryers have allowed them to run on natural gas instead of coal, leading to a 1% decrease in carbon emissions (9,833 tCO ₂ e).
Newark decalcification (February 2018 – September 2022)*	Calcium was removed from thin juice to prevent evaporator scaling. This enables evaporators to operate more energy efficiently, leading to a 0.3% decrease in carbon emissions (3,302 tCO ₂ e).
Newark heater (October 2018 – September 2022)*	Several new heaters have facilitated improved heat transfer and improved energy performance, leading to a 0.2% decrease in carbon emissions (1,758 tCO ₂ e).
Wissington gas turbine performance recovery (July 2017 – September 2019)*	Gas turbine performance has been improved, leading to a 1% decrease in carbon emissions (10,407 tCO ₂ e).
Cantley process safety – heavy fuel oil elimination (September 2016 – September 2019)*	A switch from heavy fuel oil to natural gas at this site, leading to a 0.1% decrease in carbon emissions (1,422 tCO ₂ e).
Bury cossette quality improvement (March 2017 – September 2018)*	Slicer machines were replaced with newer models allowing for higher quality cossette and lower water usage leading in turn to less process water for sugar extraction and lower evaporation demand. This has led to a 2% decrease in carbon emissions (20,242 tCO ₂ e).

* All emission decreases are against the 2017/18 baseline.

All of the projects were selected in alignment with ABF Sugar's short-term focus on energy reduction, energy efficiency and smaller fuel switching projects. These have included projects that enable the reduction of steam usage in the factory and fuel reduction in our animal feed dryers. By minimising our factories' energy demand in the near-term, this will enable ABF Sugar to deploy technological and larger fuel-switching projects in the medium- to long-term.

There is a strong pipeline of accretive GHG reduction projects. Each ABF Sugar business has its own environmental plan which has been categorised between short- and long-term.

Short term (present to 2025)

- **UK:** Projects focus on smaller factory energy efficiency/steam reduction, coal elimination and reduction of energy use for pulp drying.
- **Africa:** Projects focus on energy efficiency and coal elimination/reduction in South Africa and green cane harvesting.
- **Spain:** Projects focus on factory energy efficiency and automation as well as a specific project in Guadalete.
- **Medium and long term (2026 to 2050)**
- **UK:** Projects focus on technological advancements for factory energy efficiency/steam reduction and alternate pulp drying technologies.
- **Africa:** Projects are aligned to those in the short term, but the technology is yet to be developed.
- **Spain:** Projects focus on alternative fuel projects, but current regulations present a challenge at this point in time.

ABF Sugar has reported an overall 24% reduction in absolute Scope 1 and 2 emissions for 2023 against 2018. Please refer to page 92 of the 2023 Responsibility Report for further detail. ABF Sugar is on track to achieve its carbon reduction goal of 30% absolute reduction by 2030.

CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

Primark

Governance

The overall responsibility for the Primark transition plan lies with Primark’s Chief Financial Officer. The Director of Primark Cares and Head of Environmental Sustainability work with the Chief Financial Officer to implement the plan.

Primark has established dedicated forums for the governance of its decarbonisation strategy (transition plan), which fall under the broader Primark Cares governance structure. In particular, these forums engage key stakeholders across the business, including board members, and cover related climate commitments, GHG emissions reduction roadmaps and any relevant risks or opportunities identified. For additional information, please refer to the Primark Sustainability and Ethics report, ‘Governance’ section.

Additional ad-hoc meetings with the corporate centre have been held in this first year of reporting on transition plans to ensure alignment across the Group.

Climate related targets are included in the personal performance incentive assessment of senior management.

Risk management

The Primark Chief Executive and Chief Financial Officer are accountable for effective management of physical and transition climate-related risks.

Last year the impact of climate risks and opportunities on Primark was assessed by the Group using scenario analysis. Primark has incorporated this analysis on transition risks into its own risk management process to ensure that no risks are omitted. Risks are identified and assessed through various means. Workshops with internal stakeholders are held focusing on the identification, assessment and management of climate and nature-related risks.

Strategy, metrics and targets

In 2021, Primark set an overarching objective to halve absolute carbon emissions across its value chain by 2030, from a base year of 2018. In defining a roadmap to realise this ambition, Primark has focussed on key priority areas across all emission scopes for the short term (up to 2025) and medium term (up to 2030).

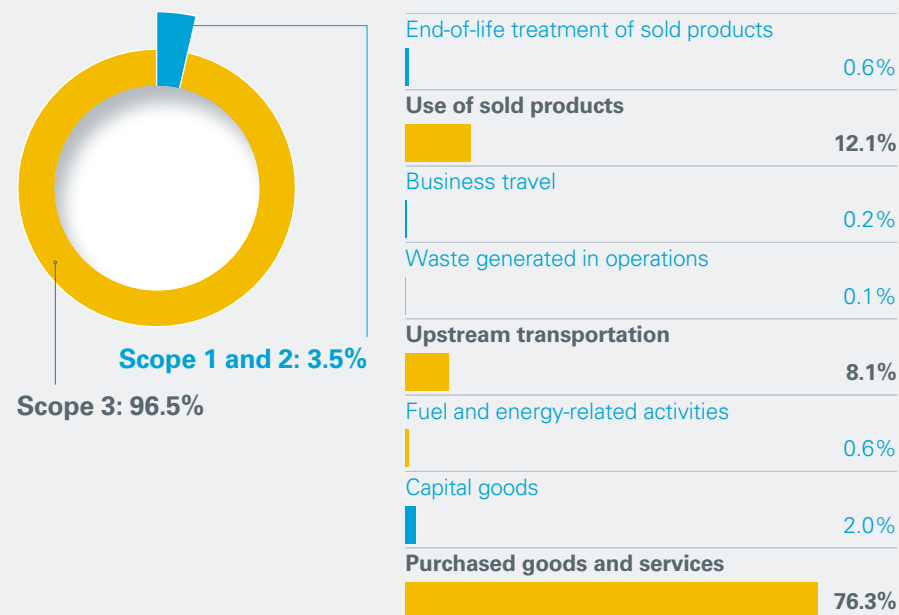
Short-term goals focus on maintaining current certifications, developing strategies for heat decarbonisation and energy efficiency. Medium-term goals focus on product-specific initiatives. Long-term goals are yet to be defined. Development of technology and innovations gaps in the market are constraints in defining long-term goals. We will evolve these goals as these needs are met and as the business evolves.

These goals have been set in line with the Science Based Targets Initiative (‘SBTi’). Primark’s emissions reduction target has been validated by the SBTi in 2023.

At present, Primark has not included residual emissions neutralisation (‘carbon offsetting’) in its transition planning. However, in alignment with industry standards, for its long-term ambition Primark will need to develop an approach to neutralising the residual emissions that will not be abated through its emissions reduction strategy.

Key priority areas for action were identified on the basis of the influence and materiality of emissions categories, assessed from the base year of 2018 (see the diagram below). These are Scope 1 and 2 emissions, where the business has stronger influence, and the most significant Scope 3 categories in terms of absolute emissions.

Primark’s baseline emissions (2018)



Following the issuing of this report, it was identified that Primark baseline emissions were as at 2018/19 (not 2018). Scope 1 and 2 emissions were 2.5% (not 3.5%) and Scope 3 emissions were 97.5% (not 96.5%). The bars on the right hand side of the table should all be coloured yellow.



CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

Scope 1 and 2 emissions**Short term (present – 2025)**

- Maintain ISO50001 certification for all stores, offices, and distribution centres.
- Develop appropriate regional pathways for heat decarbonisation in Primark properties.

Medium term (2026 – 2030)

- Reduce absolute Scope 1 and 2 GHG emissions by 50% by 2030, from a 2018/2019 baseline year.

Scope 3 emissions**Short term (present – 2025)**

- Launch an energy efficiency programme, engaging and supporting suppliers' manufacturing facilities on energy demand reduction.
- Launch a renewable energy programme, engaging and supporting suppliers' manufacturing facilities on sourcing low carbon and renewable energy.
- Optimise inbound transport modes to balance emissions, cost, and time.
- Strengthen the durability of Primark's clothes by 2025.

Medium term (2026 – 2030)

- Develop all clothes to be recyclable by design by 2027.
- Develop all clothes from recycled or sustainably sourced materials by 2030.
- Further regenerative agricultural practices will be used in the Primark Sustainable Cotton Programme.
- Eliminate single-use plastics and all non-clothing waste by 2027.

The selection and implementation process for these projects are included in Primark's financial planning process. Each selected project undergoes a formal capital expenditure process where capital spend is involved.

This year, there has been an overall increase of 11% in carbon emissions across the value chain against Primark's baseline year 2018/19. This is the result of an increased volume of material used to produce the products sold over that period. In the short term, this trend is likely to continue, but there will be a decline as Primark increases the use of more sustainably sourced materials across its product range and once the energy programmes being rolled out across the supply chain begin to deliver at scale.

Projects supporting carbon reduction to date

Since communicating its 2030 commitments in 2021, Primark has started several key projects focussed on the priority areas identified in the road map and using a pilot-learning-scale approach. Once at scale, these projects are expected to drive the bulk of Primark's decarbonisation as they tackle the most material value chain emissions categories.

Project	Impact
Renewable energy procurement (Late 2022 to present)	<p>Own operations: Primark has signed renewable power contracts in seven countries, covering the UK and continental Europe. At the time of publishing this report, approximately 70% of stores were covered by a renewable or low-carbon electricity contract. However, as these contracts have come into operation at different times over the course of the year, their full benefit isn't seen in the Scope 2 emissions reporting. Continuing its progress in the renewable power market is a key priority for Primark in the next year, alongside addressing Scope 1 emissions from onsite heating.</p> <p>Supply chain: Primark has partnered with Ren Energy to help suppliers source and switch to energy from renewable sources.</p>
Customer education (Late 2021 to present)	<p>Influencing customers on how to use Primark's products is important to support the decarbonisation of its downstream value chain. Key behavioural drivers to emissions reductions include reducing the number of washes, avoiding tumble drying and keeping clothes in active use for longer. Primark's plan is to collaborate with customers and industry partners to advance our understanding and extend our sphere of influence. Over the last year, Primark has scaled its repair workshops further in the UK and Ireland, and introduced them in the Netherlands, Germany and France. To date, Primark has held 120 workshop sessions, offering more than 1,700 free places to customers and colleagues. To further maximise the reach of the repair workshops, Primark has created an online customer hub featuring easy-to-follow repair videos.</p>
Energy efficiency improvements (early 2021 to present)	<p>Own operations: Primark is scaling the roll-out of an energy bureau to enable remote management of energy and greater visibility of energy use to manage demand more effectively. At year end, this covered more than 179 locations across the UK at year end. It allows the business to maintain sustainable store condition in an energy efficient manner.</p> <p>Primark also launched a significant initiative to fit all stores with energy-efficient light fittings. Approximately 70% of Primark stores across eight markets are now powered by renewable or low-carbon electricity and 141 stores have switched to energy-efficient LED lighting.</p> <p>Supply chain: Building on the learning of small-scale energy and water efficiency pilot projects conducted over years in China using the Apparel Impact Institutes (Aii) Clean by Design (CBD), Primark has now scaled its energy efficiency programmes to engage 57 factories in Bangladesh, China and Cambodia. Suppliers involved learn about more energy efficient practices and receive support on data collected and analyse to create their own emissions reduction action plan, while improving manufacturing processes. These programmes create improvements in factory operations by delivering training, guidance and workshops.</p>
Packaging Centre of Excellence (2019 to present)	<p>Primark has set a target to remove all single-use plastic by 2027 and estimates it has already removed and/or avoided more than 1 billion units of single-use plastic from its business in 2019.</p>



Independent Assurance Statement to Associated British Foods plc

Scope

We have been engaged by Associated British Foods plc (“Associated British Foods” or “the Group”) to perform a ‘limited assurance engagement,’ as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Associated British Food’s selected performance data and statements (together the “Subject Matter”) for the year ended 31st July 2023 (or for the 52 weeks ended 16th September 2023 for metrics marked with an asterisk) in Associated British Foods’ 2023 Responsibility Report and 2023 Annual Report (collectively referred to as “the Reports”).

The ‘Subject Matter’ includes the following selected performance data, which are also marked with a Δ symbol in the Reports:

Associated British Foods Group

- Number of work-related fatalities to employees
- Number of work-related fatalities to contractors
- Number of Lost Time Injuries (LTIs) to employees
- Number of LTIs to contractors
- Lost time injury rate (%)
- Total energy used /consumed (GWh)
- Total electricity exported (GWh)
- Percentage of renewable energy (%)
- Total energy exported (GWh)
- Biogenic carbon emissions (tCO₂e)
- Greenhouse gas emissions (tCO₂e) consisting of
 - Scope 1
 - Scope 2 location-based
 - Scope 2 market-based
 - Scope 3 emissions (third party transport)

- Quantity of non-hazardous waste sent to landfill (tonnes)
- Quantity of hazardous waste sent for disposal (tonnes)
- Quantity of waste sent for recycling or recovery or other beneficial use (tonnes)
- Quantity of packaging used (tonnes)
- Total volume of water used (m³)
- Water reused or recycled (m³)
- Effluent leaving the site for final disposal (m³)
- Number of employees*
- Percentage of women in workforce (%)*
- Tonnes of product

Business segment specific:

- Greenhouse gas emissions (Scope 1, 2 and 3) (tCO₂e) for the Primark Retail business
- Proportion of clothing sales (units) containing recycled or more sustainably sourced materials (%) for the Primark Retail business
- Number of farmers trained in Primark Sustainable Cotton Programme (PSCP) for the Primark Retail business
- Selling space for the Primark Retail business*
- Number of countries of operation for the Primark Retail business*

The selected statements within the Report that are included within the Subject Matter are included in Appendix 1 of our Assurance Statement.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Associated British Foods

In preparing the Subject Matter, Associated British Foods applied the Associated British Foods’ Data Reporting Guidance, that is summarised in the Scope of Reporting and ‘Methodologies’ sections within the Responsibility Report (the Criteria).

Associated British Foods; responsibilities

Associated British Foods’ management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY’s responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (‘ISAE 3000 (Revised)’), and the terms of reference for this engagement as agreed with Associated British Foods on 26th June 2023. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.



INDEPENDENT ASSURANCE STATEMENT TO ASSOCIATED BRITISH FOODS PLC CONTINUED

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

The procedures we performed were based on our professional judgement and included the steps outlined below:

1. Interviewed a selection of the Group's executives and senior managers to understand the progress made in the Subject Matter during the reporting year and to understand the appropriateness of coverage of sustainability topics within the Report.
2. Conducted business and site-level reviews for 7 Associated British Foods businesses to understand local level Subject Matter performance and data collection processes and to test back to underlying source evidence on a sample basis.
3. Considered the coverage of key issues within the Reports against the topics discussed in our management interviews and business and site-level reviews.

4. Performed detailed testing on the specific KPIs and carried out the following activities to analyse the "Subject Matter":
 - i. Walkthroughs and analysis of key documentation: Conducted interviews with key process owners identified by management and analysed key documentation to gain an understanding of the corresponding recording, aggregation, calculation, and reporting processes for the "Subject Matter".
 - ii. Tested a sample of the disaggregated Subject Matter data for a sample of businesses within each of the five strategic business segments (Retail, Sugar, Grocery, Ingredients and Agriculture) back to source evidence.
 - iii. Applied analytical procedures to assess the accuracy and completeness of the Subject Matter data in accordance with the Criteria.
 - iv. Tested the accuracy of data aggregation for reporting purposes.
5. Assessed supporting evidence for selected statements in the Responsibility Report to assess whether such statements are fairly stated considering the supporting evidence. Refer to Appendix 1 of this Assurance Statement for the statements subject to our assurance procedures.

Conclusion on selected Subject Matter performance data

Based on our procedures and the evidence obtained, nothing has come to our attention that suggests that the selected Subject Matter performance data for the year ended 31st July 2023, forming part of the Subject Matter, in the Reports have not been prepared and presented fairly, in all material respects, in accordance with the Criteria.

Conclusion on selected statements within the Reports

Based on our procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected statements (refer to Appendix 1), are not, in all material respects, fairly stated in line with the supporting evidence.

Use of our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance report or its conclusions to any persons other than Associated British Foods, or for any purpose other than that for which it was prepared.

Accordingly, we accept no liability whatsoever, whether in contract, tort or otherwise, to any third party for any consequences of the use or misuse of this assurance report or its conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Ernst & Young LLP

7th November 2023

London



Selected statements within the Reports, forming part of the Subject Matter

We list the selected statements, with the words **highlighted in bold**, that have been subject to the procedures described in step 5 of the procedures performed within our Assurance Statement.

Where the statements selected contain quantitative information, our procedures performed were the review of supporting evidence to assess whether the statements are fairly stated. Our procedures did not assess the completeness and accuracy of the underlying data, to the degree that we assess the selected performance data forming the other part of our Subject Matter.

Page Number	Statement within the ABF Responsibility Report
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7	In the year to 31 May 2023, 216 notifications were received , of which: 24% were resolved , with outcomes ranging from reviews of processes and support for individual employees to, where necessary, disciplinary procedures being followed; 60% were investigated as appropriate and required no action ; and 16% remain under investigation .
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12	Wherever the farming or management of animals, or the purchasing of ingredients derived from animals, is relevant to a business, our current policy reflects the guidelines set by the internationally recognised Five Freedoms .
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16	Our Group DEI Network brings together people from across our businesses to share knowledge, best practices and ideas. We have over 300 DEI advocates across the Group , who benefit from access to masterclasses and self-study kits across a range of topics , including allyship, handling difficult conversations, neurodiversity inclusion, disability inclusion, racial and ethnic diversity and anti-racism, female careers and leadership, gender identity and LGBTQIA+ inclusion.
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19	We provide products and services that have the potential to assist others in reducing their carbon emissions, often referred to as carbon enablement . This has always been integral to our businesses, and a key focus for investment and innovation. ABF businesses including ABF Sugar, AB Enzymes and AB Agri play a role in facilitating the potential reduction of other businesses' emissions . For example, they do this by creating products which have environmental benefits for the end user .
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24	The majority of the food products we sell to consumers in Europe, Australia and New Zealand do not contain Genetically Modified (GM) ingredients .
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26	In 2022/23, 49% of the basmati rice purchased by Westmill came from the SRP project in Pakistan . Due to the success of the project, Westmill set up an SRP project in Thailand to grow Thai hom mali rice . This project commenced in May 2023, with the first harvest expected in November 2023.
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27	Twinings sources over 60 herbs and spices from across the world. In 2023, it achieved 82% traceability (back to farm or producer community) for its 17 high-priority herbs and spices ¹ and is working with suppliers to ensure full traceability of its high-priority herbs by 2025 .
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27	The project's multifaceted approach promotes more efficient and environmentally friendly production practices, such as replacing inefficient traditional dryers and developing agroforestry systems by introducing cloves and peppers. These approaches aim to increase farmers' incomes , whilst contributing to species diversification and forest conservation .
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27	Westmill is making progress towards these targets. During 2022/23, 34% of the turmeric, 73% of the chilli and 40% of the cumin it sourced had SSI certification . AB World Foods is making similarly strong progress towards these targets , and has sourced 29% of its top three spices (coriander, paprika and kibbled onions) with SSI certification .
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SELECTED STATEMENTS WITHIN THE REPORTS, FORMING PART OF THE SUBJECT MATTER CONTINUED

<p>27 They have assessed current and historical soil carbon for all the farms in the trial, to estimate the levels of soil carbon and their long-term sequestration potential. Latest results have seen participating farmers adopt more sustainable farming methods, using less energy and increasing carbon sequestration in the soil.</p>	<p>30 KPIs are utilised to track progress, such as monitoring suppliers that have fully completed the self-assessment questionnaire, which has increased from 60% to 90% since the development of the central data management team.</p>	<p>34 Between 2015 and 2022, UK Grocery food waste tonnage has fallen by 18%. All of its food waste now serves another purpose. In calendar year 2022, animal feed accounted for around 90% of food waste, and 6% of material unfit for feed was used for energy generation.</p>
<p>27 Allied Mills, a business within the UK Grocery division and which also supplies ABF companies and other bakeries with milled flour and semolina, ensures all the UK wheat it sources is Red Tractor Assured.</p>	<p>30 As a result of this assessment, its businesses are amending policies to cover responsible sourcing, environmental impacts and remediation.</p>	<p>39 AB Mauri aims to purchase palm oil that has been physically certified to RSPO standards. In cases where the quantities needed are accessible in our local markets, AB Mauri will buy palm oil that has been physically certified to RSPO standards. In instances where such certified palm oil is unavailable, the company will acquire RSPO credits.</p>
<p>28 By sponsoring enough seed to sow an area of orchard equivalent to the volume of almonds it buys, Jordans Dorset Ryvita aims to support more sustainable almond cultivation.</p>	<p>30 As a result of this programme, since October 2022, the businesses have engaged with their suppliers to understand the potential to develop a set of common management controls aligned to Turkish labour requirements and ensure workers in the supply chain are treated fairly. Businesses have reshaped their procurement contracts to reward the suppliers that are most engaged via the FLA project.</p>	<p>40 A number of our Ingredients businesses use desk-based screening to identify product categories and origins deemed to be at high risk of human rights issues and supplier self-assessment questionnaires to further assess policies and working practices of higher risk suppliers. In its work on human rights ABFI refers to the internationally recognised framework of the UNGPs, and is using Sedex for supply chain mapping and risk management.</p>
<p>29 In its tea supply chain, Twinings has pioneered a Community Needs Assessment, a detailed holistic and participatory framework which is conducted in communities connected to the tea gardens from which it sources.</p>	<p>33 Together, they are piloting an innovative nature-based project which aims to reduce carbon emissions in tea farming through the implementation of more regenerative agriculture practices, including agroforestry. The pilot started in September 2023 in Argentina, it will cover 100 farmers, and will produce a manual for regenerative agriculture practices for tea production, with a view to replicating this in other regions.</p>	
<p>29 Overall, relevant managers and supervisors in 40% of the tea gardens in its supply chain have now been trained in prevention and response to sexual harassment and gender-based violence with the aim to cover all gardens in the supply chain by the end of 2024.</p>		



SELECTED STATEMENTS WITHIN THE REPORTS, FORMING PART OF THE SUBJECT MATTER CONTINUED

- 49** By the end of 2022/23, **64% of the soya products AB Agri bought worldwide was certificated to the FEFAC benchmark for responsibly sourced soya.** This is a significant increase compared to 37% in 2020. This improvement has been further supported by its **China team, which has worked hard over the last 12 months to have 15% of its soya meal certificated by schemes that meet the FEFAC benchmark.**
- 49** **Following its policy, 100% of AB Agri palm oil has been certificated, supporting sustainable production, using a combination of book and claim and mass balance RSPO Trace.**
- 51** AB Agri also works collaboratively with its suppliers to understand the country of origin of the feed materials purchased as the first stage of risk evaluation, which has now been determined for more than 95% of its suppliers of raw materials.
- 51** At the end of this financial year, with a higher number of raw material suppliers, the percentage of suppliers in Level 3 is 26% as last year **but the percentage of suppliers in Level 1 has reduced from 54% to 38%.**
- 52** Lost Time Injuries to AB Agri employees, which occurred on-site, increased from 11 in 2022 to 13 this year. **This equates to an employee on-site LTI rate of 0.50%, a 19% increase compared with last year.**
- 54** It has seen significant return on investment for its talent programmes in the last three years, with **68% of high-potential programme attendees either promoted or given greater responsibility within their current role.**
- 55** **Over 1,000 roof-top solar panels have been installed across its research and development centre and production facility, which provide around half of the energy the facilities require.**
- 56** **To ensure the approach is robust, the carbon footprint tool and methodology was peer reviewed by University College London.**
- 57** **ADFe has been shown in trials to be 30% more effective than conventional products.**
- 61** ABF Sugar has achieved **FSA Silver Level** across all its own operations, and one key co-operative, Phata in Malawi, which supplies the Nchalo estate, which was awarded the **FSA Growing a Better Planet Award** in 2023.
- 62** The project has seen **an increase in growers supplying cane to the sugar factories, rising from 7,500 to 9,925 growers in 2023**, with an expected further increase to around 16,000 growers for the opening of the factory in 2024/25. **It has also increased direct employment, with over 2,000 new jobs** rejuvenating economic prosperity across the Kilombero valley. The project has also **upgraded irrigation systems and developed best management practices** in areas such as soil and leaf analysis, green cane harvesting techniques.
- 63** It has introduced **a new policy that provides standards, guidance and processes to prevent sexual harassment.** Its operations in Malawi, Tanzania, Zambia and South Africa have already begun to implement the policy and create processes to change behaviours in their businesses. **Over 80 employees have attended sexual harassment training in Malawi** as part of a campaign to support the new policy.
- 69** The net benefit of using this product blended with gasoline to create E10 is **the saving of approximately 500,000 tonnes of CO₂ emitted from vehicle tailpipes on an annual basis.**



SELECTED STATEMENTS WITHIN THE REPORTS, FORMING PART OF THE SUBJECT MATTER CONTINUED

73 In April and August 2023, **the first pilot biodiversity field surveys** were carried out on 18 PSCP farms in Gujarat, India, in partnership with the Srushti Conservation Foundation. The objective of this pilot was to evaluate what survey methodologies would be most effective in the field.

74 **As at the end of July, 299,388 farmers have received training in the Primark Sustainable Cotton Programme.**

74 As progress towards this commitment, **3,000 PSCP farmers are participating in a three-year pilot on regenerative practices** in India, Bangladesh and Pakistan.

75 Primark's own-brand cosmetics **are approved by the Leaping Bunny Programme**, an internationally recognisable gold standard for products that are cruelty-free.

76 Through this programme, Primark conducted 2,360 audits during 2022, most of which were unannounced. **Primark carries the full cost of these audits, which include rigorous checks for human rights issues based on first-hand assessment of the working environment, reviews of relevant documentation and confidential worker interviews.**

77 Moner Kotha project – Case Study.

78 By the end of 2023, Primark will have completed a pilot using the **Fair Labor Association's Wage Data Collection Tool to collect wage data in factories across four of its key sourcing markets:** Bangladesh, Cambodia, India and Turkey.

79 Primark's customers and colleagues come from a wide range of backgrounds. As such, it sees DEI as not only part of its culture, but key to its continued success. It has over 76,000 employees, made up of **over 180 nationalities** and **includes staff over 65 years of age**. Of senior roles at Primark, **48% are filled by women**, helping to create workplaces that are ambitious, engaging and inclusive.

83 Through its longstanding PSCP, **Primark is training and influencing farming practices** to improve resource efficiency.

83 As part of this commitment, Primark completes an annual assessment of its chemical management programme. This year, its performance **was rated as 'Progressive' in recognition of its continuous improvement.**



Additional information

Further information about the social and environmental priorities, strategies and actions of our businesses can be found via the links in the table below.

 Grocery	Acetum	https://acetum.it/why-choose-acetum/
	AB World Foods	https://abworldfoods.com/about/
	Allied Bakeries	https://www.alliedbakeries.co.uk/responsible-business.html
	GWF	https://www.gwf.com.au/social-responsibility/
	JDR	https://jordansdorsetryvita.com/corporate/
	Twinings	https://sourcedwithcare.com/
Westmill	https://westmill.co.uk/our-focus-areas/#	
<hr/>		
 Ingredients	ABF Ingredients	https://www.abfingredients.com/en/sustainability/
	AB Mauri	https://www.abmauri.com/responsibility
<hr/>		
 Agriculture	AB Agri	https://www.abagri.com/our-responsibilities
<hr/>		
 Sugar	ABF Sugar	https://www.abfsugar.com/sustainability/global-mind-local-champions#overview
	British Sugar	https://www.britishsugar.co.uk/sustainability/our-approach/
	Azucarera	https://www.azucarera.es/sostenibilidad/
	Illovo	https://www.illovosugarafrika.com/sustainability
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 Retail	Primark	https://www.primark.com/en-gb/primark-cares



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