

Living our values

Welcome to our 2019 Responsibility Report

At Associated British Foods, our purpose is to make millions of people's lives better through the provision of safe, nutritious food and affordable clothing. In this report, you can find out how our activities over the last year have supported our people and suppliers, contributed to the communities in which we operate and helped to improve the world in which we live. We also demonstrate how everything we do is guided by our core values.



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Additional online information

Please visit our website at www.abf.co.uk/responsibility for:

-  Our previous corporate responsibility reports and updates
-  Our Modern Slavery and Human Trafficking Statement 2019
-  Our 2019 ESG Appendix



Our positive contribution

Our businesses have always been driven by the aim to make a lasting, positive contribution to society. Our values help us to articulate the long-term benefits we can deliver for our people, suppliers, neighbours, customers and the environment.

How we make a difference

Investing in our people

We prioritise the safety and wellbeing of our employees, contractors and others we work with, and aim to cultivate diverse and inclusive workplaces where everyone is respected, supported and empowered to fulfil their potential.



138,097

people employed



£29m

invested in safety
risk management



52%

of our total workforce
and 36% of our
senior management
are women



1,980,009

hours of employee
training delivered

Supporting society and strengthening our supply chain

We respect the rights of people within and beyond our operations, develop products that help to support healthy lifestyles and aim to strengthen the communities where our suppliers live and work.



10,864

hours of supplier
training delivered



28,000+

farmers enrolled in
Primark's Sustainable
Cotton Programme



2,519,077

meals provided through
surplus food donations to
food banks



350,000+

people impacted by
Twinings' Sourced with
Care programmes

Respecting the environment

We are working hard to reduce our carbon footprint, use energy, water and natural resources efficiently, secure ingredients for our businesses responsibly and promote biodiversity.



52%

of the energy we used
came from renewables



25%

increase in British Sugar's
sugar beet yield over the
last decade



80%

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



169 m³

of water reused by
our operations

CEO statement

“Significant political, economic and social changes have been taking place in many of our key markets so, as a company, we have also had to evolve. However, the core foundations of who we are remain unchanged and will continue to be the reasons for our success for the foreseeable future.”

George Weston
Chief Executive

Who ‘we’ are

We are a company engaged in the most necessary of business activities: providing people with access to good-quality, affordable food and clothing. In doing this well, we make our greatest contribution to the world.

We believe as strongly as ever that our leaders in individual businesses and markets should be empowered to make the right decisions for their customers and their market.

We expect our businesses to do the right thing, and hold our leaders to account for ensuring their business operates according to the standards we expect. In this report, for the first time we set out the values that capture the spirit in which we do business every day.

We trust our colleagues and believe in turn that the trust we foster within our business spills over into the relationships we develop with customers, suppliers and the communities in which we work.

We encourage our businesses to think and act for the long term, seeing beyond the current short-term turbulence in some markets.

We are a big company and what we do matters. Every day, Associated British Foods businesses manufacture and provide safe food and affordable clothing to people in dozens of countries. This is our greatest contribution to wider society. Since 2017, I have been a member of the British Government’s Business Against Slavery Forum, working with the Government to tackle the appalling problem that is modern slavery. However, our greatest positive impact will not come through what I do, but through the everyday operation of our businesses around the world.

Why now is the time to articulate our values

As people search for certainty and clarity from business, we have decided this is the moment to codify our company-wide values. These are not new values recently discovered; rather they are the underlying threads that run through every interaction at Associated British Foods. Articulating our four core values, as we are doing this year, provides common clarity and guidance for colleagues, customers and suppliers and enforces our purpose.

What do the values mean?

Acting with integrity

Acting with integrity means that the trust that others place in us is honoured, resulting in consistent and fair ways of doing business. What starts in the boardroom flows out into the business, through our farms and factories, and into our supply chains. Whether our customers buy a loaf of Kingsmill bread or a speciality animal feed product from AB Agri, they know they can trust the quality of our products. Similarly, when Primark places an order, the supplier knows we will pay on time, providing them with the certainty that allows them to invest in their business.

Respecting everyone's dignity

Whether it's our direct employees, our suppliers, our partners or our customers, we treat people with dignity. We operate in a number of markets and sectors where we are able to make a significant difference to the lives of the people on whom we rely, be they sugar-growing communities in southern Africa with Illovo or tea pickers in East Asia with Twinings. To us, the people cited on the pages of this report are not anonymous case studies but our neighbours, colleagues and partners. We serve our customers by providing them with access to good-quality ingredients and food and affordable clothing, as well as meeting their expectations that we care for those in our supply chains.

Progressing through collaboration

Our business model encourages individual businesses to collaborate on common topics of interest. This is as true for corporate responsibility as it is for any operational priority. For example, our Primark ethical trade team has provided a centre of excellence on sourcing responsibly, benefiting those in their supply chain and other Associated British Foods businesses through sharing experiences. We take the same approach when we collaborate with external partners, such as Unicef, Save the Children and The Wildlife Trusts, to leverage our global expertise for local good. Through collaboration, we're also ensuring safer, fairer working environments and promoting thriving communities in resilient environments.

Pursuing with rigour

When we say we will do something, we do it. Pursuing with rigour is a hallmark of the success of our business. A further feature of our business is the professionalism our colleagues show in their roles. It may sound old-fashioned but a combination of taking one's obligations seriously and having pride in one's work matters to us. Pursuing with rigour means thinking about the total impact of our business up and down our supply chain. We say we take health and safety seriously, and we do. Although we strive to avoid them, when accidents happen they only serve to make us redouble our efforts to make all our operations

safe. Our Sugar business committed to take seriously indigenous land rights, and it does. Our UK Grocery business has said it will source cage-free eggs by 2025, and it will. Twinings has set a goal of improving the lives of half a million people by 2020, and it will. These are just some examples of the value of pursuing our objectives with rigour.

Our purpose

Our scale and heritage mean that those outside our business, from customers to investors, want us to show leadership on a range of topics, such as respecting human rights and protecting the environment. We have always expected high standards in the way we operate, and those of us in leadership have expected everyone in the business to fulfil their ethical responsibilities. For our part we leaders try to live up to the expectations of the thousands of people in our businesses, that we behave ethically as well.

Our central role in the company is to provide a framework in which our businesses have the freedom to pursue opportunities with entrepreneurial flair. While operational decisions are made locally, we support the individual businesses by facilitating the sharing of best practice.

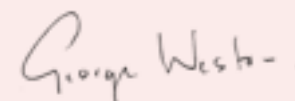
This report explains the activities we have undertaken and are undertaking, as they affect people, society and our supply chains, and the environment.

How these values are lived out in the business

Values have no force unless they are lived out through repeated action. As a company that clothes and feeds people, we know that to do it well requires integrity and rigour as we consistently strive to deliver quality and value.

Our values are on display every day across our business and should be as evident to a supplier as to a customer. As we navigate the future together, our values will help keep us on the right path.

You can read this report as an exposition of our company's values in action, but inevitably a summary such as this cannot capture all the many acts of decency, kindness and neighbourliness that take place in our business every day. I want to thank and pay tribute to those colleagues who bring to life our values, and who in bringing their own values to work help teach us what our values should be.



George Weston
Chief Executive

Who we are

Since our foundation as a bakery business in 1935, we have evolved into a diversified international food, ingredients and retail group. We have 138,097 employees and operations in 52 countries across Europe, southern Africa, the Americas, Asia and Australia. Our decentralised structure comprises businesses operating through five strategic business segments.



Grocery

Our grocery brands occupy leading positions in markets across the globe.

Twinings and Ovaltine

Twinings and Ovaltine are our leading global hot beverage brands enjoyed in more than 100 countries.

Europe and international

Our portfolio includes Mazzetti balsamic vinegars, Jordans and Dorset cereals, Ryvita, Kingsmill, Patak's and Blue Dragon, Silver Spoon and Billington's sugars.

The Americas

In the US, Mazola is the leader in corn oil and we sell a range of baking brands through retail and foodservice channels. Capullo is a premium canola oil in Mexico.

Australia

Ham, bacon and smallgoods are sold under the Don and KRC brands. Tip Top Bakeries produce a range of well-known breads and baked goods. Yumi's produces hummus, vegetable dips and snacks.



Sugar

AB Sugar is one of the largest sugar producers in the world. Illovo is the largest sugar producer in Africa and British Sugar is the sole processor of the UK sugar beet crop.

Europe

Our UK beet sugar factories typically produce well over 1 million tonnes of sugar annually. Azucarera in Spain produces beet sugar from three factories and also refines sugar from cane raws.

Southern Africa

Illovo is Africa's largest sugar producer, with agricultural and production facilities in six countries. Typical annual sugar production is 1.7 million tonnes.

China

We operate two beet sugar factories in the north east of China, with annual sugar production capacity of over 180,000 tonnes.



Agriculture

AB Agri is the UK's largest agri-food company and a leader in nutrition, science and technological innovation in animal feed.

AB Agri

AB Agri produces animal feed, nutrition and technology-based products and services for the agri-food industry. It supplies compound animal feed, feed enzymes, specialised feed ingredients and a range of value-add services to farmers, feed and food manufacturers, processors and retailers. It also buys grain from farmers and supplies crop inputs through its joint venture arable operation, Frontier Agriculture.



Ingredients

A global leader in yeast, bakery ingredients and specialty ingredients for the food, feed and pharmaceutical industries.

Yeast and bakery ingredients

AB Mauri operates globally in yeast and bakery ingredients production, supplying industrial and artisanal bakers and the foodservice and wholesale channels. It is a technology leader in bread improvers, dough conditioners and bakery mixes.

Specialty ingredients

ABF Ingredients produces value-added products and services for food and non-food applications. It manufactures and markets enzymes, specialty lipids, yeast extracts, extruded ingredients, pharmaceutical excipients and antacids worldwide, with manufacturing facilities in Europe, America and India.



Retail

Primark is the largest clothing, footwear and accessories retailer in the UK, and has a significant portfolio in ten other European countries and in the US.

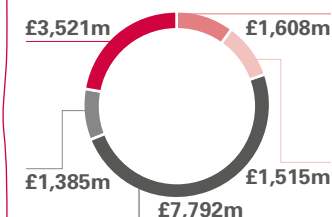
Primark

Primark is a major retail group operating stores in the UK, Republic of Ireland, Spain, Portugal, Germany, the Netherlands, Belgium, Austria, France, Italy, Slovenia and the US. It offers customers quality, up-to-the-minute fashion at value-for-money prices.

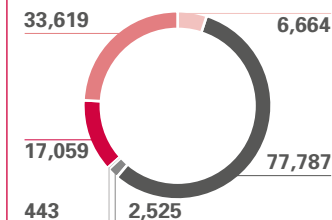
Buying and merchandising teams in Dublin (Republic of Ireland) travel internationally to source and buy fashion items that best reflect each season's key fashion trends. Primark's range includes womenswear, lingerie, childrenswear, menswear, footwear, accessories, hosiery, beauty and homeware.



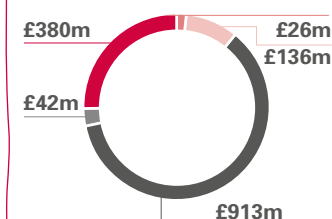
Revenue
£m



Employees
Number



Adjusted operating profit
£m



What's important to us

Our purpose

Our purpose is to provide safe, nutritious and affordable food and clothing that offer great value for money. In doing these things well, we know we are doing good every day by helping to make millions of people's lives better.

Our values

We live and breathe our values through the work we do every day. They guide our everyday behaviour and help us to articulate how we deliver long-term benefits for our people, suppliers, neighbours, customers and the environment.

To demonstrate how we live our values every day, we have – for the first time – set out a group-level articulation of the values expressed by our individual businesses. These are not new values recently discovered, but the underlying threads that run through every interaction at Associated British Foods and its businesses. These do not replace each business's own values, but rather consolidate and summarise the most common themes from across the group. We developed them by distilling how our own businesses describe and implement their values. By collating the values from 22 of our own businesses, we were able to use language that reflects our businesses' own words.

Our commitment

We are proud of our history and, at the same time, we are focused on making a positive difference, now and in the future. A great deal has changed since we were established more than 80 years ago, but one thing has remained constant: our commitment to operating responsibly and ethically at all times.

RESPECTING EVERYONE'S DIGNITY

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

ACTING WITH INTEGRITY

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.



PROGRESSING THROUGH COLLABORATION

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

PURSUE WITH RIGOUR

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

Our focus areas

In 2019, we approached our reporting at a group level across all Associated British Foods businesses rather than structuring our reporting by individual business segments. This has resulted in our report being divided into three sections:

- Investing in our people;
- Supporting society and strengthening our supply chains; and
- Respecting the environment.

Under each of these focus areas, we report performance and progress against the issues that are material for our businesses and our stakeholders. Although distinct for the purposes of this report, these topics are of course related and interdependent.

Our values are woven through everything we do, with each of the case studies articulated throughout this report demonstrating one or more of our values.

Please see the Governance section of our [2019 ESG Appendix](#) for a summary of the commitments our businesses have made or signed up to.



For more on our 2019 performance see our [ESG Appendix](#)

Our approach to responsibility

Quite simply, acting with responsibility is the right thing to do. Today's business environment is dynamic and unpredictable, so we need to identify and manage our current and potential risks. To help us do this, we engage regularly with our key stakeholders, including our employees and neighbours.

Third-party assurance

We commissioned EY to assure our report against the International Standard for Assurance Engagements (ISAE) 3000 and AA1000 AccountAbility Assurance Standard (AA1000AS, 2008) with 2018 Addendum (AA100AP, 2018), which considers inclusivity, impact, materiality and responsiveness. Through this process, EY assesses whether our coverage of key issues is balanced, whether relevant stakeholders were considered in determining our approach and if we responded to their concerns adequately. We also engaged EY to provide limited assurance over the reliability of 15 KPIs for the year ending 31 July 2019. These are marked with the symbol \triangle in the following pages. See our full assurance statement on [page 53](#).

Managing key risks

With operations in 52 countries, we take our responsibilities to society seriously. We aim to clearly communicate the positive impact of our activities, as well as the social and environmental challenges we face. We have systems, processes

and resources in place to ensure we regularly manage a wide range of financial and non-financial issues, and the chief executives of each business submit an annual summary of key risks and mitigation plans. Read more in our [Environmental, Social and Governance \(ESG\) Appendix](#) and our [annual report](#).

We encourage employees and third parties to report any activities they believe may be against the law, in breach of our own codes and policies, or contrary to the values we stand for (see [page 6](#)).

Engaging with our stakeholders

To inform our risk management process, we engage regularly with stakeholders at group or business level, depending on the issue. The stakeholder groups with whom engagement is fundamental to our ongoing success include:

- communities;
- consumers and customers;
- contractors;
- employees;
- governments;
- industry and trade associations;
- media;
- investors and ESG research agencies;
- NGOs;
- rankings and ratings agencies;
- regulators; and
- suppliers.

Some of the wide range of issues we have addressed include the following:

Nutrition – we work with various associations and agencies to help consumers to make informed choices about food and health, such as highlighting products with higher fibre content or those that have been fortified with essential vitamins.

Environment – we detail our annual performance in addressing climate change, water and deforestation risks and exploring opportunities via CDP – see our response documents at www.cdp.net and on our own website.

Human rights – we collaborate with suppliers, using Sedex and AIM-PROGRESS, to share audit findings, and engage with organisations that assess performance on human rights issues, including the Ethical Trading Initiative (ETI), Corporate Human Rights Benchmark (CHRB) and KnowTheChain.



Enabling employees to voice concerns

Our [Whistleblowing Policy](#) is supported by an anonymous hotline administered by [Expolink](#), active 24 hours a day, 365 days a year and made available to all our businesses (except Illovo, which uses a service provided by Deloitte). The service offers a range of reporting channels in several languages, including toll-free telephone numbers.

When a report is received, senior executives are alerted so that an investigation can begin and appropriate action taken. The independent and confidential nature of this customised hotline helps to build trust among those who wish to speak up.

In the year to May 2019:

- 92 notifications were received;
- 31% were resolved, with outcomes ranging from reviews of processes and support for individual employees to, where necessary, termination of contracts;
- 44% were unsubstantiated and required no action; and
- 25% remained under investigation (now resolved).

The most common grievances were human resources issues, unprofessional behaviour and incidents related to bullying and harassment.

We will undertake awareness campaigns to raise the profile of the whistleblowing services we use in 2020.

Supporting the UN Sustainable Development Goals

Our global efforts to make a positive contribution to society are closely aligned with the United Nations (UN) 2030 Agenda for Sustainable Development.

Four years ago, the UN General Assembly adopted the 17 Sustainable Development Goals (SDGs), which aim to 'create economic prosperity, social inclusion and environmental sustainability for all'. Forming a blueprint for a more sustainable future, the SDGs require governments, businesses, academia and citizens around the world to get involved.

In 2019, we undertook an assessment to determine where we are making the biggest contribution to the SDGs. This involved mapping the 17 goals and 169 targets against information provided by our nine business divisions when compiling this Responsibility Report. This was used to rate our overall contribution to each goal and target with a high, medium or low relevance score.

As highlighted within the pages of this report, the SDGs we believe are being most supported by our business activities are:



- Helping to increase the yields and incomes of smallholders and improving their resilience to climate change.
- Investing in research and technology to boost agricultural production capacity, particularly through irrigation.
- Donating surplus products to foodbanks.
- Reducing water withdrawals at our facilities.
- Increasing water efficiency among suppliers through collaborative community programmes.
- Building partnerships to treat waste water and reuse or recycle more water in our operations.
- Implementing programmes to increase agricultural productivity and resource efficiency.
- Encouraging inclusive working practices and offering fulfilling employment.
- Investing in apprenticeships, graduate schemes, bursaries and training for young people.
- Promoting human rights and labour rights.
- Maintaining safe working conditions for employees and suppliers.
- Using natural resources more sustainably.

- Helping agricultural suppliers to use fewer chemical pesticides and fertilisers.
- Reducing waste generation and increasing recycling.
- Improving food packaging technology to reduce food waste.

Our businesses also make a notable contribution towards the following SDGs:



Read more about this assessment process in our [ESG Appendix](#).

Twinings: how Sourced with Care supports the SDGs

Some of our businesses have assessed their own contributions to the SDGs, and used the findings to inform their strategic approaches. For example, the work Twinings does through its Sourced with Care programmes – which has impacted more than 350,000 people to date – directly supports eight SDGs.

Turning the spotlight on SDG 1 (No poverty), Twinings contributes to the employment of many people on the tea estates, farms and factories in its supply chain. As part of the Malawi Tea 2020 initiative, Twinings' roadmap supports livelihoods and enables workers to receive a living wage, helping to break the cycle of poverty. To date, more than 5,000 people have received training to increase their income and more than 1,000 have attended financial literacy and inclusion programmes.

For further information on how Twinings' activities support the SDGs, see the 2018 [Sourced with Care](#) report.





INVESTING IN *our people*

We believe that an ethical business is primarily built by its people. Our people are central to our business. We prioritise the safety and wellbeing of our employees, contractors and others we work with throughout our operations. We also aim to cultivate a diverse and inclusive working environment, where everyone's dignity is respected and where people are supported and empowered to deliver to the best of their abilities.

In this chapter

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- 11 Looking after our people and keeping them safe
- 16 Creating a diverse and inclusive workforce
- 19 Developing and engaging our employees

Introduction

We prioritise the safety and wellbeing of all our employees and those who work with us. We also want them to have every opportunity to develop and progress. As a diverse, decentralised organisation, our businesses operate in different global contexts, so they are given the flexibility to manage these issues at a local level.

LIVING OUR VALUES

We respect the dignity and diversity of our people, expect them to act with integrity at all times and help them strive for improvements every day with rigour and dedication. With the commitment and collaboration of everyone around the world, we can make Associated British Foods a safer, fairer and more rewarding place to work. Our people should recognise the culture that we share, and thrive in an environment where high moral standards are expected.

[Read more about our values on page 6.](#)

A vigilant focus on safety

We have a strong safety culture that is embedded throughout everything we do. We strive to minimise incidents, in the belief that every employee and contractor must be able to work safely. Read more about health and safety on [pages 11 to 15](#).

Celebrating a world of difference and diversity

With operations across geographical regions and industry sectors, we are proud of our talented, dedicated and diverse workforce. While we have focused on gender equality in recent years, we continue to develop practices and create opportunities that promote equality and support diversity in all its forms. See [pages 16 to 18](#) for further details about our approach.

Enabling the best in our people

We pride ourselves on being a first-class employer that actively enhances our people's skills and creates opportunities for progression and development. We invest in their capabilities through a combination of formal training, apprenticeships and mentoring, to ensure they can meet our expectations and fulfil their own ambitions. As a result, people frequently stay with us and build long, rewarding careers across the group. Discover more about workforce engagement on [pages 19 to 21](#).

Sustainable Development Goals

By investing in our people, we are contributing to the following UN SDGs:



By maintaining robust workplace safety and wellness programmes and extending our safety commitments across fields, production plants and vehicles, we're working hard so that the people who work for and with us return home healthy.



We support the development and promotion of women across our group and the progress of gender equality in our workplaces.



From farms to factories to boardrooms, our range of global divisions provides a spectrum of decent and dignified work for all skill levels and promotes economic development in many regions.



Looking after our people and keeping them safe

The health and safety of our employees, contractors and those affected by our activities is a priority. All our businesses invest in programmes that drive continuous improvements in processes and standards for health and safety. We also encourage and empower our people to report and address concerns so that everyone feels safe and secure in their place of work.

Our approach to health and safety

All our businesses must comply with Associated British Foods' [Health and Safety Policy](#). We pursue this with rigour across the group, and many businesses supplement the group policy with additional policies of their own. Group heads of health and safety provide regular updates on safety trends and report progress against key performance indicators to the board. The senior executives who are accountable for safety performance are supported by committees and teams that help to identify and address key issues, as well as share best practice across the group.

£29m
invested in safety risk
management in 2019

Addressing our safety risks

Our businesses have tailored action plans to reduce the risk of injuries and incidents in their own operations. Our actions to mitigate safety risks revolve principally around minimising harm from moving vehicles, preventing falls from height, preventing injuries from moving machinery, working safely in confined spaces and managing our contractors.

We are continuously assessing the safety risks across our businesses and for the people who work for us and with us. Over recent years, we have identified that we can improve our monitoring of contractor safety and in 2017, we introduced a new key performance indicator to measure this area to help us target any actions required.

We have many safety programmes in place to encourage our people to take responsibility for keeping themselves and their colleagues safe. To ensure our people are equipped with rigorous safety knowledge, we provide a wide range of training on high-risk areas, delivered in the classroom, via e-learning and on the job. We also hold regular toolbox talks and, as at Don, one of our George Weston Foods businesses, we cease production for dedicated Stop for Safety events where people discuss safety issues, identify hazards and commit to better ways of working.

To support these initiatives, some of our businesses engage employees through internal social media and reward responsible practices with safety awards.

Promoting health and wellbeing

In addition, our activities to promote health span four broad strands:

- compliance with our statutory obligations, such as preventing exposure to harmful substances;
- encouraging fitness and health for both life and work;
- preventing musculoskeletal injuries from manual handling; and
- managing stress and mental health issues.

While some of these initiatives are relatively new, we are encouraged by the progress we have made so far.

ABF Ingredients: simplifying workplace safety

ABF Ingredients has developed a new safety toolkit to manage its approach to accident prevention, and to keep the people who make its products feeling safe, respected and included.

The Six Safety Essentials help the business to identify the core safety considerations for any working environment, share a structured framework and measure its impact. Produced in four languages, the framework is briefed to employees at regular intervals and supported by visual displays.



Our safety performance

This year, there were no work-related fatalities^Δ and 76% of our factories and stores achieved a year's operation without any Reportable Injuries (RIs); 67% did not have a Lost Time Injury (LTI).

We recognise that there continue to be areas of high safety risk in our businesses. We work continuously towards our goal of zero harm in the workplace. Our goals remain to eliminate fatalities and continuously improve our safety performance.

Reportable Injuries

RIs to employees fell by 14%, from 663 in 2018 to 573 this year, which equates to 0.54% of our employees having an RI. Our Retail business contributes 73% of the group's RIs but demonstrated strong performance, reporting a 19% decrease in employee RIs from 519 to 419.

Lost Time Injuries

This year, LTIs among employees decreased by 18%, from 833 last year to 682^Δ in 2019. This equates to an LTI rate of 0.65% of staff experiencing an injury that resulted in time off work. Our Grocery, Sugar and Retail businesses all recorded notable reductions in employee safety incidents. Of our 190 manufacturing sites, 121 (64%) went without an employee LTI this year.

Our LTI rate of 0.65%, compared with 0.80% in 2018, represents a 19% reduction. For contractors, the annual LTI rate was 0.19%, compared with 0.37% in 2018, which is a 48% decrease. The decrease in LTIs among contractors, from 82 to 58^Δ, equates to a 29% reduction.

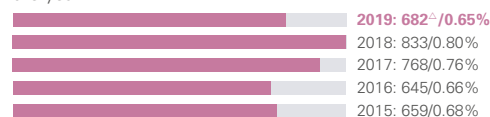
Improving safety performance

Across the group, the key risks remain moving vehicles interacting with people; falls from height; machinery safeguarding; the storage and handling of hazardous materials; manual handling of heavy and awkward loads; and the management of contractors.

Our businesses have focused 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 safety. In addition, contractors are increasingly involved in safety management, helping to drive down their injury rates.

Lost Time Injuries – employees

Number and percentage of employees having an LTI in the year



Factories and stores with zero employee LTIs

2017	354 sites, 66% of total
2018	382 sites, 69% of total
2019	375 sites, 67% of total

Primark operates across countries where the approaches to safety, in terms of national legislation, can influence injury reporting. For example, stores in France account for nearly half of Primark's employee LTIs this year (229 of 513^Δ). Nonetheless, these stores have decreased their employee LTIs by 34% compared with 2018. During 2018, Primark made organisational changes to advance its safety performance, with positive results already being achieved, including an overall reduction in employee LTIs of 20%.

To see our recent performance in more detail, download our [2019 ESG Appendix](#).



AB Mauri: getting results with Programme SAFE

Programme SAFE (Safety Achievement For Everyone) raises awareness of health and safety issues among AB Mauri's employees and contractors, reinforcing its safety culture and driving progress towards its long-term goal of zero accidents. Evolving from a pilot in Italy in 2014 (Project SAFE) to a business-wide initiative, each site establishes its own goals and action plans, based on an assessment of 30 safety elements.

The programme has been rolled out to 45 sites – it will be deployed at the remaining sites during 2020 – and has already delivered results. Last year, employees and contractors submitted a total of 36,691 Safety Improvement Reports (SIRs). Eighty-six per cent of SIRs are closed within 90 days. This total compares with the 2,500 SIRs submitted in 2012, before SAFE was introduced. Of our manufacturing sites, 23 – more than half – have now gone three years without an LTI. In addition, more than 670 Leading for Safety training courses have been delivered to employees.



AB Agri: driving safety behind the wheel

To transport the 5 million tonnes of animal feed and ingredients that AB Agri sells across the UK every year, the company uses third-party hauliers as well as its own vehicles. This makes its duty of care process more complex. Seeking to improve its practices whenever possible, incident reporting has now become a contractual obligation for AB Agri's logistics providers.

Reflecting its Target Zero programme ambitions for no incidents and no harm, the company joined British Sugar in co-hosting a second annual Haulier Safety Day in May 2019. With over 200 people from more than 100 haulage companies attending, the event in Peterborough included sessions run by the Health and Safety Executive, IOSH Rural Industries Group and Zurich Insurance, as well as AB Agri senior managers.

Safety days help AB Agri and British Sugar learn from its partners' insights and encourage everyone involved in transporting its products to make health and safety a priority.

AB World Foods: going for zero with Safety Days

In pursuit of its ambitions for no LTIs, significant near misses or legal breaches, AB World Foods stops production at its manufacturing locations for one day a year to reinforce health and safety messages. Over recent years, these Safety Days have been extended to cover wellbeing, sustainability and food safety issues.

This year, more than 600 colleagues participated in activities encouraging them to be safe, healthy, aware, involved and responsible. To maximise engagement and fun, the event includes an escape room-style challenge, and a group exercise and tai chi session.

Health programmes for employees

A healthy workforce extends beyond just managing health and safety risks. Our holistic approach extends to programmes and initiatives that proactively help employees to maintain and improve their overall wellbeing.

For example, at Ohly, part of our Ingredients business, 160 employees are benefiting from a comprehensive programme that includes regular company doctor visits and health checks, a back-to-work process after long-term illness and psychological work environment assessments. The programme also organises sporting events and offers employees help to quit smoking.

SPI Pharma's Employee Wellness programme promotes positive behaviours and a supportive, inclusive and respectful environment for lifestyle changes. It offers incentives for those participating in activities such as nutrition and exercise sessions and biometric testing.

At Silver Spoon, one of our UK Grocery businesses, the latest annual wellbeing week in January encouraged interest and participation through the theme of 'Everybody Matters'. Events included baking and sharing bread at our flour mill, yoga and mindfulness sessions, and fruit smoothies for everyone.

And at Allied Mills and Allied Bakeries, programmes across the UK include Know Your Numbers to help people better understand their physical health, book clubs, coffee mornings and fruity Fridays.

British Sugar: a flagship building for our industry

In December 2018, British Sugar's new Peterborough offices (see right) opened for business, but these are not just any offices. The new, state-of-the-art building – also home to ABF Ingredients, AB Mauri and AB Sugar – will provide a template for the company's rigorous and collaborative approach, and represents a clear statement of support for an industry with a strong and vibrant future.

The new building is designed with its occupants in mind, and incorporates the latest ideas in workplace wellbeing, atmosphere and lighting. Features include a central atrium to provide a high degree of natural light – minimising the need for powered lighting – and open, flexible spaces to encourage collaboration.

Designed to 'passivhaus' principles – the leading international low-energy standard – the office also incorporates solar roof panels, rainwater harvesting, low-energy LED lighting, video conferencing and charging points for electric vehicles.



ABF Ingredients: when workplace safety means a healthier environment

Until two years ago, many of the tanks and pipes at Ohly's Hamburg facility were not insulated, resulting in hot surfaces and a working environment in which temperatures frequently exceeded 40 degrees Celsius with high humidity. To support better workplace practices, the factory initiated a programme to insulate these surfaces and make working conditions safer, healthier and less stressful.

The programme also had a positive impact on the environment, as the insulation reduced electricity use, resulting in savings of more than €100,000 a year. It also cut maintenance costs and extended equipment life. Ohly aims to replicate the initiative's successes to improve the safety culture across the business.

Supporting better mental health at work

Sound mental health is an essential part of a safe and healthy workplace, and we continue to invest in programmes that raise awareness and provide practical assistance to our people.

At AB Agri, the global Employee Assistance programme (EAP) provides support mechanisms such as confidential telephone helplines and face-to-face counselling for colleagues and their immediate family members. In 2018/19, the service took 160 calls – all from UK employees – and 411 EAP hits online. Anyone experiencing a mental health issue or suffering from emotional distress can also use the global Health Assured website to access information and advice on a wide range of associated topics, access a 24/7, on-the-go Health e-Hub app or contact employees qualified as mental health first-aiders.

As part of SPI Pharma's Employee Wellness programme, employees can attend seminars on dealing with conflict and improving financial education. These are intended to help people learn how to manage stressful situations and are frequently organised by the employees themselves.

George Weston Foods: keeping mental health in mind

George Weston Foods works with Benestar, an employee assistance provider, to offer support, counselling and a diverse range of wellbeing initiatives to our people throughout Australia and New Zealand. Benestar provides clinical support and coaching to colleagues and managers on a range of issues, including personal matters, health and nutrition, financial issues, relationships, change in the workplace, stress and mental health, and managing conflict. All employees and eligible family members can access the confidential service free of charge.

On 12 September each year, the company also supports RU OK Day. This national day of collaborative action reminds everyone that it's fine to ask someone how they are and to offer support to those who are struggling. In 2018, the North Ryde office held a coffee morning event to raise funds for the RU OK Foundation, and shared resources with other sites to promote the 'RU OK?' message.

Jordans Dorset Ryvita: working on wellbeing

To contribute to making Jordans Dorset Ryvita a great place to work, the Workplace Wellbeing Team is building an open and positive environment that takes a balanced approach to physical, emotional and mental health. Trained in mental health first aid, the team's 35 individuals support colleagues by:

- helping to spot potential signs and symptoms of emotional ill health, and directing colleagues to professional support if needed;
- promoting good nutrition, exercise, relaxation, mindfulness and work-life balance;
- making it okay to discuss physical and emotional health issues and their impact; and
- organising a calendar of events and activities to support and promote physical and emotional wellbeing.



Creating a diverse and inclusive workforce

We strive to create diverse, inclusive working environments in which everyone's dignity is respected and people are valued, regardless of ethnicity or race, religion, gender, age, nationality, sexual orientation or disability. We continuously work to break down any unconscious bias or barriers – real or perceived – that can sometimes prevent talent from reaching the top.

Our approach to workplace equality and diversity

Diversity is key to our culture, gives us a competitive edge and is one of the ways we live our values every day. Our group's decentralised nature means many of our businesses have their own, locally developed policies. However, there are also several groupwide initiatives, including our Diversity and Inclusion Task Force, a mentoring scheme and unconscious bias training for managers.

Primark was listed in *Retail Week's Diversity Super League 2019* as one of the UK's top 15 companies for fostering an inclusive culture.

We recognise the importance of identifying, attracting and nurturing the best talent, and continue to strengthen our recruitment processes, aiming to interview a balanced shortlist of men and women.

We want all our businesses to thrive by enabling every individual to deliver their best. By building a culture that values different skills, experiences and backgrounds, we better reflect the communities in which we operate and are better able to meet the needs of consumers and customers.

AB Mauri: inclusion in action

As part of its Being a Good Neighbour programme (see [page 35](#)), AB Mauri initiated a six-month trial to train a local man with an intellectual disability at its Tucumán factory in Argentina.

Having held two workshops to raise awareness of diversity and inclusion issues, the plant teamed up with Fundación EDAPI, a local educational centre that helps young people with learning difficulties to gain the skills they need to live independently (see below).

The site welcomed one student, Mauricio, enabling him to mix his education with work experience on the packing line – a demanding position requiring teamwork and an ability to follow specific processes to a tight timeline. Thanks to the support of his supervisors and colleagues, Mauricio has also been able to overcome the stigma that people with similar impairments often face in Argentina.

Having increased his hours and extended his trial period, AB Mauri plans to offer Mauricio a full-time position, as well as support another student in the same way over the next fiscal year.



A better gender balance

Across the group, women make up 52% of our total global workforce, but they are less well represented in senior management roles and our executive population. We remain committed to gender diversity and removing barriers to talent.

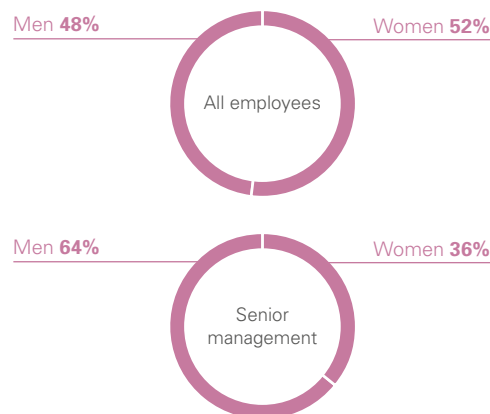
Our gender pay gap in Great Britain has remained largely unchanged over the last year. The median hourly pay rate for women is 28% lower than that for men, and women's median bonus pay rate is 95.9% higher than men's.

Gender balance at the top of the group changes slowly because we have a stable senior team, who are mostly men, with long tenure. This also means that more men than women receive a bonus.

For more information on our gender pay gap in Great Britain, see our 2019 [annual report and accounts](#). A number of our businesses, such as [Primark](#), [AB Agri](#) and [British Sugar](#), publish their own gender pay gap reports online.

Gender balance: women in the workforce

Share of workforce by gender



The workforce in our Primark stores represents 181 different nationalities.

At George Weston Foods, we hold Harmony Day events to celebrate our cultural diversity.

Breaking down barriers to talent

Underpinned by the mantra 'No Barriers to Talent', our Diversity and Inclusion Task Force enables representatives from each division to meet regularly, share knowledge and embed best practice into our core processes.

Our Two-Way Mentoring programme aims to foster networks and aid the career development of our high-potential talent. To date, 200 individuals from 50 businesses in 19 different countries have participated in the programme, receiving mentorship and support from a senior leader in a business different to their own.

Since 2012, we've also maintained our Women's Business Education Forum (WBEF) for female colleagues in professional or managerial roles. Recently renamed Women in ABF, the one-day sessions – held three times a year in London – provide many of the group's 664 members with a chance to network, share their career journeys, learn more about the different businesses, outline opportunities and hear from guest speakers from outside the business.



ABF Ingredients: driving dialogue on diversity

In October 2016, AB Enzymes created the Women's Business Forum. Every quarter, some 30 women from across its operations in six different markets (Germany, Finland, China, Singapore, Brazil and the US) collaborate on the diversity and inclusion agenda.

Enhanced by guest speaker sessions, topics discussed include regional differences in maternity provision and returning to work after pregnancy. The group, inspired by Women in ABF, has even developed a good practice guide for HR and line managers to refer to before, during and after maternity leave.

As well as supporting dialogue and understanding, the forum provides learning opportunities, promotes role models and mentors, and coordinates celebrations for International Women's Day (as well as International Men's Day). The internal social networking app Yammer is now being used to facilitate real-time interaction between members.

UK Grocery: building inclusive businesses

Our UK Grocery businesses aim to embed fairness and integrity through initiatives, policies and behaviours that are designed to remove barriers, enhance reputation, and help people to feel respected and included.

A devolved approach requires each of our Grocery businesses to have its own diversity and inclusion (D&I) strategy and team. But in the spirit of collaboration, the UK Grocery division D&I Team is responsible for sharing best practice across the division.

The businesses are making good progress but there's always more to do. For example, the Building Future Leaders programme, which encourages and facilitates women coming into leadership positions, has been completed by more than 150 women. Leading Inclusively – an immersive programme that encourages collaboration, creates a more inclusive culture and drives performance – is also being piloted.

At AB World Foods, the Insights tool is used to understand the variety of approaches and motivations of different people. It helps to improve working relationships and encourages colleagues to value the contributions of others, particularly during development activities among graduates, managers and senior leaders.



George Weston Foods: supporting a fresh start for refugees

Recognising the role secure employment plays in helping refugees begin productive lives in a new country, Don Castlemaine's Refugee Employment programme helps those arriving in Australia to find work and improve their language skills. They are given information about employment opportunities and receive support if they join us. To date, Don has supported 97 Karen people who fled persecution in Myanmar and settled in Victoria, as well as several refugees from other nations. Find out more on the [Jobs Victoria website](#).

Primark: supporting long-lasting change

Committed to diversity and inclusion throughout the business, Primark partnered with the International Lesbian, Gay, Bisexual, Trans and Intersex Association (ILGA World) to launch the [Feeling Proud](#) collection. The limited-edition range included shirts, shorts and bags bearing the rainbow motif.

Through the partnership, Primark donated £150,000 to ILGA World in support of its work as an international advocate for lesbian, gay, bisexual, transgender and intersex (LGBTI) rights. The donation will help to fund research compelling governments to repeal discriminatory legislation, develop ways for LGBTI communities to collectively advance equality worldwide, and continue to provide direct support and resources for more than 1,500 member organisations in more than 150 countries.

"Thanks to this partnership and Primark's generous support, we will be able to redouble our efforts to help LGBTI communities worldwide."

André du Plessis, Executive Director, ILGA World



Developing and engaging our employees

We pride ourselves on being a leading employer, hiring people who demonstrate integrity, high moral standards and kindness towards others. We develop our people's skills and capabilities through thousands of hours of training, and create opportunities for progression and development, both personally and professionally.

Our approach to developing our people

We want to attract, recruit and retain the best people from the widest possible talent pool, using inclusive and effective processes. We do not tolerate discrimination and work to ensure all applications are treated equally.

We also want to provide everyone who works for us with a positive employee experience, creating opportunities for them to gain skills and experience, develop lengthy and rewarding careers, and fulfil their potential.

Hiring the best...

Our businesses recognise that helping young people to manage their career paths and learn about the opportunities our industry has to offer helps us to attract the best talent and train them to become productive members of

our workforce. Events in schools and colleges provide opportunities for our people to talk about their personal career journeys and provide further details on the many roles we recruit for across the group.

Once they are in a position to consider applying to one of our businesses, potential recruits can find and apply for jobs, apprenticeships and graduate programmes on our careers sites, and get further insights through our social media channels.

...and keeping them

It is important that our people are clear about what we expect of them and what they need to do to progress. In many of our businesses, managers hold structured conversations with individuals, regularly review their performance and set personal development objectives in line with business needs.

We invest in our people to help equip them to deliver and excel at work. As well as supporting opportunities for progression, learning and development, we periodically review and benchmark salaries and benefits. Across the group, we offer a range of flexible work practices to suit those with families or other caring responsibilities.

We also give people the chance to broaden their experience and exposure with overseas secondments. Illustrating this approach, IEP gives early- to mid-career talent the opportunity to spend six months in another business within the AB Sugar division. Sixty-four young people have benefited from the International Experience programme (IEP) since 2013.

Succession planning

Succession planning helps our businesses to build robust talent pipelines – especially for leadership and business-critical roles – supporting long-term sustainability and growth. Our businesses have active talent management and review processes, through which high-potential and high-performing individuals are identified and developed. Succession plans inform our apprentice and graduate recruitment schemes while providing ways to train and retain existing employees.

For example:

- at British Sugar, nine existing employees have embarked on a Project Management apprenticeship to enhance their skills and further develop their careers; and
- full-day off-site talent reviews at ACH Foods allow senior staff to discuss succession plans and assess the performance, potential and retention of those in critical positions.



Training our employees

Developing our talent across all our businesses around the world is vital for our future success, so we provide a wide variety of in-house training programmes. These include:

- formal inductions to give new starters the chance to understand how the business works, meet the leadership team and begin building their internal network;
- bespoke training for individual roles, such as engineering, driving and retail;
- coaching and leadership skills for management, such as the Lead Our Amazing programme for senior teams in Primark (see right); and
- specific courses to address important topics such as modern slavery, health and safety, mental health issues, safe driving and food safety.

Such initiatives reflect our commitment to continuously invest in the skills of our people, helping them to enjoy a long and rewarding career with us.

1,980,009

hours of employee
training delivered

Primark: developing our amazing people

After 50 years of successful performance, Primark is setting itself up for sustainable future growth by making a significant investment in its leadership and talent. Primark has recently launched two global leadership development programmes:

- Lead Our Amazing, which was launched in 2018 to support and develop senior leaders, with almost 200 colleagues completing it in its first year; and
- Lead Our Amazing Stores, which was rolled out in 2019 to more than 400 store managers in 11 markets and delivered in local languages.

The programmes, comprising three two-day modules – Leading Self, Leading Others and Leading the Future Business – are supported by 360-degree feedback, Action Learning Groups and online tools to further embed the learning.

Both have been designed to be interactive, experiential and stretching, and are aligned in their leadership focus and objectives. This will help Primark to build a collective leadership ethos with an international mindset and strengthen capability across the organisation.

Closing the skills gap

A persistent challenge for several of our businesses is recruiting for roles in electrical engineering, mechanical engineering and chemistry, due to the skills gaps among young people. To help combat this, British Sugar invests approximately £250,000 a year in apprenticeship and graduate programmes (excluding salaries). Over the last five years, 55 young people have been through one of its apprenticeship schemes, and to date 100% of those recruited as apprentices have stayed with the business.

Supported by the UK Government's Apprenticeship Levy, a number of our UK Grocery businesses also offer manufacturing and engineering apprenticeships, and have recently started to provide additional training in technical skills, driving and IT.



Growing farmers of the future

Working with The Prince's Countryside Fund, the University of Reading and the Royal Agricultural University, Jordans has launched a bursary programme to encourage more agriculture graduates to pursue careers in farming. From October 2019, the bursary will support three UK undergraduate students with a committed interest in sustainable farming at each university.

Meanwhile, at AB Agri, the ABN Poultry Industry Programme (PIP), run in partnership with the National Farmers' Union (NFU), provides valuable training and skills for the next generation of poultry farmers. With 16 participants in 2018, the PIP offers market insight into the British poultry meat and egg sectors.



Primark: Top Employer award

This year, Primark received the coveted Top Employer Germany 2019 certification from the internationally recognised Top Employers Institute. The award recognises Primark's continuous efforts to create a good working environment for its German colleagues, and to promote and develop talent throughout the business.

To receive this accolade, Primark underwent a stringent assessment and met the required standards in areas including learning and development, talent strategy, workforce planning, compensation and benefits, and company culture.

Building on this success, the company will participate in a three-year Top Employer programme, to support the continuous development of its employment practices in Germany.

Employee engagement

We value the opinions of our people and want to listen more effectively and frequently to how they feel about working for us. Many of our businesses undertake regular engagement surveys, encouraging their employees to provide honest feedback about their jobs, workplaces and overall satisfaction.

AB Agri conducts a Great Place to Work® survey every two years, to seek feedback on its workplace culture and to measure engagement and trust across the workforce. In our survey conducted in 2017, areas such as job security, diversity and culture scored well, leading to the company being ranked among the top 50 best workplaces in the UK.

Primark's most recent survey for retail staff took place in 2017, with a response rate of 85%. The insights gained from such dialogue help to build better workplaces. For example, the most recent innovation to come out of this continuing dialogue was the roll-out of Primark's new leadership programme for store managers (see [page 20](#)).

ACH Foods also conducted an employee culture and engagement survey recently, with a market-leading participation rate of 83%. The results showed ACH to have a highly engaged workforce in line with best-in-class organisations (when compared to similarly sized US companies in the sector). ACH Foods exceeded the survey's 'all-industry norm' in eight out of ten key categories, achieving a score of at least 80% in more than half of the categories. 'Alignment' and 'Teamwork and Collaboration' were the two highest-rated categories, while 'Development' – identified as a key opportunity area – has now been made a key focus for all functional areas.



Twinings Ovaltine: always listening

For more than ten years, Twinings Ovaltine has sought feedback from its employees through annual surveys. During that time, engagement levels have increased from 67% to 88%, and scores in most categories now exceed the global high-performing norm.

With advances in surveying tools and techniques, and with changing expectations in how and when colleagues can provide feedback on their employment experience, the company has reviewed its listening and engagement approach against current best practice.

Moving towards an 'always on' listening approach, Twinings Ovaltine now plans to have more frequent but shorter surveys, containing around 20–30 questions rather than the previous 70–80. The first global survey in this revised format will take place in early 2020, with individual business units running their own local surveys after that.

This new approach will be complemented by other listening mechanisms such as 'town hall' meetings, one-to-ones and performance reviews to help the company stay in touch with how its people are feeling.

A photograph of three tea plantation workers in a lush green field, wearing traditional conical hats. The text 'SUPPORTING society AND STRENGTHENING OUR supply chains' is overlaid in a mix of bold sans-serif and large script fonts.

SUPPORTING society AND STRENGTHENING OUR supply chains

We are a diversified global group operating across 52 countries with many complex supply chains. We strongly believe in respecting the rights and dignity of people within and beyond our operations and developing products that help to support healthy lifestyles. We aim, too, to be a good neighbour, strengthening the communities where our ingredients are grown and sold.

In this chapter

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- 24 Respecting human rights and labour rights
- 29 Promoting health and wellness
- 32 Supporting local economies

Introduction

A global organisation with multi-tiered supply chains should place considerable importance on the rights of its employees, suppliers and communities. Associated British Foods is no different. Each of our businesses focuses on the areas where it can reduce its negative impacts and make a positive difference, from the rights of the workers in its supply chains to the health of the consumers who buy its products.

LIVING OUR VALUES

Respecting the dignity and rights of everyone in our supply chains and the communities in which we operate is important to us. We work with rigour to protect workers and improve livelihoods in our sourcing communities, and strive to meet the highest standards of ethics and integrity in all that we do. Collaboration with suppliers, NGOs, neighbours and consumers is vital if we are to have a positive impact on society, and we aim to always be a good neighbour.

[Read more about our values on page 6.](#)

Doing the right thing

Our operations, as well as the suppliers we rely on from farms to factories, must consistently meet our own ethical requirements, which include internationally recognised standards of human rights. Read more about respecting human rights on [pages 24 to 28](#) and addressing social issues in our sourcing communities on [pages 26 to 28](#).

Informed nutrition decisions

Our food businesses aim to prioritise consumers' needs, reformulating and improving products and making relevant information available for them to make informed choices. Read more about our efforts to make our products healthier on [pages 29 to 31](#).

A force for good

We support a wide range of initiatives that improve quality of life in the many communities in which we live and work, empowering our suppliers and neighbours to build better futures. See [pages 32 to 36](#) for more information about how we make a positive difference around the world.

Sustainable Development Goals

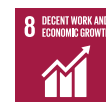
By supporting society and strengthening our supply chains, we are contributing to the following UN SDGs:



We help to improve supplier yields and incomes through investment and training in sustainable agriculture, and donate surplus products to foodbanks to support vulnerable people in need.



We are making our products healthier by reducing salt and sugar content, and run campaigns to promote the benefits of natural ingredients as part of a balanced diet.



From farms to factories to boardrooms, our range of global divisions provides a spectrum of decent and dignified work for all skill levels and promotes economic development in many regions.



We are working to reduce inequalities by respecting the human rights of workers in our global supply chains, empowering women and increasing prosperity through greater productivity.



Respecting human rights and labour rights

Our businesses operate in 52 countries across the world, and we are wholly committed to respecting the rights of people within and beyond our operations. We need to remain vigilant in understanding and addressing the specific risks of human rights violations, both within our own operations and in our supply chains.

Our approach to human rights

As well as employing 138,097 people, we work with thousands of suppliers around the world and encourage them to operate to our high standards. We continually work to better understand and minimise risks in both our direct operations and our diverse supply chains, conducting rigorous assessments of many of our suppliers and for several higher-risk commodities.

We ask our suppliers to meet the same internationally recognised standards that we expect of our own operations and to follow international frameworks such as the United

Nations Guiding Principles on Business and Human Rights (UNGP) and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. As a condition of doing business with us, suppliers are asked to abide by our groupwide [Supplier Code of Conduct](#) and may also be required to comply with more stringent business-specific codes covering areas such as wages, working practices, and health and safety.

To replicate ethical best practice in our own operations, our high-risk suppliers are regularly audited. Some businesses also use the [Sedex platform](#) to make supply chain data more widely available to customers and suppliers, or to assess their own suppliers.

Our approach to human rights is summarised in this section, with further details provided in our [ESG Appendix](#) and group [Modern Slavery Statement](#), as well as individual businesses' modern slavery statements. Information can also be found on individual business websites, such as [Twinings' Sourced with Care](#) and [Primark's Our Ethics](#).

Primark: putting ethical sourcing on the map

To enhance supply chain transparency, Primark launched an online [global sourcing map](#) in 2018. It contains information about its established suppliers' production sites, the number of workers they employ and the gender split of their workforces. These factories are responsible for more than 95% of Primark products for sale in our stores.

Updated twice a year, this map is now complemented by a downloadable PDF version, an additional resource designed to provide interested parties with greater access to detailed information about the company's supply chain. As at July 2019, these resources cover 1,003 supplier factories in 28 countries.

UK Grocery: ethical auditing in Turkey

In 2018, our UK Grocery businesses, responding to concerns about labour migration from the conflict in Syria, worked in collaboration with colleagues in Primark to appoint a dedicated ethical programme manager and agricultural supply chain specialist in Turkey.

Our specialist, a native Turkish speaker, has assessed the commodity processors that supply the UK Grocery businesses against their Supplier Code of Conduct. She is now working with several vine fruit suppliers on a pilot project to assess conditions within farming communities.

She also represents the UK Grocery division on an industry-government programme, managed by the Fair Labor Association, to monitor and engage agency labour providers in the region.

Twinnings was one of the first tea companies to publish a [sourcing map](#). It includes names and locations of the tea producer groups and gardens the company sources from, the locations of other key ingredients and videos to show consumers what its sourcing origins look like.



Tackling human rights in our supply chain

We are committed, and expect every one of our sites as well as our suppliers, to operate ethically and support efforts to address human rights issues such as:

- healthy and safe working conditions and, where relevant, living standards;
- eliminating forced and compulsory labour;
- preventing child labour;
- working hours, benefits and remuneration;
- gender issues;
- discrimination, harassment and abuse; and
- the right to the freedom of association and, if not represented by a union, how workers are empowered to negotiate.

We recognise that certain groups, including women, children and migrant workers, are particularly vulnerable to human rights violations. The following pages give a brief summary of some of our work to respect the rights of these groups in particular, as well as directing to where more detail can be found.

The Twinings Ovaltine Social Impact Team also worked with global sustainability experts to conduct a human rights impact assessment and map human rights risks for its own operations and supply chain. In addition, Twinings Ovaltine is conducting health and safety training with its suppliers.

Twinings: driving dialogue to resolve conflict

In Sri Lanka, tea workers often lack the means to raise grievances with their employers, causing tension and unrest. To help address strained industrial relations, Twinings is collaborating with CARE International to establish Community Development Forums (CDFs). These forums are designed to protect the dignity of workers and facilitate effective dialogue, giving workers and leaders a space to meet, debate issues and share information.

Seven estates in Sri Lanka have developed CDFs to date, benefiting around 26,700 people. In 2018, 64 issues were raised at 22 CDF meetings – ranging from property renovations and productivity issues to flexible working hours – and about half (53%) were successfully resolved.

The programme has been extended to continue beyond August 2019, to include three more estates and to increase the sustainability of the existing estates.

Find out more about how Twinings engages with the local communities it sources from on its [Sourced with Care](#) website.

Twinings: growing better livelihoods in Malawi

As part of the Sourced with Care programme and a desire to put ethics first, Twinings works to improve incomes for the people employed throughout its supply chain. After commissioning the [Understanding Wage Issues in the Tea Industry](#) study in 2013, the company became a signatory to Malawi Tea 2020, joining industry partners, unions, government agencies and NGOs to support living wages for workers and thriving farmers. The first collective bargaining agreement for the sector resulted in a large wage increase for tea workers.

Twinings is also working to improve livelihoods among farmers in India, Sri Lanka and China. To date, 5,376 people have received help to increase their incomes, and 1,317 have attended financial literacy and inclusion programmes.

Jordans Dorset Ryvita is part of a public-private partnership seeking to eradicate child labour from the hazelnut supply chain in Turkey, working alongside the ILO, the Turkish Government and confectionery companies Ferrero, Nestlé and Mars.



Respecting rights in retail

Primark contributes to the employment of more than a million people around the world, so the welfare of the people who make its products matters.

Even though Primark doesn't own any factories, the company strongly believes it has a responsibility to check that its suppliers' factories treat their employees well. Primark has built a team of more than 110 ethical and environmental sustainability specialists. They work in key sourcing countries to make sure all factories meet a strict code of conduct, based on the ILO's standards. That code covers everything from working conditions to wages.



Primark: creating connections for sustainable cotton

Primark's long-term ambition is for all the cotton in its supply chain to be sourced sustainably. Its [Sustainable Cotton Programme](#) started with female farmers in India in 2013, was expanded into Pakistan in 2018 and was launched in China this year with male and female farmers. By the end of 2022, the business aims to have trained more than 160,000 independent cotton farmers in sustainable farming methods, including using fewer chemical pesticides and fertilisers as well as less water.

In Pakistan, those who have completed their first year of training have seen yields increase by 11.2% and input costs fall by 12.9%, resulting in an average rise in profits of 26.8%. Many of the Indian farmers who completed their training used their extra income to invest in equipment for their farms, to educate their children or to improve their housing and lifestyle.

The programme affords a high degree of supply chain transparency, enabling the cotton to be directly traced from farm through manufacture to store. More than 23 million Primark products made with sustainable cotton have been sold since they were first introduced in August 2017, including women's pyjamas, jeans, duvet covers and towels.

3,319
audits of supplier
factories by Primark
in 2018



Primark: connecting career opportunities in Bangladesh

The Sudokkho technical training system creates career opportunities for garment factory workers in Bangladesh, and enables factory managers to better meet their need for skilled workers.

Established in May 2016, the programme supports unskilled helpers to become sewing machine operators and, in turn, to progress to higher-paid trainer and supervisor roles. Workers are also educated on the Primark Code of Conduct and their rights at work, including working hours and freedom of association. Lower-skilled workers, such as those most likely to benefit from the programme, can be more vulnerable to exploitation. But by improving their skills and salaries, the training can reduce that vulnerability.

To date, Primark has engaged with 50 factories in Dhaka and Chittagong and, in July 2018, participated in a pilot to extend its scope to include supervisor training. As many of the beneficiaries are female workers, the programme has had a significant impact on women's economic empowerment, by improving confidence, increasing respect in the workplace and creating opportunities for promotion.

To date, more than 11,000 factory workers in Primark's supply chain have been directly trained through the programme, which is funded by the British and Swiss governments.

Primark: driving dignity digitally

Primark wants everyone in its supply chain to understand their rights and responsibilities at work. To help educate workers, it sometimes uses technology to encourage a culture of trust, fairness and accountability.

In April 2018, the company began trialling a mobile phone application in China, reaching more than 6,000 workers across ten supplier factories. Developed by social enterprise MicroBenefits, the Company IQ app gives workers access to digital wage slips, a confidential grievance mechanism and 'micro-training' modules on topics including the Primark Code of Conduct, health and safety, and personal development.

Through the app, factories have promoted two fire safety training courses, addressing an important development area. Primark pays particular attention to factory management's understanding and use of the grievance mechanism.

To date, workers have spent a total of 2,804 hours on the app, and one factory delivered 78 online courses. More than 60% of users are female and many are migrant workers. As a result of the trial's success, Primark plans to extend the app's reach to 20 more factories and will continue to review the project's impact.

In April 2019, KnowtheChain published its report [Three Sectors, Three Years Later: Progress and Gaps in the Fight Against Forced Labor](#), citing this initiative as an example of promoting workers' rights using technology.

Creating safe workplaces

In the aftermath of the Rana Plaza building collapse in 2013, Primark was one of the first international retailers to sign up to the Bangladesh Accord on Fire and Building Safety. In doing so, the company pledged to improve the structural and electrical safety of garment factories through regular inspections, remediation plans and comprehensive training. Since 2013, Primark has contributed more than \$14m in financial aid and compensation to support those affected by the disaster, as well as ongoing non-financial support.

Reaffirming its commitment to the sector, in June 2017 Primark signed the subsequent, three-year 2018 Transition Accord. Driven by our values, Primark did not wish to rely solely on the Accord. In 2013, it set up its own Structural Integrity programme, with expertise and advice provided by international engineering firms MCS and Mott MacDonald. This programme covers Bangladesh and Pakistan, and will be rolled out to Myanmar in 2020.

Fire safety and prevention

A baseline assessment of existing knowledge suggested there was still a gap in workers' understanding of fire prevention and safety. To address this, the Janbo Mora Janabo ('Know and Tell Others') training programme, which Primark delivers with the NGO SHEVA, has now reached over 148,000 workers in 83 factories in Bangladesh. Factory managers and fire safety officers are taught how to run training sessions using highly visual leaflets and simple rhymes to support workers with limited literacy, as well as a DVD showing a performance drama. After the pilot phase of the training, 87% of the participants surveyed said they had made changes to their work environment and 92% had made improvements at home.

10,864

hours of supplier training delivered in 2019



Modern slavery

Modern slavery exists across the world and in all sectors. However, due to the prevalence of manual labour and migrant and/or temporary and seasonal workers, the agricultural sector has a particularly high risk of workers being exploited for personal or commercial gain. Modern slavery occurs in many different forms, including but not limited to forced labour, child labour and human trafficking. Estimated by the ILO to generate \$150bn of illicit profits a year, it is a global problem requiring a global approach.

Acting on modern slavery risks

Our groupwide [Supplier Code of Conduct](#) is based on the eight core conventions (covering collective bargaining, forced labour, child labour and discrimination) of the ILO and the Ethical Trade Initiative (ETI). We are also a member of the Business Against Slavery Forum, a coalition of business and government that aims to accelerate progress to end modern slavery.

Several individual businesses have created their own tailored approaches:

- AB Agri has trained transport managers, commercial teams and delivery drivers, who visit more than a thousand farms across the UK every year, to recognise the signs of modern slavery and forced labour.
- Twinings Ovaltine has published a revised [Supplier Code of Conduct](#), available in 11 languages, which contains a clause obliging suppliers to cover the cost of recruitment fees and expenses. Eradicating recruitment fees is crucial for tackling modern slavery.

- Twinings piloted a focus group with migrant workers to understand whether they were charged recruitment fees, as part of its ethical audits of suppliers in high-risk locations, while in tea gardens its Community Needs Assessment now checks that employers haven't made illegal deductions from workers' salaries or offered loans at high interest rates.
- AB Sugar created a video to raise awareness of the potential for modern slavery in its supply chain, and to provide staff with advice on how to address concerns, including contacting independent whistleblowing hotlines. It is exploring how the video can be shared with suppliers.

Please see our [Modern Slavery and Human Trafficking Statement](#) for more details of our relevant policies, due diligence processes, performance and progress.

Associated British Foods: modern slavery awareness training

Associated British Foods has collaborated with Twinings to develop and roll out a new online training module designed to raise awareness of modern slavery. The course seeks to educate employees about modern slavery and forced labour, provides real-life examples and highlights the importance of managing known risks. The course, completed by 771 participants to date, also outlines how those operating in our supply chain can help to keep it free from modern slavery and human trafficking.



Promoting health and wellness

From clear labelling of ingredients to sharing the facts about our products, we're continuously exploring ways to help consumers to maintain healthy diets and lifestyles.

Our approach to promoting healthy diets and lifestyles

Consumers today have an abundance of choice when it comes to both fresh and convenience foods – but options can also make it harder for people to know what the healthy options are and to select them.

We reformulate our products to better support healthy diets and make it easy for consumers to know what ingredients they contain with on-pack information. Our individual businesses also offer numerous initiatives to provide consumers with facts about our products such as bread, as well as individual ingredients such as sugar.

Our approach is exemplified by Jordans Dorset Ryvita's Good Food Commitment to make more naturally healthy food by continuing to use naturally wholesome ingredients that have been minimally processed. All its products are assessed against a nutritional profiling model to increase the amount of natural fibre, wholegrains, fruits, nuts and seeds they contain while reducing added fat, sugars and salt.

AB Sugar has made a public commitment to provide access to objective, scientific advice on sugar, diet and health to 25 million people around the world by 2030.

Health education

While the significance of diet on human health has become increasingly clear over the last few years, we have also seen gradually more complex debates around ingredients and food groups, from meat and dairy to carbohydrates and sugars. We're helping consumers cut through the noise by sharing facts about our products in clear and accessible ways.

Product labelling

Helping consumers make informed choices means providing the details of the nutritional profile of our products. Our products must comply with different legislation around the world and, even though these regulations are constantly evolving, we're giving consumers the information they need.

Tip Top: sharing the healthy truth about bread

Tip Top products feature clear, front-of-pack nutritional information with rigorous Health Star Ratings, aligning with its 'A Grain of Truth' campaign to get more Australians following a healthy, balanced diet. Key messages are shared [online](#) and were reflected in product launches for Abbott's Gluten Free, 9 Grain Kids and Wholegrain Sandwich Thins.

The campaign is also being used to empower staff to become advocates for Tip Top products. During 2018, our North Ryde office hosted an event for employees, teaching them the truth about bread. Key myths about added sugar, carbohydrates and artificial preservatives were busted, and the nutritional benefits of fibre, plant proteins, and vitamins and minerals in white bread were shared.

The company has now extended the campaign to its field sales teams and regional sites across Australia.

AB Sugar: Making Sense of Sugar

The [Making Sense of Sugar](#) campaign was launched in 2014 to educate people about sugar and the role it can play in a healthy, balanced diet. The campaign's website features advice and guidance in an interactive format, with information about sugar, tips on healthy eating and dental hygiene, quizzes, videos and useful links.

In 2018, British Sugar took the campaign to more people across the UK, promoting the British beet sugar industry and tackling plenty of myths about sugar along the way. Across the spring and summer, it reached thousands of people at Countryfile Live, Kids Country Food and Farming Day, and seven Open Farm Sunday events. The company also continued to share content through social media channels.



Reformulating our products

Today, more consumers are demanding healthier products – both in the way they're produced and in the impact they have on wellbeing.

We're continuously exploring ways to meet that demand and support consumers as they look to change or maintain lifestyles that prioritise their health. Our individual businesses have developed innovative formulations to reduce the salt, sugar and fat content of certain products, all without sacrificing the taste consumers love and the quality they expect.

ABF Ingredients: don't pass the salt

Eating too much salt can increase the chances of hypertension, stroke and other cardiovascular conditions. To help counter this, Ohly has developed natural, yeast-based ingredients that allow customers to reduce the salt content in their products and recipes by around 20–30%, without affecting taste.

Our innovations include a new baker's yeast extract, SAV-R-SEL, that brings out savoury flavours while cutting salt. Along with two existing yeast extracts that also reduce salt in the final application, we can now provide a choice of products with natural, healthy ingredients that help people thrive.

Cutting back on salt

The health impacts of eating too much salt are well documented. We support keeping salt intake to healthy levels, which is why we're focused on providing products that make it easier for suppliers to cut down on salt without compromising on taste.

For instance, our Don business – which adds salt to help extract the natural proteins and extend the shelf life of its meat products – has voluntarily reduced the salt content of its products over the last ten years, and adds a 'smiley' label on low-salt products designed to appeal to children.

Reducing added sugar

While sugar can play a role in a balanced diet, guidance recommends that consumers limit their consumption of added sugars. We aim to support them where we can by exploring ways to meet their diet choices. Besides making our labelling clear so consumers know how much sugar is in our products, individual businesses also continuously work to reduce the amount of sugar that is added in the first place.

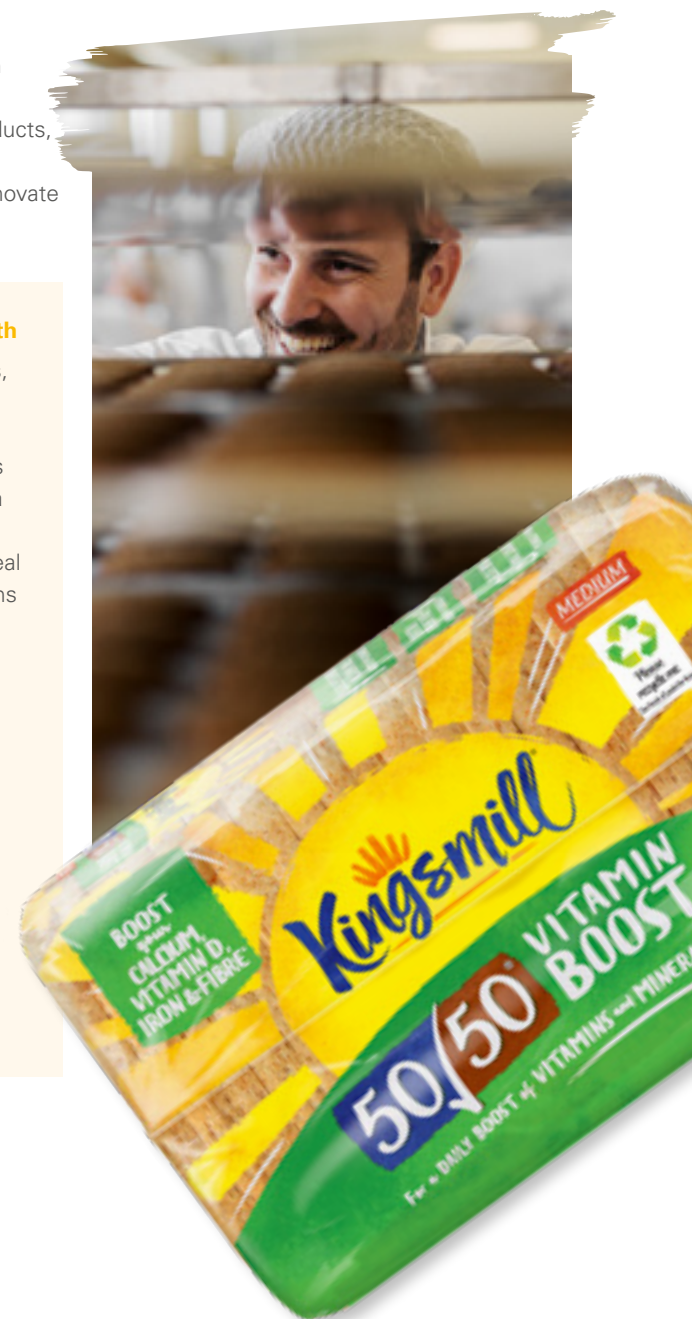
Last year, Tip Top (part of George Weston Foods) launched a reformulated range of Wholemeal and Original Raisin Toast products, with the added sugar removed. Similarly, Jordans Dorset Ryvita is working with Innovate UK to reduce sugars in its cereal bars.

Allied Bakeries: a slice of good health

In our online survey of UK consumers, approximately 75% said they buy or are open to buying foods with added vitamins and minerals, and Kingsmill's new 50/50 Vitamin Boost loaf offers a convenient way to do so. Made from equal amounts of white and wholemeal flours, the loaf provides seven vitamins and minerals:

- iron and vitamin B6 to support the immune system;
- vitamin B1 and niacin for energy;
- vitamin D and calcium for healthy bones and teeth; and
- folic acid.

Kingsmill 50/50 Vitamin Boost is also a source of fibre, something that we all need to eat more of, according to the [UK's National Diet and Nutrition Survey](#).



Lowering fat content

Not all fats are created equal. While there are plenty of healthy fats around, a healthy diet is generally agreed to be low in saturated fats because these fats can impact cholesterol. Several of our businesses – such as Jordans – are actively lowering added fats in some products and making sure we avoid additional rises in fat content when products are reformulated.

And in Argentina, AB Mauri's O Trans Project has reduced the content of trans fats in its margarines to less than 5%. Changing production processes and the formulas of our products was challenging, as qualities such as taste, texture, colour and odour needed to be maintained.

Having signed the UK Government's Responsibility Deal to create healthier workplaces, our UK Grocery businesses provide fruit for employees, have removed salt from canteen dining tables and offer healthy meal options. Read more about employee wellbeing on [pages 14 to 15](#).

Jordans Dorset Ryvita: flying the flag for healthy fibre

Fibre helps to reduce the risk of heart disease, type 2 diabetes, stroke and bowel cancer, and the rye fibre found in Ryvita also supports gut health. However, most UK adults don't eat the recommended 30 grams of fibre a day, according to the [NHS](#).

That's why Ryvita launched its new FibreFit campaign in March 2019, encouraging everyone to eat more fibre. The campaign was launched to coincide with National Bowel Cancer Awareness Month, and in the first ten days:

- more than 15,000 people signed up to the #30in30 challenge to increase their daily fibre intake to 30 g, receiving hints and tips via a regular newsletter; and
- more than 43,000 people took the FibreFit quiz to see how much fibre they currently eat.

The campaign, which has already reached 13.5 million people, featured several influential supporters, including TV celebrity Davina McCall and former athlete Dame Kelly Holmes.

Safe products

Maintaining food safety and quality is a core part of our work, both across the group and within our individual businesses.

Our businesses have specific food safety procedures in place, set through external food safety accreditations and regulations. Where sites are not accredited, standards are based on regulations or internal food safety policies that meet Global Foods Standards Initiative (GFSI) requirements. We also provide rigorous employee training on food safety good practices through initiatives such as our Food Safety High5 programme, which increases awareness and participation in food safety.

ABF Ingredients: simplifying product safety

A divisional commitment to safety has driven the creation of a new toolkit to promote product safety across all five ABF Ingredients businesses.

The Six Product Safety Essentials toolkit features a handbook and posters aimed at staff and visitors to our premises. Its highly visual approach uses universally recognised symbols to highlight major hazards and show how to manage them.

This at-a-glance guide to product safety practices will be used to support the setting, monitoring and evaluation of key performance indicators (KPIs) relating to product safety across the division.



Supporting local economies

While the communities in which our different businesses operate may vary across the world, we always take pride in supporting the socio-economic development of local economies, by providing jobs and improving livelihoods. We want to be welcomed as an employer and a neighbour, and help the communities in which we and our suppliers live and work to become more resilient, sustainable and prosperous.

Our approach to supporting local economies

We try to do what is right for our customers and suppliers in each market. By working collaboratively, we help to increase local capability and capacity, which in turn leads to strong, resilient rural economies and thriving communities.

Our businesses around the world play a significant economic role by creating wealth through employment, supporting farmer livelihoods and supplementing local infrastructure, schools, healthcare facilities, and water and sanitation services. We also make payments to local contractors, suppliers, distributors and shareholders, pay salaries to employees and pay taxes to governments, all of which support economic development.

Illovo: socio-economic impact in sugar-growing communities

Illovo's six businesses in southern Africa are major employers – for example, Illovo Sugar Malawi is the country's largest private-sector employer. They are also purchasers of agricultural raw materials, and their products are distributed largely to domestic and regional markets.

According to a socio-economic impact study conducted in 2017 by management

consultancy [Corporate Citizenship](#), Illovo's businesses make significant community investments through their support for education, healthcare, housing and infrastructure.

[Download the full 2017 report and summary infographics.](#)

Key findings: Illovo's total economic impact in 2017: R23.8bn (+29% from 2013/14)



From own activities

R5bn



Salaries, wages and benefits

R3.0bn



Direct jobs created

29,000+



Growers and farmers worked with

14,700



Supply chain and wider economy

R18.8bn



Payments to local suppliers

R11.9bn



Total jobs created

71,443



Lives supported

139,000

Zambia Sugar: paving the way to employment opportunities in Zambia

As part of its community investments around its mill in Mazabuka, Zambia Sugar maintains a 10 km stretch of road that provides a vital link between rural communities in the area. However, heavy rainfall and large volumes of traffic have affected the road's quality.

To address this, the company is working to build the capacity of contractors to upgrade the road using local materials and labour. To date, 160 young people have been trained in the skills required by local companies. As well as generating income and employment opportunities, the Lubombo Road project is also reducing road-building costs, improving road safety and increasing mobility.

The project – supported by the ILO's Employment Intensive Investment Programme, construction materials company Lafarge and power provider ZESCO – may lead to similar collaborations in the future.

Illovo: protecting land rights issues in rural communities

As a grower and processor of sugar cane across approximately 70,000 hectares of land, respect for land rights is part of Illovo's DNA. With land an increasingly scarce resource, the company's Group Guidelines on Land and Land Rights contain a zero-tolerance approach towards land grabs and land rights abuses in southern Africa.

Over the last three years, Illovo has worked with NGO [Landesa](#) on the Commitment to Practice (C2P) project, which has trained more than 60 Illovo staff on land rights issues. Capacity-building programmes for community organisations in Malawi, Mozambique and Tanzania have also been established.

Landesa has also developed the [LandAssess Tool](#), a risk assessment and management framework for assessing, managing and reporting on their efforts to respect land rights. Illovo has provided continuous feedback on the tool throughout its development phase and will continue to use the tool annually to assess the situation at estate and grower levels in Tanzania, as well as extending its use in Eswatini (formerly Swaziland), Zambia and South Africa.

Supplier capacity building

We work with thousands of farmers, growers and other suppliers around the world, increasing productivity and helping to alleviate poverty. Our businesses place a high priority on supporting everyone to face the challenges related to economic factors and social issues, as well as climate change.

By building relationships with our suppliers, we can better understand and address the risks they face, help them to improve their livelihoods and try to secure the sustainability of their and our businesses for the long term.

Twinnings Ovaltine: empowering women in the supply chain

In Kenya, female tea workers often have limited awareness of health issues and little access to health services. To address this, Twining has teamed up with Business for Social Responsibility (BSR) to deliver [HERhealth](#), a programme that trains female tea workers to become health educators. They can then inform fellow workers about essential issues such as reproductive health, nutrition and non-communicable diseases.

Since the scheme was launched, knowledge on topics such as family planning, HIV transmission and pregnancy risk factors has improved significantly, the use of health facilities has increased and absenteeism through illness is down.

"Women form most of the workforce in tea gardens, but sexual health and reproductive rights can be a barrier to their development. When women and girls thrive, so do their communities. That's why we are committed to empowering women in our supply chain through health and education."

Céline Gilart, Head of Social Impact, Twinings

Having already reached 34,000 people, Twinings aims to reach all 75,000 of the women in its supply chain in Kenya with HERhealth, and provide a further 50,000 female workers in India, Kenya and Malawi with access to health services by 2023.



Illovo: bringing sugar growers together

Around 20% of the cane supplied to Illovo's two sugar mills in Malawi comes from small-scale growers. To promote their long-term sustainability and protect security of supply, Illovo has helped to establish the Sugarcane Growers Association of Malawi (SUGAM).

Seventeen growers associations are represented by this new independent body, which provides a forum for sharing technical expertise and learning opportunities. This will help Illovo's suppliers to become financially sound, technically responsible and more sustainable.

As part of the support, the company has provided R40,000 to help set up SUGAM and promote its benefits, and is offering interest-free loans to help growers to develop their businesses.

Illovo: guiding sugar cane growers in South Africa

To help sugar farmers in the KwaZulu-Natal province of South Africa to improve yields, increase their incomes and provide a sustainable cane supply for the Illovo mill in Noodsberg, Illovo has developed a comprehensive growing guide.

With many growers having little formal education, the booklet provides simple step-by-step guidance and employs infographics to illustrate the necessary actions. These are also summarised on a single-page, highly visual 'roadmap'. The materials will also raise awareness of the guidelines for sugar cane production, such as the South African Sugarcane Research Institute (SASRI) standards.

The roll-out of the guide tripled attendance at Illovo's field days, and more growers are now applying for supply agreements. The booklet will now be distributed to all Illovo operations across southern Africa, while a version suitable for schools and a mobile app for use in the field are also being considered.



Being a good neighbour

We donate our money and hundreds of tonnes of products to good causes and to natural disaster relief every year, as well as giving our time to fundraise or volunteer for the charities and organisations our people care about.

Illustrating our hands-on approach, the Don Caring Every Day programme supports local communities in Australia through partnerships with several charities and good causes. From donating products to local schools for fundraising and supporting the Ronald McDonald House Charities to assisting grassroots sport through its sponsorship of the Castlemaine Football and Netball Club, the company is proud of the positive role it plays in the community.

Don team members also support the Salvation Army at its Lighthouse Café project in Melbourne. The café enables homeless and disadvantaged people to enjoy charitable meals with café-style service, boosting their self-esteem and dignity.

Some of our businesses, such as AB Agri and George Weston Foods, encourage employees to take two working days a year for volunteering.

AB Mauri: being a good neighbour in Argentina

AB Mauri has long supported the communities near its sites but over the last three years, the company has developed a more proactive and strategic approach. The Being a Good Neighbour programme has helped to coordinate engagement with local stakeholders.

For example, in Argentina, the Tucumán yeast factory teamed up with a local NGO, Fundación León, to identify and address the social challenges its neighbours face, including poverty, crime, limited access to health services and poor employment opportunities. As part of a business-wide culture change, the plant managers organised a range of activities to strengthen relationships with the community.

These included:

- a Family Day, where more than 260 people visited the site, and families of factory workers were given an insight into where their partner or parent worked and what they did (see below);
- a quarterly housekeeping day when all employees help to maintain the plant, illustrating their pride in – and responsibility for – their workplace; and
- an inclusion programme to help local people to overcome barriers to employment, such as disability (see [page 16](#)).

Additional initiatives are planned for future years.



Garfield Weston Foundation: a billion pounds of giving

In 1958, Garfield Weston endowed 80% of his family's business for the benefit of the nation. The [Garfield Weston Foundation](#) holds a majority stake (79.2%) in a privately owned holding company, Wittington Investments Limited, whose investments include 54.5% of the shares in Associated British Foods plc.

With the Weston family still closely involved as trustees, the Foundation's ethos – to help charities develop their own solutions to society's problems – still holds true. The application process is straightforward to be respectful of charitable resources and, through a number of strategic partners, the Foundation provides small charities with mentoring and coaching support to help them operate efficiently and effectively.

In the financial year to April 2019, the Foundation donated more than £79m through 2,126 grants (up 12% on 2018), of which over £11m went to capital projects for community facilities across the UK via the Weston Anniversary Fund.

Significant grants included £5m to help Social Sustainable Capital provide housing for the homeless; a £3m grant for the global tree seed bank at the Royal Botanic Gardens, Kew; £750,000 to Frontline to attract more graduates into social work; and £500,000 towards a new home for the Royal College of Obstetricians and Gynaecologists.

The Foundation has now made over 44,000 grants, and passed the £1bn donations milestone in 2018.

Disaster relief

In March 2019, Cyclone Idai hit southern Africa, with tragic consequences and significant loss of life in Mozambique and Malawi, where Illovo has operations. The business donated R500,000 to each of two aid organisations leading relief efforts: Gift of the Givers and Médecins Sans Frontières Southern Africa.

In Malawi, more than 50,000 people were affected by flooding and nine people were killed. Illovo accommodated 5,500 displaced people at an evacuation camp set up at the Nchalo sugar estate. The company also provided tents and drinking water, and supported camps in other districts, reaching around 20,000 people. Meanwhile, in Mozambique, its support included additional employee donations and making 2,500 kg of products available via the Red Cross.

Food donations

As a food business, one of the ways we can support our local communities is to offer surplus products to foodbanks, which pass them on to relevant charities and organisations.

In 2019, our UK Grocery businesses donated more than 215 tonnes of surplus products to FareShare, which distributes meals to groups that support people facing hunger and hardship. This represents enough food to create 513,547 meals. Within this total, Westmill donated more than 47 tonnes of food products through FareShare and other associated partners during FY18, while Allied Bakeries provided over 154 tonnes, even though delivering fresh bread into the FareShare network is more complex than for products with a longer shelf life.

Sadly, food relief across Australia remains in high demand too. Over the last year, George Weston Foods' partnership with [Foodbank](#) has expanded to include more rural areas and drought-affected communities. In 2019, we donated 2,005,530 meals, resulting in a social return on investment of AUS\$25m.

And in Argentina, AB Mauri has signed an agreement with the Fundación Banco de Alimentos (Food Bank Foundation), having donated more than 4 tonnes of surplus products over the financial year.

2,519,077
meals donated

Primark: ongoing support for Unicef

Primark has committed \$6m to Unicef over three years, giving vulnerable children in Cambodia access to education and supporting emergency response operations during natural and humanitarian disasters. Over the last year, Primark's support has made a huge impact on multilingual and inclusive education through the provision of water, sanitation and hygiene (WASH) facilities and scholarships.

Primark has also helped Unicef to support vulnerable children in Mozambique and Indonesia in the wake of natural disasters by allocating a \$400,000 donation to Unicef's emergency response operations.





RESPECTING THE *environment*

The world's resources – land, energy, water – are under increasing pressure from the growing demands of a rising population, and climate change is exacerbating these challenges. At Associated British Foods, we want to be responsible stewards of the world around us and secure a sustainable supply of ingredients for our businesses, so we are working hard to reduce our carbon footprint, use energy, water and natural resources efficiently, and promote biodiversity.

In this chapter

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- 39 Addressing the challenge of climate change
- 44 Using natural resources responsibly
- 49 Stewarding biodiversity
- 52 Improving animal health and welfare

Introduction

At a group and business level, we remain committed to seeking sustainable solutions to environmental challenges. In 2019, we invested £32m to minimise our environmental impacts and risks through a range of activities, including irrigation systems, energy-efficient technologies, improved waste segregation and waste water treatment plants.

LIVING OUR VALUES

Collaboration with others is vital if we are going to be responsible stewards of our planet, secure a sustainable supply of raw materials and respect the dignity of both people and animals. Through training, education and access to new opportunities, we work with rigour and integrity to address climate change and use resources more efficiently, and are ever mindful of opportunities to combat deforestation and safeguard biodiversity.

Read more about our values on page 6.

Our mission to cut emissions

Our ambition to reduce our overall environmental footprint includes commitments to cut energy use and greenhouse gas (GHG) emissions. Working collaboratively, we want our operations and supply chain to withstand the challenges of our changing climate while taking advantage of new opportunities. Read more about energy and climate change on [pages 39 to 43](#). Playing our part in the challenge of climate change is high on our agenda. It's why our businesses make it a priority to increase energy efficiency and reduce GHG emissions in their operations.

Doing more with less

We are focused on building resource efficiencies into all our operations. We strive to use raw materials and ingredients efficiently and responsibly, create less waste and recycle more of the waste we do generate. Learn more about waste, water and resource use on [pages 44 to 48](#).

Nurturing nature

From tea, sugar and cereals to livestock and eggs, our business is built on nature. We rely on the planet for a secure supply of these ingredients, delivered through sustainable and responsible practices. For more information on commodities sourcing and biodiversity, see [pages 49 to 51](#).

Committed to care and compassion of animals

Our direct involvement with animals is limited to a few specific businesses; nonetheless, we believe high standards of animal health and welfare are essential. Read more on [page 52](#).

Sustainable Development Goals

By respecting our environment, we are contributing to the following UN SDGs:



As well as managing water withdrawals at our facilities, treating waste water and reusing more water in our operations, we support community programmes to increase the water efficiency of our suppliers.



We are working to increase our use of renewable energy. In our Sugar businesses, for instance, more than 60% of the energy consumed comes from renewable sources.



We continue to upgrade our buildings and our suppliers' operations to make them more energy- and resource-efficient, using best practice processes and the latest technology.



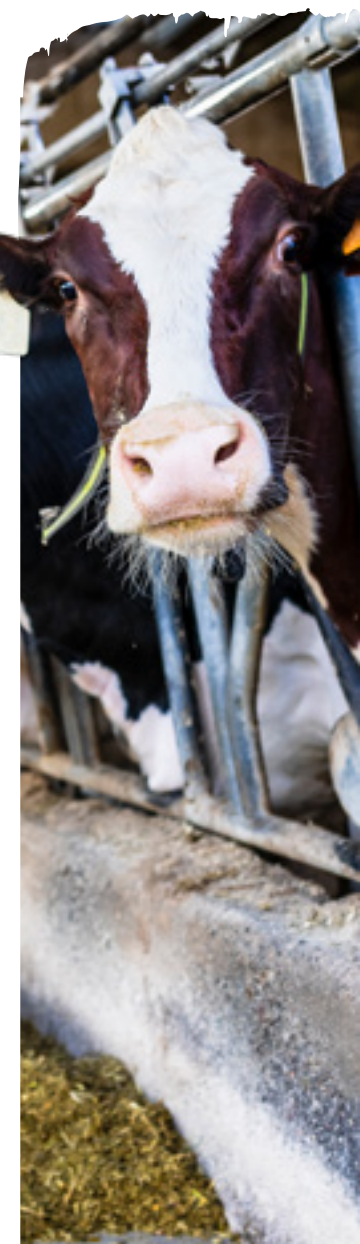
We seek to use natural resources more sustainably, generate less waste, improve our packaging to minimise food waste and help agricultural suppliers to use fewer chemicals. We also encourage consumers to recycle packaging through on-pack messaging.



Playing our part in the challenge of climate change is high on our agenda. It's why our businesses make it a priority to increase energy efficiency and reduce GHG emissions in their operations.



To help protect ecosystems and the life they sustain, we are mindful of the impact of deforestation in our business decisions. Respect for biodiversity is also vital, so we promote welfare standards within our operations and supply chains.



Addressing the challenge of climate change

Increasingly unpredictable and severe weather events are already affecting food security, consumption habits and the availability of natural resources. Our businesses have a role to play in the transition to a low-carbon economy by increasing the efficiency of our buildings, operations, logistics and agricultural activities, by generating and using renewable energy where feasible and mitigating the impact of our operations on the climate.

4%
reduction in
GHG emissions
(scopes 1, 2 and 3)

Our approach to tackling climate change

In our assessment of climate-related business risks, we recognise that the cumulative impacts of changes in weather and water availability could affect our operations at a group level. However, the diversified nature of Associated British Foods means that mitigation or adaptation strategies are considered and implemented by individual businesses and divisions.

Each of our businesses completes an annual risk assessment outlining key risks and opportunities, including those associated with climate change. These assessments are approved by the chief executives of the businesses, collated and reviewed by the group board, to monitor our overall exposure. The board has ultimate responsibility for the group's approach to climate-related risks and opportunities and is supported by our responsibility, risk and environment teams and directors.

Within our risk assessments, we consider climate change impacts, including short- and long-term risks such as regulatory and legal requirements and costs, reputational impacts, and physical risks associated with our operations and supply chains, including the price and availability of raw materials. During the year, we convened meetings of our chief executives and our environmental specialists where we considered climate change risks, opportunities and the use of forward-looking scenarios in business planning.



Cutting our carbon footprint

We look for ways to progressively reduce our GHG emissions and reduce our contribution to climate change. Our energy-intensive businesses have initiatives to manage their impacts and have set goals to reduce GHGs, recognising the Paris Climate Agreement, which aims to limit global temperature rises to no more than 2 degrees Celsius by the end of the century. For example:

- AB Sugar has made an industry-leading commitment to reduce its end-to-end supply chain CO₂ footprint by 30% by 2030;
- Illovo Sugar is committed to reducing GHG emissions by 10.7% by 2020, compared with 2010; and
- AB Agri has an aspiration to reduce its operational energy footprint by 20% between 2014 and 2024.

Such challenging goals will help us to build on the progress we have already made in monitoring and managing business-level scope 1 and 2, and where relevant, scope 3, emissions. For example, in Australia, George Weston Foods reduced its GHG emissions, which it reports under the National Greenhouse and Energy Reporting Act 2007, by more than 28% between FY 2008/09 and 2017/18 through energy efficiency, consolidation of some facilities, a move to lower-carbon fuels and the integration of renewables into its long-term energy mix.

Meanwhile, Jordans Dorset Ryvita has reduced GHG emissions by around 25% over the last five years, exemplified by its Market Garden Road factory cutting emissions by more than 10% by reducing bake times. We also invest in programmes to help suppliers to plan for and adapt to different climate scenarios.

Staying accountable

As reported last year, we welcome the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), and each year we consider how we can improve our disclosure on climate-related reporting using the TCFD's framework. We have also reported more detail through our CDP disclosure, including climate governance, strategy and risk management. This is available at www.cdp.net.

This year, we conducted our first high-level climate risk assessment considering the impact of 2 degrees Celsius global warming on our businesses in the short to medium term. We considered transitional changes such as increased carbon pricing and legislation, as well as physical changes such as increased water stress, frequency of extreme weather patterns and temperature rises.

We have also started to collect information that will help us report our scope 2 market-based emissions from the purchase and use of renewable fuels.

We report our emissions into the three scopes and out of scope, which enables us to analyse the emissions over which we have direct control and those generated in our supply chain. Our scope 1 and 2 emissions occur as a result of activities we directly control on our sites.

Activities included in scope 1 emissions include the energy we generate, owned transport, agriculture and on-site waste water treatment. Scope 2 (location-based method) emissions are from purchased electricity, heat and steam that we use in our sites.

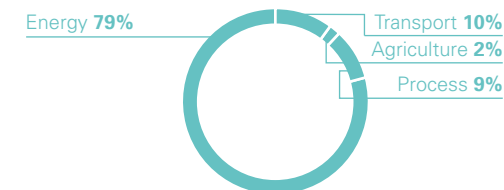
Our total emissions (scopes 1, 2 and 3) have decreased again this year. For 2019, we report a 4% decrease compared with last year to 4.75 million tonnes CO₂ equivalent (CO₂e).^Δ

Our scope 1 and 2 emissions, those over which we have direct control, account for 84% of our total emissions and have reduced by 4% this year.

Scope 1, 2 and 3 GHG emissions ('000 tonnes CO₂e)



Source of GHG emissions 2019



Our GHG emissions ('000 tonnes CO₂e)

	2018	2019 ^Δ
Scope 1 – combustion of fuel and operation of facilities	3,159	3,087
Scope 1 – generation and use of renewables	69	75
Scope 1 total	3,288	3,162
Scope 2 – emissions from purchased electricity, heat or steam (location method)	925	831
Scope 3 – indirect emissions from use of third-party transport	813	753
Total emissions (scopes 1, 2 and 3)	4,966	4,746
Out-of-scope emissions	3,711	3,962
Emission intensity (scopes 1 and 2) per £1m of revenue	266 tonnes	252 tonnes

We report our GHG inventory using the GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition) as our framework for calculations and disclosure. We use carbon conversion factors published by the Department for Business, Energy and Industrial Strategy (BEIS) in August 2019, other internationally recognised sources and bespoke factors based on laboratory calculations at selected locations. This includes all activities where we have operational control. Scope 2 location-based emissions have been calculated in accordance with the GHG Protocol Scope 2 Guidance on procured renewable energy. For 2018 and 2019, scope 3 emissions are our third-party transport emissions only. See our [2019 ESG Appendix](#) for more detail.



A cool solution to the detergent challenge

The wash temperature is the main factor when considering the life-cycle energy use and GHG emissions associated with laundry detergent. Using protein engineering and molecular biology, one of our Ingredients businesses, AB Enzymes, has developed several new products that enable detergent manufacturers to optimise the detergent's performance at lower temperatures, as well as use fewer resources in production. This has helped consumers to lower the average wash temperature to around 43 degrees Celsius and contribute to reduced GHG emissions.



We operate in a number of geographies experiencing changes to their micro-climate, such as flooding, drought and extreme weather variations. These events can contribute to lower harvests and constraints on safe and secure water supply. As such, these physical risks are making energy efficiency, water conservation and other climate adaptation and mitigation activities a priority.

During the year, we have responded to extreme weather patterns, particularly drought, as a result of changes in climate. Notably, our operations in China, Australia, southern Africa and California, US, have experienced specific water scarcity issues during the course of the year. For more detail, please see [page 47](#).

We believe Associated British Foods has a role to play in helping to achieve the globally agreed targets to limit temperature rise to no more than 2 degrees Celsius above pre-industrialised levels. We will continue to adapt to climate change and explore opportunities to reduce our impact through investment in technologies and energy efficiencies, maximising renewable energy opportunities, changing behaviours and working with others to reduce carbon.

For more detailed performance information, please see our [2019 ESG Appendix](#).

Transport emissions

We continue to make progress in reducing the environmental impact of our supply chain by collaborating with our logistics partners on innovations around renewable fuels, driver training, payload efficiency, backhauling and route planning. Our scope 3 emissions reduced by 7% compared with last year to 753,000 tonnes CO₂e.[△]

British Sugar: on the road to fleet efficiency

British Sugar's three logistics partners – Haulage Services, Abbey Logistics and Wincanton – provide bulk tanker transport from its factories to its manufacturing customers.

Wincanton's core fleet uses trucks that already comply with Euro 6, Europe's strictest commercial vehicle emissions standards, which means they emit very low levels of particulate matter and nitrogen oxides. The company has also trialled gas-powered vehicles with Wincanton and Abbey Logistics, and is working with Haulage Services to monitor the long-term performance of a gas-powered vehicle in its wider fleet.

To avoid unnecessary vehicle movements, Abbey Logistics increased its payload by 0.83 tonnes to 28.24 tonnes per vehicle in the year to March 2019, through investments in new vehicles and incentivising customers to increase order sizes to help British Sugar make fewer journeys.

Committed to incorporating safer and more economical driving practices, Abbey Logistics and Wincanton have also introduced telematic and management systems. By providing regular feedback on vehicle and driver performance, both companies have improved driver safety, while Abbey's fuel consumption has improved by 6%.

Reducing our energy use

Recognising that energy generation is our primary source of GHG emissions, all our businesses are working hard to improve energy efficiency on a continuous basis, as well as via investment projects. In addition, the cost and price volatility of the energy we use mean that rigorous energy management is a key operational focus across the group. Each of our businesses can tailor their overall approach, which involves improving energy efficiency and generating their own renewable power, to suit their specific circumstances.

In 2019, our total energy use was 23,565 GWh^Δ, a 2% increase on 2018. Our Sugar businesses were responsible for consuming 82% of that total, or 19,238 GWh^Δ. They have continually improved energy use over the last ten years and look to drive efficiency and do more with every unit of energy consumed. As an example, as well as producing both core sugar products and a range of specialty sugars, each of the 24 advanced sugar manufacturing sites produces more than 24 co-products, including molasses, sugar beet pulp and bioethanol.

See our [2019 ESG Appendix](#) for more detailed performance information about energy consumption.

Shining a light on energy efficiency

Our businesses continue to drive improvements in the energy efficiency of our factories, stores, offices and distribution networks. Through a groupwide utilities forum, which examines issues such as energy market volatility, legislation and new technologies, we identify and share good practice from around our businesses so that the benefits can be replicated.

We continue to invest in metering systems, more efficient equipment and intelligent LED lighting, which is more cost-effective and energy-efficient than conventional lighting. At George Weston Foods, the Don Castlemaine factory completed the company's largest-ever LED upgrade in 2019. This involved replacing around 2,500 light fittings. The previous lighting accounted for approximately 4,000 MWh per year – 12% of the site's total electricity use – but the LEDs will consume just 25% of that, reducing GHG emissions by around 3,800 tonnes per year.

Energy management systems

Half of our manufacturing sites and retail stores have externally certified environmental management systems, meeting standards including ISO 14001 (for environmental management) and ISO 50001 (for energy management). For example:

- all British Sugar's and AB Agri's UK operational sites are certified to both ISO 14001 and ISO 50001;
- Primark's new energy management system for UK and Republic of Ireland stores, offices and distribution centres is certified to ISO 50001; and
- Jordans Dorset Ryvita's Biggleswade sites are accredited to ISO 14001:2015, and all remaining sites will obtain accreditation by 2021.



Renewable energy

Besides reducing operational energy demands, we have also been exploring how we can better use renewable energy.

Our use of energy from renewable sources increased by 6% in 2019 to 12,211 GWh^Δ. This means that 52% of the total energy we use is sourced from renewable fuels. We have also increased the proportion of renewable energy consumed from 50% in 2018. Most of this renewable energy (92%) comes from bagasse – the residual fibre left after sugar is extracted from sugar cane – from our operations in southern Africa.

We also use on-site anaerobic digesters (ADs) to generate biogas from our own waste streams, such as British Sugar's AD plant in Suffolk and AB Agri's facility in Yorkshire. This year biogas accounted for 2% of the total renewable fuels generated on our sites. We also purchase electricity generated using wind and solar power.

This year, we exported 971 GWh of surplus energy to the National Grid. This is a mixture of biogas and electricity generated on our sites and, as it is surplus to the needs of our operations, these sites are deemed as 'energy positive'. This is an 18% increase compared with last year.

See our [2019 ESG Appendix](#) for more detailed performance information about renewable energy.

Some of our sites are 'energy positive', exporting any surplus power they create to the National Grid.

Renewable energy

Renewable energy consumed (GWh) and as a proportion of the total energy consumed (%)

2015	2016	2017	2018	2019
12,493	11,206	11,356	11,511	12,211 ^Δ
50%	49%	49%	50%	52%

52%

of energy used from renewable sources

AB Mauri: championing greater energy efficiency

AB Mauri has appointed a new Global Energy Champion, based at the Veracruz manufacturing plant in Mexico, one of its largest plants. The appointment of Rodrigo Azara (see right) reinforces the company's focus on energy reduction and efficiency, with a remit to coordinate activities across plants, and share and implement best practices.

The management team at Veracruz is leading by example, as results to date have shown:

- electricity consumption has reduced by more than 10% between 2014 and 2019;
- more than half of the fossil fuels (natural gas and LPG) used to operate the boilers have been replaced by the biogas generated at the on-site waste water plant; and
- more than 90% of the electricity used was procured from sustainable sources such as wind and solar power.

Additional projects over the next few years will seek to further reduce energy consumption across AB Mauri.

"AB Mauri has invested significant time, resources and capital into improving energy efficiency and I'm proud to help replicate best practice globally."

Rodrigo Azara, Global Energy Champion, AB Mauri



Using natural resources responsibly

Our businesses invest in responsible water use, and resource-efficient and effective waste management.

Our approach to improving resource efficiency

All our businesses are working to use resources more efficiently. As well as helping to limit our environmental impact, this has tangible advantages as we seek to turn the outputs from our production processes into valuable co-products for powering our factories.

Exemplifying this, our UK Grocery business is a signatory to the [Courtauld Commitment 2025](#), an ambitious voluntary agreement by the UK's food and drink sector to make production and consumption more sustainable. At its heart is a commitment to develop solutions and drive changes that will cut the carbon, water and waste associated with food and drink products by at least 20% in the ten years from 2015.

Managing waste

Focusing on the environmental and commercial benefits for our businesses, our priorities are to use only the raw materials we need and make them go as far as possible, through efficient operations.

British Sugar: collaborating for on-farm improvements

Over the last ten years, British Sugar has increased its sugar beet yields by more than 25%, resulting in a more efficient use of land. To continue this journey of innovation, the [British Beet Research Organisation \(BBRO\)](#) is harnessing drone technology and satellite imagery to further increase yields and on-farm productivity.

This project aims to explore how visible, near-infrared and infrared light technology can improve the accuracy of information, helping farmers to make informed decisions and maximise the potential of their crop. By identifying and understanding areas of weaker growth and disease, more integrated management systems can be created to tackle challenges at field level. The work is still in its infancy, but the early signs are positive.

Complementing this work, the BBRO's On-Farm initiative includes the Beet Yield Challenge, a competition in which farmers will use soil analysis and satellite imagery to maximise their yields. Specific recommendations will be given to participants and an annual report made available to the UK's 3,000 sugar beet farmers.

We look at positive ways to use the waste we do create, through reuse and recycling or by creating co-products such as energy, soil and animal feed. For example, at the AB Enzymes factory in Rajamäki, Finland, up to 200 tonnes of wheat flour – used for flushing equipment between production batches – is sent to bioethanol producers to produce biogas.

We also consider other alternative uses for waste, such as transforming it into packaging materials or composting it to make soil improvers. Where appropriate, we also donate surplus products that can be used for human consumption to food banks, community groups and charities such as FareShare to avoid food waste (read more on [page 36](#)).

Across the group, we generated 631,800 tonnes^Δ of waste, an 18% decrease compared with last year.

Of this total, 80% was sent for recycling, recovery or other beneficial use. Total recycled waste fell by 19%, from 630,600 tonnes in 2018 to 508,400 tonnes^Δ this year.

The remaining non-recycled waste is made up of non-hazardous waste (19% of total group waste) and hazardous waste (1% of group total).

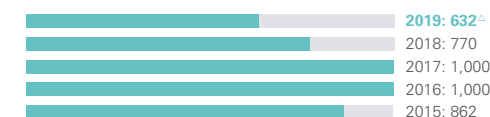
Non-hazardous waste has decreased by 12% since last year, from 135,300 tonnes to 118,700 tonnes^Δ, and while the amounts are comparably small, the amount of hazardous waste we generated rose by 4%, from 4,600 tonnes last year to 4,800 tonnes^Δ in 2019.

See our [2019 ESG Appendix](#) for more detailed waste and recycling data.

Waste disposal 2019



Total waste generated ('000 tonnes)



Proportion of waste recycled



Azucarera: local government recognises best practice

Supporting a circular economy model, the efforts made by a number of local companies – including Azucarera – to reduce, reuse and recycle waste have been officially recognised by the government of Castille and León in Spain, home to its local sugar beet community.

Of the 11 waste reduction measures shared by the agrifood sector with the regional authorities, three came from Azucarera:

- using ecodesign to eliminate 100% of the plastic from reeds in the caps of PPC packs, avoiding 1,470 kg of plastic;
- new procedures for washing and reusing 90% of maintenance rags in two factories, cutting 2,700 kg of residue; and
- upgrading machinery to avoid generating 1,100 kg of non-halogenated solvent, a hazardous waste.

These good practice examples have been shared with other companies in the region so that they can be replicated, and the exercise will be updated annually.

Packaging and plastics

Packaging is essential for containing and protecting our products during transit and on the shelf, but we remain committed to initiatives that improve recyclability and recycling rates, reduce its volume and weight, avoid waste and use more recycled content through better design and manufacture.

Plastic in particular plays an important role in product packaging. It's durable, cheap, lightweight and hygienic. However, unless non-compostable or biodegradable plastic is recycled, it takes many years to degrade in landfill sites or pollutes the wider environment as litter or ocean waste.

In 2019, Associated British Foods used 258,800 tonnes^A of packaging. This is a 1% increase from last year, largely driven by production increases. Across the group, new customers, changes in product mix, new manufacturing facilities and smaller packaging units, driven by customer preference, all contributed to the level of packaging we used.

Our Grocery businesses, which account for 64% of the group's total packaging, increased their packaging use by 4% this year. There has been increased production at specific sites which influence the segment's total packaging.

All other business segments decreased their packaging use this year compared with last year. Primark also decreased packaging



despite opening more stores during the year, which demonstrates good results from its activities to package products more efficiently during transport to stores.

In addition, our UK Grocery businesses signed the UK Plastics Pact in 2018, through which they have committed to ensure that 100% of their plastic packaging is reusable, recyclable or compostable, and averages 30% recycled content by 2025. To deliver on this commitment, the businesses have established a dedicated committee to coordinate work across the division and share details of new packaging innovations as they become available.

See our [2019 ESG Appendix](#) for more detailed information about packaging.

Delivery trucks 'backhaul' cardboard and plastic waste from more than 250 Primark stores to our central distribution centres for recycling.

Backing better packaging solutions

Many of our businesses are committed to reducing the environmental impacts of our packaging and using recyclable plastic packaging. However, we recognise that all stakeholders will need to work together to create the recycling infrastructure needed for a truly circular economy for plastics. Our businesses continue to support this ambition where appropriate, with:

- Allied Bakeries using bread bags that are recyclable at larger stores, and front-of-pack logos added on the biggest-selling products to encourage consumers to recycle;
- AB Sugar announcing that it will use only reusable, recyclable, biodegradable or compostable plastic by 2030 in one of the first statements of its kind in the sugar industry; and
- George Weston Foods, a member of the Australian Packaging Covenant Organisation, aiming to have 100% recyclable, reusable or compostable packaging by 2025 to help 'close the loop'.

While opportunities to use innovative, bio-based materials are limited, not least due to the strict regulations governing the materials that can be used in contact with food, we continue to explore potential new packaging solutions.

Quantity of packaging used
(‘000 tonnes)



Speedibake: backing off from black plastic

Black plastic trays help with food preservation but they are not recyclable due to the carbon pigment they contain. As many recycling centres cannot identify and sort black plastic, the 12 million black trays Speedibake used each year for its frozen garlic slices and garlic cheese slices have usually been sent to landfill.

By working closely with its customers, the company has now switched to a cloudy material – made from 50% recycled plastic – which can be recycled by around 75% of UK recycling centres. All but one Speedibake customer have now adopted the new trays.



Effective water management

From fields to factories, water is essential for our operations. It's also a vital resource that we share with the communities where we operate. Simply put, without a safe and secure supply of water, society – and therefore business – cannot thrive.

169
million m³
of water reused by our operations

Our businesses invest in initiatives to reduce water abstraction per tonne of product and increase their ability to reuse water for cleaning or cooling equipment or for irrigation before returning it to the environment.

We use tools such as the WWF Water Risk Filter Tool to assess our manufacturing sites against criteria such as water scarcity at a watershed level, water quality, legislative risks and reputational risks. Our operations in California, US, New South Wales, Australia, across China and across southern Africa have responded to water scarcity that has affected their direct operations or their suppliers. We also disclose our annual performance and approach through CDP's water report, and make these disclosures publicly available at www.cdp.net.

Our 2019 performance

In 2019, we withdrew 880 million m³Δ of water, which is a 5% increase compared with last year. Our Ingredients and Grocery businesses have reduced the amount of water entering their sites this year.

Total water abstracted
(million m³)



See our [2019 ESG Appendix](#) for more detailed data about water abstraction and reuse.

Water management in our Sugar businesses

Water abstraction in our Illovo Sugar businesses in southern Africa accounts for 96% of the group's total, and is used primarily for irrigation as well as factory processes and distribution to local communities. Illovo manages sugar cane estates totalling approximately 70,000 hectares of land, of which 82% is irrigated, with the rest rain fed. This means that our direct operational water footprint is significantly higher than businesses that purchase irrigated crops but do not manage the land directly.

5%
increase
in water abstracted

Facing more frequent and intense droughts over the last 20 years, Zambia Sugar has experienced a parallel increase in irrigation requirements. Aware of the need to maintain access to water for all, the site keeps within the water abstraction limits set by the local authorities. Under a supply agreement, water is transferred to local growers, as well as the local town of Mazabuka. This supply is prioritised and maintained during times of supply restrictions, with the site adapting to lower water use if necessary. Zambia Sugar has also improved the efficiency of its water equipment, replacing old water pumps and introducing drip irrigation technology, and is actively involved in the local stakeholder forum for the Lower Kafue water catchment.

We use a series of technologies to manage our water use in the field and in the factory, and are constantly looking for solutions to abstract less water and reduce our water footprint per tonne of product we produce. With sugar cane being 70% water, the company also uses all the water from the cane itself. In addition, we continue to return clean and potable water to rivers and reservoirs in Europe, while in our southern African operations we support communities having access to clean and safe water.

At British Sugar, equipment upgrades, investments in waste water treatment and reusing condensate water for cooling have helped to cut water usage by 26% since 2014, saving the equivalent of the average annual use of 2,000 homes.

Given the increasing scarcity of water in certain countries, our Sugar businesses are focused on exploring new ways to conserve it. Good management of water is a key component of AB Sugar China's Environment Policy. In the high-water-risk regions operated by AB Sugar China, for example, research has demonstrated that drip irrigation can cut water abstraction compared with conventional watering methods such as sprinklers. Additional benefits include preventing soil erosion and nutrient runoff as the water penetrates deeply into the soil around the root zone.

AB Sugar: Innovate Irrigation Challenge

To attract bold, new ideas to help deliver on its 2030 commitments, AB Sugar launched the [Innovate Irrigation Challenge](#) in 2019, alongside [WaterAid](#) and the University of Cambridge's [Centre for Industrial Sustainability](#). The challenge was open to any individual or team with a transformative idea to reduce water use and loss in irrigation and attracted inspiring entries from around the world.

Azucarera: preserving resources naturally

Five years ago, Azucarera launched a solar irrigation project in partnership with AIMCRA, a Spanish research association that seeks to improve sugar beet cultivation. The project aimed to reduce energy and water use among beet growers and has seen more than 80 solar water-pumping units installed across Spain.

AIMCRA developed and promoted the intelligent irrigation methodology, found thousands of growers to implement the

technology, organised visits to pilot sites and shared the technical information available with interested parties.

The programme has led to a 70% reduction in the amount of energy required for water pumping and a 20% decrease in water use.

Working with the EU Commission and the Spanish Institute of Photovoltaic Energy, the project has now been extended to Italy, Portugal and Morocco.

Westmill: supporting farmers in water-stressed areas

As a member of the UNEP [Sustainable Rice Platform](#), Westmill supports basmati rice farmers in water-stressed Pakistan, training them in water-efficient cultivation techniques to meet growing domestic and international demand. Our efforts form part of the multi-stakeholder Water and Productivity (WAPRO) Project, which aims to directly support 1,200 farmers by December 2021, and reach a further 10,000 people through the dissemination of water stewardship advice. After one year, water efficiency had already improved by 26%, yields had risen by 22% and net incomes were up by 67%.

Managing waste water

We return as much water as we can to natural watercourses by treating our waste water on-site or by using municipal treatment plants, meeting local quality standards and regulations.

All businesses monitor the oxygen demand of the waste water effluent their facilities discharge, to protect aquatic ecosystems and as a requirement of their environmental licences.

Over the last year, our businesses have invested just over £8m in effluent treatment plants and improvements in managing waste water.

Environmental compliance

In 2019, we received 51 environmental complaints, 13 fewer than last year. Most were associated with noise, dust and odour from our manufacturing sites. During the year we also received 14 environmental fines^Δ with a cost of £118,000^Δ which fell within the reporting year. These were largely due to the treatment of waste water, management of on-site waste, gas emissions and odour control.

We very much regret any inconvenience caused to our neighbours, and have addressed the non-compliance issues at relevant sites so that we meet the standards expected of us.

Illovo: improving water efficiency, drop by drop

In southern Africa, climate change is contributing to drought and water scarcity, reducing the security of supply for local communities as well as raw material supplies for Illovo.

The Sugar business' five-year water management plan focuses on stewardship, efficiency, quality, supply chain, community and profitability. It involves implementing drip irrigation and other technologies that produce better crop yields with less water, energy, nutrients and other inputs at the Ubombo estate in Eswatini (formerly Swaziland) and the Nchalo estate in Malawi.

Building on these successes, Illovo is looking at the feasibility of new drip irrigation technologies across its operations.



Stewarding biodiversity

Healthy biodiversity is vital to our work, particularly on the farms from which we source our key ingredients.

Our approach to biodiversity and natural resources

From soil health to sustainable pollination, biodiversity impacts our work in countless ways, and protecting ecosystem services can have a positive impact on production.

Some of our businesses directly support ecosystem conservation. For example, Jordans Ryvita Dorset's award-winning farm partnership model pays British farmers a premium for their crop in return for enhancing wildlife biodiversity on their land. Azucarera manages a lagoon near its factory in Jerez de la Frontera as a wetland habitat for protected bird species, while Illovo maintains natural vegetation surrounding its sugar cane fields to avoid impacting nearby conservation areas.

We also collaborate with several multi-stakeholder organisations on nature and biodiversity. For example, Primark is a member of the Cambridge Natural Capital Impact Group, through which we work to improve our understanding of our impact on biodiversity, soil and water.

Jordans Dorset Ryvita: nature-friendly farming

The [Jordans Farm Partnership](#) was created in 2016 and represents a unique collaboration between The Wildlife Trusts, Linking Environment and Farming (LEAF), The Prince's Countryside Fund and 37 British farms supplying oats, wheat and barley. Each farm has dedicated at least 10% of its land to supporting biodiversity, half of which is aimed at attracting pollinators through wildflower areas.

Experts from The Wildlife Trusts create bespoke Wildlife Plans with each farm, and implementation is independently audited and certified against the LEAF marque standard. Jordans' oat growers provide almost 4,600 hectares of habitat for farmland species like barn owls, brown hares, and bees and other essential pollinators.

Kilombero Sugar: helping create a new nature reserve

In 2019, the Kilombero Sugar Company relinquished more than 2,600 hectares of land in the Magombera Forest, Tanzania, to enable the government to create a new nature reserve.

The forest is a threatened area of tropical lowland, rich in biodiversity with unique flora and fauna. As well as endangered populations of red colobus monkeys and rare trees, it is also home to a recently discovered species of chameleon. The forest is vitally important for local communities, who depend on the adjacent land for rice and sugar farming. Without the forest, this important agricultural region would be under serious threat from floods and soil erosion.

In a first for forest conservation in Tanzania, the new reserve's tourist entrance fees will go both to local communities and to the government's managing authority.

"Given that the forest is home to many endangered species and to other plants and animals not found anywhere else in the world, and the fact that its continued existence was under threat from poachers and illegal tree cutters who used the wood to make charcoal, we decided to play our part by agreeing to relinquish a section of our estate to allow it to become part of the globally unique Magombera Forest ecosystem."

Guy Williams, Managing Director, Kilombero Sugar



Mitigating deforestation risks in commodity sourcing

In buying a wide range of commodities – some in substantial volumes – we support farming and harvesting practices that protect and preserve the environment. And where we identify potential risks to the natural world, such as deforestation, we seek to mitigate or remediate them.

Palm oil

Palm oil, palm kernel oil and its derivatives are extremely versatile vegetable oils, used in food as well as household products. Palm is the highest-yielding vegetable oil crop, which makes it very efficient, needing less than half the land required by other crops to produce the same amount of oil.

We have been a member of the [Roundtable on Sustainable Palm Oil \(RSPO\)](#) since 2010, and are a low palm consumer compared to other global food and beverage businesses, with just 63,435 tonnes of consumption. The diversity of the group and the versatility of palm oil means that the ingredient is utilised in several businesses, including consumer brands as well as agricultural feed.

Our palm consumption:

- We purchase palm oil, as well as palm kernel oil, other palm-based derivatives and products containing palm oil as an input. To facilitate the availability of clear and transparent information, our reporting covers all palm-related consumption, including palm kernel oil, other palm-based derivatives and products containing palm input, not just straight palm oil.

Jordans Dorset Ryvita/AB Agri: leading on responsible palm oil purchase

Jordans Dorset Ryvita first joined the RSPO in 2006, just two years after the organisation was established. Since 2010, the business has sourced 100% physically certified segregated palm oil, making it an early mover in transforming its certified sustainable palm sourcing approach. To communicate the message to consumers, the RSPO trademark has featured on a number of Jordans' cereal packs since 2012.

Our AB Agri business is leading the animal feed sector by covering the majority of its palm oil consumption through the RSPO Book and Claim method, with the remainder of its volume supplied as physically certified Segregated input. This is a rare exception in the animal feed sector, due to the low margins involved and the lack of customer demand for physically certified material in animal feed.

- Over 68% of the palm we purchase comes from other palm-based derivatives and products containing palm input, which often have a more complex supply chain than palm oil, and are therefore more challenging to source as physically certified.
- In 2015, we met our commitment to source 100% of our palm-related consumption through supply models recognised by the RSPO, including Book and Claim, Mass Balance and Segregated, which has been continued each year since.
- Within this 100% RSPO-recognised consumption, we currently source 24% of our palm consumption from more stringent physically certified sources, known as Mass Balance or Segregated.

Certifying our manufacturing sites to RSPO standards means that we have established controls to assure our supply chain for our end customers and consumers, giving them confidence in the sustainable origin of the materials. It also supports the wider ambition to increase certified sustainable palm demand.

To date, 29 of our manufacturing sites in nine countries have been RSPO Supply Chain Certified (SCC).

The higher cost associated with physically certified sustainable palm means that customers must be willing to pay the additional premium for products. In regions where incomes are higher or the awareness levels related to the deforestation risks associated with oil palm production are more developed, there is greater willingness from customers to pay this premium. As such, our European-based Grocery businesses have achieved 100% physically certified sustainable palm inputs since 2017.

We acknowledge that our journey is not complete and are working hard to increase consumption of physical certified material and the number of RSPO SCC sites.

We also disclose our annual performance and approach through CDP's forestry report, and make our disclosures publicly available via the CDP website at www.cdp.net.



Soya

Around three-quarters of the world's soya – a concentrated source of protein – is fed to animals as soybean meal and global demand is growing; 362 million tonnes were produced in 2018/19, putting pressure on land, communities and ecosystems. Aware of the reputational and supply risks concerned with soya and growing interest in the deforestation associated with the complex supply chain for this commodity, our businesses are increasing their purchases of responsibly sourced soya and leading others in their industries to support its use.

AB Agri is committed to sourcing 100% of its soya, palm oil and palm oil derivatives from certified responsible sources by 2024.

Chemical management in the supply chain

In line with Primark's stringent chemical requirements, we are working with our suppliers to phase out certain chemicals deemed hazardous from our supply chain, replacing them with suitable alternatives. At Primark, for example, this work has been supported by 4,545 hours of workshops and on-site training on environmental issues, including chemicals.

To give sugar suppliers science-based information on using fertilisers, AB Sugar China launched the More from Less Fertiliser initiative in 2018. By the end of 2019, all its large growers (representing around 90% of its total growing area) will have access to this new, free soil testing and fertiliser advice service. Demonstration plots are also used to show growers that lower fertiliser use reduces costs and environmental risks without adversely affecting crop quality or yields.

AB Agri: sourcing soya more responsibly

The supply chain for soya is complex but AB Agri has committed to responsibly sourcing all its major feed ingredients, including soya, by 2024. As an active member of the UK Roundtable on Sustainable Soya, the company supports its customers to meet the growing demands for livestock products produced using responsibly sourced ingredients.

Its approach focuses on:

- **Metrics:** ensuring feed ingredient decisions are based on sound environmental evidence. AB Agri helped to create the EU Feed Product Environmental Footprint Category Rules (PEFCR), for which it conducted one of five pilot projects, and the European Feed Manufacturers' Federation (FEFAC) database of environmental impact data for ingredients, now being used by the European Commission;
- **Collaboration:** actively working with suppliers, peers, customers and retailers to benchmark soya supplies, and encourage the use of more sustainably sourced materials; and
- **Innovation:** developing cost-effective, responsibly produced alternatives to imported soya such as NovaPro, a rapeseed-based protein for dairy and beef livestock, and Protocell, a yeast-based protein derived from cereal processing.

Currently, 67% of the soya AB Agri buys in the UK for its ABN feed mills meets the [FEFAC](#) benchmark for responsibly sourced soya.



Improving animal health and welfare

High standards of animal health and welfare are essential in all modern food producing systems. We believe that the animals in our supply chain should be treated with compassion and respect, in line with internationally recognised standards.

Only a few of our businesses have direct involvement with animals. Several others purchase eggs, meat, fish and dairy products as key materials and ingredients; source textiles derived from animals; or, like AB Agri, sell nutrition products and services to the livestock industry.

Where health and welfare are relevant to a business unit, it must – as a minimum – adopt the [Associated British Foods plc Animal Health and Welfare Policy](#). Launched in November 2018, this is guided by the internationally recognised [Five Freedoms](#). AB Agri has its own [Animal Health and Welfare Policy](#).

AB Agri: nutrition innovation to support healthier livestock

Stimulating a beneficial gut microbiome is an emerging strategy for improving animal performance and supporting animal health. One of AB Vista's new products, Signis, 'trains' the gut microbiome to degrade fibre more efficiently, improving the animals' ability to digest nutrients.

Primary Diets has also developed the XP range of diets. These are designed to support piglets through post-weaning diarrhoea in the absence of prescribed levels of zinc oxide (ZnO), which is being withdrawn due to environmental concerns. The nutrition in the XP diets aims to promote a healthy gut barrier and optimum gut function.

We are committed to purchasing more cage-free eggs, in line with customer and supplier expectations, and our pig farms, owned by the Don brand in Australia, are sow stall-free. We are also enhancing the housing and enrichment provided to our pigs.

Our nutritional products for livestock are designed to provide the specific nutrients for animal growth and positively impact on animal health. In line with this, we are innovating to develop new products that contribute to reducing the need to use antibiotics.

[Read AB Agri's statement on antimicrobial resistance.](#)

A longer animal health and welfare statement, which also outlines our position on animal testing, can be found in the [2019 ESG Appendix](#).

Primark: keeping cosmetics cruelty-free

Primark is proud to be cruelty-free: none of the ingredients in its own-brand cosmetics, including all make-up, skincare and haircare products, are tested on animals. This status was recognised in 2018 with certification from [Leaping Bunny](#), the leading marque for non-animal-tested products.

Primark's technical experts have worked with [Cruelty Free International](#) to demonstrate that none of the 7,000 ingredients in more than 2,500 products were subject to animal testing at any stage. This will help customers to make informed, ethical purchasing decisions.

Building on this, in May 2019, the company launched its PS...Festival cosmetics. As well as being certified cruelty-free, the collection uses an eco-friendly alternative to traditional glitter made from eucalyptus trees, grown in responsibly managed plantations certified by the Programme for the Endorsement of Forest Certification (PEFC).



Independent Assurance statement to the Directors of Associated British Foods

We have performed a limited assurance engagement on selected performance data and statements presented in the Associated British Foods plc 2019 Responsibility Report, the ESG Appendix Report and the Annual Report and Accounts 2019 (collectively referred to as “the Report”).

Respective responsibilities

Associated British Foods’ management is responsible for the collection and presentation of the information within the Report. Associated British Foods’ management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement, whether due to fraud or error.

Our responsibility, in accordance with our engagement terms with Associated British Foods’ management, is to carry out a ‘limited level’ assurance engagement on Selected Data and performance claims in the Report (“the Subject Matter Information”). The Subject Matter Information in the scope of the EY assurance has been indicated with a Δ symbol in the Report. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

Our assurance engagement has been planned and performed in accordance with the International Standard for Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, and to meet the requirements of a Type 2 assurance engagement as defined by AA1000 AccountAbility Assurance Standard (AA1000AS, 2008)¹ with 2018 Addendum (AA100AP, 2018)². The AA1000AP (2018) assurance principles of Inclusivity, Materiality, Responsiveness and Impact have been used as

criteria against which to evaluate the content of the Report and Associated British Foods’ notes, definitions and methodology in the ESG Appendix as criteria to evaluate the Selected Data defined below.

Summary of work performed

The procedures we performed were based on our professional judgement and included the work-steps below:

- Interviewed a selection of Associated British Foods’ executives and senior managers** to understand the current status of Corporate Responsibility (CR) and Health, Safety and Environment (HSE) activities and progress made during the reporting period of 1st August 2018 to 31st July 2019.
- Reviewed selected documents** including Board agendas and presentations, ESG analyst reports and other documents to assess management awareness of CR and HSE issues, review CR and HSE progress, and to test the coverage of topics within the Report.
- Reviewed Associated British Foods’ approach to stakeholder engagement** through interviews with employees with responsibility for managing engagement activities at Group and selected businesses.
- Conducted site visits and desktop reviews** for 12 Associated British Foods businesses to review local-level CR initiatives, stakeholder engagement and to review local-level HSE performance, data collection processes and controls and to test back to underlying source evidence.
- Performed detailed data testing on selected Group and Business Segment HSE data (“Selected Data”).** The work-steps performed included:
 - Reviewing the disaggregated HSE data for a sample of businesses within each of the five strategic business segments (Retail, Sugar, Grocery, Ingredients and Agriculture) back to source evidence.

- Assessing whether the HSE data has been collected, consolidated and reported appropriately at a Group and Business Segment level in line with Associated British Foods’ reporting guidance.

- Reviewed Associated British Foods’ processes for determining material issues** to be included in the Report.

- Reviewed the coverage of material issues within the Report** for the reporting period against the key issues raised by Associated British Foods’ stakeholder engagement activities, material issues and areas of performance covered in external media reports, and the topics discussed by the Board and senior management as identified in previous work-steps.

- Reviewed information or explanations about the Report’s data, statements and assertions** regarding Associated British Foods’ CR and HSE performance.

The above work-steps were carried out in relation to the HSE KPIs in the table below.

Selected data subject to detailed review in the Report

- Number of work-related deaths to employees
- Number of work-related deaths to independent contractors as a result of Associated British Foods’ work activities
- Number of Lost Time Injuries (LTIs) to employees
- Number of Lost Time Injuries (LTIs) to contractors as a result of Associated British Foods’ work activities
- Number of health and safety fines against sites
- Cost of health and safety fines received
- Number of environmental fines against sites
- Cost of environmental fines received
- Energy consumption (GWh) consisting of electricity imported, natural gas used, coal and anthracite used, heavy fuel oil used, renewable fuel (bagasse, residue and wood) and imported steam used.

- Greenhouse gas emissions (Scope 1, 2 and 3) (tCO₂e) consisting of energy consumption inputs, process emissions, transport emissions and agricultural emissions
- Total volume of water used (m³)
- Quantity of non-hazardous waste sent for disposal (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 for the containment, protection, handling, delivery and presentation of goods (tonnes)

Limitations of our review

Our evidence gathering procedures were designed to obtain a ‘limited level’ of assurance (as set out in ISAE3000 Revised and defined by AA1000AS 2008 Type 2 assurance engagement) on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement (such as a financial audit) and, therefore, a lower level of assurance is provided.

The scope of our engagement was limited to the reporting period of 1st August 2018 to 31st July 2019 and did not include an assessment of performance information relating to prior reporting periods.

¹ Type 2 moderate level assurance: an engagement in which the assurance provider gives findings and conclusions on the principles of Inclusivity, Materiality and Responsiveness and verifies the reliability of specified sustainability performance information (AA1000AS (2008) Standard). For further information see www.accountability.org/standards/.

² The 2018 Addendum (AA1000AP) serves as a guiding framework of principles for sustainability management rather than a (prescriptive) standard and introduces a fourth, overarching principle — Impact — that supports results-based management and accountability. For further information see www.accountability.org/standards/.

We have not sought any supporting evidence for data that has been sourced from Associated British Foods' Annual Report and Accounts.

We have not provided assurance over claims made by Associated British Foods that are statements of belief or forward looking in nature.

Completion of our testing activities has involved placing reliance on Associated British Foods' controls for managing and reporting HSE information, with the degree of reliance informed by the results of our review of the effectiveness of these controls. We have not sought to review systems and controls at Associated British Foods beyond those used for HSE data.

The responsibility for the prevention and detection of fraud, error and non-compliance with laws or regulations rests with Associated British Foods' management. Our work should not be relied upon to disclose all such material misstatements, frauds, errors or instances of non-compliance that may exist.

Our conclusions

Based on the scope of our review our conclusions are outlined below:

Inclusivity

Has Associated British Foods been engaging with stakeholders across the business to develop its approach to sustainability?

- We are not aware of any key stakeholder groups which have been excluded from engagement.
- We are not aware of any matters that would lead us to conclude that Associated British Foods has not applied the inclusivity principle in developing its approach to sustainability.

Materiality

Has Associated British Foods provided a balanced representation of material issues concerning its sustainability performance?

- We are not aware of any material issues raised in our review of media and Board papers which have been excluded from the Report.

- Nothing has come to our attention that causes us to believe that Associated British Foods' management has not applied its processes for determining material issues to be included in the Report.

Responsiveness

Has Associated British Foods responded to stakeholder concerns?

- We are not aware of any matters that would lead us to conclude that Associated British Foods has not applied the responsiveness principle in considering the matters to be reported.

Impact

Has Associated British Foods monitored, measured and showed accountability for how their actions affect their broader ecosystems?

- We are not aware of any matters that would lead us to conclude that Associated British Foods has not applied the impact principle in considering the matters to be reported.

Completeness and accuracy of performance information

How plausible are the statements and claims relating to HSE within the Report?

- We have reviewed information or explanations on selected statements on Associated British Foods' sustainability activities presented in the Report, and we are not aware of any misstatements in the assertions made.

How complete and accurate (in line with Associated British Foods' reporting guidance) is the 'Selected Data' presented in the Report?

- With the exception of the limitations identified in the Report, we are not aware of any material reporting units (as defined by Associated British Foods) that have been excluded from the Selected Data.
- Nothing has come to our attention that causes us to believe that the Selected Data has not been collated properly at a Group or Business Segment level.
- We are not aware of any errors that would materially affect the Selected Data as presented in the Report.

Observations and areas for improvement

Our observations and areas for improvement will be raised in a report to Associated British Foods' management. The observations below do not affect our conclusions on the Report set out earlier in this statement.

- Associated British Foods has continued to disclose its climate-related risks and provided more qualitative disclosures in this year's reporting. To meet growing stakeholder expectations on this issue and better align to the Task Force on Climate-Related Financial Disclosures Recommendations, Associated British Foods should seek to strengthen its quantitative disclosures on businesses' exposures to climate related risks and opportunities under different scenarios.
- We have identified instances where Associated British Foods' safety and environment data review processes at a site and company level were not always successful in identifying errors before the year-end submission to Group, particularly for some HSE KPIs (e.g. transport emissions, waste, tonnes of product). Whilst these errors were ultimately corrected before publication, data accuracy and review processes continue to be areas of focus for the Group. Associated British Foods should consider further refinement to the group-wide reporting guidance, as well as targeted engagement with businesses, where material errors have been repeatedly identified across reporting years, to ensure consistency and accuracy of reporting against these KPIs.
- In 2019, Associated British Foods has structured the report in three sections (People; Society and Supply Chains; and Environment) to discuss performance and progress across issues that are material for its businesses and stakeholders. This shift in reporting structure allows a much clearer view of impact (on p. 2 "Our Positive Contribution") and progress made against the Sustainable Development Goals (SDGs) (on p. 8 "Supporting the UN Sustainable Development Goals"). However, in our review against the 'Impact' principle of AA1000 we observed that

Associated British Foods reports mostly qualitative disclosures in relation to people and society, and, where quantitative metrics are used, they are primarily input or output based (e.g. hours of training delivered, number of meals delivered). Consideration should be given to possible future outcome-based metrics (e.g. improved health / livelihoods) to demonstrate better the impact on society, its people and broader ecosystems.

Our independence and competence

We have implemented measures to comply with the applicable independence and professional competence rules as articulated by the IFAC Code of Ethics for Professional Accountants and ISQC1³. EY's independence policies apply to the firm, partners and professional staff. These policies prohibit any financial interests in our clients that would or might be seen to impair independence. Each year, partners and staff are required to confirm their compliance with the firm's policies.

We confirm annually to Associated British Foods whether there have been any events including the provision of prohibited services that could impair our independence or objectivity. There were no such events or services in 2018-19.

Our assurance team has been drawn from our global Climate Change and Sustainability Services Practice, which undertakes engagements similar to this with a number of significant UK and international businesses.

**Ernst & Young LLP
London, 5th November 2019**

³ Parts A and B of the IESBA Code; and the International Standard on Quality Control 1 (ISQC1)

Associated British Foods plc

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