

GROUP BUSINESS MODEL

OUR GROUP

The group is organised into five business segments:



THE ROLE OF THE CORPORATE CENTRE

Offers a framework in which our business leaders have the freedom and decision-making authority to pursue opportunities with entrepreneurial flair.

The corporate centre is small and uses short lines of communication to ensure prompt, incisive and unambiguous decision-making. It provides specialist resources including:



OUR BUSINESSES

This enables our businesses to focus on what they do best:



OUR STAKEHOLDERS

Which helps us to deliver value for our stakeholders by:



OUR VALUES

Underpinning our business model are our values:



A DIVERSIFIED INTERNATIONAL GROUP

Group operating model

At Associated British Foods we believe our purpose is to provide safe, nutritious, affordable food and clothing that is great value for money.

The group has operations in 53 countries and includes more than 40 consumer brands, some of which have sales into more than 100 countries. The businesses are organised into five segments of: Grocery, Sugar, Agriculture, Ingredients and Retail. These five business segments bring together businesses with common industry expertise, operational capability and market knowledge.

Operational decisions are made locally, because in our experience, they are most successful when made by the people who have the best understanding of their customers and their markets and who will implement the plans.

The group, or corporate centre, provides a framework in which our business leaders have the freedom and decision-making authority to pursue opportunities with entrepreneurial flair. This ensures decision-making stays close to the markets and customers, resulting in effective, innovative business solutions.

The centre is small and uses short lines of communication to ensure prompt, incisive and unambiguous decision-making. This ensures the business activities are appropriately monitored and supported.

Group strategy

We believe that taking a long-term view creates long-term value – for our shareholders, business partners, employees and the communities in which we operate. Our strategy is to achieve sustainable growth over the long term and the group balance sheet is managed to ensure long term financial stability, regardless of the state of the capital markets.

Capital funding is made available to all of our businesses where returns meet or exceed clearly defined criteria.

The group focuses on strategic engagement with the businesses, and disciplined budget and capital allocation and monitoring.

We facilitate collaboration across the businesses and provide specialist resource in central areas such as legal, IT, finance, property, treasury, tax and insurance. The group also invests in selected value-added capabilities to support the businesses, such as talent management and development, procurement, health and safety and transaction execution.

This approach enables the businesses to focus on what they do best – running their operations and serving their customers.

Growth

The group takes a long-term approach to investment and is committed to increasing shareholder value through sound commercial and responsible business decisions that deliver steady growth in earnings and dividends. We aim to operate in a sustainable, ethical, efficient and safe manner.

While we have grown by acquisition, much of our growth has been organic. Organic growth is achieved through investment in marketing, the development of existing and new products and technologies and in targeted capital expenditure to improve efficiency and expand capacity.

Acquisitions are made to complement existing business activities and to exploit opportunities in adjacent markets or geographies.

Our people, culture and values

We build and develop strong management teams, to whom we give high levels of accountability and trust. This enables us to operate a largely devolved structure in which each business has the freedom to develop strategy and deliver against their plans. In turn, it generates high motivation and fosters an entrepreneurial mindset.

We pride ourselves on being a first-class employer and we work actively to develop our talent and create opportunities for employee progression. As a result, people tend to stay with the group for a long time and build exciting careers.

Across all of our businesses, we live and breathe our values through the work we do every day, from investing in the health and safety of our colleagues, promoting diversity and respecting human rights. Our values are: respecting everyone's dignity; acting with integrity; progressing through collaboration; and pursuing with rigour.

For more detail please refer to page 70 in this report or our 2020 Responsibility Update.