



WELCOME

to our 2020 Responsibility Update

Our purpose has helped us get through a year like no other.

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

2020 has been an unprecedented year, and the personal cost associated with the COVID-19 outbreak has been terrible. Our employees, customers, suppliers and communities were all put under enormous pressure by the pandemic and although some uncertainty remains, our group has proved to be strong and resilient.

We're incredibly proud of the flexibility, commitment and determination of our people, from our food businesses significantly increasing production to meet unprecedented demand to our Retail division, where all Primark stores were forced to close. However, together, we went above and beyond the call of duty to provide for our customers and mitigate the impacts on our supply chains.

In this report, you can find out how our culture has carried us through this challenging time and our activities have helped to support our people, contribute to our communities and make the world a better place.

Contents

2

Overview

- 3 A message from our Chairman and Chief Executive
- 4 Making a positive contribution
- 5 Our breadth is one of our greatest strengths
- 6 Staying true to what's important
- 7 Our approach: doing the right thing
- 8 Supporting global goals

9

Investing in our people

- 10 Health and safety
- 16 Diversity and inclusion
- 19 Employee engagement and development

23

Supporting society and strengthening our supply chains

- 24 Human rights and labour rights
- 33 Healthy and safe products
- 37 Local economies and communities

41

Respecting the environment

- 42 Climate change mitigation and adaptation
- 47 Natural resources and the circular economy
- 53 Biodiversity and healthy ecosystems
- 57 Animal health and welfare

58

Assurance statement

Additional online information

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



[Our previous responsibility reports and updates](#)



[Our Modern Slavery and Human Trafficking Statement 2020](#)



[Our 2020 ESG Appendix](#)

Our culture carried us through...

From Michael McIntock

To say that this has been an extraordinary year would be something of an understatement. The rapid spread of COVID-19 across the globe has affected everyone in ways that we could not have imagined a year ago.

Our four groupwide values – acting with integrity, respecting everyone's dignity, progressing through collaboration and pursuing with rigour – have proved to be critical in determining our responses to the challenges posed by COVID-19. The strong culture of the group, which has been established and then embedded in each of our businesses over many years, provided the firm foundation for the ways in which decisions were implemented.

The strength of our culture shone through this year and I am proud to be able to represent such a group.

Our operating model of devolved decision-making to each business and market enabled us to respond very quickly and most appropriately to local challenges. The responses are a testament to the dedication, skills and ingenuity of our people. Most of our employees have had to adapt to new ways of working and on top of that many found the time to support important community work. I will never be able to thank all of them enough for their extraordinary efforts during this time.



Michael McIntock
Chairman



From George Weston

Our financial performance this year more than ever demonstrates the resilience of the group. This comes from the strength of our brands, the diversity of our products and markets, our geographic spread, conservative financing and an organisation design that permits fast and flexible decision-taking.

All of our people demonstrated care, good judgement and immense hard work. At the time of our half year we had lost two of our employees to COVID-19. Now we have lost nine. We mourn them all.

With fewer people working on site in our factories, stores and offices – due to isolation, shielding or social distancing measures – our employees worked together to find solutions, meet increased customer demand and deliver for our stakeholders in the year.

I am proud of how our people have responded to the many challenges presented by COVID-19 this year, and as I said in April, it is the finest thing I have seen in a career in business.



George Weston
Chief Executive



Making a **positive contribution**

Our businesses aim to make a lasting contribution to society. During this most difficult time, we have endeavoured more than ever to make a positive impact where we can. 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.

133,425

people employed

£46m

invested in safety risk management

53%

of our total workforce and 37% of our senior management are women

1.3 million

hours of training benefitting our employees



Supporting society and strengthening our supply chains

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.

6,952

hours of social and environmental training delivered to Primark suppliers

475,000

people's lives improved by the Twinings' Sourced with Care programme

2.6 million

meals provided through surplus food donations to food banks

3,234

audits of supplier factories by Primark in 2019



Respecting the environment

We work hard to reduce greenhouse gas (GHG) emissions, use natural resources efficiently, and promote ecosystems, biodiversity, and animal health and welfare.

55%

of the energy we used came from renewables

84%

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

25%

of total water abstracted was reused before being returned to the environment

£25m

invested in environmental risk management



For more information on our 2020 performance, definitions and calculation methodologies, see our [ESG Appendix](#).

Our breadth is one of our greatest strengths

Since our foundation as a bakery business in 1935, we have evolved into a diversified international food, ingredients and retail group. We have more than 133,000 employees and operations in 53 countries across Europe, southern Africa, the Americas, Asia and Australia. Our decentralised structure has businesses operating in five strategic business segments. This breadth has been a key factor in our ability to weather the challenges associated with the COVID-19 outbreak.



GROCERY

Household food brands enjoyed all over the world

Twinings and Ovaltine

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

Europe and international

Our portfolio of recognised grocery brands includes Mazzetti balsamic vinegars, Jordans and Dorset cereals, Ryvita crispbread, Kingsmill bread, Patak's and Blue Dragon cooking sauces and pastes, as well as 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. Anthony's Goods produces specialty baking ingredients, supplements, superfoods and other functional snacks primarily for online consumers and the organic market.

Australia

We produce ham, bacon and smallgoods under the DON and KRC brands. Tip Top Bakeries produce a range of well-known breads and baked goods. Yumi's produces hommus, vegetable dips and snacks.



SUGAR

A world-leading sugar business focused on excellence

Europe

Our UK beet sugar factories typically produce well over 1 million tonnes of sugar annually. Azucarera in Spain produces beet sugar from its factories in the north and south, and also refines sugar from cane raws at its refinery in the south.

South 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 more than 180,000 tonnes.



AGRICULTURE

Products and services for the agri-food industry

AB Agri

AB Agri manufactures animal feed, nutrition- and technology-based products and services for the agri-food industry. It operates all along the food, drink and biofuel industry supply chains.

It produces and supplies compound animal feed, feed enzymes, specialised feed ingredients and a range of value-added 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

Yeast, bakery and specialty ingredients supplied globally

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

Quality fashion at value-for-money prices

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, Poland and the US.

It prides itself on offering something for everyone and has a wide selection of products available for women, men, kids, the home, health and beauty, and gifting.

Primark's store environment plays an important part in inspiring its customers. Developing the in-store experience has been a key enabler in differentiating Primark from its competitors. Its strategy is clear – bring the same amazing value to 'services' as it does with fashion. Many of its stores now have free wifi and trend rooms and, in the UK, Ireland, Spain and Portugal, a number of stores have coffee shops, food and beverage offerings and beauty concessions, which add to the customer experience.

Revenue	Adjusted operating profit
£3,528m	£437m
2019: £3,498m	2019: £381m

Revenue	Adjusted operating profit
£1,594m	£100m
2019: £1,608m	2019: £26m

Revenue	Adjusted operating profit
£1,395m	£43m
2019: £1,385m	2019: £42m

Revenue	Adjusted operating profit
£1,503m	£147m
2019: £1,505m	2019: £136m

Revenue	Adjusted operating profit
£5,895m	£362m
2019: £7,792m	2019: £913m



For more information on our 2020 performance, see our [ESG Appendix](#) and our [Annual Report and Accounts](#).

Staying true to **what's important**



WE ARE PURPOSE DRIVEN

Our purpose is to provide safe, nutritious, affordable food and clothing that offer great value for money. In doing these things well, we know we are helping to make millions of people's lives better. Being a purpose-driven business has helped us get through 2020, a year like no other.



WE ARE COMMITTED

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. This was never more important than in 2020, when our businesses were put under enormous pressure but rose to the challenge.



WE LIVE OUR VALUES

Our people live and breathe our values through the work they 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.

Throughout this report we feature exceptional examples of our employees living these values, to go above and beyond the call of duty during an unprecedented year.

We have consolidated and distilled the different values expressed by our individual businesses as follows:

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.

Pursuing with rigour

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

WE ARE FOCUSED

During what has been a uniquely challenging year, our focus areas have steered our efforts to support our people and keep them safe, contribute to the communities in which we operate, and make the world a better place.

Responsibility at Associated British Foods

PEOPLE	SOCIETY & SUPPLY CHAINS	ENVIRONMENT
<ul style="list-style-type: none"> • Health and safety • Diversity and inclusion • Employee engagement and development 	<ul style="list-style-type: none"> • Human rights and labour rights • Healthy and safe products • Local economies and communities 	<ul style="list-style-type: none"> • Climate change mitigation and adaptation • Natural resources and circular economy • Biodiversity and healthy ecosystems • Animal health and welfare

We also use these focus areas to structure how we report our performance and progress against the issues that are material for our businesses and our stakeholders. Although distinct for the purposes of communication, these topics are related and interdependent.

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

Our approach: doing the right thing

Quite simply, acting with responsibility is the right thing to do and this approach has carried us through a year like no other in 2020. With today's business environment being so dynamic and unpredictable, we need to identify and manage our current challenges and potential risks. To help us, 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 Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)). As part of this, EY provided limited assurance over the reliability of 17 key performance indicators (KPIs) for the year ending 31 July 2020. These are marked with the symbol 'Δ' on the relevant pages.

Rising to the challenges associated with the travel restrictions imposed by the COVID-19 lockdown, the EY team conducted their assurance processes remotely.

See our [assurance statement](#) on page 58.

Managing key risks

With operations in 53 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. This was particularly important during 2020, with the impact of the global pandemic on our people, operations, supply chain and neighbours.

We have systems, processes and resources in place that enable us to manage a wide range of financial and non-financial issues, and the chief executives of each business submit mitigation plans that are reviewed annually by the Associated British Foods board.

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).

Read more about our risk management, remedies and grievance mechanisms in our [ESG Appendix](#) and our [Annual Report and Accounts](#).

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;
- investors and ESG research agencies;
- media;
- 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 publish data and detailed explanations of our management of climate, water and deforestation risks and 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.

Responsible sourcing: To source the ingredients they use in an ethical and sustainable way, Twinings co-founded the Ethical Tea Partnership (ETP), while the Silver Spoon Company and AB Agri are members of the Sustainable Vanilla Initiative and the UK Roundtable on Sustainable Soya respectively. In addition, 27 of our manufacturing sites in ten countries have been Roundtable on Sustainable Palm Oil (RSPO) Supply Chain Certified (SCC).

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 in 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 all cases, allegations are assessed and appropriate action taken where required.

In the year to June 2020, 136 notifications were received, of which:

- 28% were resolved, with outcomes ranging from reviews of processes and support for individual employees to, where necessary, termination of contracts;
- 40% were unsubstantiated and required no action; and
- 32% remain under investigation.

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

Supporting global goals

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

Five 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 our 2019 Responsibility Report. This was used to rate our overall contribution to each goal and target with a high, medium or low relevance score.

The impact of COVID-19 on the SDGs

During 2020, the need for progress towards the SDGs came into even sharper focus with the COVID-19 pandemic, which is having a profoundly negative effect on sustainable development efforts around the world. The global economic slowdown will adversely impact the implementation of the SDGs, with impacted food production and distribution (SDG 2: Zero hunger), a renewed focus on the importance of handwashing (SDG 6: Clean water and sanitation), school closures (SDG 4: Quality education) and restricted business activities impacting employment and income (SDG 1: No poverty). Even positive impacts on the environment, such as lower GHG emissions and less pollution due to travel restrictions during lockdown, are likely to be short-lived.

More than ever before, the global community needs to cooperate to see this crisis through. We've continued to play our part in many ways, by keeping our operations running, keeping nations fed and changing working practices to keep our people safe.

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 food products to food banks
- 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
- 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](#).

INVESTING IN OUR PEOPLE

Our amazing people are central to our success, and they all went the extra mile to provide for our customers during the COVID-19 outbreak. The importance we place on their safety and wellbeing has never been more of a priority than during the difficult circumstances we have all faced this year. We also aim to cultivate a diverse and inclusive working environment where everyone's dignity is respected, there are equal opportunities to progress and people are empowered to fulfil their potential.

LIVING OUR VALUES

We respect the **dignity** of our people, expect them to act with **integrity** at all times, and help them strive for improvement with **rigour** and dedication. With the **collaboration** of our people around the world, we can make Associated British Foods a safer, fairer and more rewarding place to work.

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

Sustainable Development Goals

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



In this chapter

- 10 Health and safety
- 16 Diversity and inclusion
- 19 Employee engagement and development



Health and safety

The health, safety and wellbeing of our employees, contractors and anyone involved in our activities is a priority to us and, given the global COVID-19 pandemic, it has never been more so. All our businesses invest in improving processes and raising standards, and we encourage and empower our people to report concerns and take action so that everyone feels safe at work. This philosophy came into its own this year when many took urgent action, introducing procedures to meet the increased demand for food and sharing these learnings for all our businesses to benefit from them.

Our approach to health and safety

Our strong safety culture means we work continuously towards our ambitions of zero harm in the workplace, zero fatalities and ongoing improvement in our safety performance.

During the COVID-19 outbreak, the health and wellbeing of our employees and customers came into even sharper focus. We worked hard to put systems and equipment in place to protect all those working in our facilities, depots and transport networks, including strict social distancing protocols, personal protective equipment (PPE) and increased cleaning regimes.

As standard, all our businesses must comply with Associated British Foods' [Health and Safety \(H&S\) Policy](#), while many supplement this with additional policies of their own, in recognition of the different risks they face. The Group Safety and Environment Manager provides the board with updates on safety trends and key performance indicators (KPIs), supplemented by updates from the divisions. When required, additional safety briefings are provided to the board with action plans.

We focus our safety efforts in four key areas: providing strong leadership from senior management; identifying and focusing on activities with the highest risk of injuries; supporting line managers with expert guidance from safety specialists; and actively involving employees in their own safety. Contractors are increasingly involved in safety management too and we include their safety performance data in our annual reporting.

We have many programmes that encourage our people to take responsibility for keeping themselves and their colleagues safe, and tailored action plans to reduce the risk of injuries and incidents. Across the group, the key risks we face are moving vehicles interacting with people; falls from height; safe use of machinery; storage and

handling of hazardous materials; manual handling of heavy and awkward loads; and managing contractors.

AB Sugar's new safety reporting and management system promotes high standards of health, safety and environment (HSE) and food safety, drives employee engagement and improves the efficiency of administrative tasks across all its operations. The system also provides common definitions to help align and improve HSE standards and promote easier performance reporting.

More detail about our approach and performance can be found in our [ESG Appendix](#).

Our safety performance

Loss of life in our operations is entirely unacceptable and we are deeply saddened to report three work-related fatalities this year^Δ: an Azucarera contractor maintaining heavy machinery in Spain and two employees working for Illovo in Tanzania and Mozambique. One employee was crushed by a falling wall as a result of a vehicle reversing and the other was a security guard fatally attacked by a criminal gang.

Following these tragic events, our first priority was to support the families and colleagues of those who died. We investigate all fatalities and serious accidents thoroughly, share the learnings with all our operations and take

remedial action where possible to minimise the risk of such events recurring.

In 2020, 74% of our factories and retail operations achieved a year's operation without a single Reportable Injury (RI). RIs among employees fell by 47% to 306 this year, which equates to 0.32% of our employees having an RI.

Lost Time Injuries (LTIs) among employees decreased by 40% to 406.^Δ This equates to an LTI rate of 0.42% of staff experiencing an injury that resulted in time off work – an annual reduction of 35%. A total of 377 factories and retail operations (66%) went without an employee LTI this year.

For contractors, the annual LTI rate was 0.18%, a 6% decrease in the rate compared with 2019.

Over recent years, our retail division has invested time and resources to improve its safety performance, led by strong leadership, the implementation of effective processes and by embedding a safe working culture. The significant improvement in the group's overall safety performance this year is influenced by the strong performance from our retail division.

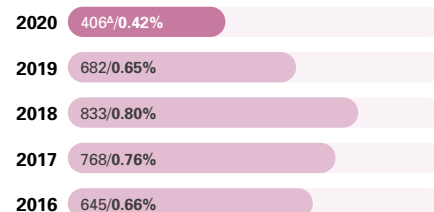
While the temporary store closures have contributed to the retail division's reduction, the strong performance this year is mainly due to the investment made over recent years to improve its safety performance.

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

Recognised for initiatives that promote a **safe working culture**, 22 AB Mauri production and technical sites have gone at least **three years without an LTI**.

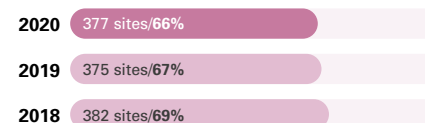
Lost Time Injuries – employees

Number and percentage of employees having an LTI during the year



Factories and stores without LTIs

Number and percentage of factories and retail operations without LTIs



Responding to COVID-19

The COVID-19 outbreak has had a significant impact on everyone across the group.

To protect our people, we acted swiftly, putting in place robust controls to meet local government guidelines and prevent transmissions. Outside our workplace, nine employees who contracted the virus lost their lives. Our thoughts are with their families, and with all others in our communities who are personally affected by the pandemic.

All our businesses worked swiftly and diligently to change how they operate to protect the physical health and safety of employees and customers. A COVID-19 Steering Committee was established, with a focus on the health of our people, operational procedures and the safe return of those travelling, and a dedicated resource library was created to house guidelines and advice. Policies were reviewed, additional taskforces were established and best practice shared internationally, especially from businesses with operations in China, where the outbreak began.

All Primark stores closed over a 12-day period in mid-March, representing an existential threat to the business. As a result, a series of decisions were taken by the Primark management team to manage orders and safeguard the survival of the business. To manage operations, up to 68,000 Primark employees were placed on government-supported furlough schemes to protect their jobs.

However, because they fulfil a critical role in producing food products, our manufacturing sites, depots and transport functions remained at full capacity to keep food on the shelves. As the UK's largest food producer

and a major global food producer a large number of employees were onsite every day to keep the food system running and nations fed.

In fact, during the initial weeks of panic buying, we had to produce more than ever before, despite some issues with supplies of key ingredients, reduced staffing levels and challenging operating circumstances. Thanks to the extraordinary efforts of our workforce, the resilience of the food, animal feed and pharmaceutical supply chains were maintained during this difficult time.

To reduce the risk of infection to employees, we instigated a number of new ways

of working for key workers, in line with the local situation in each location. New protocols were introduced quickly at sites around the world, including extra PPE, taking regular temperature checks, and increasing handwashing and other hygiene regimes, and shift patterns were adjusted. In addition, we have reconfigured factory layouts with plastic screens, enhanced signage and floor markings to maintain social distancing.

Where feasible for non-essential production staff, we facilitated remote and flexible working through the provision of appropriate hardware and software solutions, including an accelerated roll out of Microsoft Teams.



This was supported by a range of other initiatives and technical solutions to maintain communication and support employees' emotional and mental health.

Employee consultation took place in advance of phased office reopening, with appropriate health and safety measures in place, including maximum occupancy limits, revised office layouts and enhanced hygiene procedures. Employee wellbeing is taken seriously, and no employee with legitimate concerns is obliged to return to the office.

Learn more about [our governance procedures with respect to COVID-19 in our ESG Appendix](#).

Read more about [how Primark is supporting its suppliers](#).

Watch a short video about [how our UK Grocery businesses are helping to feed the nation](#).



The volume going through our food manufacturing units and bakeries has been unprecedented. Our teams have worked round the clock to give people access to high-quality, affordable food, keeping the nation fed."

Chief Executive, UK Grocery

Safety training and engagement

To give our people the information they need to keep themselves and their colleagues safe, we deliver a wide range of training and development opportunities in the classroom, via e-learning and on the job. We also hold regular toolbox talks and some businesses down tools for company-wide Safety Days to reinforce H&S messages.

At AB World Foods, for example, the annual Safety Day sees cross-functional teams participating in fun activities that drive engagement, raise awareness of key topics and reinforce safe behaviours.

The Steps to Zero programme at George Weston Foods includes a 20-module training syllabus that provides participants with H&S information, the goal of which is to work towards keeping participants and their colleagues free from injury. With 86% of people managers in Australia and 84% of those in New Zealand having been trained to date, the programme is now being cascaded to front line operators in the factories.

The well-established Programme SAFE (Safety Achievement For Everyone) raises awareness of H&S issues among employees and contractors at AB Mauri, reinforcing its safety culture and driving progress towards its long-term aim of zero accidents. The programme has been rolled out to 48 sites, each of which establishes its own action plans.

Meanwhile in Modena, Italy, the Acetum team – part of the Grocery group and one of the world's largest producers of balsamic vinegar – held its first Health and Safety Day in November 2019. Production was halted while the entire organisation undertook activities, including a hazard-awareness theatre production, first aid, fire extinguisher training and driver awareness.



Reflecting its Target Zero programme ambitions for no incidents and no harm, AB Agri takes a joined-up approach, addressing H&S, environment, quality

and security issues with a set of company-wide golden rules, critical risk campaigns, toolbox talks and practical workshops. Colleagues create their own personal safety pledge with a focus on attitude, behaviour, human factors and leadership, and more than 1,000 people have attended sessions to understand their potential influence and impact.



Our first company Health and Safety Day was a great success. It allowed colleagues from across the business to reflect on safety issues, champion the achievements we have made to date and outline key behaviours that could make our workplace even safer for everyone."

Health and Safety Manager, Acetum



Transport safety

Several of our businesses, including AB Agri, Allied Bakeries, Allied Mills, British Sugar, George Weston Foods and Primark, operate or contract large fleets of commercial vehicles to deliver raw materials and distribute products to customers, stores and other destinations. Seeking to continually improve our practices in these areas is a significant and complex task, but an important one.

AB Agri, for instance, uses third-party hauliers as well as its own vehicles to transport around 5 million tonnes of animal feed and ingredients, and reporting performance is a contractual obligation for its logistics providers. The company also joins forces with British Sugar to co-host joint haulier safety days; due to COVID-19, there was no haulier safety day in 2020, but the last event, in May 2019, was attended by more than 200 people. Such events promote the sharing of best practice and encourage everyone involved in transporting their products to make health and safety a priority.



Exceptional EMPLOYEE ACTION during COVID-19

DR ERNEST PERESU,
Group Medical Services Specialist,
Illovo Sugar Africa

Readiness of our hospitals and clinics in Africa

Illovo owns and runs four hospitals and 27 clinics spread across our operations in the six African countries in which we are located.

Dr Ernest Peresu has spearheaded our medical preparedness for the challenges of COVID-19, leading the plan-ahead team helping to safeguard the health and wellbeing of our employees and their families.

To deal with the expected increase in the volume of patients and to ensure dedicated lines of medical treatment to prevent the potential for cross-over infections, a key part of that plan was to create two streams of care – one for patients with respiratory symptoms and another for those with general illnesses – and ensuring adequate supplies of equipment, oxygen and PPE kits.

Promoting health and wellbeing

A workplace that supports everyone's health and wellbeing is an important part of creating a high-performance culture. Going beyond managing H&S risks, our priority remains the health and wellbeing of our employees and customers, especially as Primark stores reopened in the wake of COVID-19 lockdowns.

At George Weston Foods, for example, a programme launched in January 2019 covers physical, mental and social wellbeing. The programme delivered more than 1,400 hours of training to over 200 participants in its first year, and nearly 4,000 hours to 660 colleagues in 2020. The ongoing engagement includes flu vaccinations, mental and physical first-aid training, stepathon challenges and support for men's health campaign Movember, as well as lunch and learn sessions, and defensive driver training.

The Employee Wellness programme at SPI Pharma, launched in 2017, provides a supportive environment to help employees to adopt positive health behaviours. In line with nine focus areas, including weight, diet and exercise, stress and conflict, initiatives include exercise and nutrition programmes, biometric testing, wellness seminars and financial education. In most cases, activities are organised by employees and supported by management. With SPI Pharma believing the project could lower healthcare costs, reduce injuries and boost productivity, management teams are now exploring new activities with an emphasis on mental wellbeing.



George Weston Foods

Addressing road transport issues

As a business that travels 31 million kilometres a year and clocks up around 4 million hours of driving time, road safety is a priority to Tip Top Bakeries.

A research project into driver fatigue, with Monash University and the National Road Safety Partnership Program (NRSP), aims to develop a behaviour change programme focused on identifying signs of fatigue and avoiding situations that place colleagues at risk.

Tip Top and the NRSP have teamed up with Aldi to create a loading bay safety guide. It has been designed for staff, contractors and third parties across Australia and New Zealand where Tip Top

owns, manages or uses warehouse loading bays. Each warehouse presents its own unique hazards, especially around the interactions between lorries, forklifts and people, so the initiative also aims to improve loading bay designs.

Working with universities, government departments, transport organisations and the Road Safety Commission, Tip Top has initiated a three-year research project to investigate the extent of suicides in road transport, identified by **Austroroads** as an increasing issue among heavy goods vehicle drivers. Targeted interventions through partnerships with mental health specialists and industry experts will build on existing knowledge of this complex issue, and interim results are expected from next year.

In September 2019, ABF Ingredients business Ohly hosted its latest annual Safety Week in Hamburg, with 17 different events reinforcing safe behaviour and increasing wellbeing among the company's 170 employees. These ranged from ergonomics consultations, a stress management workshop and body analytic tests to medical check-ups and live cooking demonstrations. Turning around a previously poor track record, the Hamburg site has now registered more than 1,500 days without a Lost Time Injury.

In addition:

- around 400 employees at AB Mauri North America benefit from physical, emotional and financial wellbeing through the company's Knead for Health programme;
- lunchtime and after-work exercise classes, provided free of charge for AB Sugar employees at its Peterborough head office, have continued virtually during the COVID-19 outbreak; and
- Silver Spoon, part of our UK Grocery business, holds an annual wellbeing week.



UK Grocery

Olympian inspiration for safer manual handling

Although Allied Bakeries has reduced the need for manual handling at its sites, it still remains a daily requirement. This is especially so in manufacturing and logistics areas, where musculoskeletal accidents continue to have an impact.

To make unavoidable manual handling activity as safe as possible, Allied Bakeries has adopted **Pristine Condition**'s unique H&S programme. Based on the science and techniques behind Olympic weightlifting, the programme uses bespoke audio-visual training to outline four very simple principles of safe lifting in a fun and simple way. The company has also implemented Pristine Condition's Passing on the Principles training, which empowers participants to coach their colleagues.

The results have been impressive, with approximately 2,800 employees trained this year which has contributed to a 40% reduction in the number of manual handling injuries.

ABF Ingredients

Ohly's COVID-19 response programme

As part of the food industry, Ohly had a duty to remain operational during the COVID-19 outbreak, while minimising the health risk to its employees.

A COVID-19 task force, set up in February 2020, took prompt action to maintain business continuity, while safeguarding employees and their families through a full travel ban, assistance with remote working and daily communication.

Anticipating that the crisis will continue into 2021, Ohly has set up separate workspaces, put acrylic glass shields between workstations, and marked out the workplace to support social distancing. The company supplied masks and disinfectant, made in-house to a World Health Organization recipe, and shared best practice with key business partners.



We want every employee to take ownership for health and safety, both at work and at home. Amplifying employee awareness across a wide range of topics, our Safety Week helps our people to learn how to reduce risks and live healthier lives."

Chief Executive Officer, Ohly

Twinings

Boosting performance through health and wellbeing

Using insights from employee surveys, Twinings' UK wellbeing programme combines initiatives designed to support healthy minds, bodies and workplaces.

Promoted by Wellbeing Champions, all initiatives are tailored to local cultures and individual preferences. Recent activities have included SLEEPTember meditation and advice, Stress Awareness Week, back care, on-site yoga and massage sessions, and heart-friendly meals in our restaurant.

A similar programme has been developed in Thailand, with exercise classes, motivational workshops and engagement with projects that promote social impact, which received 98% positive feedback. In addition, 96% of employees in Thailand took annual health check-ups, while 212 people attended Twinings' annual Product Supply Management trip, which aims to enhance learning, healthy mindsets and engagement with initiatives such as volunteering and product donations.



Supporting better mental health at work

Sound mental health is an essential part of health and wellbeing, and we continue to invest in programmes designed to raise awareness and provide practical assistance across the group. We have been providing ongoing guidance and training specifically tailored to support employees' mental health and wellbeing during the COVID-19 outbreak and UK businesses, including Germain's, AB Agri and British Sugar, organised activities for Mental Health Awareness Week in May 2020.

One initiative, AB Agri's Employee Assistance Programme (EAP), provides confidential telephone helplines and face-to-face counselling for colleagues and their immediate families. In 2019/20, the service took 109 calls and 331 online enquiries. Anyone experiencing mental health issues or emotional distress can also use the global Health Assured website to access information and advice, or to contact qualified mental health first aiders. A similar EAP is offered to more than 70,000 Primark employees and their dependents.

And throughout Australia and New Zealand, George Weston Foods works with Benestar to offer support, counselling and wellbeing initiatives on a range of issues, including personal matters, health and nutrition, finance, stress and managing conflict. All employees and eligible family members can access the confidential service free of charge. And in September each year, the company supports national R U OK? Day with events, promotions and fundraising for the R U OK? foundation.

ACH Foods

Telemedicine and virtual mental health

ACH Foods added telemedicine for healthcare to its medical plan in 2019, enabling employees to speak with a physician from the comfort of their own homes at any time, day or night.

The first six months of 2020 saw a 300% increase in the use of the service over 2019.

Aware that older adults and some ethnic groups can be uncomfortable seeking help from a mental healthcare professional for stress, relationship and family issues, ACH has recently expanded its telemedicine offering to include mental healthcare.

This new service, launched in May 2020, allows employees to seek mental healthcare without the perceived stigma or risk of a COVID-19 infection that may be linked to visiting a bricks-and-mortar mental healthcare location.



AB Sugar

Supporting employees' mental wellbeing

British Sugar acknowledges that mental health is an important issue in the modern workplace, and one that is equally as important as physical health. In 2019, the company implemented numerous initiatives to encourage good mental health among employees and an open attitude to discussing mental health challenges in the workplace.

With research from the UK's Farm Safety Foundation showing that 80% of young farmers believe mental health is the biggest hidden problem they face today,

the Agriculture department staff received awareness training from rural mental health charity **YANA**. The session, designed specifically for the sector, included how to spot somebody who may be struggling with mental health and where to access support. Colleagues also spoke to the media about their **personal experiences**.

In addition:

- the company supported Time to Talk Day in February 2020, asking colleagues to consider why talking is important and providing conversation starter resources to spread the message that 'it's OK not to be OK';

- colleagues raised funds for the Farm Safety Foundation and shared 'Mind Your Head' social media content during mental health awareness week; and
- with music known to be a powerful aid to mental wellbeing, colleagues at the Peterborough head office set up a choir.



Diversity and inclusion

We want all our businesses to thrive by enabling every individual to be their true self at work and to deliver their best. By building a culture that values different skills, experiences and backgrounds, we can better reflect the communities in which we operate and meet the needs of diverse consumers and customers through innovation.

Our approach to diversity and inclusion

Diversity and inclusion (D&I) is a key part of the culture at Associated British Foods, and a range of different skills and perspectives makes our businesses more competitive. Underpinned by the ethos 'No Barriers to Talent', we aim to create diverse, inclusive workforces 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 also work to break down any bias or barriers, both real and perceived.

Given our decentralised nature, many of our businesses have their own diversity policies, programmes and D&I teams. Groupwide initiatives include our Diversity and Inclusion Task Force, through which representatives from across the business share knowledge and embed best practice into our core processes, and unconscious bias training for managers. In addition, there's our Two-Way Mentoring programme, through which more than 260 individuals from 16 countries have received mentorship and support from a senior leader in a business different to their own.

Promoting gender balance

Recognising the importance of identifying, attracting and nurturing the best talent, we continue to strengthen our recruitment processes, aim to interview a balanced shortlist in terms of gender and offer a number of training opportunities that help to level the playing field across the group.

For instance, we have held Women in ABF (formerly Women's Business Education Forum) sessions for female colleagues in professional

or managerial roles in our European businesses for a number of years. Held three times a year, they provide the 700-plus members with a chance to network, share their career journeys, learn more about each other's businesses and hear from guest speakers.

Due to the COVID-19 outbreak, these events are now being delivered virtually, with the CEO and other business leaders presenting and participating in open Q&A sessions. Our most recent event attracted 258 attendees, a 60% increase on the last members-only event in February 2019.

ABF Ingredients business AB Enzymes has its own Women's Business Forum meets quarterly, with 18 women from across its operations meeting quarterly to collaborate on the D&I agenda.

We acknowledge that our work on gender equality and women's empowerment is still evolving but, through ongoing monitoring

and dialogue with experts and business partners in our supply chain, we will continue to identify gaps and strengthen our impact on this critical issue.

Gender pay gap

Across the group, women make up 53% of our total global workforce.

As with previous years, we have voluntarily reported on the gender pay gap that relates to our employee population in Great Britain as of 5 April 2020. More than half of our people are employed outside Great Britain and are therefore not included in our gender pay analysis.

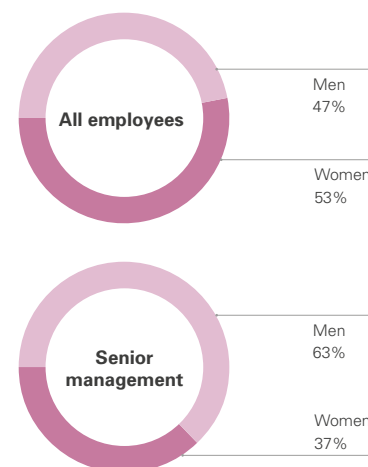
This year's data excludes Primark employees because the majority were on the Government job retention scheme or had taken voluntary pay cuts at the reporting date. We have restated the 2019 numbers on the same basis for comparison.

Our gender pay gap in Great Britain remains similar to comparable data from last year. The pay gap remains in favour of women as we have a significant majority of male employees who work in manufacturing environments. The median hourly pay rate for women is 8.8% higher than that of men, and women's median bonus pay rate is 79.4% higher than men's.

Gender balance at the top of the group changes slowly because we have a stable senior team. The greater presence of senior men in this bonus pool has a distorting effect on the mean bonus gap.

For more information, see our [Annual Report and Accounts](#).

Gender balance: women in the workforce
Share of workforce by gender



We have created a new Diversity and Inclusion Steering Committee, made up of senior leaders across the business, to further develop and embed our strategy and policy, while demonstrating our brand promise that 'everyone's invited'.

Diversity and Inclusion Steering Committee Chair, Primark



AB Agri

Empowering female managers

Women are currently underrepresented in AB Agri's population of people managers. Recognising the success of the groupwide mentoring scheme in helping address such imbalances, AB Agri piloted its own Two-Way Mentoring programme for women in 2019.

Each mentee works with a senior leader to deal with challenges in the workplace, grow her career or broaden her business understanding. Mentors get to learn about another business or function, understand the perspective of women working within it and develop their own listening and coaching skills.

The programme provides talented and aspirational women across the organisation with opportunities to develop and ultimately move into more senior positions. To date, 15 mentor-mentee partnerships have been set up, and the programme will continue to be developed and expanded.



It is all about the mentees. They have it in them. In some moments, you see more talent and ability in them than they see in themselves. That's when you can make a difference and help to bring it out."

Director of Strategy, AB Agri



I have really valued someone to have open and frank career conversations with, knowing there is no judgement. This whole process has helped me gain clarity around key areas of personal development."

Head of Marketing, AB Vista

Removing barriers to talent

We believe every one of us is unique, so it's important to us that we provide an environment in which all our people are valued and individual differences are celebrated. We do not tolerate discrimination based on disability, gender, race, ethnicity, sexual orientation or religious beliefs. Although we accept there is more still to do, our ambition is to become known as a truly inclusive employer, enabling business success and empowering a more diverse workforce over time.

Our UK Grocery businesses are removing barriers for talent who identify as having a disability, working on intergenerational conflict and establishing a Leading Inclusively programme that has been attended by 117 managers and leaders to date. These build on existing initiatives such as celebrating religious and cultural festivals and offering training.

Primark's 'Everyone's Invited' ethos is about creating a more inclusive workplace in which all colleagues feel valued, respected and comfortable to be themselves. The company supports the work of the International Lesbian, Gay, Bisexual, Trans and Intersex Association (ILGA World) as an international advocate for LGBTI rights, helping to fund research and support LGBTI communities and support member organisations in more than 150 countries. In June 2020, Primark was also recognised as an official supporter of the United Nations Standards of Conduct for Business on Tackling Discrimination against LGBTI People.

Meanwhile, in Australia, George Weston Foods holds Harmony Day events to celebrate its cultural diversity, while DON KR Castlemaine's Refugee Employment programme helps those arriving in the country to find employment and improve their language skills. To date, DON has supported

97 people who fled persecution in Myanmar and settled in Victoria, as well as refugees from other nations.



'Starting the conversation' is one of the ways we seek to create greater inclusion and understanding of diverse issues. Led and facilitated by employees, our disability learning events and, more recently, an employee Pride video are helping to create dialogue and learning about lived experiences."

Organisation Performance Director, AB Agri



AB Mauri

Promoting inclusion and diversity

Global Bakery Ingredients (GBI), the global research and development centre of AB Mauri, is creating a more inclusive work environment thanks to a focus on diversity during the recruitment process.

Teams with different backgrounds and beliefs better represent the diverse tastes of a global customer base and in the Netherlands, GBI's growing workforce now spans 15 nationalities, compared to only two a decade ago. The company has also introduced greater flexibility around working hours and recruited more women into leadership positions while in Brazil, a new D&I steering group is initially focusing on increasing female representation in sales teams and leadership roles.

The global team is also piloting a toolkit containing a 'gender decoder', which gives recruitment staff guidance on unconscious bias and structured interview methods and, to embrace cultural, generational and gender awareness, a new 'culture buddy scheme' enables people with different backgrounds to discuss issues and feel more integrated.



UK Grocery

Increasing ethnically diverse talent

Westmill Foods serves a range of communities with market-leading products in Indian, Chinese, Thai, Caribbean and Middle Eastern cuisines. Through a diverse and inclusive workforce, the business can better understand and serve its diverse customer and consumer base.

To strengthen this culture, Westmill created community connections and prioritised recruitment partners with experience in attracting talent from underrepresented race and ethnicity groups.

As a result, 55% of new starters and a third of internal promotions belong to such communities.

Westmill is now focused on improving ethnically diverse talent representation in leadership roles from its current level of 9%. Over the past year, more than 85% of the company's managers received Inclusion & Diversity and Unconscious Bias training, and a new Sales Diploma has been introduced to help sales representatives to serve ethnically diverse customers.

Looking ahead, the company plans to conduct listening groups to further engage and celebrate ethnic diversity, to recruit more diverse employee groups, and to create mentoring and development programmes.



Primark

Developing disability confidence

Primark wants potential recruits to be confident in declaring a disability and to know that they will receive the support they need to show their skills, talent and experience to best effect during the recruitment process. The business therefore reviewed its entire approach, to identify and remove any barriers to attraction, application, assessment and selection and to treat everyone fairly.

All jobs are now advertised on a new, more accessible careers website with Jobcentre Plus. Profiles and advertisements have been redesigned to make the key criteria stand out, meaning disabled candidates are less likely to disqualify themselves. Further changes include alterations to the Situational Judgement test, no longer timing assessments and stopping 'coffee chats' in breakout areas, where some people are more easily distracted.

Since March 2019, Primark has supported 340 candidates in the UK who have declared a disability and requested reasonable adjustments at the application stage (38% of candidates), at interview (74%) or during selection or assessment (19%).

Employee engagement and development

Our whole business model relies on having the right people in the right roles and enabling them to be at their best. We pride ourselves on fostering a values-driven culture and being a leading employer of responsible, dedicated people. We support our people by creating the environment to bring out their unique skills, as well as developing skills and capabilities through training, and create opportunities for both their professional and personal development.



At Associated British Foods, our people are our greatest asset. This is not something we say lightly – people are the cornerstone of our devolved operating model, which ensures decisions are made locally where the experience and market knowledge resides.”

Non-executive Director,
Associated British Foods

Our approach to engagement and development

We endeavour to be a company where everyone feels welcome – an aspirational ambition maybe, but an attainable one. We want to attract, recruit and retain the best people, using inclusive and effective processes to enhance our workforce, and give them opportunities to gain skills and experience, build rewarding careers and achieve their potential.

Talks and presentations in schools and colleges provide opportunities for us to share our own experiences and offer insight on roles across the group and opportunities in our industry. Potential recruits can find and apply for jobs, or sign up for apprenticeships and graduate programmes, on our careers sites and through our social media channels.

Once they're on board, we support our people and help them to learn, improve and to develop their careers. Creating a culture of care and trust across the groups, managers hold open conversations with individuals, regularly review performance and set personal objectives to support business goals.

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

Our Talent and Expertise Database, containing profiles submitted by more than 3,000 colleagues, enables our people to promote their skills and career aspirations to senior human resources (HR) professionals and executives. This tool supports career

development by identifying potential candidates for vacancies, particular projects, or coaching and mentoring opportunities.

Watch a video about what it means to work in operations and manufacturing across the group.



The group has so much to offer. People who work here can expect to learn from great leaders, and to have fulfilling and rewarding career experiences. This is why people are supported to build a deep understanding of their business as well as developing the functional, technical and leadership skills they need.”

Head of Executive Development –
Programmes, Associated British Foods

Training and developing our people

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

- formal inductions to help new starters network, understand the business and meet senior leaders;
- bespoke training for individual roles, such as engineering, driving and retail;

- annual off-site talent reviews at ACH Foods continue to drive development opportunities and engage leaders in looking across functions at talent;
- online compliance and induction training for all AB Agri employees through the Aspire Learning platform;
- coaching and leadership skills for management, such as Primark's Lead Our Amazing and Lead Our Amazing Stores initiatives and Westmill's Leaders of Tomorrow programme; and
- courses on important topics such as modern slavery, H&S, mental health issues, safe driving and food safety.

Furthermore, we review salaries and benchmark benefits, and have flexible work options to suit parents or those with other responsibilities. We also offer broader exposure through overseas secondments, such as the six-month placements arranged through AB Sugar's International Experience programme. To date, 60 high-potential participants have taken part.

To support executive career development, we have more than 50 trainers and hundreds of trained HR professionals, and our Career Conversations website enables people to explore the cultures in different parts of the business and identify leadership roles they may aspire to. Training materials have been adapted for online delivery to enable their uptake even during the COVID-19 crisis.



ABF Ingredients

Facilitating leadership training

As part of a decentralised group, leaders in all the group's businesses are empowered to make the right decisions for their customers and markets.

ABF Ingredients recognised a need for its managers to be equipped with a consistent set of core management skills, using a common framework that could then be tailored to suit their local circumstances.

Development Dimensions International (DDI) was selected as a partner able to deliver training in multiple locations, different languages and for diverse cultures. People from each part of the business were trained as facilitators of the programme, enabling them to then train their own colleagues in effective leadership. With access to a globally recognised 'toolbox', managers can then apply their enhanced skills throughout their own businesses, as needed.

To date, DDI has trained 34 colleagues from PGP International, SPI Pharma, Ohly, ABF Ingredients and AB Enzymes as facilitators. SPI Pharma and PGP International are already delivering the training to managers internally.



Closing the skills gap

Apprenticeships are an essential part of our long-term sustainability. They enable us to pass on expertise and build a robust pipeline of skilled workers to bridge the national skills gap in certain areas, such as electrical engineering, mechanical engineering and food science.

The training programmes we offer equip apprentices with a combination of experience, technical knowledge and leadership capabilities.

Supported by the UK Government's Apprenticeship Levy, a number of our UK Grocery businesses offer manufacturing and engineering apprenticeships, and have recently started to provide additional training in technical skills, driving and IT. For instance, Allied Bakeries in Maidenhead has recruited the UK Grocery group's first degree apprentice to the Technical Assurance team. Over four years, the individual will combine a fully funded BSc Food Science and Technology degree with hands-on work experience.

In addition:

- 112 young people have completed one of British Sugar's apprenticeship schemes, 80% of whom stayed with the business, with 40 further apprentices currently in a scheme, while nine employees have embarked on a Project Management apprenticeship to enhance their skills and further develop their careers;
- more than 200 graduates have joined our UK Grocery graduate training scheme since it was launched in 2006;
- Jordans' bursary programme supports up to six UK undergraduate students a year with an interest in pursuing careers in sustainable farming; and

- at AB Agri, the ABN Poultry Industry Programme, run in partnership with the National Farmers' Union, provides training for 11 participants keen to become the next generation of poultry farmers.

Within days of lockdown, Primark launched several digital learning channels and online resources for colleagues and leaders. These focused on providing personal support during challenging times and leading virtually in a crisis, and, to support families, it offered a curated range of appropriate resources. The company now runs virtual team events and induction programmes for those joining the business during the COVID-19 outbreak.



AB Agri

Realising young people's career aspirations

Recognising that positive female role models and more gender-balanced boards lead to better business performance, AB Agri's 'Women in Leadership' workshops encourage pupils in Years 8 to 10 to consider the qualities of great leaders and inspirational women in their own lives.

To date, six workshops at a secondary school near Peterborough have each

been attended by around 20 students. At the start and end of the workshop, students are asked "How far do you think you can go?" in terms of career potential, and invariably answers are revised as they realise they can aspire to more.

As well as speaking at assemblies and career fairs to promote opportunities in the agri-food sector, the workshop is another element of AB Agri's growing relationship with local schools. The company plans to extend this collaboration to more schools at different locations.

UK Grocery

Developing a talent pipeline

At AB World Foods (ABWF) in Leigh, Greater Manchester, a skilled workforce is vital for success and future growth. However, there is a skills shortage in the catchment area, with 30% of people of school-leaving age having no qualifications.

To expand the talent pipeline in key operational roles at the Leigh site, ABWF established an engineering apprenticeship scheme more than a decade ago, in partnership with Waterside Training. Five years ago, this was broadened to include manufacturing apprenticeships, providing more opportunities for young people to have a good start on their career ladder. The Leigh site was the first to trial the manufacturing apprenticeship scheme within UK Grocery.

The ambition in manufacturing is to recruit four new people into these roles each year, which would otherwise be difficult to achieve. Three manufacturing apprentice 'graduates' are already in roles in Leigh and a further seven are in the pipeline. These apprentices are trained to multi-skilled technician level, proficient in running all key plant and machinery, and capable of learning and adapting to new technologies at pace. They have played a key role in helping to keep our Leigh operations running during the COVID-19 pandemic.

Employee engagement

We recognise the importance of fostering an environment where our people are encouraged to do their best every day. To help us understand how we can make our workplaces better, many of our businesses undertake regular engagement surveys, encouraging their employees to provide honest feedback about their jobs, workplace culture and overall satisfaction.

For example, AB Agri's Great Place To Work® engagement survey is designed to make it a better place to work and ACH Foods' most recent employee culture and engagement survey showed the company to have a highly engaged workforce. Meanwhile Primark's surveys for retail staff led to the development of Lead Our Amazing Stores, a new leadership programme for store managers.

In a new development, British Sugar is adopting digital options to improve communications between its different locations and teams. The company introduced Facebook's business communication tool Workplace in February 2020, to help share successes, break down silos and build networks between sites. Within four months of the launch, 81% of employees had activated their accounts and got involved.

To engage with all of its colleagues, Primark live streams 'Primark Live' town hall sessions during the year, giving all employees the opportunity to hear directly from the CEO and wider leadership team about the business strategy. The company also piloted Fwd Th!nk in the Netherlands, through which colleagues across all 20 Dutch stores submitted more

than 1,400 ideas to enhance the customer experience. Twelve shortlisted suggestions were given additional support to develop them further.

In the 2019 **Great Place to Work** survey, AB Agri was placed 21st in the Super Large business category, up from 34th in 2018, and was the only agricultural company listed.

Twinings

An engaging employee experience

Driving continual improvement, in 2019 Twinings launched Engage, a new employee survey, to understand how our employees feel about their employment experience. In contrast to previous annual and biannual surveys, the new approach is 'always-on' via an easy-to-use, intuitive online system.

To mark the introduction, a company-wide survey was conducted, and responsibility for future quarterly surveys was devolved to each business unit. These are followed by open and honest group discussions, one-to-one meetings and online interactions through the tool's reply feature. This enables managers to explore feedback, strengths and areas for improvement.

During the COVID-19 pandemic, many business units ran more frequent but shorter, targeted surveys to gauge sentiment. This helped our managers

to understand how best to support and communicate with team members during a difficult and uncertain period.

Results so far show an overall engagement score of 7.9 out of 10 (0.5 above the benchmark) with a 97% participation rate and 22,736 comments posted in the first six months, compared with 1,180 on the previous platform in 2017.



The feedback on our recently launched approach to employee listening has been very positive. Line managers, HR colleagues and senior leaders have gained valuable insight into their team members' sentiment through honest commentary and high response rates."

International HR Director,
Twinings Ovaltine



Exceptional EMPLOYEE ACTION during COVID-19

SIAN OWEN,
Process Technologist,
Food Manufacturing, Speedibake

Ensuring mince pies for Christmas

When COVID-19 hit, the New Product Development team at Speedibake, our own-label specialist baked goods business, became smaller due to absenteeism from staff shielding.

Sian, one of our newest team members, rose to the challenge to keep product launches on track and items on shelves.

One of those product lines was Christmas mince pies.

Due to a devastating fire in February at our Wakefield bakery, Sian had to improvise. She moved into a meeting room in our Bradford site and used domestic ovens and some customer facilities to conduct the time-critical annual bake tests she would usually undertake in our own industrial facilities. The skill needed to translate performance from a domestic to an industrial oven for customer trials is no small feat.

Thanks to Sian's can-do attitude and ingenuity, Speedibake will produce its great-tasting 33 million mince pies for Christmas this year, more than 80% of the UK's 'baked in-store' mince pies the nation purchases from the major supermarkets each year.

Primark

Flexible working – Your Day, Your Way

Technology is changing the way we all work: while the traditional working day may suit some people, others need flexibility. To meet these needs, Primark introduced a new, flexible working programme in September 2019, with the roll-out starting at the company's head office.

Your Day, Your Way offers colleagues the opportunity to structure their working day so that they can perform at their best. Supported by a new policy on remote working, it enables people to work remotely, from another office or at home, while flexible start and finish times give everyone the option to work when it suits them, whether they're parents on the school run, studying for an exam, training for a marathon or just work more efficiently outside of standard office hours. People can also purchase up to five days' additional leave each year, enabling them to take more time off when they need it.

The creation of dynamic workspaces promotes greater flexibility and collaboration through the use of fit-for-purpose 'neighbourhoods' for each team. These incorporate a range of workspace options, including desks, touchdown and informal meeting spaces, and dedicated storage and collaboration zones.

Primark learned a lot about remote working during lockdown, and those lessons have eased the transition to working from home for many colleagues.



SUPPORTING SOCIETY AND STRENGTHENING OUR SUPPLY CHAINS

As a diversified international group with many complex supply chains, we respect the rights and dignity of people within and beyond our operations, and develop products that support healthy lifestyles. Our businesses continue to make a positive impact in the communities in which they operate, especially through donations of everyday products during the COVID-19 pandemic.

LIVING OUR VALUES

Respecting the **dignity** and rights of everyone in our supply chains 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**. **Collaboration** with suppliers, non-governmental organisations (NGOs), neighbours and consumers is vital if we are to have a positive impact on society.

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

In this chapter

- 24 Human rights and labour rights
- 33 Healthy and safe products
- 37 Local economies and communities

Sustainable Development Goals

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



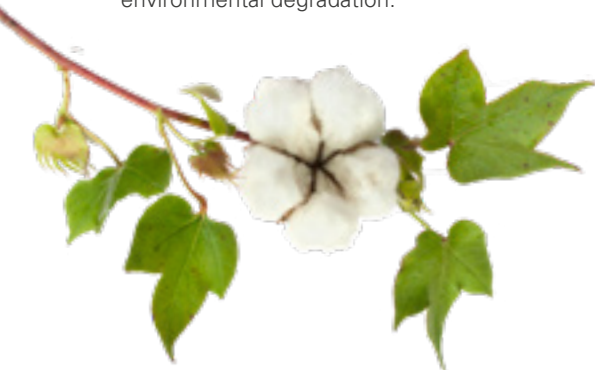
Human rights and labour rights

Operating in 53 countries across the world, our businesses continue to understand and address human rights and labour rights risks within their own operations and supply chains.

Our approach to human rights

As a group that employs more than 133,000 people and works with thousands of suppliers around the world, our respect for human rights is firmly embedded in the way our businesses operate.

We believe that we have a responsibility to positively impact the human rights of our employees, as well as those in our supply chain and their communities, and strive to better understand and minimise risks, in both our direct operations and our diverse supply chains, through rigorous assessments and audits. These risks include labour and welfare standards, income for smallholders, gender discrimination, land rights and environmental degradation.



By working to internationally recognised standards, we can address human rights risks, improve conditions for workers and strengthen our supply chains. We ask our suppliers to meet the same 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)'s 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](#). They may also be expected to comply with more stringent business-specific codes covering wages, working practices, and health and safety.

When our retail business, Primark, had to close all its stores over a 12-day period in mid-March due to the COVID-19 crisis, tough decisions were needed – including the need to cancel orders. The company strived to support the livelihoods of the workers in its supply chain and, in April, established a 'wages fund', an advance payment to suppliers covering the labour component of originally affected orders. Since stores have reopened, Primark has committed to pay in full for all garments that were finished or in production, as well as any fabric costs incurred prior to the stores closing.

Read more about the measures the company took to support workers in its supply chain during the COVID-19 outbreak on [page 30](#).

For details on our management and governance of human rights issues, please see our [ESG Appendix](#) and group [Modern Slavery and Human Trafficking Statement](#), as well as individual businesses' modern slavery statements, and business websites such as Twinings' [Sourced with Care](#) and [Primark Cares](#).

Supply chain transparency

Primark's online [Global Sourcing Map](#) contains information about 1,033 supplier factories in 30 countries, including the number of workers they employ and the gender split of their workforces. These factories are responsible for more than 95% of the products for sale in Primark's stores. The information is updated twice a year, with additional detail available through a searchable, downloadable PDF.



For me, true corporate responsibility is about being connected to and felt by your own people, their families and the community of many people who live in and around our estate. It's not about signature events; it is about being visible even when absent through incremental and cumulative action which, over a sustainable long-term journey, delivers meaningful societal upliftment and change to the lives of our everyday people. This resonates with the Illovo purpose and mindset of improving the quality of every life we touch across our value chain."

Managing Director, Zambia Sugar

Twinings' sourcing map includes the names and locations of the tea producers and gardens it sources from and the locations of other key ingredients, while AB Sugar also provides details about where it grows, sources and exports sugar in an interactive map.





AB Sugar

Illovo protecting land rights issues in rural communities

As a grower and processor of sugar cane across 62,000 hectares of southern Africa, 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, both in its own operations and within its supply chain.

Through the **Land: Enhancing Governance for Economic Development (LEGEND)**

project, run by the UK's Department for International Development (DFID), the company collaborated with NGO **Landesa** to assess and manage land rights issues among estates and growers. To support a sustainable supply of cane within a thriving community, Illovo focuses on responsible land management, strong community engagement and managing grievances, and helping growers to sustain yield improvements. A land strategy based on the UN Voluntary Guidelines on the Governance of Tenure enabled each business to tailor its own approach with the support of local stakeholders.

Tackling human rights issues in the supply chain

Issues around human rights go far beyond any one company's supply chain, and addressing them is a challenge that continues to occupy our businesses. We expect every one of our sites, as well as our suppliers' facilities, to operate ethically and responsibly, and support efforts to address human rights issues. These include:

- healthy and safe working conditions and, where relevant, living standards;
- eliminating forced and compulsory labour;
- preventing child labour;
- working hours, benefits and remuneration;
- gender equality issues;
- preventing 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.

To replicate ethical best practice in our own operations, suppliers identified as high risk 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.

Specific business activities

Jordans Dorset Ryvita is part of a public-private partnership seeking to eliminate child labour among seasonal – and largely migratory – workers in the hazelnut supply chain in northern Turkey. Working alongside confectionery trade body CAOBISCO, the ILO, government bodies and private business, the project focuses on awareness-raising, capability-building and direct intervention. To date, more than 1,800 children have been withdrawn or prevented from working in seasonal agriculture, of whom nearly 1,400 now regularly attend educational activities. Almost 1,000 families have been provided with counselling.

For example, in Tanzania, a collaboration with the Participatory Ecological Land Use Management (PELUM) Association complemented Illovo's environmental and social impact assessment of its potential expansion in Kilombero, while a collaboration with the United States Agency for International Development (USAID) and Terra Firma on the second phase of the Responsible Land-Based Investment Pilot continued in Mozambique. At the end of the pilot phase in March 2018, the project had mapped 1,841 parcels of land for 1,461 households. These land parcels were issued with Certificates of Communal Rights

Occupation through a community consultation process managed by the farmers' cooperative and supported by Maragra and Terra Firma. The land parcel data was also sent to the national land administration for titles to be issued, and 275 official land title applications have been filed with provincial authorities. The second phase of the pilot, in 2019, added a further 1,204 parcels for 710 households.

The LEGEND project ended in 2019, but both partners will look to explore ways to build on the work initiated under this responsible land investment programme.

In 2019, Azucarera extended its efforts towards the responsible sourcing of raw cane sugar by joining [Bonsucro](#), a multi-stakeholder NGO that promotes sustainable sugar production, and becoming certified in its Chain of Custody standard for purchasing and trading.

For Twinings, the [Sourced with Care](#) programme, through which it plans to positively impact 500,000 people by the end of 2020, involves knowing that the people making its products are treated well, have a decent quality of life, and can provide for themselves and their families. The company is a founding member of the Ethical Tea Partnership (ETP), a not-for-profit organisation that brings together stakeholders from across the tea industry to improve the lives of tea workers and farmers, and the environment in which they live and work.



Despite Darjeeling's high rainfall, fresh water is limited because the springs are not protected and are therefore easily contaminated. That's why WaterAid's expertise in developing water and sanitation projects is so vital to improving conditions and livelihoods in tea-growing communities."

Head of Social Impact,
Twinings Ovaltine

Twinings is also a signatory to [Malawi Tea 2020](#), a multi-partner initiative that seeks to support living wages for workers and smallholders, and works with CARE International in Malawi to empower women and their communities, diversify livelihoods, and support communities to lead healthy and nutritious lives.

In support of Family Planning 2020 and Every Woman Every Child, Twinings committed to reach 40,000 women in its supply chain in Kenya with programmes that raise women's health awareness and improve access to health services, particularly reproductive health and family planning. So far, the [HERhealth](#) programme has reached 34,393 women, which is below the target number – largely due to the impact of COVID-19 – but the company hopes to continue this journey.

And joining forces with WaterAid, Twinings is transforming the lives of 4,000 people in 21 villages across two tea estates in Darjeeling, India. Building on the work Twinings has led to increase access to water and sanitation for nine tea estates in Assam and Darjeeling for the last ten years, the [partnership](#) delivers well-maintained supplies of clean, easily accessible water, builds toilets and waste management systems, and runs vital hygiene education in villages and schools to bring lasting benefits in community wellbeing and raise the prosperity of future generations.

For further information on the steps we're taking to address modern slavery, please see our group [Modern Slavery and Human Trafficking Statement](#).

To build detailed knowledge of its 1,200 ingredient suppliers, AB Agri has mapped 94% of its ingredient/supplier/source country combinations. The remaining supply chains will be mapped during 2020, as the company works to better understand and address the specific issues its higher-risk suppliers face.

Twinings

Empowering tea workers through dialogue

The Twinings Community Needs Assessment (TCNA) is designed to help understand the needs of farmers, workers and communities in the company's supply chains. So far, more than 100 TCNAs have been conducted in China, India, Indonesia, Sri Lanka, Kenya, Malawi, South Africa and Egypt.

TCNAs cover a range of elements that are essential to the good quality of life of farming communities, including gender, housing, farming practices, water and sanitation, children's rights and working conditions. The assessments provide the basis for employers to develop action plans to address human rights issues and community needs.

As part of this work, Twinings is empowering communities in seven tea gardens in

Sri Lanka by creating effective dialogue with management to protect workers' rights. Together with CARE International and local affiliate Chrysalis, Twinings has established ten Community Development Forums (CDFs). Benefitting more than 25,000 people, they provide an open space for raising grievances, sharing ideas and debating issues by working collectively with workers, management, trade unions, state officials and the broader community. CDFs help women play key roles in the management and decision-making on the forums.

Promoting gender equality, health and hygiene, CDF initiatives have led to new water supplies, latrines and better handwashing facilities, improved financial literacy, small loans to support small business and even the use of street drama to highlight the dangers of alcohol abuse. Building on this success, CDFs are now being rolled out in Malawi.

Watch a short video about [Twinings' work in Sri Lanka.](#)



We suffered without a restroom with latrines and water facilities on the estate for a long time. We now have a sheltered place to take a rest, to eat and to wash our hands. We are so happy that the situation has improved so drastically."

Tea Worker

UK Grocery

Teaching female farmers sustainable farming methods

Among the main spices used by Westmill's Rajah brand is cumin, which is grown extensively in Gujarat state in India. Women make up a significant proportion of farmers there, yet often struggle to compete in traditionally patriarchal communities.

To support them, Westmill has partnered with the Self Employed Women's Association (SEWA) – one of India's largest trade unions – to fund education and empowerment. The project aims to support 2,400 smallholder female farmers through a \$145,000 investment between 2018 and 2021.

Training addresses topics such as sustainable agriculture, and the partnership provides direct links to market, helping participants to secure better income from their crops.

By the end of 2019, the project had supported 1,600 female farmers with education on seed selection, the use of pesticides and fertilisers, and the importance of personal protective equipment. The company now partners with AB Mauri to source spices directly from the farmers, and will share information on the SEWA programme with customers through on-pack messaging.

Westmill is now exploring opportunities to expand the programme to include turmeric, its main spice by volume.

Twinings

Preventing gender-based violence and harassment

With women forming the majority of the workforce in tea gardens, gender equality is at the heart of Twinings' Sourced with Care programme. Twinings supports women in its supply chains so they can be protected from violence and harassment and have equal access to opportunities and healthcare.

Twinings partners with the Work and Opportunities for Women (WOW) programme – a multi-year initiative funded by the DFID to enhance the economic

empowerment of women – to prevent harassment and gender-based violence on tea estates in India. The partnership works to increase the visibility of female workers, help estates to improve their working conditions through relevant policies and gender committees, provide leadership opportunities and challenge negative perceptions about gender. WOW and Twinings launched the project in 14 tea estates in Assam and six in Darjeeling.

The company hopes to scale up the approach across India through a toolkit of processes and policies to address gender barriers, and promote advocacy, knowledge sharing and collaboration.

Primark

My Life Myanmar

Primark's My Life project for garment workers is designed to strengthen their life skills, boost their understanding of labour rights and create ways for them to build networks. In 2019, the initiative – already established in south India – was extended to workers in Myanmar.

Implemented by NGO Women Win and local partner organisation Girl Determined, the play-based curriculum has been tailored to the local context. Vulnerable workers, mainly young women, enjoy this fun hands-on training sessions delivered in factories within Primark's supply chain.

However, COVID-19 disrupted the roll-out in factories so the project was reoriented to a community setting for an interim period. Unfortunately, the lockdown brought an increased risk of gender-based violence (GBV) so the workshops' focus pivoted to train ex-factory workers as key GBV advisers in their communities.

All the participants are ex-garment workers living near factories in Yangon; most lost their jobs as a result of the pandemic, and many have experienced GBV at home, at work or in the community. The training helped them learn how to deal with the issue and how to support others in their community.



Primark

Sustainable Cotton Programme

Primark's long-term ambition is to source all the cotton in its supply chain responsibly, having teamed up with agricultural experts CottonConnect and the SEWA to create the Primark Sustainable Cotton Programme in 2013.

Working directly with farmers to create more sustainable and traceable cotton and reduce the environmental impact of the supply chain, the programme launched in Gujarat, India, with 1,251 female farmers. It has since been rolled out to two further countries and 160,000 farmers will have been trained by 2022.

Farmers are trained in more sustainable farming techniques covering sowing,

soil management, water and pesticide use, picking, grading and storage, and have seen transformative results:

Outcomes from India 2013–2019:

-9.9% water use

-26% chemical fertiliser use

+205% average farmer profit increase

-41.7% chemical pesticide use

As of 2019, the programme is active in three countries, training farmers in sustainable farming practices, equipping them with the knowledge and means to grow cotton using fewer chemical pesticides and fertilisers and less water.

Vinobhaben cultivates cotton on her 3.5 acres of land in Gujarat, India, and has been a part of the programme since 2019. After attending training, she decided to try pheromone traps on her field, which proved both economical and effective.



This season, I managed to save Rs.10,000 by not buying chemical pesticides. I have witnessed the difference and will continue using them on my fields."

Vinobhaben, Cotton Farmer

Twinnings

Extending Sourced with Care to herbal supply chains

As part of its efforts to know where its ingredients come from and that those in its supply chain are well treated, Twinings is extending the reach of its Sourced with Care programme beyond tea to its herbal supply chains. To better understand the needs of farmers, workers and communities, Twinings Community Needs Assessments (TCNAs) are being carried out in key herbal supply chains, such as camomile (Egypt and Croatia), cinnamon (Indonesia) and rooibos (South Africa).

Twinnings buys more than 100 types of herbs from more than 30 countries. More than 60% are from sustainable sources.

Achieving full transparency is challenging, due to the wide range of ingredients, relatively small volumes and complex supply chains that can range from large farms to individual collectors of wild plants.

In partnership with **Mercy Corps**, the company is undertaking a three-year programme to strengthen its cardamom supply chain in Guatemala, increasing incomes for 500 farmers. The initiative will help growers to collaborate and increase their collective bargaining power with exporters, which should lead to better returns for their produce.

Complementing this, demonstration plots are being used to train farmers in agricultural practices, which will increase yields, broaden local diets and improve food security.



UK Grocery

Supporting cumin and coriander enterprises in India

Through Project SPICE (Support Programme for Indian Cumin and Coriander Enterprises), a three-year flagship initiative with Mercy Corps and Gravis, AB World Foods aims to reduce poverty among smallholder farmer communities in India's Rajasthan state. The project will help to keep cumin and coriander farming an appealing and viable option.

Commencing in June 2019 in the areas of Phalodi and Osian, the project focuses on sustainable livelihoods, ethical and social responsibilities, including the importance of water, hygiene and sanitation (WASH) services, girls' education and sustainable farming practices.

In the first year, the project focused on setting up a project team in Jodhpur,



mobilising 1,000 farmers across 30 villages and dividing them into Farmer Interest Groups (FIGs). An initial baseline survey revealed that most were not aware of sustainable farming practices. Throughout the project, farmers will work together in their FIGs to reach collective decisions and generate more buying power when purchasing seeds or other agricultural resources. The project, which aims to positively impact about 5,000 people, will also empower female farmers and raise awareness of the WASH campaign.

With a focus on farmer and community training, Year 2 will involve the creation of ten model farms, as well as building supply chain infrastructure and creating a management plan to make the scheme self-sufficient.



Promoting labour rights

These challenging times have affected our workforce and our suppliers around the world, and we have contributed to important international efforts to make their lives better.

Our approach to labour rights includes activities designed to promote living wages, freedom of association, and health and safety. Workers' rights include working hours and conditions, and the right to freedom of association or, if not represented by a union, the ability to negotiate or raise grievances. We work to help workers in our supply chains receive a living wage, breaking the cycle of poverty, and promote gender equality and female empowerment in the workplace.

Even though our retail business, Primark, doesn't own any factories, it directly contributes to the employment of more than 600,000 workers across four continents. The welfare of all the people who make its products matters, and the company strongly believes its suppliers' factories should treat their employees well.

To make it onto Primark's approved list, each factory is vetted to the internationally recognised standards set out in the Primark **Code of Conduct**. A team of more than 120 ethical and environmental sustainability specialists located in key sourcing countries monitor compliance with the Code, auditing every factory at least once a year. The Code has recently been revised to address grievance mechanisms and collective bargaining.

Read more about [Primark's audit process](#) online.

To educate workers across ten supplier factories in China about their rights and responsibilities, Primark uses the CompanyIQ mobile phone application. Developed by MicroBenefits, the app offers access to digital wage slips, a confidential grievance mechanism and 'micro-training' modules on a range of topics.

And in Bangladesh, the Sudokkho technical training system provides a structured approach to training workers in garment factories, helping them develop the technical capacity to drive productivity, improve prospects and increase earning potential. Prior to the onset of COVID-19, 16,453 workers in Primark-approved factories had benefited from this programme.

The programme has now come to an end; however, given its success, Primark is looking to take elements from its curriculum and run a similar programme within its own operations.



COVID-19 and labour rights in our retail supply chain

Our commitment to respecting the rights of everyone within our operations and throughout our supply chains is more important than ever during times of crisis and we have strived to minimise the impact of any human rights risks associated with COVID-19.

The pandemic had a devastating impact on the garment industry and the retail supply chain. All Primark stores closed over a 12-day period in mid-March due to the COVID-19 outbreak and, with no idea of how long stores might be closed, tough decisions were needed – including the need to cancel orders.

Primark worked hard at every stage to find cost mitigations, diverting as much of these savings as possible back to the supply chain. In April, the company established a 'wages fund', an advance payment to suppliers

covering the labour component of originally affected orders. This provided wages to factory workers in Bangladesh, Cambodia, India, Myanmar, Pakistan, Sri Lanka and Vietnam, paying them as soon as possible for work on Primark products in production. More than £23m has been paid out in total.

When the stores reopened and trading resumed, Primark was able to make a further substantial commitment: pledging to pay its suppliers in full for all outstanding finished garments, and to utilise and pay for any outstanding finished fabric liabilities. This followed earlier commitments to pay, in full, for orders that were in production, finished and planned for handover by 17 April. By July, Primark had placed around £1.2bn of orders.

For more information, visit the [Primark Cares](#) website.



Creating safe workplaces

After the tragic Rana Plaza building collapse in 2013, Primark was one of the first brands to sign up to the Accord on Fire and Building Safety in Bangladesh, committing to improve the structural, fire and electrical safety of garment factories through regular inspections, remediation plans and comprehensive training.

Since then, 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. Primark has since signed the subsequent, three-year 2018 Transition Accord, which ends in 2021. From June 2020, the Accord's activities have transferred to the Ready-Made Garments (RMG) Sustainability Council. Plans for brands to join the Council are in development.

The company started its own Structural Integrity programme in 2013, with expertise and advice provided by international engineering firms Mott MacDonald and AECOM. In 2019, the programme was extended beyond Bangladesh and Pakistan to include Myanmar.

With regards to fire safety and prevention, the Janbo Mora Janabo ('Know and Tell Others') training programme, which Primark delivers with the NGO Sheva, has now reached 148,469 workers in 83 factories in Bangladesh. Factory managers and fire safety officers conduct training sessions using highly visual leaflets, simple rhymes and DVDs.

Exceptional EMPLOYEE ACTION during COVID-19

ANN SUNIL,
Ethical Trade Project Manager,
India, Primark

Supporting workers in the Indian supply chain

Primark partners with St John's Medical College in Bangalore on its My Space project, designed to support factories in establishing counselling services for workers. The programme aims to reduce stigma around mental health and improve the working environment in the supplier factories in south India who manufacture products for Primark.

In the wake of COVID-19 Ann realised we needed to refocus the existing My Space programme to provide accurate information about COVID-19 for counsellors to relay to factory workers, particularly given the stigma and myths that were circulating about the virus.

Primark's team in India worked with St John's to create new webinars, delivered by trained medical staff from St John's, and to expand the programme

to reach more factories and mills in our supply chain, recognising the urgent need for information to support the health of workers.

The work was all done remotely, providing a valuable opportunity for Primark to stay engaged virtually with management and workers from over 130 factories and mills in our supply chain, as well as offer professional medical support to those who might otherwise have not been able to access it. The programme is ongoing at the time of publication and is expected to expand into Pakistan to reach many more factories and mills before the end of the calendar year.

My Space India

Reached nearly **6,000** workers in **15** factories before COVID-19

45 counsellors supported workers during the pandemic

Webinars reached more than **400** participants in **94** factories and mills across two regions once factories reopened

Modern slavery

Although slavery has long been universally prohibited and condemned, it still persists in many corners of the world. According to the **ILO**, more than 40 million men, women and children are victimised by its different forms, including forced labour, child labour and human trafficking.

In short, modern slavery is a global blight that requires a concerted and collaborative response. It exists in all sectors but, with many migrant and/or temporary and seasonal workers performing manual tasks, the agricultural sector is particularly at risk of worker exploitation.

Acting on modern slavery risks

Based on the core conventions of the **ILO** and the **Ethical Trading Initiative (ETI)** base code, our groupwide **Supplier Code of Conduct** covers collective bargaining, forced labour, child labour and discrimination. We are also a member of the Business Against Slavery Forum, a coalition of businesses and government that aims to accelerate progress to end modern slavery.

To raise awareness of modern slavery, the Associated British Foods online training module defines modern slavery and forced labour, provides real-life examples and outlines how those in our supply chain can help to keep it free from modern slavery and human trafficking. The course has been completed by 972 participants to date.

Primark has been ranked as a leader by the ETI since **2011**

In addition, every new recruit at AB Agri watches a film about modern slavery in the agricultural supply chain as part of the induction process.

Please see our [Modern Slavery and Human Trafficking Statement](#) for more details of our relevant policies, due diligence processes, performance and progress across the group, as well as the specific company-level statements of some of our businesses such as Primark.

Several individual businesses have created their own tailored approaches. For instance, Twinings Ovaltine has released a new [Human Rights Policy](#), outlining how human rights is firmly embedded in the way it operates, while Primark has revised its [Code of Conduct](#).

As part of its due diligence, our UK Grocery business surveyed its suppliers to assess actions taken to protect employees and migrant workers, as well as determine the impact of COVID-19 on sales orders, labour levels, recruitment practices and, where relevant, planting and harvesting activities.

2,913

hours of social training
received by Primark suppliers

Twinings Ovaltine

Protecting migrant workers in Malaysia

In Malaysia, the protection of vulnerable workers has been identified as a top priority by Twinings Ovaltine. In partnership with ethical trade consultancy Impactt Limited, a capacity-building programme has been implemented to help factories improve their recruitment and processes for the hiring of migrant workers.

Managers at five suppliers have been trained through six modules, with capacity-building support continuing throughout 2020. Priorities include recruitment and hiring policies, the selection and management of recruitment agents, and clear communication about employment terms with prospective and existing employees.

The work is part of Twinings Ovaltine's Factory Monitoring and Improvement Programme. In the programme, Tier 1 sites, such as food processors and packers, are prioritised according to location, workforce structures and commercial leverage. Medium- and low-priority suppliers are checked using self-assessments and annual spot checks, while high-priority sites are monitored through independent audits.

All but two of the company's 188 high-priority suppliers have been audited to date. In 2019, 116 audits of Tier 1 sites took place, including those commissioned by Twinings and third-party audits commissioned directly by our suppliers.



Primark

Promoting freedom of association in Myanmar

Through the Action, Collaboration, Transformation (ACT) agreement, of which Primark is a founding member, global brands, retailers and trade unions are raising wages for workers in the garment, textile and footwear industry through industry-wide collective bargaining and responsible payment practices at a national level.

In Myanmar, Primark supported the development of its Freedom of Association (FOA) Guideline, which was concluded

in November 2019 after eight months of negotiations between the Industrial Workers Federation of Myanmar and representatives of factories of ACT brands in the country. The ILO provided technical assistance to help align the guideline with international labour standards.

Freedom of association is a universal right, and factories must respect the rights of all workers and their representatives, regardless of any specific trade union affiliation. The FOA Guideline provides factories with a clear framework for developing constructive relations with trade unions to build trust, reduce conflict, solve workplace issues and increase productivity.

Healthy and safe products

Consumers are spoilt for choice when it comes to fresh and convenient foods, but how can they be sure what's healthy and what's not? From clear labelling to sharing the benefits about our products, we continue to help consumers make informed decisions to support healthy diets and lifestyles.

Our approach to promoting health and wellness

We aim to reformulate our products to support healthier diets and make it easy for consumers to know what ingredients they contain with on-pack nutritional information and ingredients lists. Our individual businesses also share facts about our products, as well as the ingredients they contain.

Our approach is exemplified by Jordans Dorset Ryvita's Good Food Commitment to make more naturally healthy food, containing naturally wholesome ingredients that have been minimally processed. All the company's 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.

Through HIGH5 products – aimed at people participating in endurance exercise who require immediate energy – our UK Grocery business supports more than 600 events that promote exercise and active lifestyles each year, helping more than half a million people to improve their fitness levels.

Health education

A balanced diet is seen as an important factor in our overall health and wellbeing, but certain ingredients and food groups, from meat and dairy through to carbohydrates and sugars, remain the focus of much debate. We're helping consumers by being clear and transparent about what's in our products, and how they may contribute to a healthy diet.

AB Sugar's **Making Sense of Sugar** campaign, for example, seeks to provide consumers with objective, scientific information on the role sugar can play in the diet. First launched in the UK in 2014, it was expanded for a global audience in 2019. Now active in Spain, China, Zambia, Malawi and Tanzania, it aims to reach 25 million people by 2030. The website provides information and guidance in an interactive format, covering topics such as different types of sugar, tips on healthy eating and dental hygiene, and understanding product labels.

So that the next generation has access to high-quality education about food and nutrition, the company has also launched the 'Food – a fact of life' online teaching programme for primary school teachers through the British Nutrition Foundation.

Ryvita's FibreFit campaign, launched in 2019, provides information about gut health and fibre. The campaign helped 70,000 consumers understand their fibre intake through the FibreFit Quiz, while more than 31,500 people signed up to increase their fibre intake through the #30in30 Challenge. There is **strong evidence** that eating the recommended 30g of fibre per day is associated with a lower risk of heart disease, stroke, type 2 diabetes and bowel cancer. All Ryvita Crunchy Rye Breads are high in rye fibre.



Making Sense of Sugar helps inform and educate people about sugar and the role it can play in a healthy, balanced diet. Our aim is to provide factual information based on robust science for everyone so that we can all make informed choices about what we choose to consume."

Head of Advocacy, AB Sugar



Twinings

Encouraging people to drink water

Water is integral to a healthy lifestyle, and Twinings' cold-water infusion, Cold Infuse, encourages consumers to drink more water.

Cold Infuse is designed to drop a sugar-free hint of flavour to reusable water bottles as an aid to help people drink more water throughout the day, wherever they are. The infusers are made with natural flavours and are biodegradable.

To further support daily wellbeing, Twinings created a new range of blends fortified with a vitamin or mineral, including vitamin C, zinc and magnesium. The Vitality blend, for example, is fortified with 75% of the recommended daily intake of vitamin C.



Product labelling

To help consumers to make healthy choices, we give them the nutritional information they need about our products on the packaging. Nonetheless, there are challenges associated with complying with varied and continually evolving labelling legislation around the world.

At George Weston Foods, Tip Top products feature clear, front-of-pack nutritional information with rigorous Health Star Ratings, aligning with its **A Grain of Truth** campaign to bust myths about added sugar, carbohydrates and artificial preservatives, and promote the nutritional benefits of white bread.

And Jordans Dorset Ryvita, which uses traffic light labelling on Ryvita and Dorset Cereals products, has made a commitment to implement the colour-coded labels across its entire range by the end of 2021.

Reformulating our products

To support consumers looking to change or maintain lifestyles that prioritise health and wellbeing, our businesses continue to reformulate certain products. This involves lowering their salt, sugar and fat content, adding essential fibre, vitamins and minerals, and reducing the use of artificial colours and flavours. However, it is not just a case of adding or removing ingredients: we also need to address the many complex challenges associated with maintaining the taste, texture and quality of our products.

For example, George Weston Foods' Tip Top business fortified several branded products even before the fortifying of bread became mandatory in Australia in 2009. Folic acid added to wheat flour can reduce defects such as spina bifida and, after it was introduced, these fell by 14% across the population, and 74% among indigenous women. Iodine added as iodised salt has also helped to address deficiencies across Australia and New Zealand.

Similarly, Allied Bakeries' Kingsmill 50/50 Vitamin Boost is fortified with folic acid, as well as several other B vitamins, vitamin D, calcium and iron, while Westmill has recently launched Elephant Atta chapatti flour fortified with vitamin D. Public Health England data has shown that 20% of people in the UK have low levels of vitamin D and, according to the NHS, people with darker skin are potentially at a higher risk.

Working alongside governments in Malawi, Zambia and Mozambique, Illovo fortifies the sugar produced for local markets with vitamin A. In 2019, Illovo Malawi installed two new vitamin A dosing plants at the Dwangwa Sugar Factory to enhance the efficiency of sugar fortification. Fortification of products in Eswatini is currently being explored.



Lowering salt

Given the known health impacts of eating too much salt, such as an increased chance of hypertension, stroke and other cardiovascular conditions, we support efforts to keep salt intake to healthy levels.

That's why we're focused on providing products that make it easier for customers to cut down on salt without compromising on taste.

For instance, our DON business continues to reduce the salt content of its products, and adds a 'smiley' label on low-salt products that are designed to appeal to children, while our ABF Ingredients business Ohly has developed natural, yeast-based ingredients that enable customers to reduce the salt content in their recipes by up to 30%. In addition, Jordans removed all added salt from its recipes more than a decade ago and Allied Bakeries has cut the added salt in its bread by 20% since 2004.

Reducing added sugar

While sugar has its place in a balanced diet, guidance recommends that consumers limit their consumption of added sugars.

From Tip Top's Fruit Bread, reformulated in New Zealand with no added sugar, to eight Jordans Dorset Ryvita muesli recipes, which have 20% reduced sugar content, our businesses continue to reduce the added sugar their products contain, and to clearly label the amount of sugar in their products.

One of our UK Grocery businesses, Speedibake, has reduced sugar across all its products since 2015 by an average of 37%, equating to 1,700 tonnes per year removed, while Silver Spoon has reformulated its core Crusha milkshake range to contain no added sugar.

Similarly, ACH's BakeGood™ apple and cherry pie fillings contain no added sugar, enabling consumers to sweeten their own cooking to taste. The fillings are also free from artificial preservatives and colourings.

Cutting back on saturated fats

While some fats are considered 'healthy', avoiding saturated fats – due to their impact on cholesterol – is widely recommended. Several of our businesses are actively lowering added fats in some products and making sure they avoid additional rises in fat content when products are reformulated.

By replacing palm oil with sunflower oil, Jordans Dorset Ryvita is reducing the saturated fat content from the oil it uses in its products by 60%. And in our ACH business, the Mazola corn oil brand has been conducting clinical trials and educating consumers about the positive effect that polyunsaturated fats and plant sterols can have on heart health compared to vegetable or olive oils.

ACH

Gluten-free flour blends

In November 2019, ACH launched a line of wholesome, gluten-free flour blends that can be used as a cup-for-cup alternative to all-purpose flour in any recipe.

Specialty gluten-free flours, such as almond or coconut flour, are not a one-for-one substitute for regular flour as the lack of gluten makes baked goods too crumbly. Bakers would normally have to blend various flours and starches to get the desired texture, which is a complicated and time-consuming process.

ACH's BakeGood™ flour eliminates the need for bakers to create their own blends. The almond, coconut and cauliflower flours are already blended with the necessary ingredients to deliver the perfect taste and texture.



Exceptional EMPLOYEE ACTION during COVID-19

PAN SUKPALADISAI,
Regional Planning Manager,
AB Mauri, North America

Meeting the demands of a new generation of home bakers

The spike in consumer demand for yeast during the early days of the COVID-19 pandemic set a new challenge for AB Mauri, which manufactures consumer yeast for the North American market.

With more time at home, a rediscovery of baking and making bread took off across the nation, driving increased demand for yeast compared with pre-COVID-19 levels.

Pan was tasked with streamlining all of the supply chain workstreams which go into producing and delivering yeast to the consumer. This meant coordinating supply and demand capabilities across AB Mauri and ACH, which is also one of its main customers. Pan worked with AB Mauri's supply chain team to increase its production capabilities, coordinate the complex packaging supply requirements for the consumer yeast product and provide ACH's team with an optimised product mix to keep yeast supply chains moving. By August, the facility had increased its production capacity for consumer yeast products by 150%.

Food safety and quality

Maintaining food safety and quality is an essential element of our work across the group. We aim to build consumers' trust in the food they purchase by maintaining a high standard of food safety management practices.

Our businesses have specific food safety procedures in place, which align with a range of external food safety accreditations and industry regulations.

Where sites are not accredited, standards are based on regulations or internal food safety policies that meet the requirements of the [Global Food Safety Initiative \(GFSI\)](#). As part of our food safety management systems, our businesses regularly conduct mock recall exercises.

We also provide comprehensive employee training and awareness on food safety good practices.

This includes initiatives such as AB Mauri's Food Safety High5 programme, which spans a range of elements from hygiene and contamination to allergens, stresses the fact that food safety is everyone's responsibility, and is designed to increase awareness and participation in all aspects of food safety.

For further details on food safety and quality, please see our [ESG Appendix](#).



Local economies and communities

As a responsible employer and neighbour, we want the communities in which our businesses operate to become more resilient and prosperous. We support their socio-economic development by providing job opportunities, improving livelihoods and helping those in need, not least by contributing to local, national and international efforts during the COVID-19 outbreak.

Our approach to strengthening local economies

We try to do what is right for our customers and suppliers in each market. By working collaboratively, we help to build local capacity, strengthen rural economies and create thriving communities.

Our businesses around the world play a significant social and economic role by creating wealth through employment and training, supporting farmer livelihoods, supplementing local infrastructure such as schools and healthcare facilities, and improving access to water and sanitation services.

For example, in Malawi, Illovo has helped to establish the Sugarcane Growers Association of Malawi (SUGAM) to promote the long-term sustainability of the small-scale growers who serve its sugar mills. Seventeen growers' associations can share technical

expertise and learning opportunities through this forum, supporting financial stability and operational responsibility.

Our businesses also support economic development by:

- making payments to local contractors, suppliers, distributors and shareholders;
- paying salaries to employees; and
- paying taxes to governments.

Improving farmer livelihoods

We work with thousands of farmers, growers and suppliers around the world, alleviating poverty by offering them a fair price for their crops, as well as providing training and support to improve yields and incomes.

Our businesses strive to help everyone facing socio-economic issues, from gender inequality to financial illiteracy, as well as addressing the impacts of environmental challenges such as climate change.

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

In South Africa, for example, Illovo understands that strengthening its contractors and ensuring supply chain transparency is vital for its own sustainability, as well as the economic development of sugar cane communities.

Through its Practice for Change programme, launched in 2018, the Noodsberg and Sezela mills partner with international NGO Solidaridad and training provider Agri-IQ to train contractors and growers on business and financial management, as well as the company's Code of Conduct and Business Ethics. To date, 73 contractors – for whom the training was mandatory – and 365 growers from KwaZulu-Natal province have benefited from the capacity-building initiative, improving their understanding of the regulatory framework in which they operate, and identifying potential gaps in knowledge and practice.

In the UK, the British Beet Research Organisation (BBRO) launched the Brilliant Basics campaign with British Sugar, AB Sugar and grower representative NFU Sugar during 2019. This is expected to help British Sugar's 3,000 growers in the East of England and East Midlands to maximise yields. Easy-to-follow messages advice, based on BBRO research, is shared through British Sugar Beet Review, and feedback on how growers are interpreting and acting on the information is gathered through surveys, webinars and direct conversations.

AB Sugar

Developing future industry leaders

Developing growers with leadership potential is critical for the future of the South African sugar industry, and in line with the government's Broad-Based Black Economic Empowerment (B-BBEE) initiative. In response, Illovo has partnered with Agri-IQ to deliver Khula Nathi (Zulu for 'Grow with us'), a one-year business coaching programme for growers.

Aimed at black-owned medium- and large-scale farms with the potential for

sustainable growth, Khula Nathi helps them to make good business decisions with limited resources. Sixteen growers and contractors from farms accounting for more than 1,600 hectares of Illovo's cane supply were selected to receive tailored coaching support from a dedicated facilitator. One-to-one and group sessions cover business and financial management, legal compliance, core competencies such as decision-making and problem-solving, and effective health, safety and labour management.

After the first six months, 78 one-to-one engagements resulted in 124 tangible successes among the participants,

ranging from improvements in processes, systems or documentation to greater compliance. Even when the COVID-19 pandemic forced South Africa into lockdown, the programme was adapted to enable participants to continue through remote training, and additional training and support specific to COVID-19 safety practices was incorporated.

Illovo plans to build on this success, with a particular focus on women and young people to help develop resilient and sustainable black farm enterprises across South Africa.

Supporting local communities

As 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 for the charities and organisations our people care about. Some of our businesses, including AB Agri and George Weston Foods, also offer employees two working days a year to be used for volunteering.

Illustrating our hands-on approach:

- AB Mauri's Being a Good Neighbour programme helps to coordinate engagement with local communities near its sites;
- British Sugar's One Team, One Community scheme enables each of its five sites to donate up to £5,000 per year to local charitable causes, and the company also provides match-funding to employees through its Supporting You to Support Others scheme, adding up to £5,000 to colleagues' own fundraising efforts;
- AB Agri purchased and donated a chicken to food redistribution charity FareShare for every mile completed as part of a 'chicken

run', with employees and their families running and walking a total of 5,000 miles, followed by a donation of 10,000 litres of milk to FareShare. The AB Agri team in China also took up the 'chicken run' challenge, achieving 20 million steps in just ten days, and donated chickens and eggs to the Yintai Welfare Home;

- in Hamburg, Germany, ABF Ingredients business Ohly hosted its 10th annual charity indoor football tournament in September 2019, raising around €6,000 for a day-care centre focused on helping families in difficult social circumstances, from challenging family situations to refugees. The event features teams from partner companies that answer Ohly's call to support local social institutions; and
- the DON Caring Every Day programme supports local communities in Australia through partnerships with several charities and good causes. In 2019, employees spent 191 volunteering days at Foodbank, Ronald McDonald House and the Salvation Army, organised fundraisers, and made product and cash donations to various events, charities and sports teams.



Primark

Stepping up to help local communities

In 2019, to mark its 50th anniversary, Primark launched Step Up, a local charity initiative empowering employees to make a positive difference in their communities. Step Up is a call to action for stores, offices and depots to show their support for charities and other good causes helping vulnerable people.

Employees vote to select a dedicated charity partner to support throughout the year. More than £375,000 has been allocated across the business to donate to local charities. Colleagues can add to this through fundraising activities, as well as volunteering with the organisations and helping to raise awareness of the work they do for people in need.

Over the last 12 months, Primark employees have made a positive contribution in areas that align with its brand and charity values, such as women's and children's services, education, physical and mental health, and social development. The goal now is for each location to build long-lasting relationships within their communities and to continue to make a difference locally.

Through its charitable giving programme, Primark has donated almost £2m to more than 400 charities in the past year, in addition to an annual contribution of \$2m to global partner UNICEF.

Supporting communities in response to COVID-19

All around the world, when the COVID-19 outbreak hit, our businesses responded with a range of initiatives and donations to support people struggling with the challenges associated with the virus.

In Brazil, the product development team at AB Mauri created a cake mix that requires only water to be added. Around 80 tonnes of this product were distributed to more than 100,000 vulnerable families in favelas in São Paulo and Rio de Janeiro, and to a social enterprise that supports the community near the company's facilities. AB Mauri sites around the world have offered premixes, yeast and sugar to local organisations, and donated face masks and gowns to Red Cross agencies.

British Sugar provided manufacturers of hand sanitiser with 500,000 litres of alcohol and donated 1,000 bottles of hand sanitiser to the NHS and police force. Colleagues across all five of the company's sites also made gowns and donated toiletries for care-home workers. Illovo also donated 30,000 litres of alcohol to support the production of hand sanitiser in southern Africa, while sugar was given to local food banks and other causes by Kilombero.

In addition, our other businesses lent a helping hand around the world:

- supporting nationwide shortages during the pandemic, ACH partnered with the Chicago Food Depository to donate essential ingredients;

- Twinings donated 12 laptops to Southern Health NHS Foundation Trust while supporting 19,000 households in its supply chain with COVID-19 awareness, hygiene kits and emergency food rations, and provided PPE to three health centres in Malawi;
- our UK Grocery businesses, from Jordans Dorset Ryvita to Westmill, have donated thousands of cases of products to FareShare, other food banks and organisations supporting elderly, vulnerable and homeless people; and
- while their stores were closed, Primark staff coordinated and packed donations of more than 450,000 everyday products, including clothes, towels, toiletries and bedding, to frontline medical and care workers, patients and volunteers, including 74,000 products to staff at the new NHS Nightingale Hospital in London.

Read more about [Primark's efforts](#) or watch a [short video](#) about the donations it made around the world.



Disaster relief

Over the years, we have answered the call for help in the wake of hurricanes, earthquakes and floods. As well as corporate and employee donations to aid agencies, our businesses have donated emergency equipment, tents and drinking water, and a range of products.

Primark committed \$6m to UNICEF over three years, giving vulnerable children in Cambodia access to education and supporting emergency responses to natural and humanitarian disasters. In 2020, the company allocated \$500,000 of that total to support the response to COVID-19, sharing critical hygiene messages and supporting children out of school with access to learning, healthcare and social protection services.

Food donations

To support the vulnerable in our communities, many of our businesses donate products to food banks to fight hunger and food poverty, as well as reduce food waste. We are particularly proud of the efforts our food teams have made, over and above their day jobs, in donating thousands of essential household items and grocery products to the NHS, other emergency services and charities during the COVID-19 pandemic.

In 2020, our UK Grocery businesses donated 220 tonnes of products – which equates to 524,725 meals – to [FareShare](#), which distributes meals to groups that support those

facing hunger and hardship. Additionally, AB World Foods Leigh donated around 5,000 food parcels to food banks and local NGOs, and delivered extra stock to the catering department of its local NHS Trust. British Sugar colleagues also boosted the stocks of sugar in UK food banks during the COVID-19 lockdown.

Similarly, through a partnership with [Foodbank](#) in Australia, George Weston Foods donated more than 2.1 million meals to people in need and delivered a social return on investment worth more than AUS\$24m. Meanwhile, in New Zealand, the business provides 100,000 loaves each year to schools helping children affected by poverty through the KidsCan charity.

Garfield Weston Foundation

Providing vital funds in challenging times

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 Wittington Investments Limited, a privately owned holding company 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 5 April 2020, the Foundation donated a record £88.1m (2019: £79m) through 2,121 grants. More than £13.3m went to welfare organisations across the UK, donations to health charities increased by 153% compared with 2019, and grants to youth and welfare charities increased by 15% to more than £22.4m. Significant individual grants included £10m to Moorfields Eye Charity, £5m to the Royal College of Art, £2m to The Prince's Trust, £1.5m to the Natural History Museum and £1m to Cancer Research UK.

During the last few weeks of the financial year, the Trustees also authorised emergency funding in response to the COVID-19 pandemic. This included a grant of £1m to the National Emergencies Trust and substantial donations to a number of other projects.

George Weston Foods

Supporting food banks during the bushfires

George Weston Foods' DON business has long supported Foodbank Victoria in Australia, and when bushfires swept across the country in early 2020, more than 50 DON employees, family members and friends stepped up to help those affected.

Through the company's Caring Every Day initiative, the volunteers helped out at Foodbank's Yarraville warehouse, packing hampers for families caught up in the crisis. DON provided lunch for staff and volunteers, and donated pallets of food to some of the worst-hit areas. The equivalent of more than 450,000 meals were donated as a response to the bushfires.

Additional fundraising and matched employee donations raised almost AUS\$6,000 for Foodbank Victoria's bushfire appeal.

UK Grocery

Hot food and a smile

Westmill Foods, one of the UK's largest suppliers of authentic Asian ingredients, works with several partners to provide community services, such as supporting seven of the largest gurdwaras (Sikh temples) in the country.

Gurdwaras provide free hot meals to elderly, vulnerable and homeless

people, regardless of faith, with the help of donations and goodwill.

In 2019, Westmill donated flour, rice, spices and oil to help provide more than a quarter of a million meals to those in need, and to support hundreds of local celebrations and festivals. Employees also gave more than 200 hours of volunteering time at these events.

The company hopes to increase donations, reach 15 gurdwaras and double volunteering hours by 2025.

UK Grocery

Working together to feed the nation

Through a collaboration between our UK Grocery business and FareShare, seven Allied Bakeries' sites and depots provide regular deliveries of surplus bread and bakery products. In 2019, the company provided 151 tonnes of surplus products to FareShare – enough to provide more than 350,000 meals.

As part of its response to the COVID-19 outbreak in the UK in early 2020, the company's bakeries donated products to more than 100 organisations. As well as increasing FareShare deliveries, they donated 85,000 loaves of bread and 5,000 packs of pancakes and crumpets to hospitals and care homes, emergency services and charities.

Since 2010, Primark has donated unsold merchandise across Europe to Newlife, a charity that supports disabled and terminally ill children and their families, while in the US, stores donate clothing for redistribution to those in need.



More than
2.6M
meals donated
to food banks



We're proud to have been able to donate thousands of Kingsmill loaves to frontline emergency services and NHS staff, as well as countless other products to food banks and food redistribution charities, helping the elderly and most vulnerable in our communities."

Managing Director, Allied Bakeries

RESPECTING THE ENVIRONMENT

The world's resources are under increasing pressure from the growing demands of a rising population, and climate change is exacerbating these challenges. These are global challenges that we cannot solve by ourselves, but we are working hard at a group and business level to minimise our environmental impacts through a range of activities designed to reduce greenhouse gas (GHG) emissions, use energy, water and natural resources more efficiently, and promote biodiversity.

LIVING OUR VALUES

Collaboration with others is essential if we are going to reduce our impact on the world around us, while securing a sustainable supply of raw materials. Through training, education and access to new opportunities, we work with rigour and integrity to address climate change, use resources more efficiently, address deforestation and keep ecosystems healthy.

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

In this chapter

- 42 Climate change mitigation and adaptation
- 47 Natural resources and the circular economy
- 53 Biodiversity and healthy ecosystems
- 57 Animal health and welfare

Sustainable Development Goals

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



Climate change mitigation and adaptation

Our changing climate brings increasingly unpredictable and severe weather events, which have the potential to impact food security and the availability of natural resources. Although we can't tackle this global challenge alone, our businesses can adapt to or mitigate its effects by making buildings, production facilities, transport operations and agricultural activities more resource and energy efficient, using lower-carbon renewable energy where we can and reducing GHG emissions from our operations.

Our approach to managing climate change

We acknowledge that the impacts associated with climate change could affect our operations, from the farmers who supply us with ingredients to the consumers who enjoy our products. Given our diversified structure, each individual business and division is empowered to consider and implement its own mitigation and adaptation strategies.

Some of the locations in which we operate are prone to flooding, drought and extreme weather events such as cyclones and heatwaves, which can affect harvests and impact supplies of raw materials, energy and water. To address such issues, this year our businesses have invested in a range of adaptation measures such as infrastructure upgrades to reduce flood damage, and improved water efficiencies and reused more water where possible. They also collaborated with suppliers to build resilience in the supply chain where flooding and drought are prevalent.

During the year, we responded to extreme weather events around the world. For example, George Weston Foods operations in Australia were affected by the bushfires and subsequent storms in late 2019. Meanwhile, in Zambia, the irrigation of Illovo's sugar crop was impacted by reduced power supply from the Kariba Dam hydro-electric plant on the Zambezi River, due to the low level of Lake Kariba (14% of

capacity) between September and December 2019. The impact in terms of cane production is likely to be felt in the last quarter of 2020.

Governance and strategy

The board is accountable for effective risk management and therefore has accountability for managing climate-related risks. The board is supported by our Responsibility, Risk and Environment teams and directors to assess the potential impact of climate risk at the group level.

We believe we have a role to play in helping to achieve the globally agreed targets, as set out by the Paris Agreement, to limit temperature rise well below 2 degrees Celsius above pre-industrial levels. As part of our strategic review of climate change, we commissioned research from the UK's Met Office to consider the potential impacts of a 2°C and 4°C temperature rise on our operations and major supply chains to help inform our plans for addressing climate risk. This followed our 2019 high-level climate risk assessment which considered the impact of 2°C global warming on our businesses in the short to medium term. In parallel, our businesses have or are establishing their own strategies for adapting to climate change and reducing their emissions.

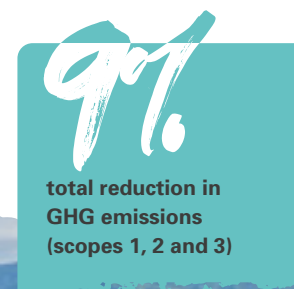
Risk management

Each of our businesses undertakes a risk assessment every year. Within these assessments, we consider climate change

impacts and risks, including transitional risks such as changes to regulatory and legal requirements, reputational impacts, and chronic and acute physical risks to our operations and supply chains. These assessments are approved by the chief executives of each business, collated at division level and then reviewed by the group board, which monitors our total exposure.

Our businesses continue to adapt to climate change and explore opportunities to reduce their impact and GHG emissions, through investment in technologies and energy efficiencies, maximising renewable energy opportunities, changing behaviours and working with others to target carbon reductions.

Azucarera adheres to the Integral Sustainability Decalogue, a set of ten voluntary principles issued by the Spanish Ministry of Agriculture to drive improved performance in areas such as energy use, environmental footprint, biodiversity and eco-design. Eligible companies are rated annually and added to the Ministry's [sustainability platform](#).





We first calculated the carbon footprint of our bread products in 2009 and have had the Carbon Trust's Carbon Reduction Label on three of our most popular breads re-awarded every two years. Demonstrating that their carbon footprint is reducing over time, the label helps customers to make better-informed purchasing decisions."

Director of Engineering and Operations Development, Allied Bakeries

Commitments and metrics

We have reported our energy consumption and emissions for 12 years through our annual reports and CDP disclosures. We report our emissions as scopes 1, 2 and 3, and out of scope. This enables us to analyse the emissions over which we have direct control, as well as those generated in our supply chain. Our scope 1 and 2 emissions (location-based), over which we have direct control, account for 82% of our total emissions; they have reduced by 11% this year. Our total emissions (scopes 1, 2 and 3) decreased by 9% compared with last year to 4.32 million tonnes CO₂e^A.

These emission reductions are partly due to COVID-19-related disruptions such as temporary site closures or less travel in our own vehicles. However, we note that since 2015 we have reported annual reductions in emissions and this is largely because of the commitment of our businesses to continuously improve energy efficiency across our manufacturing sites and retail stores. In addition, we have continued to improve

our accounting of emissions; this year this includes improvements in the calculation of emissions from waste water treatment and quantifying six minor fuel sources that previously had been estimated for a number of years.

As well as location-based scope 2 emissions, we have started to collect information to

Source of GHG emissions 2020



Our GHG emissions
(^{'000 tonnes CO₂e})

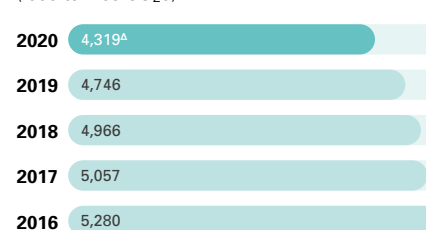
	2019	2020
Scope 1		
Combustion of fuel and operation of facilities	3,087	2,719
Generation and use of renewables	75	78
Scope 1 total	3,162	2,797^A
Scope 2		
Emissions from purchased electricity, heat or steam (location-based)	831	758 ^B
Emissions from purchased electricity, heat or steam (market-based)	n/a*	783
Scope 3		
Indirect emissions from use of third-party transport	753	764 ^B
Total emissions (scopes 1, 2 location-based and 3)	4,746	4,319^A
Total emissions (scopes 1, 2 market-based and 3)	n/a*	4,344
Out-of-scope emissions	3,962	4,045
Emission intensity (scopes 1 and 2) per £1m of revenue	252 tonnes	256 tonnes

We report our GHG inventory using the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard Revised Edition as our framework for calculations and disclosure. We use carbon conversion factors published by the UK's Department for Business, Energy and Industrial Strategy (BEIS) in July 2020, 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 market-based emissions have been calculated in accordance with the GHG Protocol Scope 2 Guidance on procured renewable energy. We are reporting market-based scope 2 emissions for the first time this year. For 2019 and 2020, scope 3 emissions are our third-party transport emissions only. See our [ESG Appendix](#) for more detail.

* Reporting for the first year in 2020.

report our scope 2 market-based emissions data for the first time. This data will help us and our businesses make informed decisions on energy supply with the aim to reduce emissions from our purchased energy and consider how we can continue to increase the share of on-site generated energy from renewable sources.

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



Our businesses have initiated programmes designed to manage their impacts and set goals to reduce GHGs. For example:

- **AB Sugar** has made a commitment to reduce its end-to-end supply chain carbon footprint by 30% by 2030;
- **AB Agri** is investing in environmental life cycle assessment to support better choices on both sourcing of feed ingredients and for livestock diet design; and
- **Primark** is extending its partner-owned vehicles in the UK with 15 new Longer Semi Trailers (LSTs), which will each carry twice the stock as the company's existing trailers. It is estimated that this will result in 1,600 fewer journeys every year, 728,000 fewer kilometres travelled and the elimination of 680 tonnes CO₂e from Primark's UK transport operations.

Such stretching goals will help us to continue to monitor and manage business-level scope 1 and 2 – and where relevant, scope 3 – emissions. For instance, Primark has now mapped its scope 3 emissions with the support of experts Jacobs to produce baseline data.

Increasing transparency

We report our GHG emissions performance and approach to climate change through our CDP disclosure (see www.cdp.net).

We consider how we can best align with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). We recognise the benefits of consistency in climate-related reporting across the market.

For more detailed information about our emissions performance and explanations of the calculation methods used, please see our [ESG Appendix](#).



AB Sugar

Driving supply chain efficiency

British Sugar's Beet Delivery Service aims to transport crops in the most environmentally efficient ways. Advanced mapping software is enabling more fuel-efficient routes, with beet growers being matched to the closest processing factories with capacity, and crop production closer to processing sites is also being prioritised. A telematic monitoring system is contributing to lower impacts by cutting vehicle idling time and unnecessary fuel consumption.

British Sugar has identified other opportunities to reduce the impact of deliveries – for example, by combining multiple orders, developing new packaging and incentivising customers to order the most environmentally beneficial payload.

The company's logistics partner has been able to increase average payload by 440 kg, while a trial to analyse different tractor unit weights has seen an increase of 300 kg in payloads.

Reducing transport emissions

We continue to make progress in reducing the environmental impact of our supply chain by collaborating with our logistics partners. Recent innovations include the increased use of renewable fuels, driver training on fuel-efficient driving techniques, payload efficiency through enhanced ordering systems and better packaging, more efficient route planning, and backhauling.

For instance, UK Grocery company Westmill reduced road mileage by 1,785 miles between September 2019 and March 2020 by delivering containers from the United States and Uruguay directly to its mill in Selby, rather than putting them into storage first.

AB Agri

Reducing the livestock industry's environmental impact through nutrition

The company's feed additive business, AB Vista, is trialling a new service to help customers measure and report their GHG emissions related to animal production, leading to evidence-based decisions to reduce the impact of their products.

As part of the pilot, Intellync, another AB Agri business, used carbon footprint modelling to assess data from a Brazilian broiler producer's farms – enabling AB Vista to offer recommendations that would not reduce productivity. An enzyme application, Maximum Matrix Nutrition, was proposed as a way to reduce the volume of feed per kilogramme of chicken produced – a solution that is expected to save the customer around 161,000 tonnes of CO₂e a year.



Reducing our energy use

In 2020, our total energy use was 22,877GWh^Δ, a 3% decrease compared with last year. Of that total, 83% (18,883GWh^Δ) was consumed by our Sugar businesses.

Each of our businesses tailors its own approach to reducing energy use in its factories, stores, offices and distribution networks, from investing in energy-saving technology to generating renewable power.

The biggest energy users within the group are our 20 factories for processing sugar beet and cane. Instead of buying electricity, they all use combined heat and power technology to convert fossil or renewable fuels into electricity and steam to feed their operations. Any excess electricity is sold to the relevant national grid where possible. Generating and using both heat and electricity is far more energy efficient than burning the fuel to create heat, and lowers GHG emissions per unit of fuel compared to conventional power plants.

As a result of these combined heat and power (CHP) plants, around 80% of the energy in the fuels is extracted and put to use in our factories, compared to standard power stations, which tend to extract only about 40% of the inherent energy.

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

Energy management systems

Our businesses are committed to reducing the impact they have on the environment through energy management and continual improvements in energy performance.

Of our manufacturing sites and Primark operations, 77% have externally certified environmental management systems (EMS), meeting standards including ISO 14001 for environmental management and ISO 50001 for energy management.

All British Sugar's and AB Agri's UK operational sites are certified to both standards, Allied Mills is ISO 14001 certified and all Jordans Dorset Ryvita sites will be accredited to ISO 14001:2015 by 2021.

Primark's new Energy Management System (EnMS), which covers all of the company's European operations except for Slovenia, was certified to ISO 50001 in October 2019. Primark also launched a new Energy Policy and committed to quantitative and qualitative energy targets for its stores and distribution centres.

These have helped to reduce its energy intensity, thanks to the system's real-time monitoring and monthly reporting. Supported by procedures and training, the EnMS is helping the business to identify a range of energy-saving opportunities, which will be evaluated and implemented over the coming years.

Associated British Foods

Driving energy efficiency in the UK

Across the UK, our businesses have been striving to reduce their operational energy use by implementing system, and process upgrades and updating technology.

For example:

- **AB World Foods** has invested nearly £1m across both its manufacturing sites over the last four years; introducing an Energy Management System (EnMS) and sub-metering infrastructure, conducting detailed energy audits and optimising the

use of boilers to reduce energy use (per tonnes of product) by 10.8% in the past two years;

- **Silver Spoon** has upgraded the lighting system at its sites to use LED eco lighting and has made improvements to the compressors; and
- **Allied Mills** has focused its efforts on energy monitoring, finding and addressing compressed air leaks, upgrading on-site lighting and reducing plant idling times.

We also complied with the UK's Energy Savings Opportunity Scheme, which aims to drive better energy efficiency through energy audits and efficiency initiatives.

In compliance with UK reporting requirements, we report our UK energy and greenhouse emissions data. The principal energy efficiency measures to reduce our carbon emissions include the introduction of energy monitoring systems, conversions to LED lighting and upgrades to production machinery such as compressors and boilers to improve efficiencies. Other specific examples of energy efficiency programmes are contained on this page and further energy performance data published in our [ESG Appendix](#).

Streamlined energy and carbon reporting

Energy consumed (GWh)

	2019	2020 ^Δ
UK operations	5,826	5,292
Outside UK operations	17,740	17,585

Scope 1 and 2 location-based emissions ('000 tCO₂e)

	2019	2020 ^Δ
UK operations	1,532	1,299
Outside UK operations	2,461	2,256



Primark

Environmental training for suppliers

Primark does not own or operate any factories, so building relationships throughout the supply chain is a key factor in the company's success. To drive continuous improvement in environmental performance, collaboration with industry organisations like the Sustainable Apparel Coalition (SAC) is also necessary.

The SAC has developed a suite of tools, the Higg Index, which enables brands, retailers and facilities to measure and score the sustainability performance of a company or product. It empowers businesses to make meaningful improvements that protect the wellbeing of factory workers, local communities and the environment.

As one of the 200-plus members of the SAC, Primark has committed to rolling out the Higg Facility Environment Module (FEM) throughout its supply chain. Individual supplier sites undertake the eight self-assessment sections – a general section, plus further aspects covering areas such as waste, chemicals, water and waste water – before a third party verifies the Higg score obtained.

Primark has worked with SAC and other member companies to deliver more than 4,000 hours of training to suppliers since August 2018, in areas including environmental management systems, the Higg FEM and chemical management. Just over 25% of Tier 1 facilities completed the Higg FEM in 2019, an improvement from 20.2% in 2018.

Tip Top's Chullora site, near Sydney, has increased production while reducing energy consumption, thanks to numerous efficiency projects. The George Weston Foods company has halved energy use from lighting by installing smart LEDs, while electricity reductions of more than 80% are being achieved through new cleaning technology to remove sesame seeds and bread crumbs from the production line. Planned initiatives could drive a 20% reduction in electricity use per tonne of production by 2025 within the Tip Top business.

Increasing our use of renewable energy

Besides reducing operational energy demands, our businesses continuously explore how they can integrate renewable sources of power into their energy mix to minimise reliance on fossil fuels and to reduce their carbon emissions.

Our use of renewable energy increased by 2% in 2020 to 12,462GWh^A. This means that 55% of the total energy we use is sourced from renewable fuels, up from 52% in 2019. 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.

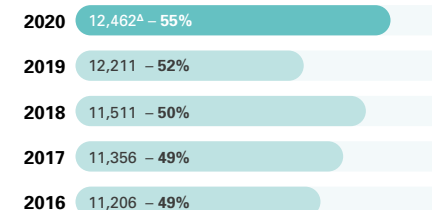
We use on-site anaerobic digesters (ADs) to generate biogas from waste streams. These anaerobic digester plants are located across 10% of our manufacturing sites over 12 countries, such as British Sugar and AB Agri sites in the UK and AB Mauri sites in Mexico, the UK and Argentina.

This year, biogas accounted for 2% of the total renewable fuels generated on our sites. While this is still a relatively small quantity compared with our overall energy needs, we have increased the amount of biogas generated and used by our sites by 5% compared with 2019. In addition, these sites are demonstrating a commitment to a circular economy by efficiently using their waste materials to generate energy required for their operations.

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

Renewable energy use

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



In 2020, we exported 1,002GWh^A of surplus energy to national grids and other organisations, a 3% increase compared with last year. This is a mixture of 5% of biogas and 95% of electricity generated on our sites and, as it is surplus to the needs of our operations, these sites are deemed as 'energy positive'. The majority of this exported electricity – 78% – is from our AB Agri and British Sugar sites in the UK, with our sugar factories using CHP plants to efficiently generate steam and electricity.



Working with suppliers from the food and drink industry, we are able to use their co-products as feedstocks for anaerobic digesters. This gives our partners a profitable revenue stream for their co-products, and helps us to obtain a secure supply to maintain capacity and optimise gas yields."

AD Operations Manager, Amur

Natural resources and the circular economy

Although we face challenges along the way, we are committed to developing solutions and making improvements that make our operations more sustainable. All our businesses are working to use resources more efficiently, from responsible water use and managing waste to helping to progress towards a circular economy.

Our approach to improving resource efficiency

We aim to use only the raw materials we need and make them go as far as possible through efficient operations. 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 or by-products, which could be used to power our factories, such as the use of bagasse as a renewable source of energy across our southern African operations.

Illustrating our approach, our UK Grocery business is a signatory to the Courtauld Commitment 2025, a voluntary agreement by the UK's food and drink sector to cut the

carbon, water and waste associated with food and drink products by at least 20% from 2015 to 2025.

Managing waste

In addition to reducing waste, we try to find positive ways to use the waste we create, through reuse and recycling, or use the by-products from our production processes such as sources of renewable energy or sold on as soil or animal feed.

We consider other alternative uses for waste, such as turning it into packaging materials or composting it to improve soil health. Where appropriate, we also donate surplus products to food banks, community groups and charities such as FareShare to avoid food waste.

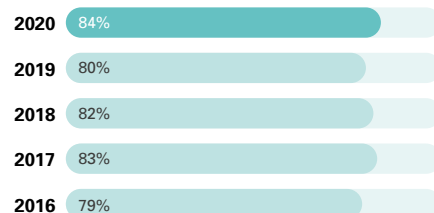
Our 2020 performance

Across the group, we generated 585,000 tonnes^Δ of waste, a 7% decrease compared with last year. Of this total, 84% was sent for recycling, recovery or other beneficial use. Total recycled waste decreased by 4% to 489,000 tonnes^Δ but, as a proportion of the total waste generated, we increased the amount recycled by 4%.

Non-hazardous waste decreased by 23% since last year, from 119,000 tonnes to 92,000 tonnes^Δ. The small amount of hazardous waste we generated fell by 4% to 4,500 tonnes^Δ in 2020.

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

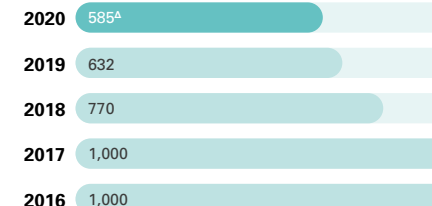
Proportion of waste recycled (%)



Waste disposal 2020



Total waste generated ('000 tonnes)



Primark

Turning pre-loved into re-loved

As a responsible retailer, Primark works to actively minimise its impact on the environment, and the company's new in-store recycling scheme, established in conjunction with recycling specialist Yellow Octopus, gives UK customers the opportunity to do the same.

The collection boxes, which are available in Primark's 190 stores across the UK, accept pre-loved clothing, textiles, footwear and bags from any brand. All donated items will be reused wherever possible, or recycled or repurposed as insulation, toy stuffing and mattress fillers, with nothing going to landfill.

All profits from the scheme will go to UNICEF, Primark's global charity partner, in support of its education programmes for vulnerable children around the world.

British Sugar

Doing more with less at harvest time

Reducing waste and losses across the supply chain is crucial for British Sugar, which processes 8 million tonnes of beet to create around 1.2 million tonnes of sucrose for human consumption.

The company creates co-products from the beet pulp, such as animal feed and fuel for an anaerobic digestion plant, and works alongside its growers and the British Beet Research Organisation (BBRO) to reduce losses in the field, after harvest and during transportation.

George Weston Foods

Targeting zero waste to landfill

Tip Top's Dandenong bakery is a large manufacturing site that contributes less than 1 kg of waste to landfill for every tonne of product it produces.

Partnering with a local recycler to work towards the company's 2025 ambition of zero waste to landfill, the site currently sends less than 1% of its waste to landfill – under 50 tonnes a year. These results have been achieved through training, technology and physical segregation initiatives, alongside additional processing and segregation at our recycling partner's site.

Each tonne of waste diverted from landfill potentially saves around 1.2 tonnes of CO₂e. On this basis alone, the site has already cut related GHG emissions by more than 25% in the last three years.

Over the last ten years, British Sugar has made significant improvements so that as many beets as possible reach the factory. At harvest time, these include choosing the right crop varieties to match weather and soil predictions; 'just in time' harvesting using the latest technology and highly skilled drivers; and effective storage, cleaning, loading and delivery processes. If every beet is in good condition, and free from soil and stones, the process to extract the sucrose can begin efficiently.

On average, less than 5% of the crop does not reach the factory, although a large proportion remains in the field as a natural fertiliser, and for feeding birds like pink-footed geese.



Packaging and plastics

Packaging is essential for protecting our products during transit and in store. In particular, plastic is a durable, cheap, lightweight and hygienic material well suited to food products, maintaining safety and quality, extending shelf life and reducing waste.

Yet the issue of plastic waste is of significant public concern. Unless it is recycled, it can remain in landfill or pollute the wider environment as litter or ocean waste for decades. With packaging a particular issue for our industry, we are committed to playing our part in improving recyclability and recycling rates, reducing the volume and weight of the waste we generate, and 'designing in' more recycled content.



In the UK, approximately 900,000 tonnes of bread is wasted every year – that's about a million loaves a day. By keeping bread fresher for longer – by 21 days or even more – our new product VERON® MAXIMA could help to reduce the problem of food waste."

Chief Executive Officer,
ABF Ingredients – AB Enzymes

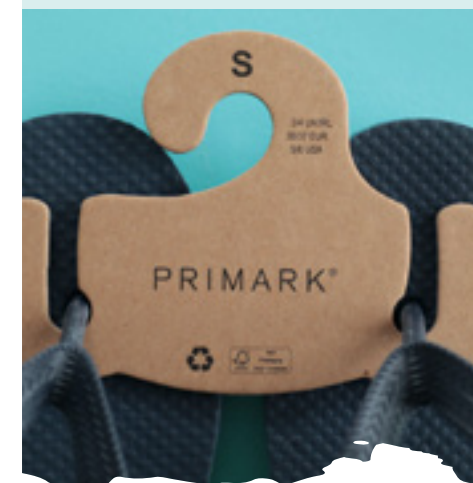
Primark

Managing plastic responsibly

In its stores, Primark is seeking to reduce plastic packaging and replace it with Forest Stewardship Council-certified cardboard where possible. In late 2019, cardboard hangers and tags on soft accessories such as hats, scarves and gloves were trialled, and after a successful roll-out, the hangers and tags for jewellery, hair products and belts were also changed from plastic to cardboard.

Over the last 12 months, Primark removed 175 million units of plastic, from hangers to packaging, from the business. The company also removed 86 million single-use labels and stickers from its products this year, and aims to remove a further 300 million next year.

We continue to explore other ways to move from plastic to more sustainable packaging materials.



Our 2020 performance

Across the group, the amount of packaging we use is dependent on new customers, changes in product mix, new manufacturing facilities and the size of packaging units. In 2020, the group used 245,000 tonnes^a of packaging. This is a 5% decrease from last year, largely driven by a 2% decrease in production output due to the impact of COVID-19, as well as continued efforts to reduce packaging across all our businesses.

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

Backing better packaging solutions

We understand that a range of stakeholders will need to join forces to create the infrastructure needed for a truly circular economy for plastics. Furthermore, opportunities to use bio-based materials are limited, not least due to the strict regulations governing packaging that comes into direct contact with food. Nonetheless, many of our businesses are determined to reduce the environmental impacts of packaging and use recyclable plastic where possible.

In line with The UK Plastics Pact, signed in 2018, our UK Grocery businesses have committed to eliminate problematic and unnecessary single-use plastic packaging such as PVC and polystyrene, have 100% recyclable, reusable or compostable plastic packaging, and achieve 30% average recycled content in their packaging.

Such ambitions are not without their challenges. For example, PVC offers superior product protection so careful consideration is needed when assessing alternatives that don't impact on shelf life. AB World Foods has introduced new poppadum packaging

material, reducing its PVC use by 96% and eliminating 188 tonnes of problematic packaging materials a year in the UK alone; all remaining PVC, used in shrink labels on bottles, will be phased out of production by December 2020.

Elsewhere in the group, AB Sugar will use only reusable, recyclable, biodegradable or compostable plastic by 2030 and, by 2025, all George Weston Foods packaging will be 100% recyclable, reusable or compostable. To help the public understand how to recycle different types of packaging, the company – part of the Australian REDcycle Program – introduced the Australasian Recycling Label (ARL) scheme in 2019. The label carries icons showing the level of recyclability and disposal instructions for lids, bags, wraps and other components of each packaging solution. Research by the Australian Packaging Covenant Organisation (APCO) shows that recycling increases when the packaging has the ARL marque.

AB World Foods has been reducing the amount of material in its packaging while remaining mindful of food safety and product shelf life. For example, the Patak's Paste Pots brand now uses 40% less plastic per pot compared to 2017 when the range was launched. The pots are made from polypropylene – a widely recyclable material – and the carton box is 100% recyclable.

For ABF Ingredients business SPI Pharma, a commitment to quality goes hand in hand with environmental improvement. When an intermittent microbiological contamination in drum shipments came to light, tests identified the cause as the physical handling of the 3mm plastic liners of the drums, which contain shipments of pastes for use in oral antacid products. Following trials and collaboration

with customers, SPI Pharma was able to eliminate the liners, leading to an annual reduction of 11,000 plastic liners – 680 kg of waste each year – as well as an improvement in product quality.

In the United States, ACH Foods has converted the shape of its Argo corn starch bottle from square to round, resulting in a saving of 6 g of plastic per unit and 210,000 lbs every year. The bottle is made from recyclable high-density polyethylene. A change in the closure for its Karo syrup, from a flip top to a flat-top lid, saved 3 g per unit and 86,200 lbs in material over a year.

Beyond our products, our businesses are working to eliminate plastic cutlery and introduce reusable cups for coffee machines. For example, in September 2019, AB Agri introduced some changes to its employee canteen in Peterborough, reducing single-use plastics by nearly 70% through the elimination of 15,000 plastic items a year. The company provided every employee with a reusable bamboo mug, introduced takeaway packaging made from sustainable materials and installed a refrigerated salad bar to avoid the need for plastic pots.

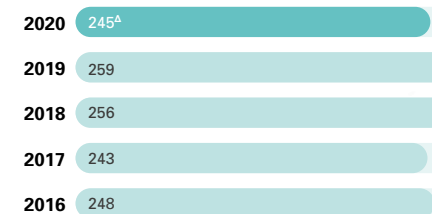
By August 2020, more than two-thirds of Twinings' product range in the UK was either loose leaf or produced using plant-based biodegradable materials. The transition will be completed across the entire range over the next six months.



We recognise that urgent action is required to tackle global warming and plastic pollution. Plastics have an important role to play but must be used only where they are really the best choice for food quality, consumer safety and the environment. As a member of The UK Plastics Pact, we are committed to phasing out unnecessary or problematic single-use plastics and redesigning our packaging to ensure it is 100% reusable, recyclable or compostable by 2025."

Packaging Innovation Leader,
AB World Foods

Quantity of packaging used
('000 tonnes)



Primark scoops Supply Chain Excellence Award

Primark's Packaging Optimisation Programme won the Environmental Improvement category at the Supply Chain Excellence Awards in November 2019. The company trains its suppliers to accurately measure products and efficiently package them into shipping cartons, eliminating empty space. It also optimises the carton dimensions to maximise the space in ocean containers and warehouse pallets. Over the 12 months from July 2019 to June 2020, the programme reduced freight volume by almost 100,000 m³ (equivalent of more than 1,400 40-foot high cube ocean containers), and corrugated packaging material by 2.4 million m² (equivalent to 5%).

Effective water management

A safe and secure supply of water is a vital resource in all the communities where we operate. From fields to factories, water is also essential for our businesses around the world, so they invest in technology and projects to reduce water abstraction per tonne of product, and reuse more water for cleaning or cooling equipment or for irrigation.

We use resources such as the WWF Water Risk Filter tool to assess the risks facing our manufacturing sites, such as water scarcity, water quality, legislation and reputational risks, and disclose our annual performance and approach through CDP's water report, publicly available at www.cdp.net.

This year, we abstracted 847 million m³^Δ of water for use in our operations. This is a 4% reduction compared with 2019.

George Weston Foods

Contributing to the circular economy

George Weston Foods is helping customers to recycle packaging by sharing and reusing plastic pallets made from 100% post-consumer recycled content. The reusable plastic pallets are provided by supplier CHEP Australia and have lower impacts than traditional single-use timber pallets. George Weston Foods used 15,460 of the reusable pallets during 2019, contributing to savings of 14,297 tonnes of CO₂ (the equivalent of planting more than 21,000 trees) and 8,777 tonnes of solid waste diverted from landfill.

Tip Top Bakeries supports New Zealand's Soft Plastic Recycling Programme. Recycling bins in major retail locations recovered 115 tonnes of soft plastic packaging from 1 June 2019 to 31 March 2020. This includes bread bags and similar items that cannot be recycled via household collections, but which can be given a second life to make useful products.

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

ECOSTONE® OSB7, a one-step solutions from ABF Ingredients business ABF Enzymes, is helping to make the textiles industry more sustainable, as well as to deliver softer fabrics and brighter colours. By combining the bio-finishing process (using enzymes to remove pills from the fabric) with the dyeing stage, the process is about a third faster, uses 36,000 m³ a year less water and generates annual energy savings of €140,000.

AB Mauri

State-of-the-art water management

With groundwater in water-stressed Lahore, Pakistan, falling by around a metre a year, the AB Mauri yeast factory in the city is using the latest water management system to separate waste water from reusable water while creating a feedstock for organic fertiliser.

The high-pressure reverse osmosis membrane system installed in 2019 separates organic-matter-enriched concentrate, which is supplied for organic fertiliser manufacturing, while the rest is recovered as clean water.

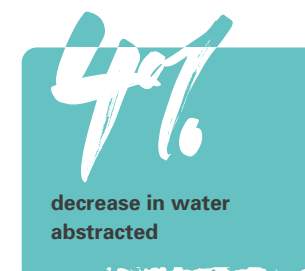
There are clear circular economy benefits to the process. The waste water is transformed to a high-quality permeate, enabling an average 25% of the total permeate generated to be reused on-site – amounting to over 7,500 m³ since the introduction of the new treatment system in November 2019. In addition, the solids are transformed into organic fertiliser for commercial use by a local manufacturer,

which reduces the environmental impact from the yeast factory and provides a useful raw material. Over 13,000 tonnes of fertiliser have been donated to date.

The plant has not only met local water discharge regulations but has also delivered positive impacts in terms of saving water and safeguarding local supplies for the future, especially as studies are showing that the water table is falling significantly.

AB Mauri's site is used as a reference by the Punjab Environment Protection Department to encourage local industries to treat their waste water and to set a good example to other international companies in the region.

Looking ahead, the Lahore facility aims to recycle all the process waste water generated to use 50% on-site and 50% for local government landscaping.



UK Grocery

Making rice more sustainable

Westmill is part of the three-year **Water and Productivity Project** (WAPRO) in Punjab, Pakistan, which promotes the standards of the Sustainable Rice Platform (SRP), of which Westmill is a founding member. It takes up to 5,000 litres of water to produce 1 kg of rice, and water efficiency is a key focus of the project, which aims to train 1,200 basmati farmers by 2021.

WAPRO partners Helvetas and Galaxy Rice provide training in SRP techniques, while Westmill purchases the rice produced (4,000 tonnes in 2020) – with plans to increase the proportion of rice it sources through the project in future. Westmill has invested \$150,000 in the programme, which has already led to a 25% reduction in water use, a 19% increase in yield, a 48% reduction in GHG emissions, a 38% rise in net incomes and a 67% increase in net income per acre.

Westmill plans to enhance the programme with a smartphone-enabled digital platform, enabling more streamlined data collation, and is also exploring opportunities to replicate the scheme in Thailand.

Water management in our Sugar businesses

We use a series of technologies to manage our water use in fields and factories, and constantly work to abstract less water and reduce our water footprint per tonne of product we produce. With sugar cane and beet being more than 70% water, we make use of all of this water as part of production processes, thereby significantly reducing the amount of water that we need to abstract from natural sources.

Illovo's businesses in southern Africa account for 96% of the group's total water abstraction. Other than using it for factory processes and distribution to local communities, 86% of water abstracted is used to irrigate the 70,000 hectares of land it manages. Many of our sugar operations use complex water systems to maximise the value of every drop, reusing water to reduce abstraction at a local level.

At its Cantley factory, British Sugar has put in place changes to its ultrafiltration system, which removes solid material from feed water, and its reverse osmosis plant, which removes smaller impurities. These alterations have enabled the factory to use more borehole water, under licence, and less high-quality mains water for the purification plants that supply its high-pressure boilers.

To implement the project, the reverse osmosis plant was altered to allow borehole water to be heated (which increases throughput and allows for more effective cleaning). A heat exchanger was fitted to use waste heat to warm the feed water.

As a result of these upgrades, the plant has been restored to maximum capacity while mains water use has fallen by more than 50% over the last two years.



Strategic planning

With climate change contributing to drought and flooding, which impact cane yields, cause business disruptions and affect the local communities, Illovo has a strong focus on water stewardship. This takes into account water efficiency, quality, supply chain resilience, community impact and profitability; recent investment has included the implementation of drip irrigation and other technologies to increase yields with fewer inputs and the development of flood emergency plans.

Technology upgrades

Through equipment upgrades, investments in waste water treatment and reusing condensate water for cooling, British Sugar has cut water use by 23% since 2012, saving the equivalent of the average annual use of 3,000 UK homes¹.

Drip irrigation

In the water-stressed regions operated by AB Sugar China, research shows that drip irrigation can cut water abstraction compared with conventional watering methods such as sprinklers, while Illovo is also investing in drip irrigation schemes in many of its estates across southern Africa. Additional benefits include preventing soil erosion and nutrient run-off as the water penetrates deeply into the soil around the root zone.

Solar irrigation

Azucarera's solar irrigation partnership with AIMCRA, a Spanish research association, aimed to reduce energy and water use among beet growers. More than 80 solar water-pumping units were installed across Spain, leading to a 90% reduction in CO₂ emissions, a 70% fall in irrigation costs and a 20% decrease in water use. AIMCRA has now extended the system to Italy, Portugal and Morocco through other projects.

¹ Source: Statista. Based on a two-person household using 100.74 m³ per year.

AB Sugar

Innovate Irrigation Challenge

To attract bold new ideas to help deliver on its 2030 commitment to reduce water use by 30%, AB Sugar launched the **Innovate Irrigation Challenge** in 2019, alongside **WaterAid** and the University of Cambridge's **Centre for Industrial Sustainability**.

The hackathon-style 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. An expert panel of judges unanimously agreed that a smart irrigation system designed by two graduate engineers from Uganda was the winning submission.

Their idea accounts for water used in irrigation, detects water loss, plans irrigation schedules, monitors crop growth and determines the water required by the crop at different growth stages. It can be connected into existing processes, managed remotely and used in remote locations, allowing estate managers and smallholders to understand and act on the data provided.

A feasibility study to consider the potential impact of the system will now be implemented.

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.

Of the total water abstracted this year, we reused 25% of it before returning it to the watercourse, helping to maximise the value of this resource. This equates to 214 million m³ of water being used for more than one purpose in our operations, with most of this water being used for irrigation.

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

Over the last year, we have invested more than £5m in treatment plants and improvements in managing waste water so that we meet local quality standards and regulations.

For example, over the last 10 years, AB Mauri has delivered programmes to improve effluent treatment and optimise water reuse, using an effluent treatment management system to improve technical guidance. In many of its plants, energy-efficient concentration technologies have been adopted, generating by-products for the animal feed and fertiliser industries, and enabling water to be reused. The company has also implemented a global horizon scanning tool to anticipate future requirements on discharge limits, and continues to evaluate new treatment technologies such as low temperature evaporation.

See our [ESG Appendix](#) for detailed data about our environmental compliance.

George Weston Foods

Waste water treatment plant upgrades

The DON KR Castlemaine facility has upgraded its waste water treatment plant, introducing new processes to separate out unwanted solids and recover more water.

The dissolved air flotation (DAF) system coagulates solids, greases and oils, 'floats' them to the surface and scrapes them off the top. Additional controls and upgrades

have included automated polymer dosing and a centrifuge, which helps to separate and dewater the solid waste materials.

The company's investment has increased the quantity of sludge that the plant can handle and lowered the level of pollutants entering the public waste water system that would otherwise need to be managed by the local utility company, Coliban Water. The costs of trade waste discharge have also been lowered.



Biodiversity and healthy ecosystems

From healthy soil to habitats that encourage pollination, biodiversity is vital to our operations. We work to protect ecosystem services to enhance production on the farms from which we source our key ingredients.



Our approach to biodiversity and healthy ecosystems

Some of our businesses directly support ecosystem conservation. For example, through the [Jordans Farm Partnership](#), Jordans pays 37 British farmers a premium for their oats, wheat and barley, in return for committing at least 10% of their land – a combined total of 4,200 hectares – to support biodiversity. Through the initiative, farmers work with experts from The Wildlife Trusts to develop bespoke wildlife plans, and are independently audited and certified against the Linking Environment And Farming (LEAF) Marque Standard.

Regarding soil health, our sugar businesses work closely with growers to minimise soil damage and compaction, which can impact performance and yields. This includes selecting fields carefully for the right soil type and developments in weight reduction and tyre technology on modern harvesters. Our agronomists are also working hard to minimise the amount of soil left on the beet during harvesting, storing and transportation. Elsewhere in the group:

- the environment committee at British Sugar's Wissington site planted more than 100 saplings – a mixture of rowan, hazel, wild cherry, hawthorn, dogwood and silver birch – supplied by the Woodland Trust; and
- through the Primark Sustainable Cotton Programme, farmers are trained in sustainable farming techniques, including soil management, water consumption and pesticide use.

AB Sugar

Helping wildlife at sugar factories

British Sugar's factories and the surrounding fields of sugar beet are important homes for nature, and many birds – including geese, curlews, swans, oystercatchers and house martins – are regular visitors. Man-made dangers around the factories can be a hazard, but when the team at Wissington encountered one such problem, they were able to create a positive outcome.

After the factory experienced dips in power supply, one of the team checked the overhead power cables nearby and found several dead swans. Thousands of swans fly to feed in the fields each day but in the fading evening light, some were hitting the cables on their return to a nearby wetland bird reserve. The team alerted UK Power Networks, which fitted 400 new deflectors to the lines as a preventative measure – protecting both the swans and the electricity supply.

We also collaborate with multi-stakeholder organisations to better understand our impact on biodiversity, soil and water, such as Primark's membership of the Cambridge Natural Capital Impact Group (NCIG), a collaboration between the Cambridge Institute for Sustainability Leadership and various retailers. In April 2020, the NCIG published the Biodiversity Impact Metric tool, which enables businesses to identify impacts and prioritise actions without the need for regional data.

At the Cantley and Wissington factories, 2020 saw the arrival of seven rare peregrine falcon eggs from two breeding pairs. Tall structures are popular nesting sites, and this is the first year that one of the purpose-built nests placed on top of the sugar silos at Cantley has been occupied. Thanks to live-streaming cameras, the teams followed the eggs' progress without disturbing the birds. One chick successfully hatched and took its first flight in June 2020.



UK Grocery

Environmental protection in Bolivia

In Bolivia, Jordans Dorset Ryvita is working with its Brazil nut supplier and a local NGO to improve the health and productivity of Brazil nut trees, as well as the resilience of the people who pick them.

The project works directly with local communities who gather nuts from naturally growing trees in the Amazon rainforest. Through a range of engagements and a health, nutrition and safety manual, individual health and nutrition is promoted, as well as sustainable agroforestry practices to enhance income and environmental protection.

To date, around 300 families have taken part in training and communal activities across 15 communities. Five nurseries and around 100 km of trails have been improved, while more than 120 hectares of forest are now managed by communities through integral forest management plans, with help from a local NGO, the **Centre for Research and Development of Farmers** (CIPCA).

The project's first phase finished in early 2020. Its impacts are being assessed and proposals for a second phase are under review.

UK Grocery

Delivering sustainable wheat from local farmers

Allied Mills has launched a five-year project that aims to produce 5,000 tonnes of sustainable breadmaking wheat a year for its mill at Tilbury, Essex, with a greater focus on soil health and biodiversity.

Through the Wheat Sustainability Project, set up in partnership with **Frontier Agriculture** in June 2019, nine local

farmers will grow their crops in line with a number of sustainable principles, including crop rotation, limited ploughing, and the use of disease- and pest-resistant varieties.

To support the initiative, Allied Mills will be arranging mill, bakery and farm visits to facilitate the sharing of knowledge and best practice among the participating farmers. Progress will be monitored and data gathered throughout the project to identify expected improvements such as lower nitrogen use, reduced energy consumption, less water run-off and enhanced soil health.

UK Grocery

Seeds for Bees in California

Pollinators are of vital importance to food supply chains. In California, the Seeds for Bees project – run by non-profit Project Apis – supports bee health and biodiversity through blooming cover-crop and wildflower planting.

Growers are encouraged to plant flowers between rows of almond trees and near orchards to provide forage for honey bees, wild bees and other pollinators. Blooming cover crops also improve soil health and provide other sustainability benefits for growers.

Jordans Dorset Ryvita supports the project by donating seeds equivalent to the area required to grow the almonds they buy. In 2019, that totalled 512 acres. The team plans to renew the project in 2020 and is sharing details with its suppliers to encourage them to take part.



Mitigating deforestation risks in commodity sourcing

As a diverse group of businesses, we buy a wide range of commodities, and support farming and harvesting practices that protect and respect the environment. Where we identify potential risks to the world around us, we seek to mitigate or remediate them.

Palm oil

Palm oil, palm kernel oil and its derivatives are versatile vegetable oils, used in food and household products, and palm needs less than half the land required by other crops to produce the equivalent yield. Since oil palms need high humidity and temperatures, the growth of plantations is the main cause of rainforest destruction in countries such as Malaysia and Indonesia, fuelling a rise in CO₂ emissions from the cutting and burning of trees. The removal of species-rich habitats is also responsible for a significant loss of biodiversity, threatening the existence of many endangered plants and animals.

Our European-based Grocery businesses have physically certified 100% of their sustainable palm inputs since 2017.

Palm oil-based ingredients are utilised in several of our businesses, including consumer brands and in feeds manufactured for livestock. Even though we are a low consumer (2019 consumption: 57,112 tonnes) compared to other global food and beverage businesses, we have been a member of the [Roundtable on Sustainable Palm Oil](#) (RSPO) for a decade.

Our palm consumption

- For full transparency, our reporting covers all palm-related purchasing and consumption, including palm oil, palm kernel oil, other palm-based derivatives and products containing palm oil
- Around 66% of the palm we purchase comes from other palm-based derivatives and products containing palm input. These often have a more complex supply chain than palm oil, and are more challenging to source as physically certified

A new range of Primark-branded biodegradable face wipes – made from 100% plant-based fibres – has been endorsed by the Programme for the Endorsement of Forest Certification (PEFC).

- We have sourced 100% of our palm oil-related consumption through supply models recognised by the RSPO (including Book and Claim, Mass Balance and Segregated) since 2015, of which 28% comes from more stringent physically certified sources (Mass Balance or Segregated)
- In markets where incomes are higher or awareness of the deforestation risks of oil palm production is greater, customers are more willing to pay the premium associated with physically certifying sustainable palm

With controls in place to give customers and consumers confidence in the sustainable origin of the materials we use, 28 of our manufacturing sites in ten countries have been RSPO Supply Chain Certified (SCC). We continue working to increase our use of physically certified sources and the number of RSPO SSC sites.

Our annual performance and disclosures are available via the CDP's forestry report at www.cdp.net.



Soya

Around three-quarters of the world's soya – a concentrated source of protein – is used to feed animals and the rise in global demand is putting pressure on land, communities and ecosystems.

Aware of the reputational, deforestation and sourcing risks associated with complex soya supply chains, we are increasingly purchasing responsibly sourced soya, and encouraging others to do likewise.

For example, AB Agri is committed to eliminating deforestation from its own palm and soya supply chains by 2025. A deforestation 'pathway' is being defined to achieve this ambition for all areas of its business, and within all geographies. As an active member of the [UK Roundtable on Sustainable Soya](#), the company focuses on metrics, collaboration and innovation to meet the growing demands for livestock products produced using responsibly sourced ingredients. Currently, 80% of the soya AB Agri buys in the UK for its ABN feed mills meets the [European Feed Manufacturers' Federation](#) (FEFAC) sustainability benchmark.

For more detailed information about how we manage raw materials sourcing, please see our [ESG Appendix](#).

Chemical management in the supply chain

As part of our stringent chemical requirements, our businesses work closely with suppliers to phase out chemicals deemed to be hazardous from our supply chain, replacing them with suitable alternatives.

Primark regularly reviews its restricted substances list to prevent hazardous materials from being used in its products. To go beyond compliance with EU and US legislation and work towards eliminating additional substances deemed to be hazardous from its supply chain, the company signed up to Greenpeace's Detox commitment in 2014, and became a member of the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation's Roadmap to Zero programme a year later.

A global team of environmental sustainability experts and an Implementation Toolkit (see case study) have helped suppliers to meet the company's requirements. Suppliers received 997 hours of training on the toolkit via workshops, meetings and site visits.



Meanwhile, all of AB Sugar China's large growers have free access to its soil testing and fertiliser advice service, the More from Less Fertiliser initiative, to promote responsible chemical use, and George Weston Foods business Jasol has developed the Skool Klean EC Cleaning Range of non-toxic hygiene products and dispensing solutions. Certified by Good Environmental Choice Australia (GECA), all Skool Klean products are made from renewable plant sources, are free of chlorine and phosphate, and are biodegradable. As a result, they are better for the environment, reduce the amount of hazardous waste sent to landfill and help to minimise waste and carbon impacts.



We're committed to help our customers to meet the growing demands for livestock products produced using responsibly sourced ingredients. For soya to be certified to the FEFAC benchmark, it must be grown in ways that protect the environment and preserve soil integrity. Producers must also show that they follow good agricultural practice and treat their workers fairly."

Senior Raw Material Manager,
AB Agri

Primark

Improved chemical management through CleanChain™

Textile production often requires the use of chemicals to treat and dye materials. Primark has made it easier for suppliers to collect and submit their chemical management information, thereby reducing administration, providing guidance on responsible chemical use and increasing visibility in its supply chain.

For example, as well as updating its Implementation Toolkit to include technical chemical management guidance, Primark has adopted CleanChain™, a pioneering platform by ADEC Innovations that supports sustainable business practices and procurement decisions.

CleanChain™ enables companies to gather data from diverse sources, streamline reporting processes and demonstrate transparency to stakeholders in a secure online system. Site managers can quickly find out which laws and regulations apply to them, given the specific processes at their facility, and be updated when they change.

The online application automates the tracking and reporting of compliance with the **ZDHC Gateway (Chemical Module)**, developed by a group of apparel and footwear brands and retailers working to eliminate hazardous chemicals from the sector. This industry-wide 'search engine' enables brands, suppliers and manufacturers to register safe formulations

that comply with the ZDHC's Manufacturing Restricted Substances List (MRSL) and follow product testing protocols.

Not only was Primark the development partner of a new compliance module launched in late 2019, the company is also the first to pilot it before it becomes widely available later this year. The module – available in English and local languages – allows sites to access all relevant legislation at a local, regional and national level, making compliance simpler and less expensive.

By December 2019, CleanChain™ had been rolled out to 70 factories – 35 in Bangladesh, 35 in India – during its initial pilot.



CleanChain™ has saved us time and effort with our data collection and reporting, and has had a positive impact on customer relationships, who are able to clearly and easily view and track our chemical conformance and information."

Eclat Textile Co Ltd

Animal health and welfare

Modern food production systems require the highest standards of animal health and welfare. We believe that any animals in our supply chain should be treated with compassion and respect, in line with internationally recognised standards.

Only a few of the businesses across the group are directly involved with animals, while others purchase ingredients such as eggs, meat, fish and dairy products, and Primark sources a few textiles derived from animals. AB Agri sells nutrition products and services to the livestock industry, and is developing new products that provide the specific nutrients needed for animal growth and to positively impact animal health, contributing to reducing the need to use antibiotics.

Wherever animal health and welfare is relevant, the business concern must – as a minimum – adopt the Associated British Foods plc [Animal Health and Welfare Policy](#), our groupwide guidance aligned with the internationally recognised [Five Freedoms](#). AB Agri has its own [policy](#) on animal health and welfare that sets out its commitments. As for the conditions that animals live in:

- we are committed to purchasing more cage-free eggs, in line with customer and supplier expectations;
- our pig farms, owned by the DON brand in Australia, are sow-stall free; and

AB Agri

Improved reporting on animal health and welfare issues

Historically, only a small number of animal welfare issues have been reported to AB Agri, and these have been resolved locally in compliance with regulations. Recognising the need to share accurate information as widely as possible, the company has worked with its on-farm teams to better identify animal welfare issues on the ground and enhance global reporting.

A new reporting system was launched in 2019 and to date, no issues have been raised. Moving forward, the tool will provide data and insights that will raise awareness and maintain the high animal health and welfare standards the business demands of its supply chain through its well-established Animal Health and Welfare Policy.

- we are also enhancing the housing and enrichment provided to our pigs.

As part of our commitment to animal health and welfare, none of Primark's own-brand cosmetics are tested on animals. The entire Primark PS Beauty range of cosmetics is certified by Leaping Bunny, the leading marque for non-animal-tested products, which helps customers to make informed purchasing decisions. In the past year, 58 million Leaping Bunny-certified products have been sold by Primark, as well as 4 million products accredited by the Vegan Society.

AB Sugar

Finding alternatives to reduce the need for antibiotics use in farm animals

Research has shown that resistance to antibiotics, linked to their excessive and inappropriate use in animal and human healthcare, leads to an estimated 33,000 human deaths in the EU/EEA every year², as well as considerable healthcare costs. The EU's *From Farm to Fork* strategy stresses the urgent need to reduce dependency on pesticides and antimicrobials.

In response, Azucarera has developed Preboniat, an innovative liquid prebiotic that improves digestive tract health and boosts immunity in pregnant ewes and newborn lambs without the use of antibiotics. Preboniat improves the intestinal flora (micro-organisms in the digestive tract) by feeding beneficial bacteria and removing pathogens. When fed to animals as a supplement to their daily diet, Preboniat improves their immune systems, according to trials undertaken by the Castilla y León Technological Agricultural Institute (ITACyL).

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

Exceptional EMPLOYEE ACTION during COVID-19

BRIAN KENYON,
Senior Nutrition Manager,
AB Connect, a division of AB Agri

A ground-breaking 'emergency diet' for livestock

Farmers need their livestock to have the right amount of minerals and nutrients to ensure a healthy, balanced diet. AB Connect, a part of AB Agri, is one of the top UK animal feed suppliers, ensuring that approximately 270 million chickens and 2.3 million pigs are fed a healthy, nutritious diet tailored to their needs.

When COVID-19 hit the UK, it presented a risk to manufacturing and delivery continuity for our compound feed mills. Brian and his nutrition team set to work on a solution to ensure livestock would still be fed should parts of the animal feed supply chain be interrupted.

The solution they devised was a targeted range of diets that could be more easily supplied during a crisis, while still meeting the animals' health and welfare needs. Brian was the driving force behind turning complexity into simplicity. With his guidance and coordination, the nutrition team reviewed all pig and poultry diets and identified suitable emergency substitute diets; they then worked with the Commercial, Customer Services and Formulation teams to transform these intricate formulas into a reality. This had never been done before and required precision planning.

² Cassini et al., (2019) 'Attributable deaths and disability-adjusted life-years caused by infections with antibiotic-resistant bacteria in the EU and the European Economic Area in 2015: a population-level modelling analysis', in *Lancet Infect Dis*. Vol.19, issue 1, pp.55–56.

Independent assurance statement to the Directors of Associated British Foods plc

We have performed a limited assurance engagement on selected performance data and statements presented in Associated British Foods plc ("the Group") 2020 Responsibility Update Report, ESG Appendix Report and Annual Report and Accounts 2020 (collectively referred to as "the Report").

Respective responsibilities

The Group's management is responsible for the collection and presentation of the information within the Report. Management are 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 performance data and performance

claims in the Report (the 'Subject Matter Information') set out below. The 'Subject Matter Information' 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.

What we did to form our conclusions

Our assurance engagement has been planned and performed in accordance with the International Standard for Assurance Engagements (ISAE 3000 Revised¹), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. Associated British Foods' *Notes, definitions and methodology* as defined in the Environmental, Social and Governance Appendix 2020 has been used as the Criteria against which to evaluate the 'Subject Matter Information' defined below.

The 'Subject Matter Information' comprises the following data sets in the Report regarding the Health, Safety and Environmental (HSE) performance of the Group.

HSE data sets

- 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 (biogas, bagasse, residue, trash and wood), imported steam used, gas oil used, diesel used, kerosene used, petrol used, coke used, and LPG used
- Electricity exported (GWh)
- 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)
- Tonnes of product

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

1. **Interviewed a selection of the Group's management** to understand the progress made in the area of HSE performance during the reporting year and to test the coverage of topics within the Report.
2. **Conducted remote business and site-level reviews** for 8 Associated British Foods businesses to review local level HSE performance and data collection processes and to test back to underlying source evidence.
3. **Reviewed the coverage of key issues within the Report** against the topics discussed in our management interviews and remote business and site-level reviews.
4. **Performed detailed testing on Group and Business Segment HSE data** and carried out the following activities to review the 'Subject Matter Information':
 - I. Reviewed 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.
 - I. Assessed whether the HSE data has been collected, consolidated and reported appropriately at a Group and Business Segment level in line with the Group's reporting guidance.
5. **Reviewed information or explanation about selected statements and assertions** regarding the HSE performance of the Group.

¹ International Federation of the Accountants' International Standard for Assurance Engagements (ISAE3000) Revised, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*.

Limitations of our review

Our evidence gathering procedures were designed to obtain a 'limited level' of assurance (as set out in ISAE 3000 Revised) 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.

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 the 'Subject Matter Information' (as presented above). 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.

We have only sought evidence to support the 2019/20 performance data. We do not provide conclusions on any other data from prior years. We have not sought any supporting evidence for data that has been sourced from Associated British Foods' Annual Report and Accounts, and we have not provided assurance over claims made by Associated British Foods that are statements of belief or forward looking in nature.

Our conclusions

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

Completeness and accuracy of performance information

How complete and accurate is the 'Subject Matter Information' presented in the Report?

- With the exception of the limitations identified in the report, we are not aware of any material reporting units that have been omitted from the 'Subject Matter Information' relating to the topics above.
- Nothing has come to our attention that causes us to believe that the 'Subject Matter Information' was not prepared, in all material respects, in accordance with the Criteria, which were applied by management.

How plausible are the statements and claims within the Report?

- We have reviewed information or explanation on selected statements regarding the Group's HSE activities presented in the Report and we are not aware of any misstatements in the assertions made.

Observations and areas for improvement

Our observations and areas for improvement will be raised in a report to the Group's management. Selected observations are provided below. These observations do not affect our conclusions on the Report set out above.

- We have identified instances where safety and environment data review processes were not always effective at the site and business level in identifying errors prior to year-end submission to the Group, particularly for transport emissions, environmental and safety fines, waste and water KPIs. In some cases, the site-level errors were material at both the Group and division level. Whilst these errors were ultimately corrected before publication, data accuracy and supporting review processes should continue to be areas of focus for the Group. Associated British Foods should consider further refinement to the group-wide reporting guidance and target engagement (including potential training) with the sites, businesses, and geographical regions where material errors have been repeatedly identified.
- Associated British Foods has continued to make improvements to its disclosure of climate-related risks in the Report. For example, the Group disclosed information on a study that was commissioned to better understand the likely climate change impacts on Associated British Foods' supply chain, operations and key commodities. The Group has also introduced Scope 2 market-based emissions (from purchased electricity and steam), requiring businesses to provide supplier-specific emission factors, where available. These improvements have helped Associated British Foods to report more complete data, along with increasing alignment with the Task Force for Climate Related Financial Disclosures (TCFD) and the GHG Protocol.

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 ISQC1². 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 the Group 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 2019/2020. 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

3 November 2020

² Parts A and B of the IESBA Code; and the International Standard on Quality Control 1 (ISQC1).

Associated British Foods plc

Weston Centre

10 Grosvenor Street

London

W1K 4QY

Tel: +44 (0)20 7399 6500

Fax: +44 (0)20 7399 6580