

Associated British Foods plc

Annual Report 2024



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Progress made in 2024

Group revenue

£20.1bn

(2023: £19.8bn)

Gross investment*

£1,281m

(2023: £1,171m)

Operating profit

£1,932m

(2023: £1,383m)

Adjusted profit before tax*

£1,957m

(2023: £1,473m)

Net cash before lease liabilities*

£1,044m

(2023: £895m)

Return on average capital employed* ('ROACE')

18.1%

(2023: 13.6%)

Women in the workforce

57%

(2023: 55%)

ABF Group scope 1 & 2

2,868 kt

(2023: 2,834 kt)

Adjusted operating profit*

£1,998m

(2023: £1,513m)

Basic earnings per share

193.7p

(2023: 134.2p)

Profit before tax

£1,917m

(2023: £1,340m)

Adjusted earnings per share*

196.9p

(2023: 141.8p)

Net debt including lease liabilities*

£2,021m

(2023: £2,265m)

Dividends per share (including special dividend)

90.0p

(2023: 60.0p)

Number of employees and number of countries

138,000 / 56

(2023: 133,000 / 55)

Primark number of stores and selling space

451 / 18.8m sq ft

(2023: 432 / 18.2m sq ft)

* Alternative Performance Measures (APMs) as defined on pages 206 to 210.

**Front cover images:
Primark's store on
Wenceslas Square,
Prague; and a farm
in the Primark Cotton
Project in India**

Investing for tomorrow Delivering today

Our purpose is to provide safe, nutritious and affordable food, and clothing that is great value for money.

We take a long-term, patient approach to drive sustainable growth and cash generation across our portfolio of food and retail businesses to create value for all stakeholders.

This aligns with our approach to sustainability and sustainable supply chains, where we focus on what matters and where we can make a difference.

This year, we have continued to invest across the Group to deliver on these aims.



This year all our material responsibility disclosures are included in this report. For detailed information relating to our responsibility activities during 2024, please visit our website www.abf.co.uk

**A Jordans Farm
Partnership farm
in Hampshire, UK**

Our operating businesses

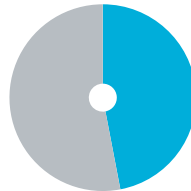
Retail

Primark is a fast-growing, international value retailer. It is one of the largest and fastest-growing clothing retailers in Europe, the market leader by volume in the UK and has a growing presence in the US. It has 451 stores in 17 countries and more than 82,000 colleagues.

[Read more on page 14](#)

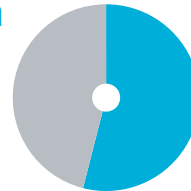
Revenue
£9,448m
47%

(2023: £9,008m)



Adjusted operating profit
£1,108m
55%

(2023: £735m)



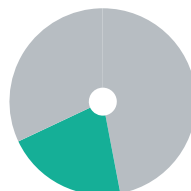
Grocery

Grocery comprises a large and diverse portfolio of both international brands and regionally-focused businesses, with leading positions in markets across the globe. It employs almost 17,000 people.

[Read more on page 22](#)

Revenue
£4,242m
21%

(2023: £4,198m)



Adjusted operating profit
£511m
26%

(2023: £448m)



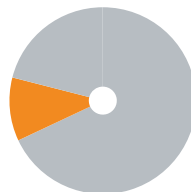
Ingredients

Ingredients comprises yeast and bakery ingredients as well as a portfolio of specialty ingredients focused on enzymes, precision extraction, health and nutrition and pharmaceutical delivery systems.

[Read more on page 28](#)

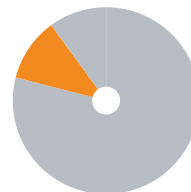
Revenue
£2,134m
11%

(2023: £2,157m)



Adjusted operating profit
£233m
12%

(2023: £214m)



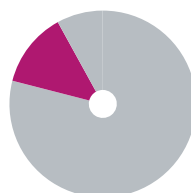
Sugar

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

[Read more on page 34](#)

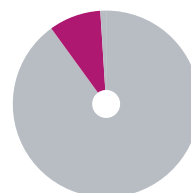
Revenue
£2,529m
13%

(2023: £2,474m)



Adjusted operating profit
£199m
10%

(2023: £179m)



Agriculture

AB Agri is an international agri-food business. We produce speciality feed ingredients, premix and compound animal feed. We also have an integrated dairy business in the UK.

[Read more on page 40](#)

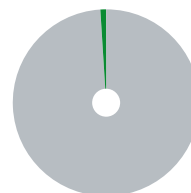
Revenue
£1,650m
8%

(2023: £1,840m)



Adjusted operating profit
£41m
2%

(2023: £41m)



Investing for tomorrow

Delivering today



The Group delivered significant growth in margin and profit in this financial year as inflation eased and market conditions stabilised after the disruption of recent years.

The year also brought an increase in revenue as a result of good growth in sales at Primark and many of our food businesses. Group revenue increased accordingly to £20.1bn, 4% higher than the previous year at constant currency and 2% higher at actual exchange rates.

Primark's sales increased due to its rollout of new stores in both Europe and the US and consistent focus on its value proposition. In Grocery, both our leading international brands and our US-focused brands performed well with astute marketing and notable new product launches. Our yeast and bakery ingredients business, AB Mauri, delivered higher sales in Ingredients, while Sugar sales were strong against a previous year impacted by poor growing conditions in the UK. Sales in Agriculture fell due to soft market demand.

This margin improvement across the Group followed the restoration of some normality in our markets and good execution by our businesses. It was particularly pronounced at Primark where supply chain costs fell year-on-year following the previous year's decision not to pass the full cost of inflation on to the customer. Similarly, lower input costs supported higher margins in Grocery and in Ingredients. Sugar profitability was also well ahead on much improved year-on-year production in the UK despite lower European prices impacting performance as the financial year closed. Improved margin in Agriculture offset lower revenues.

The strong margin led to a substantial year-on-year increase in Group adjusted operating profit to £1,998m, an increase over the previous year of 32% at actual exchange rates and 38% at constant currency. Adjusted profit before tax rose 33% to £1,957m and adjusted earnings per share increased by 39% to 196.9p.

Gross investment increased 9% to £1.3bn as we invested further in both Primark and our food businesses. Primark's investments were centred not only on new stores but also on technology to improve capabilities needed to drive growth. We also invested in enhanced production capacity for our Australian bread business, for our enzymes and yeast extraction plants in our specialty ingredients division, and for our Tanzanian sugar business expansion. We completed some modest acquisitions in the year, principally for our Grocery and Ingredients businesses.

Capital structure and shareholder returns

Our capital allocation policy is for the Group's financial leverage, expressed as the ratio of total net debt including lease liabilities to adjusted EBITDA, to be well under 1.5 times whilst financial leverage consistently below 1.0 times may indicate a surplus capital position. Surplus capital may be returned to shareholders by special dividends or share buybacks.

During the financial year we continued our share buyback programmes. We completed the outstanding amount from our first £500m share buyback programme commenced in the previous financial year. We subsequently initiated our second £500m share buyback programme in November 2023, which we completed in August 2024. We then extended this programme by a further £100m, which is now complete.

The Group had very strong free cashflow in the year, generating £1,355m. Therefore, at the end of the financial year the financial leverage ratio was 0.7x times. The Group continues to prioritise investment in its businesses and we expect to maintain investment in the medium term at a level in line with last year's level. Nevertheless, given the outlook for the Group, the strength of the balance sheet and the underlying cash generation of the business, the Board has decided to continue to return additional capital to shareholders. Therefore, the Group will continue with a buyback programme, targeting an additional amount of £500m over the next 12 months.

In addition, the Group is declaring a special dividend of 27.0p per share. The Board is proposing a final dividend of 42.3p per share, which together with the special dividend will be paid on 10 January 2025 to shareholders on the register on 13 December 2024. Taken with the interim dividend of 20.7p per share, the total dividend equates to 90.0p per share, an increase of 50% on the total dividend of 60.0p in 2023.

Our commitment to good business

The Board has ultimate responsibility for overseeing business practices and this Group has a clear sense of social purpose. We work hard to provide safe, nutritious and affordable food and good quality, affordable clothing to millions of customers worldwide every day. Only if we do these well should we make a profit. So our approach to ESG and supply chains is aligned to our long-term and patient approach to value creation.

This year we made further good progress on decarbonising Sugar in the UK. We completed further improvements to water treatment at our yeast and bakery ingredients business. Primark also made significant progress in reducing its environmental footprint as well as helping its suppliers work towards the same objective. We are very clear in our approach to sustainability, focusing on what matters, doing what needs to be done on reporting but balancing this with obtaining an acceptable commercial return.

Board

In a year notable for Board succession planning, I would like to start by thanking Wolfhart Hauser for his wise and perceptive counsel. Wolfhart stepped down on 18 January 2024 after nine years on the Board and his service to the Company was much appreciated. Kumsal Bayazit Besson joined as a non-executive director on 1 December 2023 and was duly appointed a member of the Audit and Remuneration Committees.

More recently we welcomed Loraine Woodhouse as a non-executive director with effect from 1 October 2024. Loraine brings extensive experience of financial disciplines in retail, food and property. She became a member of the Audit and Remuneration Committees on appointment and will chair the Audit Committee from 24 April 2025 when Richard Reid reaches nine years' tenure as a non-executive director.

"We are very clear in our approach to sustainability, focusing on what matters, doing what needs to be done on reporting but balancing this with obtaining an acceptable commercial return."

Outlook

Primark is targeting mid-single digit sales growth in 2025 as we continue to execute our store rollout programme in our growth markets in Europe and the US and to focus on like-for-like sales growth in our more mature markets. This will be supported by investment in initiatives across product, digital and brand. We expect adjusted operating margin to remain broadly in line with this year's level, as gross margins stabilise and we step up investment to drive sustainable growth. Over the medium and long term, we continue to have significant white space opportunities in our growth markets. We are targeting our store rollout programme to contribute around 4% to 5% per annum to Primark's total sales growth for the foreseeable future.

In Grocery, we will continue to drive sales momentum, underpinned by increased marketing investment. As expected, the strong performance in our US-focused businesses during 2024 began to normalise towards the end of the year and we expect to see the full year effect in 2025. In Ingredients, we expect continued growth in yeast and bakery ingredients and improved growth in speciality ingredients.

In Sugar, as previously announced, we expect the reduction in European sugar pricing in Q4 2024 to impact performance in our sugar business significantly in 2025, with adjusted operating profit for the overall Sugar segment expected to be in the range of £50m to £75m. However, we expect profitability to recover in 2026 to be more in line with 2024, as a result of the lower beet prices that have been contracted and a rebalancing of supply and demand in the market. In Agriculture, we expect some improvement, particularly as our grain trading business recovers in the UK.

The Group is well positioned for the medium term, supported by strong cash generation and good momentum in our Retail and food businesses.

Michael McLintock
Chairman

Chief Executive's Statement



This has been a year of very significant progress both operationally and financially with new records set for profits, free cashflow, and capital investment. It was particularly pleasing that four of five divisions grew profits, and all five made good strategic progress.

Of course, some of this strong performance was due to a return to something like normality in our markets and supply chains, and by inflation easing which in turn supported a distinct if fragile improvement in consumer behaviour. Self-help contributed too, with our steadily increasing levels of investment funding more research and development, more digital and technology innovation, and more marketing as well as physical capital expenditure in production capacity and efficiencies.

That said, the outturn came with a sting in the tail as the year came to close: short-term volatility in European sugar prices is taking its toll on the profitability of the European sugar industry and we are not exempt from that. We expect this impact to be relatively short-lived and our sugar businesses and the Group as a whole remain very well positioned.

So, Group revenue increased to £20.1bn, 4% higher than the previous year on a constant currency basis. Adjusted operating profit increased to £1,998m, higher by 38% than the previous year. Adjusted earnings per share increased 39% to 196.9p. Gross investment was £1.3bn.

Last year I noted that we had more to do to rebuild Group margins and we have made very good progress. We are now back to margins that are higher than those we saw in pre-pandemic times. It has been a somewhat bumpy road for everyone but the strength of the Group has shown through.

Primark's margin recovery to more normal levels after years of disruption is particularly pleasing, although we never doubted that it would return to these levels. And that despite the fact there was still some volatility in supply chains with the closure of the Suez canal and disruption in some of our sourcing locations such as Bangladesh.

Primark's low-cost model is as strong as ever. We continue to offer the lowest prices to consumers in each of our markets and this remains our core operating principle. With the normalisation of input costs, the era of needing to raise prices to cover inflation is now behind us. Our product ranges, curated by our exceptionally talented buying teams, were characterised by our relentless focus on value and desirability. Our licence and collaboration development continues to grow.

Our opportunity for sustainable compounding growth remains substantial. We are delivering significant growth in our target growth markets such as Spain, Italy, France, Eastern Europe and of course the US. In our 'home' markets of the UK and Ireland we do not expect to grow as fast given their maturity, but they remain hugely important to us and they are where we trial new concepts and test and build innovation in product and technology. We are particularly delighted to celebrate our 50th anniversary in the UK this year, a milestone of real note marked by our intention to invest £100m more in the UK high street. I am very proud of how Primark has developed since 2005 when our acquisition of Littlewoods gave Primark presence and scale. Nearly 20 years on we still have plenty to do in the UK.

More broadly, Primark's strategic development is still exciting. We are focusing on individual country strategies, refreshing our brand and launching brand campaigns in countries where needed for different reasons, namely in Germany to reposition the brand and in the US to increase brand awareness. In Germany it is too early to declare success but the business feels significantly better than it did 12 months ago. Our business in the US now has 27 stores and, more importantly, is profitable.

From a digital perspective, we increased our customer database significantly, which has contributed to a 23% increase in web traffic. This year also saw a significant milestone in our digital deployment with our decision to roll out Click & Collect across Great Britain. And our regions of expansion are increasing, as we add countries in Eastern Europe and new states in the US while we have also announced our intention to open stores in the states that make up the Gulf Cooperation Council. There is a lot of white space to be excited about.

Grocery also had an excellent year and delivered a very strong improvement in financial performance despite significant investment in new product development and targeted marketing campaigns. We directed much of this investment at our International Brands such as Twinings, Ovaltine, Patak's, Blue Dragon, Jordans and Mazzetti and at our US-focused brands such as Mazola and Fleischmann's. Twinings and Mazola, to pick out just two, are clearly benefitting, Twinings in its growth markets and Mazola through a stronger market position and greater consumer affinity.

In general the operating environment has allowed us a welcome return to focusing on long-term growth rather than on inflation and supply chain disruption. Our businesses in Australia and New Zealand have been engaged in some of the most interesting activities. They have also had probably the most challenging consumer conditions this year that we have seen across our markets. However, they also have some of the best long-term fundamentals of any Western markets and so we are investing there for the long-term and have completed, or are in the middle of completing, some of the Group's bigger capital projects. We are also evolving our Australian portfolio through acquisitions.

Ingredients continued to perform very well indeed, with very good growth in sales and profits led by AB Mauri, our yeast and bakery ingredients businesses. To put the performance in context, it feels as though the business is at levels of profitability which are both deserved and sustainable. The business is making great advances on numerous fronts whether it be innovation in bakery ingredients, growth in non-bakers yeast, including through acquisition, or delivery of bespoke customer solutions in the varied markets in which we operate.

ABFI, our portfolio of specialty ingredients businesses, had a mixed year from a short-term trading perspective as it continued to wrestle with customer destocking but that phase looks to be nearing its natural end. We continue to invest in capability with a view to accelerating the long-term growth potential that these businesses undoubtedly have.

We increasingly think of Sugar as two sets of businesses. We have significant growth opportunities in Africa, and a source of cash generation in Europe. There was a third: we sold our remaining sugar factories in North China in the course of the year after some 25 years. Across those years, our China sugar businesses have been very profitable for us.

This was a year when profit improved strongly in the Sugar segment, now the fourth successive year of profitable growth. European sugar initially benefitted from higher prices and good beet crops but as the year progressed it became evident first that sugar prices were falling and then that they were falling significantly. So, we ended the year with lowered expectations and the outlook for next year is challenging. However, we are confident our European businesses will bounce back in the 2026 financial year and we can already see drivers of that improvement.

Our sugar businesses in Africa continue to develop. That continent has and always will be subject to short-term bumps caused by weather and currency, but we are building a great set of businesses there and I have never been more confident in their long-term potential supported by strong fundamentals, great brands and routes to market, and significant improvement opportunities.

Revenues have continued to fall in our Agriculture segment with lower prices and volumes prevalent in our UK and China compound feed markets. The biggest challenge however was the impact of poor weather in the UK which hurt sales at Frontier, our joint venture specialising in arable farm inputs and grain marketing. However, we are making progress on developing a suite of agricultural technology businesses that should operate at better margins. Our dairy business, built around a combination of established and recently acquired businesses, performed well. AB Vista, our international feed additives business, continued to broaden its product range and AB Neo, our animal starter feed business, had a good year. We will continue to build these innovative businesses.

ESG

This year saw us move towards combined financial and ESG reporting. Our financial and ESG investments have always been closely aligned and it makes sense to report both activities in this way, particularly as providing transparency will require the provision of more data. This Group can be proud of what we are achieving, and we endorse transparency as a means of demonstrating progress while remaining clear that reporting should not become an end in itself nor a distraction from achieving real progress.

We made further progress in decarbonising UK sugar production. British Sugar is the largest contributor to the entire ABF Group Scope 1 footprint. A major energy reduction project at Wissington in the UK has cut onsite energy usage sharply, with emissions reduced by 30,000 tonnes of carbon a year. Further energy-reduction measures have taken place at other sugar sites. Taken together, this work is delivering a substantial reduction in British Sugar's Scope 1 and 2 emissions against our 2017-2018 baseline.

Primark has also made great progress in cutting total GHG emissions. Scope 3 emissions fell year on year by 12% and by 0.6% against the 2018/19 baseline. Primark has been working with its supplier factories on programmes focused on energy use and efficiency to cut Scope 3 emissions. Given Primark is growing sales and activity year-by-year, this year has been one of achievement. Energy-saving measures in store and procurement of renewable and low-carbon electricity meant Scope 1 and 2 (market based) emissions fell by 21% in the year and by 52% against the 2018/19 baseline.

AB Mauri has continued to improve the way it recycles and manages effluent water. The multi-year investment programme for this work reached \$120m this year. Some 84% of the water we use in the production of yeast is now treated and returned safely to the environment. Most of this work is done so this project will now progress without needing to be on the Group's list of priority issues.

Looking further ahead, we believe there is a need to prioritise sustainable food production given the need for greater food security, but we have to achieve that sustainable food production while reducing GHG emissions in the agricultural sector and agriculture in turn has to conserve the environment. Our agricultural technology and consulting businesses are acting with these goals in mind.

"In 2025, we will see the completion of a number of important multi-year projects in our food businesses and I look forward to seeing them contribute to the growth of the Group."

Investment

As I mentioned, we have stepped up our investment to record levels and we expect it to remain at similar levels in the medium term. This of course includes the continued expansion at Primark but also some very interesting capacity additions in our food businesses. In 2025, we will see the completion of a number of important multi-year projects in our food businesses and I look forward to seeing them contribute to the growth of the Group.

We have also made a set of interesting acquisitions to help develop our food portfolios. Investment remains the priority of our capital allocation policy but we remain diligent about how we deploy that investment.

People

The major part of the year's strong showing is due to the excellent work of our people. They remained disciplined and focused on strong execution and performance improvement, taking full advantage of the more stable environment. Our improvement in Group margins is due in large part to their work.

In a group of this size people inevitably come and go. I'd like to welcome new arrivals and thank those departing for their contribution. In particular I want to single out Fabienne Saadane-Oaks who leaves after nine successful years with us, growing our specialty ingredients division with a clear sense of purpose. I thank her for her considerable contribution delivered with intelligence and energy.

Looking ahead

Looking ahead, the Group is well-positioned. Strong cash flow generation is enabling disciplined capital allocation to growth opportunities across the Group and we have ongoing multi-year projects to deliver our focused sustainability priorities. We believe our long-term, patient investment approach will deliver strong returns and continue to create value for all stakeholders.

George Weston
Chief Executive

Understanding our business

Our purpose is to provide safe, nutritious and affordable food, and clothing that is great value for money.



This purpose defines our culture and values...

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

Across all of our businesses, we live and breathe our values through the work we do every day, from how we drive our strategies, how we invest and how we deliver for our customers and consumers. It is also how we approach sustainability, with a focus on outcomes.

Our people are key to driving the necessary innovation and implementing the action required. It is only through their skills and capability that we will make necessary and timely progress. Our employees tend to stay with us for a long time, building exciting careers that help them fulfil their goals at work, at home and in the community.

We believe that most people are inherently good and that with encouragement, engagement and support they will do the right thing in the right way. Our high standards of integrity enable us to drive a strong culture, recognising that acting responsibly is the only way to build and manage a business over the long term.

We pride ourselves on being a first-class employer, working actively to develop our people and create opportunities for progression.

Our businesses thrive on the diversity of their people, so we are investing in programmes to help remove barriers to talent.

We want to attract, recruit and retain the best people, ensuring they are stimulated by the jobs they do and equipped with the skills they need to succeed.

Learn more online at www.abf.co.uk

We strive to protect the dignity of everyone within and beyond our operations.

From the products we make, to the way we preserve the resources we rely on, we are always learning and incorporating better practices.



We proudly promote and protect a culture of trust, fairness and accountability that puts ethics first.

We work with others to leverage our global expertise for local good.

► ...it informs our Group strategy... ◄

Our strategy is to drive sustainable, long-term growth and cash generation across our portfolio of food and retail businesses to create value for shareholders and other stakeholders.

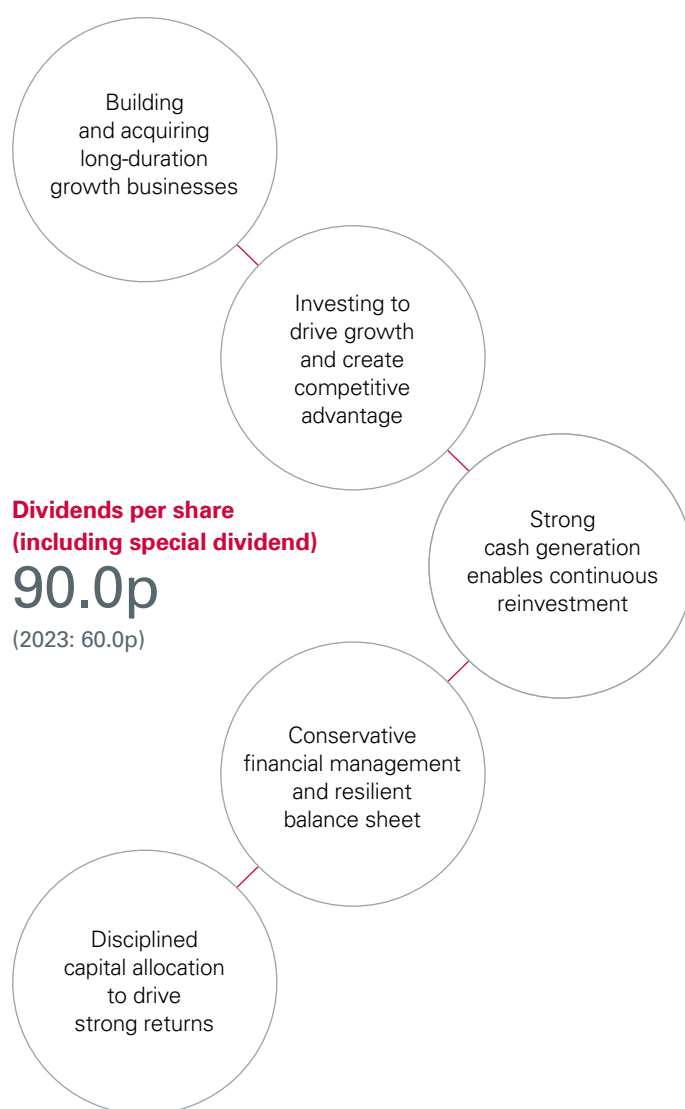
We take a long-term, patient investment approach to create sustainable growth. We aim to build and acquire long-duration growth businesses that will create value and deliver strong returns.

Our portfolio of clothing retail and food businesses is well positioned for long-term growth through a focus on categories and sectors with resilient market fundamentals and geographies with favourable demographics. We select opportunities where we can create a competitive advantage to build leadership or niche market positions, typically in moderate-scale categories. Our investment decisions are influenced by strategic patience and we believe our highly diversified portfolio, across different business activities and geographies, enables discipline and creates breadth in our opportunities for growth. We have designed a devolved operational leadership model that effectively manages the breadth, mix and long-term nature of our businesses.

Our businesses are typically highly cash generative, which enables continuous reinvestment. We are investing in our well-established, growth-engine businesses to drive expansion into new markets and adjacencies, while nurturing a substantial portfolio of smaller, early-stage businesses which have the potential to be the next generation of long-duration growth drivers. Our ability to invest is strengthened by having several mature, lower-growth businesses within the Group that continue to deliver good profitability and cash generation.

Across our portfolio, we are investing to accelerate growth through effective marketing, innovative new product development and enhanced digital and technology capabilities. This is underpinned by continuous investment to expand our manufacturing capacity and add new capabilities. We are also investing to deliver our ESG priorities based on the most material risks, opportunities and impacts to the Group. In particular, this includes decarbonisation and social factors within our supply chains. We supplement organic growth with investment in value-creating acquisitions that bring new opportunities and capabilities. We make disposals when judged to be the best route to creating shareholder value.

Our investment approach is grounded in conservative financial management and we maintain a resilient balance sheet. This ensures long-term financial stability and creates the flexibility to fund opportunities as they arise. Our disciplined approach to capital allocation, using risk-adjusted hurdle rates, drives strong returns on capital.



Learn about our strategic performance in our KPIs on pages 12 and 13

Learn about how we reward Executives for strategic progress in the Remuneration Report on pages 111 to 127

Learn about the strategic risks we manage against on pages 78 to 86

Understanding our business continued

► ...which is realised through our business strategies... ◄

Retail

Primark is a fast-growing, international value retailer with a differentiated customer proposition delivered through a digitally-enabled, store-led model. It has significant white space to continuously expand its store footprint in existing and new markets.

We win with customers through our strong brand, known for unbeatable prices and great quality essential clothing and fashion. We target a wide customer base across women's, men's and kids' wear and we are building strong positions in categories such as home and beauty. We continuously evolve our ranges to meet customer needs, including through collaborations and licensing partnerships. The execution of our strategy in each market is adapted to reflect the size of the white space opportunity, the maturity of the store portfolio and local customer needs.

We aim to offer a unique store experience by finding the right spaces in the right locations and creating exciting retail destinations. We also use effective digital customer engagement as a key driver of footfall, including our website, stock checker and increasingly Click & Collect, and social media platforms.

We work to maintain an ethical and responsible supply chain, and we focus on driving efficiencies and cost savings across our supply chain, store portfolio and central operations. We target strong financial returns and cash generation.

Grocery

Our strategy is to drive sustainable growth across our large and diverse portfolio of both international brands and regionally-focused businesses. We will continue to deliver growth organically and through carefully selected acquisitions.

Our international brands, Twinings, Ovaltine, Patak's, Blue Dragon, Jordans and Mazzetti, have a long runway for growth. Our focus is on reaching new consumers in existing markets, expanding into new markets and broadening our offering through new product development. We are investing in effective marketing and innovation to drive category growth and build market share. We benefit from our centralised manufacturing footprint for these brands.

In our regionally-focused businesses in the UK, North America, Australia and New Zealand, our focus is on driving strong cash generation over the long term. We adopt bespoke strategies to win in local markets. This includes investing in marketing to maintain brand health and support our strong local market positions.

Ingredients

Our strategy is to drive sustainable growth in Ingredients within focused categories, including yeast, bakery ingredients, enzymes, precision extraction, health and nutrition and pharmaceutical delivery systems.

In our yeast and bakery ingredients business, AB Mauri, we are growing our portfolio of products for industrial, craft and retail bakers in our well-established regions of the Americas, Europe and Asia. Our focus is on consistent delivery and innovation for new and existing customers. This is underpinned by strong, insight-led investment in the development of new technologies and ingredients that will meet the changing needs of our customers in different local markets.

Our individual country businesses are dedicated to their local markets, backed by global expertise in bakery products, technologies and know-how. We are also expanding our portfolio of speciality yeast products and technologies for other industries, including alcoholic beverages.

In our specialty ingredients portfolio, ABFI, we are using science and technology to create value-added, innovative speciality ingredients to serve the food and beverage, health and nutrition and pharmaceutical industries, as well as markets such as animal feed and certain industrial segments. Our strategic focus is on niche categories where we can have a differentiated proposition using platforms such as enzymes and other industrial biotechnology, precision extraction and synthetic chemistry. As well as building on these platforms, we are broadening our geographical exposure to our focused markets.

We will continue to grow both through acquisitions and organically, including geographical expansion, innovation and new applications.

Sugar

Our strategy is to drive sustainable long-term growth in Africa, building on our strong market positions, while delivering good returns in our European businesses over the cycle.

In our African markets, particularly Zambia, Malawi and Tanzania, growth in sugar consumption is expected to be driven by both population and economic growth. We have strong, attractive consumer brands and continue to build effective routes to market. We are investing to add production capacity in our growth markets, such as Tanzania and Zambia. We also continue to improve our operational effectiveness and strengthen our agricultural practices, which will help to increase cane yields and reduce the impact from severe weather conditions. Over time, we have opportunities to expand our portfolio of co-products, such as potable alcohol and electricity. We are investing to deliver our ESG priorities, which include sustainable agricultural practices as well as social factors.

In Europe, our strategy is to deliver good profitability and cash flow generation through the cycle. We do this through long-term customer relationships, which are built on the high quality of our products and the security of our supply. We also see opportunities to grow our portfolio of co-products, drive continuous operational efficiencies and to use data and technology to improve yields and profitability for our growers. We continue to invest in the delivery of our ESG priorities, in particular our decarbonisation programme.

Agriculture

Our strategy is to build value-added agri-food businesses on the foundation of our experience in our commoditised feed business. We will continue to grow organically and through acquisition.

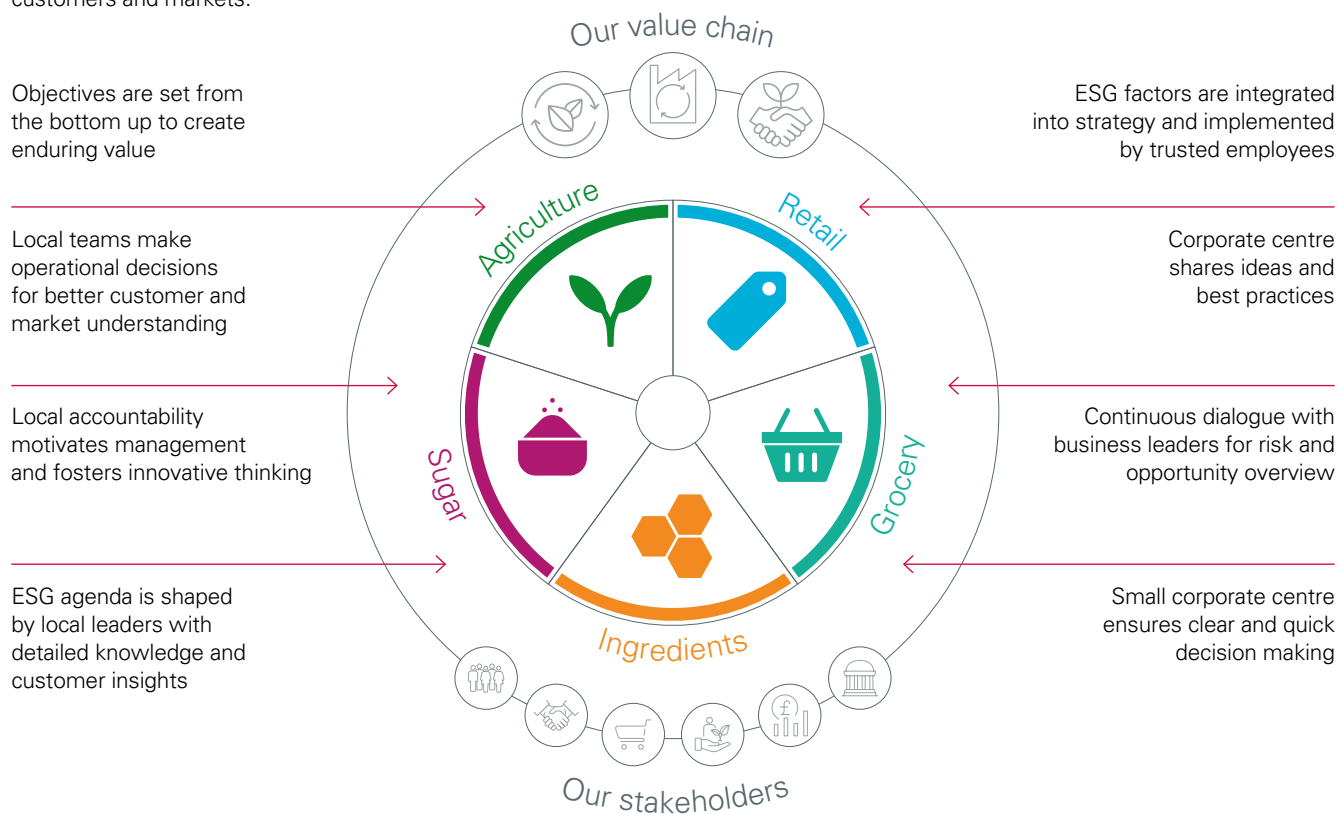
We are expanding our portfolio of innovative, speciality feed ingredients, including feed enzymes and additive products, which we sell globally. We are also growing our integrated dairy business in the UK, connecting data, services and products in new ways, to provide insights to help our customers improve dairy farm performance. We continue to strengthen our position as a market leader in premix and compound animal feed in the UK and China.

► ...and is delivered by our operating model.

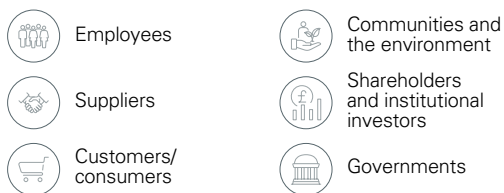
We employ a devolved operating model across our Retail, Grocery, Ingredients, Sugar and Agriculture businesses.

We believe the best way to create enduring value involves setting objectives from the bottom up rather than the top down. We make operational decisions locally, because in our experience decisions are most successful when made and owned by the people with the best understanding of their customers and markets.

The Group, or corporate centre, provides a framework for the sharing of ideas and best practice and is in constant dialogue with the people who run our businesses, giving our corporate leaders a comprehensive overview of their material opportunities and risks, enabling collaboration.



Our stakeholders



Our value chain



Learn more online at www.abf.co.uk

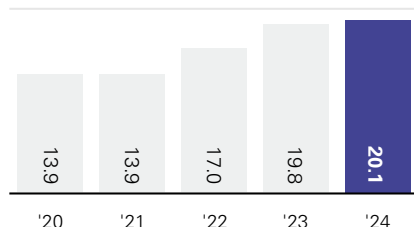
Tracking our progress

We use key performance indicators (KPIs) to measure our progress in delivering the successful implementation of our strategy and to monitor our performance.

Financial indicators

Group revenue

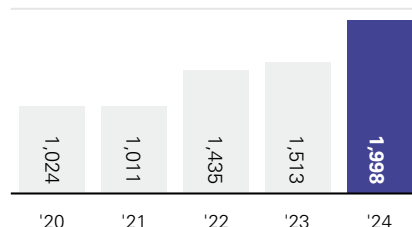
(£bn)



Revenue is a measure of business growth. Constant currency comparisons are also used to provide greater clarity of performance.

Adjusted operating profit*

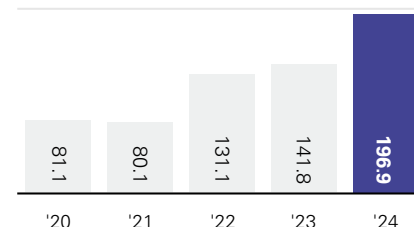
(£m)



Adjusted profit and earnings measures provide a consistent indicator of performance year-on-year and are aligned with management incentive targets.

Adjusted earnings per share*

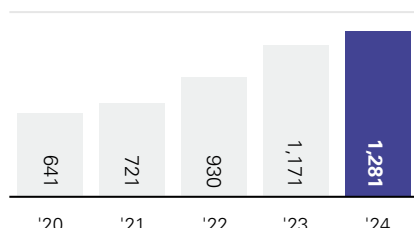
(pence)



The Group's organic growth objective aims to deliver steady growth in earnings over the long term.

Gross investment*

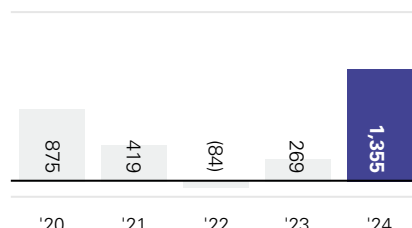
(£m)



A measure of the commitment to the long-term development of the business.

Free cash flow*

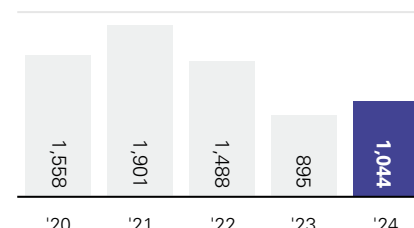
(£m)



The free cash flow measure represents the cash that the Group generates from its operations after maintaining and investing in its capital assets.

Net cash before lease liabilities*

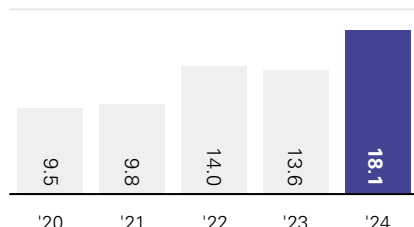
(£m)



This measure monitors the Group's liquidity and capital structure and is used to calculate the Group's liquidity ratio.

Return on average capital employed*

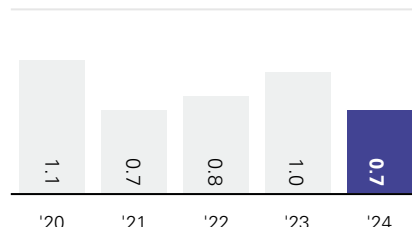
(%)



This measure monitors the level of return generated by the Group's investment in its operating assets. It is also a key part of management incentive targets.

Financial leverage*

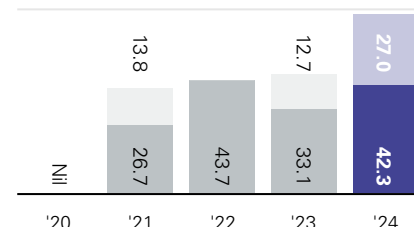
(times (x))



This measure monitors the Group's financial strength to ensure long-term financial stability.

Dividends per share

(pence)



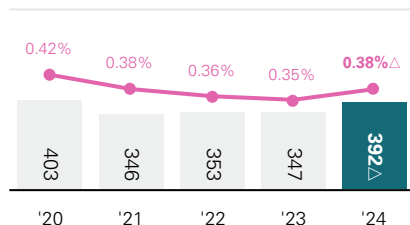
The Group's organic growth objective aims to deliver steady growth in dividends over the long term. This included the payment of special dividends of 13.8p, 12.7p and 27.0p in 2021, 2023 and 2024 respectively.

* APMs as defined on pages 206 to 210.

Each business develops KPIs relevant to its operations. These are monitored regularly. In the case of adjusted operating profit and return on average capital employed, we use them as metrics to incentivise our management teams.

Non-financial indicators

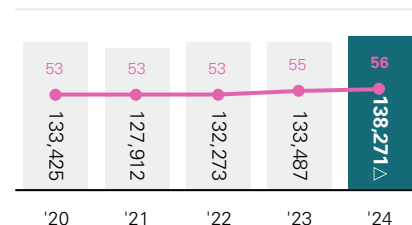
Lost time injuries and lost time injury rate (%)*



A measure of the Group's management of the health and safety of its employees – the number of on-site lost time injuries resulting from an accident arising out of, or in connection with, on-site work activities and the proportion of the full-time equivalent workforce experiencing a lost time injury.

Read more on page 58

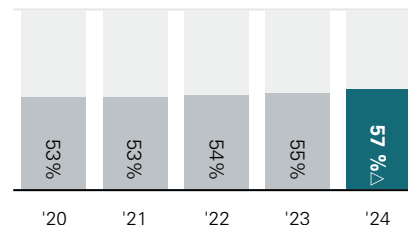
Number of employees and number of countries



Measure of the scale and diversity of our operations. Reflecting all employees in the Group with a contract of employment, whether full-time, part-time, contractor or seasonal worker and highlighting the number of countries of operation.

Read more on page 59

Percentage of women in workforce



The proportion of our employees that have disclosed their gender as female/woman in line with the local legislation.

Read more on page 60

ABF Scope 1 and 2 GHG emissions*

(000 tonnes of CO₂e)

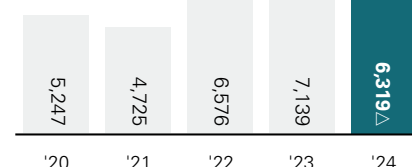


The amount of ABF Group Scope 1 and 2 (location-based) greenhouse gas emissions.

Read more on page 62 & 63

Primark Scope 1, 2 and 3 GHG emissions

(000 tonnes of CO₂e)

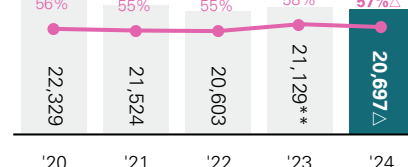


The amount of Primark's Scope 1, 2 (location-based) and 3 greenhouse gas emissions.

Read more on pages 62 & 63

Total energy consumed and percentage from a renewable source*

(GWh)

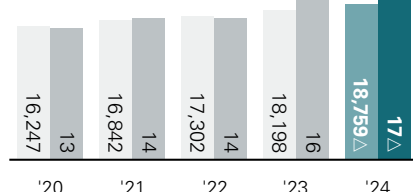


Total energy used and the proportion of which is from renewable sources. Renewable energy is mainly generated on our sites from biogenic sources.

Read more on page 62

Primark selling space and number of countries of operation

(000 sq ft)



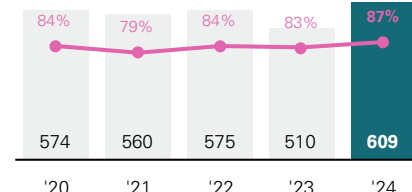
■ Selling space
■ Countries of operation

These two measures represent the retail space growth and breadth of Primark's presence.

Read more on page 18

Total waste generated and percentage sent for recycling in own operations*

Waste (000 tonnes)

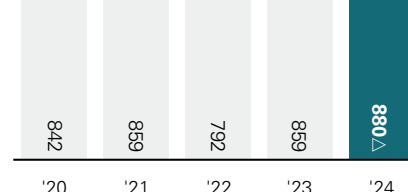


A measure of the total waste generated in our own operations and the proportion of waste sent for recycling or other beneficial use instead of being sent to landfill for disposal.

Read more on pages 64

Total water abstracted in own operations*

(million m³)



This measure includes water supplied by third parties or from local water resources.

Read more on page 64

The Group data in this report on our environmental and safety KPIs covered the period 1 August to 31 July, excluding Primark selling space and number of countries of operation and employee numbers.

Δ EY has provided limited independent assurance over the 2024 metrics. See page 140 for EY's assurance statement.

* Prior year numbers have been represented to reflect where ABF has financial control as described on page 55.

** The 2023 numbers are restated to correct an understatement in steam in the Scope 2 emissions numbers, impacting GHG emissions and energy consumed.

Retail

About Retail

Primark is a fast-growing, international value retailer with a differentiated customer proposition delivered through a digitally-enabled, store-led model. It is one of the largest and fastest-growing clothing retailers in Europe, the market leader by sales volume in the UK, and has a growing presence in the US.

We have 451 stores at the end of 2024, with 18.8 million square feet of selling space, across 17 countries and more than 82,000 colleagues. Our founder, Arthur Ryan, opened our first store in 1969 in Dublin city centre and this remains the home of our global headquarters.

Primark’s strong brand is known for offering unbeatable prices and great quality essential clothing and fashion. We target a wide customer base across women’s, men’s and kidswear, as well as beauty, homeware and accessories. Our licensed clothing ranges are with some of the biggest names in entertainment and sport.

We offer a unique store experience by finding the right spaces, in the right locations and creating exciting retail destinations. Some of our stores offer additional services including beauty studios, nail and brow salons, barbers, themed cafes and our vintage clothing concession. We use our digital customer experience to drive engagement and increase footfall in stores. This includes our customer website, our stock-checker facility and our social media platforms. We are expanding our Click & Collect service across all of our stores in Great Britain to give customers the convenience to order online before collecting their purchase in store.

We are committed to high ethical trading standards and we are working to make more sustainable fashion affordable for everyone through our Primark Cares strategy. This is a multi-year programme focused on giving clothing a longer life, reducing emissions in our supply chain and supporting the livelihoods of the people who make Primark’s clothes.

We maintain a continuous focus on driving efficiencies and cost savings across our supply chain, store portfolio and central operations.

Revenue

£9,448m

2023: £9,008m

Actual currency: up 5%

Constant currency: up 6%

Adjusted operating profit

£1,108m

2023: £735m

Actual currency: up 51%

Constant currency: up 51%

Adjusted operating profit margin

11.7%

2023: 8.2%

Operating profit

£1,100m

2023: £717m

Actual currency: up 53%

Return on average capital employed

18.7%

2023: 12.0%

Selling Space

18.8m sq ft

2023: 18.2m sq ft

Scope 1, 2 (location based) and 3 GHG emissions

6,319 (000 tonnes of CO₂e)

2023: 7,139 (000 tonnes of CO₂e)

Gross investment

£530m

2023: £547m

Operating review

Primark's sales grew 6% in the year. This reflects a strong performance across our key growth markets, including the US, France, Spain, Italy and Central and Eastern Europe ('CEE'), as well as growth in our largest market, the UK. We continued to benefit from the relevance of our great-value clothing and the expansion of our product and category offering, including through collaborations and licensing partnerships. We are also successfully executing our store rollout programme across the US and Europe, which is adding profitable new selling space. This year's growth reflects investment in recent years to enhance our unique store experience and to increase our use of effective digital customer engagement.

Most of our key categories performed well this year as we continued to deepen and broaden our product offering in women's, men's and kids' wear, while growing our presence in categories such as home and accessories. We believe our expanded product ranges are further differentiating our proposition and increasing our appeal to existing and new customers.

Growth in womenswear was led by performance and leisurewear, knitwear and nightwear. Our collaboration ranges, including Rita Ora and Paula Echevarría, contributed strongly to growth and we benefitted from continued expansion of the Edit collection, our more premium essentials range. Sales of our seasonal summer clothing, as well as footwear, beachwear and swimwear, were impacted by wet weather in the UK and Ireland during H2. Menswear delivered good growth, with particularly strong sales of leisurewear and good growth in shirts. We benefitted from our expanded product range, including our premium collaborations via our Kem collection and LA workwear brand, The Stronghold. Licensed sportswear lines with the NBA, NFL and Kappa also performed well. In kids' wear, sales of our licensed ranges, including partnerships with global brands such as Disney, the NBA and gaming brands, performed very strongly. Markdowns during the year were managed effectively and we exited the year with good inventory levels.

In Spain and Portugal, which accounted for 17% of sales, our sales grew strongly, up 6%. Sales grew 4% in H1 and 7% in H2. Growth in Spain reflected the sales contribution from space expansion and good execution. We continued to outperform the market, which was relatively flat in the year. In Portugal, sales in H1 were impacted by market challenges, followed by an encouraging improvement in H2. During the year, we opened five new stores in Spain. This included four stores in Madrid, where we now have 12 stores in total.

In France and Italy, which accounted for 16% of sales, we had some of the strongest growth, with sales growing 12% in the year. Sales grew 18% in H1 and 8% in H2. Growth includes a strong sales contribution from new stores and we continued to gain share in both markets. In Italy, overall sales densities continued to be particularly strong. We opened three new stores in France and two new stores in Italy.

In our newer markets in Central and Eastern Europe, which accounted for 3% of sales, our sales grew 42%. Sales grew 48% in H1 and 37% in H2. We opened three new stores in the year, including our first store in Hungary, one store in Poland and one store in Romania.



Primark colleagues
at our store in
Lanzarote, Spain

Creating employment: Primark's socioeconomic impact across Europe

Retail is the largest private sector employer in Europe and Primark has a big part to play.

Since 2006 we have expanded outside of Ireland and the UK and further into Europe. We now have a presence in 16 markets across the geography, contributing significantly to the economies and communities in which we operate.

We employ more than 78,000 retail colleagues across these markets, offering opportunities in countries where there are sometimes high unemployment rates. In 2024, our 16 new store openings across the UK, Republic of Ireland and mainland Europe have created almost 3,000 new roles and just under 250 managerial positions. These jobs in turn contribute towards economic growth and stability in each community. In addition, in six of our key markets – the UK, Republic of Ireland, France, Italy, Spain and Portugal – we have invested in excess of £230m in new stores, extensions, relocations and refits.

We provide employment opportunities at all levels. For many people we create pathways for a lifelong career. Over the last financial year we have recruited just under 9,000 colleagues aged between 16-18 and for many of those it will be their first job. We are also an attractive prospect for those who are returning to work after a break from employment. When our Nantes store opened in November 2023, 205 of the 238 hourly paid colleagues recruited were returning to work.

As well as investing in new people, we deliver training programmes for our existing colleagues to establish future leaders in our business. We have internally promoted more than 1,900 colleagues across Europe this year.

Our impact goes beyond direct employment and investment. As we continue to grow, we will directly and indirectly support thousands of jobs and help boost economic prosperity across sectors from hospitality and construction to warehousing and transportation. Research carried out by Public First and published in the UK this year showed that Primark contributes £2.6bn to the UK economy and supports 54,000 jobs. Similarly, in France another commissioned study found that we create an average of 0.7 additional local jobs for every job in store.

Retail continued

Opening day
queue at Primark's
new store in Bury
St Edmunds,
6 March 2024



UK spotlight: Opportunities in our biggest market

2024 marked 50 years of Primark on the great British high street. The UK is Primark's biggest market, with 194 stores and over 30,000 retail colleagues, and it continues to create significant opportunities for us.

While our business is growing internationally, Primark in the UK remains well-established as a retail anchor on the high street. This is evidenced by our £100m investment in our UK store estate this year.

Our stores are well-placed to meet shopping demand through our high sales densities, wide product ranges and broad mix of shopping destinations nationwide. Shoppers continue to prioritise value, enabling a highly profitable market position.

Primark is directly responsible for driving footfall to high streets and retail parks, in turn creating a ripple effect of economic growth and consumer spending for wider industries. Research carried out by Public First and published in October 2024 showed that 2.3 million people each week cite Primark as the main reason for visiting their local high street.

Primark continues to respond to widespread consumer demand, even in shopping locations where we do not have an existing presence – we receive hundreds of requests to open stores each year. This financial year, we opened new stores in Bury St Edmunds and Stockton-on-Tees, which both delivered significant queues on opening day and sales that surpassed expected retail targets.

The UK offers an ideal testbed for physical and digital innovation before we roll out new concepts globally, including investments to improve store efficiency such as expanding our self-service checkouts. As we continue to roll out Click & Collect into all our stores in England, Scotland and Wales this will further drive consumer footfall and increase access to wider ranges, giving people more reasons to visit us.

In the US, which accounted for 5% of sales, our sales grew 30%, reflecting continued good progress. Sales grew 38% in H1 and 24% in H2. We opened six new stores in the year, including our second store in Florida and our first stores in Virginia, North Carolina and Michigan. We also opened a new distribution centre in Jacksonville, Florida, which will support our continued expansion in southern states. Recently opened stores performed well and are positively contributing to our overall sales density in the US. Sales in the year were driven by both womenswear and menswear, with licensed products performing particularly well. Primark recently launched its first US marketing campaign in the New York metro area as we focus on increasing brand awareness with US customers. We continue to execute our store rollout programme, with 14 leases for new stores now signed¹, including our first store in Manhattan, New York, which will be our 11th store in New York state.

In the UK and Ireland, which accounted for 47% of sales, our sales grew 2%. In the UK and Ireland, like-for-like sales grew 0.7%, reflecting 3.1% growth in H1 and a 1.6% decline in H2. In both markets, challenging weather impacted footfall during H2, particularly in April and June. However, we had a very encouraging start to sales of our Autumn/Winter ranges, with strong like-for-like growth in both markets in the last weeks of the financial year. For 2024 as a whole, like-for-like sales in the UK grew 1.0%, reflecting 3.6% growth in H1 and a 1.3% decline in H2. Primark maintained its market share in the UK at 6.7%². During the year, we continued to expand and optimise our store portfolio in the UK and Ireland. In total, we opened three new stores. In the UK, we also extended two existing stores, right-sized one store and relocated two stores. We are now offering a Click & Collect service in 87 stores¹ in the UK and expect this to be available in all stores in England, Wales and Scotland by the end of 2025.

In our Northern European markets, Germany, the Netherlands, Belgium and Austria, which accounted for 13% of sales, our sales grew 3%. In H1, sales grew 1% and in H2, sales grew 4%. Like-for-like sales grew 6.1% in 2024, with 5.6% growth in H1 and 6.6% growth in H2. In Germany, we restructured our store footprint with three store closures and three right-sizings in the year. The restructuring contributed to strong like-for-like sales in the remaining stores, with much-improved sales densities and profitability, despite industry-wide strike action. Even with the reduction in selling space, total sales grew in H2. We also launched our first multi-media brand marketing campaign in the country. During the year, we signed leases for two smaller-sized stores in new locations in Germany. In the Netherlands, like-for-like growth was also very strong, benefitting from our commercial and operational actions, including the right-sizing of four stores.

Overall, Primark's total like-for-like sales grew 1.2%. In H1, like-for-like sales grew 2.1%, driven by the annualisation of last year's carefully-selected price increases. In H2, like-for-like sales grew 0.5%, with a positive product mix benefit more than offsetting the impact of soft volumes, mainly due to unfavourable weather in the UK and Ireland. As expected in our fastest-growing markets such as the US, Italy and France, like-for-like metrics are impacted by the high number of store openings.

As at 14 September 2024, we were trading from 451 stores across 17 markets, with 18.8m sq ft of selling space. During the year, we opened a total of 22 new stores, closed three stores, extended five stores, right-sized eight stores and relocated two stores, which increased our retail selling space by 0.8m sq ft on a gross basis and by 0.6m sq ft on a net basis. We also made good progress with our store refurbishment programme, completing refits in 23 stores comprising 0.8m sq ft of selling space.

We continue to see significant white space opportunities in our growth markets in Europe and in the US and we have a clear roadmap for new store rollouts over the medium and long term to drive sustainable growth. At the same time, we continue to assess expansion opportunities in new markets. We recently signed an agreement with the Alshaya Group to explore the opportunity to open stores in the Gulf Cooperation Council ('GCC') markets. We are targeting our store rollout programme to contribute around 4% to 5% per annum to Primark's total sales growth for the foreseeable future.

We are focused on a number of initiatives to drive digital customer engagement, in particular in the UK where we have made the most investment and progress. In 2024, traffic to our websites increased in all markets and grew by 23% overall. The number of visitors now using the stock checker facility in each market is in the range of 15% to 25% and the total usage increased by 35% in 2024. We believe that the increase in website traffic is being driven by our investment in Search Engine Optimisation ('SEO'), our CRM database and activity, and our paid digital marketing. In particular, our CRM database now has approximately three million customers. Overall, we believe our increased digital engagement is contributing to higher footfall in stores and overall sales growth.

Adjusted operating profit grew 51% to £1,108m. Adjusted operating profit margin was 11.7%, up from 8.2% in 2023. This margin recovery reflects an increase in gross margin, largely due to lower material costs and reduced realised freight costs, as well as the annualisation of prior year price increases. These benefits were partially offset by labour cost inflation and an increase in investment in digital and data capabilities, technology and brand marketing to support long-term growth. We expect this investment to continue over the medium term. We continue to focus on driving cost optimisation and efficiencies, including through the store operating model, the introduction of self-service checkouts ('SCOs') and energy cost efficiencies.

This was another year of significant investment to support future growth, captured within operating expense as noted above, and in the £530m of gross investment in capital projects in 2024. As well as opening new stores in Europe and the US, we made progress with our store refurbishment programme, including the rollout of SCOs and energy-efficient lighting upgrades. We are supporting growth with investment in depots, including new depots and several ongoing automation projects. We have significantly increased our investment in technology, including the capability build to support long-term growth. In 2024, return on average capital employed increased from 12.0% to 18.7%. This primarily reflects the increase in operating profit and a normalisation in net working capital.

1. As at 31 October 2024.

2. Kantar, Primark market share of the total UK clothing, footwear and accessories market including online by value, 52-week data to 14 September 2024.

Retail continued

New store openings in the year ended 14 September 2024:

France

Grenoble, Grand Place S.C.
Nantes, Beaulieu S.C.
Rouen, Saint-Sever S.C.

Republic of Ireland

Bray

Hungary

Budapest East, Arena Mall

Spain

Lorca, Parque Almenara S.C.
Madrid, Alcala de Henares
Madrid, Conde de Penalver
Madrid, La Vaguada
Madrid, Rivas H20

Italy

Livorno, Porto a Mare
Turin, To Dream

Poland

Lodz, Manufaktura S.C.

UK

Bury St. Edmunds
Teesside

Romania

Timisoara, Lulius Mall

US

Concord Mills, Charlotte, NC
Great Lakes Crossing, Detroit, MI
Smith Haven, Long Island, NY
The Florida Mall, Orlando, FL
Tysons Corner, Washington DC, VA
Woodfield Mall, Chicago, IL

	Year ended		Year ended	
	14 September 2024		16 September 2023	
	# of stores	sq ft 000	# of stores	sq ft 000
UK	194	7,815	192	7,725
Spain	64	2,587	59	2,390
Germany	27	1,380	30	1,605
France	27	1,352	24	1,203
Republic of Ireland	38	1,184	37	1,165
US	27	1,084	21	873
Netherlands	20	943	20	1,016
Italy	17	820	15	747
Belgium	8	403	8	403
Portugal	10	401	10	383
Austria	5	242	5	242
Poland	6	233	5	197
Romania	3	107	2	75
Czechia	2	89	2	89
Slovenia	1	46	1	46
Slovakia	1	39	1	39
Hungary	1	34	–	–
	451	18,759	432	18,198

ESG at Primark

ESG highlights

- Primark is committed to promoting human rights throughout its supply chains. For over 15 years, its Ethical Trade and Environmental Sustainability (ETES) programme has been the cornerstone of this commitment. In 2024, Primark conducted over 2,000 social audits, most of which were unannounced, to monitor compliance with its Supplier Code of Conduct. With a team of over 130 people across 10 key sourcing markets, the ETES programme works across all aspects of human rights and environmental due diligence, from strategy and risk assessment to supporting suppliers and their factories in implementing the Supplier Code of Conduct.
- The Science Based Target Initiative has approved Primark's near-term target to reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions and absolute Scope 3 GHG emissions from purchased goods and services respectively by 50% by 2030 from a 2018/19 baseline.
- Primark's total Scope 3 GHG emissions, which represent the biggest portion of its footprint, reduced by 12% in 2023/24 compared to 2022/23 and were 0.6% lower than the 2018/19 baseline. Primark is investing in its Environmental Sustainability Team and in supplier factory efficiency programmes aimed at supporting GHG emission reductions through targeted training, upskilling, and energy-saving projects.
- Primark's Scope 1 and 2 (market-based) emissions reduced by 21% in 2023/24 compared to 2022/23 and were 52% lower than the 2018/19 baseline. This reduction was achieved through energy efficiency measures in its stores and the procurement of renewable and low-carbon electricity. Considering its planned geographical expansion, Primark expects this reduction to fluctuate in the short-term.
- Primark has committed to 100% of the cotton in its clothing being either organic, recycled or made from cotton from its Primark Cotton Project by 2027. In 2024, 57% of its cotton clothing units sold contained cotton that was organic or from the Primark Cotton Project.
- Through its Primark Cotton Project, the business equips smallholder farmers with essential knowledge and skills to drive the adoption of more sustainable agriculture practices. To date 309,394[△] farmers have been trained through the programme, across four countries and the majority of these farmers are women.
- In July 2024, Primark published its Durability Framework, a set of guidelines for durability testing that can be integrated into its business operations and contributes to the development of best practice as no industry standard currently exists.

Read more about ESG initiatives at Primark on our website at www.abf.co.uk.



Primark's jersey pyjamas, which have been tested under the Primark Durability Framework

Clothes made to last at Primark

Primark is committed to giving clothes a longer life by designing and making clothes that are not only recyclable by design, but also more durable. This means creating clear guidelines for how clothes are designed and made.

The newly introduced Primark Durability Framework is the latest step in our journey. Inspired by the Waste and Resources Action Programme's (WRAP) Extending Clothing Life Protocol, the framework builds on four years of work. It sets out the durability requirements that all eligible clothes must adhere to, including physical quality tests and a set number of washes across four levels. These levels range from five to 45 washes, categorised as minimum, foundational, progressive and aspirational.

The framework, which has been embedded into both our business and our supply chain, exists to give clear guidance to our product teams and suppliers when considering the material, design and development of a clothing item.

Primark has now collected a full year's durability data for denim, socks and jersey. This will enable us to build a full product performance baseline and truly understand how each product category is performing on durability. 66% of Primark's clothing that was tested has passed the aspirational level of 45 washes.

The framework is anchored in the principles of continuous improvement which we use across our operations, with the aim that durability is sewn into the lifecycle of our clothing.

Primark's ambition is to demonstrate to our customers that there is no need for the industry to charge higher prices for clothes made to last.



Packing orders at our Primark Click & Collect depot at Magna Park, UK

Investing in digital retail



Rolling out Click & Collect

Our successful trial of Click & Collect – now rolling out across England, Scotland and Wales – is showing how the service enables us to reach new customers. It offers greater product choice and unlocks new opportunities while driving more people into stores.

Click & Collect gives our customers the opportunity to browse and buy online before collecting their purchase in store on their chosen date. Our trial launched in November 2022 in 25 stores, offering a selection of kidswear items. In July 2023 it expanded to another 32 stores, with womenswear added in September 2023.

Every stage has been monitored and analysed. Our steady approach has given us a detailed understanding of customer behaviour and activity to provide confidence that the service complements, rather than competes with, Primark stores. Not only has it met and in many cases exceeded our targets on basket size, additional spend in-store and the impact on in-store sales, it has unlocked some new growth opportunities.

We estimate four out of 10 customers pick up another basket while they are in-store and the value of that basket is significant – in line with the first purchase. And more than a fifth of customers have been back and used the service more than once already. Almost half have told us they are visiting Primark more often since using Click & Collect, highlighting the halo effect it has on footfall.

Click & Collect is also enabling existing customers to make purchases they would not have made previously, supporting a busy customer who pops in while on a lunch break, or a customer who makes a purchase after searching for a specific trend online.

External data* tells us that around a third of spending has come from people who had not shopped with Primark for at least two years.

As the roll out continues we see potential beyond the trial categories of womenswear and kidswear, with menswear and selected home and lifestyle products now included as part of the nationwide expansion. The ranges and products offered will continue to be curated to complement the local store offering.

* Kantar Worldpanel, June 2024.

to drive footfall
in our stores

CLICK & COLLECT



Shop online
at [primark.com](https://www.primark.com)



?
y for
e
here too.



A Primark colleague
with a Click & Collect
customer at our store
in Leicester, UK

Grocery

About Grocery

Grocery comprises brands which occupy leading positions in markets across the globe.

International brand businesses

Twinings has been blending tea since it was founded in 1706 and its premium teas and infusions are now sold in more than 120 countries. **Ovaltine** malted beverages and snacks are consumed throughout the day in countries across the globe. **Patak's** is the original spice blending expert and is recognised around the world for creating authentic Indian food that is quick and easy to prepare. **Jordans** produces delicious wholegrain breakfast cereals. **Blue Dragon** offers authentic, simple and convenient ingredients to create delicious dishes from China, Thailand, Japan and Vietnam. **Mazzetti** is our leading brand of Balsamic Vinegar of Modena.

US-focused businesses

We have some of the leading US, Mexican and Canadian cooking and baking branded products. These include **Mazola** and **Capullo** cooking oils and **Fleischmann's** yeast. In addition, **Anthony's Goods** is a leading brand of organic and natural ingredients and superfoods which are sold online in the US. We also have a 50% ownership in **Stratas Foods**, the leading US supplier of packaged oils, margarines, mayonnaise, sauces and dressings for the food service, food ingredients and retail markets.

UK-focused businesses

We have a broad set of food brands and businesses focused on the UK market. **Kingsmill** produces a range of bakery products for the whole family. **Dorset Cereals'** award-winning muesli and granolas are renowned for the quality of the ingredients. **Ryvita** is the UK category leader in crispbreads. **Silver Spoon** and **Billington's** are our two retail sugar brands in the UK. We are also a leading supplier to the Indian, Chinese and Thai foodservice sectors with well-known brands, including **Lucky Boat** noodles.

Australia and New Zealand-focused businesses

We are one of Australia and New Zealand's largest food manufacturers. **Tip Top** is one of the most recognised brands in Australia with an extensive range of bread and baked goods. **The Artisanal Group** is a leading manufacturer and wholesaler of high-quality baked goods. Our **Don** business manufactures a variety of bacon, ham and meat products. **Yumi's** produces hommus, vegetable dips and snacks and is the leader in the Australian market.

For a full list of our businesses and brands visit www.abf.co.uk/our-businesses/a-z-finder.

Revenue

£4,242m

2023: £4,198m

Actual currency: up 1%

Constant currency: up 4%

Adjusted operating profit

£511m

2023: £448m

Actual currency: up 14%

Constant currency: up 17%

Adjusted operating profit margin

12.1%

2023: 10.7%

Operating profit

£493m

2023: £402m

Actual currency: up 23%

Return on average capital employed

35.8%

2023: 30.0%

Packaging

142 kt

2023: 142 kt

Recycled waste

86.0%

2023: 82.3%

Gross investment

£226m

2023: £141m

Operating review

Grocery sales grew 4%, reflecting good demand across a number of our leading international brands and regionally-focused businesses, supported by increased investment in effective marketing, strong commercial execution and successful new product launches.

Adjusted operating profit margin for the Grocery segment improved to 12.1%, driving significant growth in adjusted operating profit, up 17% to £511m. The strong margin improvement reflects an easing in input cost pressures, strong performance in our US-focused businesses and much-reduced losses in Allied Bakeries, partially offset by a significant increase in marketing investment. Return on average capital employed increased from 30.0% to 35.8%.

Our international brand businesses, which include Twinings, Ovaltine, Blue Dragon, Patak's, Jordans and Mazzetti, accounted for approximately a third of total Grocery sales. Twinings had strong sales momentum led by volume growth across its largest markets, the UK, US and France. This reflects increased distribution, particularly in the US, strong commercial execution to strengthen in-store visibility and a significant increase in investment and focus on effective marketing. Growth also benefitted from recent product launches, as we continue to expand our presence in the wellness category, including our growing portfolio of herbal and infusion teas.

In Ovaltine, performance was mixed this year. We continued to drive sales of ready-to-drink ('RTD') products in Thailand, in response to the shift in consumer demand from powder products, and we grew our market share in both categories.¹ We are leveraging our strong brand in that market to launch new products, supported by increased marketing investment. In China, sales were impacted by the weaker economy and in Myanmar by the political situation. In Europe, we benefitted from new product launches and we had good growth in Africa. We also progressed with the construction of a production facility in Nigeria, which will enable Ovaltine to serve markets across West Africa. Sales of both Patak's and Blue Dragon were broadly flat overall this year with a mixed performance across markets. Jordans sales were impacted by reduced promotional activity in H1 but had good growth in H2. Our balsamic vinegar business, including the Mazzetti brand, had continued good volume growth.

Within our regionally-focused portfolio, our US-focused businesses accounted for approximately 15% of Grocery sales and performed well. This reflects the strong performance of our market-leading brands, including Mazola and Fleischmann's, supported by improved production capacity. As expected, strong performance in consumer oils began to normalise towards the end of the financial year. Stratas, our joint venture that supplies oils to the foodservice, ingredients and retail markets, delivered strong profit, albeit slightly below last year.

1. Nielsen, Ovaltine share by value of the malt-based and chocolate powder beverages category and the mal-bases and chocolate UHT beverages category respectively for the 12-month period ending 1 August 2024.



An image from Mazola's Spanish language campaign in the United States

ACH: Listening to our consumers

This year we have invested in growing and deepening our US-focused brands' relationships with consumers.

The people who buy and use our products are our highest priority. By listening to them and understanding their preferences, we have evolved our brands to ensure they remain consistently relevant to consumer needs.

Our Mazola cooking oil brand has continued to tailor its consumer communications. For example, core consumers of Mazola include US Latino consumers and we have invested in Spanish language brand campaigns as a result. Significant and impactful content in media used by these communities has helped Mazola maintain its strong brand awareness and preference. This year we took further market share and outsold our closest branded competitor in the US by more than 40%.

Meanwhile we have been tapping into the trend for home-baking in the US. Since the Covid-19 pandemic, many people have continued to enjoy baking from scratch, helped by the rise of flexible working patterns that enable them to spend more time at home. We undertook quantitative and qualitative research into the needs and motivations of these home bakers so we could better understand them.

Based on what we found, our Fleischmann's yeast brand team developed a campaign that promoted the benefits of yeast baking, encouraged more people to use it at home and positioned Fleischmann's as the brand of choice for bakers. Thanks to this work we have seen the number of households purchasing Fleischmann's grow by 7% in the last year as well as increasing the amount purchased per shopper by more than 3%.

Grocery continued

Our UK-focused businesses, which accounted for approximately a quarter of Grocery sales, generally performed well. Allied Bakeries had a much-reduced operating loss compared to 2023 as a result of improved sales and operational performance. Silver Spoon delivered strong growth, benefitting from better pricing and a brand refresh. Ryvita made good progress, supported by recent product launches and advertising. We are investing in manufacturing capacity for our Scrocchiarella bakery products in Bradford, UK, to support future growth.

Our Australia and New Zealand-focused businesses, which accounted for approximately a quarter of Grocery sales, remained resilient in a challenging consumer environment. Our Tip Top bakery business grew well despite consumers trading down due to cost of living pressures. Sales growth in our Don meat business reflected pricing and new product launches, however profitability was impacted by higher input costs. Yumi's, which produces dips and vegetarian snacks, delivered good growth in sales and profitability. During the year, we made further progress with the evolution of our product portfolio, completing the acquisition of The Artisanal Group, a leading manufacturer and wholesaler of high-quality baked goods in Australia, primarily serving cafes, restaurants and hotels. Our investment in long-term capital projects in Australia continued, including the expansion of the Canning Vale bakery in Western Australia to secure Tip Top's position as the leading supplier in that state, as well as investing in capacity expansion in Springwood, Queensland, to support Tip Top's foodservice growth.

ESG at Grocery

Within the Grocery segment there are an extensive number of social and environmental programmes relevant to their businesses. To find out more about the progress being made across these businesses please see our website for further information.

Read more about ESG initiatives of our Grocery businesses on our website at www.abf.co.uk.



A rice farmer growing Hom Mali rice for Westmill using the Sustainable Rice Platform standard, Ubon Ratchathani, Thailand

Investing in new baking capacity at Tip Top

Australia and New Zealand are developed economies with growing populations. Our highly differentiated Tip Top baking business is well-placed to capitalise as the market expands.

Tip Top operates in the retail and foodservice channels and is one of the most known and trusted brands in Australia and New Zealand. Its product offering is a market leader in packaged bread, including gluten-free, and spanning buns, rolls and bakery snacks.

This year we began a multi-million dollar upgrade and expansion of our Canning Vale, Western Australia bakery, where we produce a significant proportion of the Western Australian market's needs. The population in the state is growing quickly and the existing site is currently at maximum capacity. We will install a new bread line with a production capacity of 8,350 loaves per hour. Overall, the upgrade will increase capacity from 44 million to 56 million loaves per year as well as raising service levels for customers and providing additional amenities on-site.

* SME analysis.

Tip Top also has a large business supplying quick-service restaurant ('QSR') customers. In this foodservice channel, where Tip Top is a major supplier of buns, the market is growing strongly and experiencing premiumisation as major QSR customers look to differentiate their offers. This trajectory is likely to continue: the total food service market is forecast to grow at 3.5%* for the next decade and beyond.

We are investing in our foodservice manufacturing network to keep up with demand and position ourselves for future growth. At our Springwood site in Brisbane, Queensland, we have just completed a significant upgrade to our bun and roll line to almost double our capacity from 90 million to 168 million buns per year.



Tip Top's expanding bakery at Canning Vale, Western Australia



An image from a US TV advert, profiling the 50+ delicious varieties of Twinings teas and infusions available in North America



Improving our marketing model to drive growth

Several of our brands made further progress this year thanks to a step-up in marketing investment. We have taken a careful approach to developing and delivering our marketing campaigns, resulting in greater brand awareness and market penetration.

The best example of this is at Twinings, now enjoyed in more than 120 countries and where we see further scope to grow our consumer base. We have invested significantly in advertising to build our brand and achieve our growth ambitions in key markets including the US, Canada, UK, France and Australia. Consumer-centricity is important to us, from product development through to advertising, so we have taken a thoughtful approach to ensure our messaging engages and resonates with consumers to achieve maximum impact.

This approach involves initial qualitative testing of our messages, followed by small trials of the advertising campaigns where we can gauge their effectiveness using data. Only then do we go live on a regional basis in our markets while continuing to monitor the response via leading independent research companies to confirm that we are getting a strong return on our investment. In the US, for example, we began in New Jersey and Connecticut before rolling out across the rest of the East Coast once we had seen proven results from that first trial.

Our US advert was adapted from an earlier French version, taking the most successful elements from the campaign in France and capitalising on the two markets' similar consumer objectives and brand positioning. This meant our US campaign development costs were much lower and we were able to invest more in the placement of the adverts in target media.

Our approach is working well. The latest Twinings advert was in the top 1% of adverts tested by Kantar, the market insight company, which assesses adverts for short-term sales uplift and long-term brand impact. It reached 85% of our intended audience in the US. We are growing household penetration in both black and herbal teas and we are the top selling tea brand on Amazon. Looking at the top 10 tea brands in the US at a total market level, Twinings has had the greatest increase in 'repeat rate purchasing' in the past year – which is the key measure of consumer loyalty to a brand.*

* Numerator Panel Insights, Top 10 Tea Category Brands, 52 weeks ending 26 May 2024.

to grow our
international brands



A US social media
post of two people
enjoying Twinings,
America's #1 English
Breakfast tea

Ingredients

About Ingredients

Ingredients businesses comprises yeast and bakery ingredients, as well as a portfolio of specialty ingredients focused on enzymes, precision extraction, health and nutrition and pharmaceutical delivery systems.

Yeast and bakery ingredients

We have a global yeast and bakery ingredients business, AB Mauri, with well-established market positions in the Americas, Europe and Asia. We sell our products to customers in over 100 countries, operating from 52 plants across 32 countries and we have over 5,300 employees.

We work with industrial and craft bakers to develop leading yeast solutions and bakery ingredients that are right for the needs of their local markets. We are a technology leader in bakery ingredients, supplying a range of products including bread improvers, dough conditioners and bakery mixes and concentrates for bread, cake and dough products. In addition to bakers' yeast, we supply speciality yeast products and associated technologies to the alcoholic beverage and bioethanol markets.

Mauri ANZ

Mauri ANZ is an ingredient company with production and milling capacity in Australia and New Zealand. Our product portfolio includes a range of flour products, yeast and bakery ingredients, as well as animal feed mixes.

New Food Coatings

We have a 50% ownership in New Food Coatings, one of the leading suppliers of customised breaders, batters, seasonings, sauces and functional ingredients to the food manufacturing and food service markets across Australia, New Zealand and south east Asia.

Specialty ingredients

We have a portfolio of specialty ingredients businesses, ABFI, that use science and technology to create value-added, innovative ingredients to serve the food and beverage, health and nutrition and pharmaceutical industries, as well as markets such as animal feed and certain industrial segments. We use platforms such as enzymes and other industrial biotechnology, precision extraction and synthetic chemistry.

We have almost 1,400 employees and serve customers in more than 50 countries from manufacturing and R&D facilities in 15 countries across Europe, the Americas and Asia Pacific.

In food and beverage, we develop ingredients and solutions that support product innovation. In health and nutrition, we develop ingredients that provide a health benefit in dietary supplements and functional food. In the pharmaceutical market, we produce antacids, excipients, adjuvants and delivery systems that enter the formulation of drugs.

ABFI is comprised of AB Enzymes, Ohly, ABFI Health & Nutrition, ABITEC Corp, SPI Pharma and PGP International.

Revenue

£2,134m

2023: £2,157m

Actual currency: down 1%

Constant currency: up 2%

Adjusted operating profit

£233m

2023: £214m

Actual currency: up 9%

Constant currency: up 12%

Adjusted operating profit margin

10.9%

2023: 9.9%

Operating profit

£219m

2023: £201m

Actual currency: up 9%

Return on average capital employed

16.9%

2023: 16.1%

Water abstracted

16 million m³

2023: 17 million m³

Scope 1 & 2 GHG emissions

258 kt

2023: 291 kt

Gross investment

£238m

2023: £179m

Operating review

Ingredients sales grew 2% driven by a strong performance in our yeast and bakery ingredients business, AB Mauri. As expected, sales in our portfolio of speciality ingredients businesses, ABFI, were impacted by customer destocking in H1, with performance then improving in H2. Adjusted operating profit increased by 12% led by yeast and bakery ingredients.

Sales in yeast and bakery ingredients grew strongly across most of our regions. This reflects both the annualisation of prior year price increases, predominantly in H1, and good volume growth supported by innovation in bakery ingredients, particularly in H2. We had strong growth in North America, Brazil, Mexico, south Asia and south east Asia. Our business in Argentina was impacted by challenging economic conditions and currency devaluation.

We continue to grow our presence and capabilities in Ingredients through strategic acquisitions. We completed the acquisition of Omega Yeast Labs LLC, a leading provider of liquid yeast to the craft brewing industry in the US, complementing our existing portfolio of speciality yeast products. We also completed the acquisition of Mapo, an Italian manufacturer of premium frozen baked goods, underpinning the growth potential for our Scrocchiarella bakery products, and the acquisition of Romix, a specialist blender of baking ingredients based in the UK.

During the year, our recently built speciality yeast plant in Hull, UK, came online, expanding our capacity and capability in yeast. We also continued with the construction of our new fresh yeast plant in Northern India, where there is considerable market demand for baker's yeast.

Our ingredients business in Australia and New Zealand, Mauri ANZ, performed well and benefitted from increased production in our new animal feed mill in Hope Valley, Western Australia, after closing an older facility. New Food Coatings, our joint venture ('JV') in Australia, New Zealand and south east Asia, specialising in seasonings, sauces and ingredients, delivered good growth. The JV is investing in a new facility in Bangkok, Thailand, to add capacity.

Sales in our portfolio of speciality ingredients businesses, focused on enzymes, precision extraction, health and nutrition and pharmaceutical delivery systems, were impacted by customer destocking in H1 before delivering a more encouraging performance in H2. In particular, our enzymes and health and nutrition businesses delivered good growth. We delivered an improvement in the adjusted operating margin of our speciality portfolio, benefitting from improved input costs, while significantly increasing investment in R&D and commercial capabilities to support long-term growth.

Investment continued across a number of strategic capital projects in speciality ingredients. This included our yeast extracts business, Ohly, where we are adding capacity in fermentation and spray drying at our site in Hamburg, Germany. At AB Enzymes, we are constructing a new high-care enzyme powder packing line in Rajamäki, Finland.



AB Mauri colleagues inspect tortillas at our Global Technology Centre in Etten-Leur, the Netherlands

Ingredients continued



**An AB Enzymes
R&D colleague
at our lab in
Rajamäki, Finland**

Using digital R&D to deliver efficiencies at AB Enzymes

Biotechnology research is advancing rapidly and driving the innovation that is crucial for product development at AB Enzymes, where we develop and market enzyme solutions for customers in the bake, food, technical and feed markets. Our work involves screening for new or improved enzymes and creating microbial strains to produce them before testing in different applications.

This year we initiated our 'DigiReDI' programme aimed at further digitalising and automating our research and development ('R&D') processes in combination with the development of algorithms and the introduction of AI. This work will help to make our product development faster, more efficient and more sophisticated.

Our investment will connect all our lab equipment to our bespoke digital R&D processes, enabling more automated data processing and analysis. This eliminates a significant amount of manual data handling, with early trials seeing the time needed to compile the sample data and complete the analyses cut from hours to seconds.

Digitalisation will also support our enzyme screening methods by more effectively enabling the processing of ever-increasing volumes of data. Furthermore, new digital processes can pull data together into useful formats, for example detailed reports required by external regulators responsible for approving new enzyme products.

As a result, our researchers are freer to focus more on the product development itself, the interpretation of results and the fine tuning of experiments to produce successful outcomes, as well as being able to run more product projects in parallel.

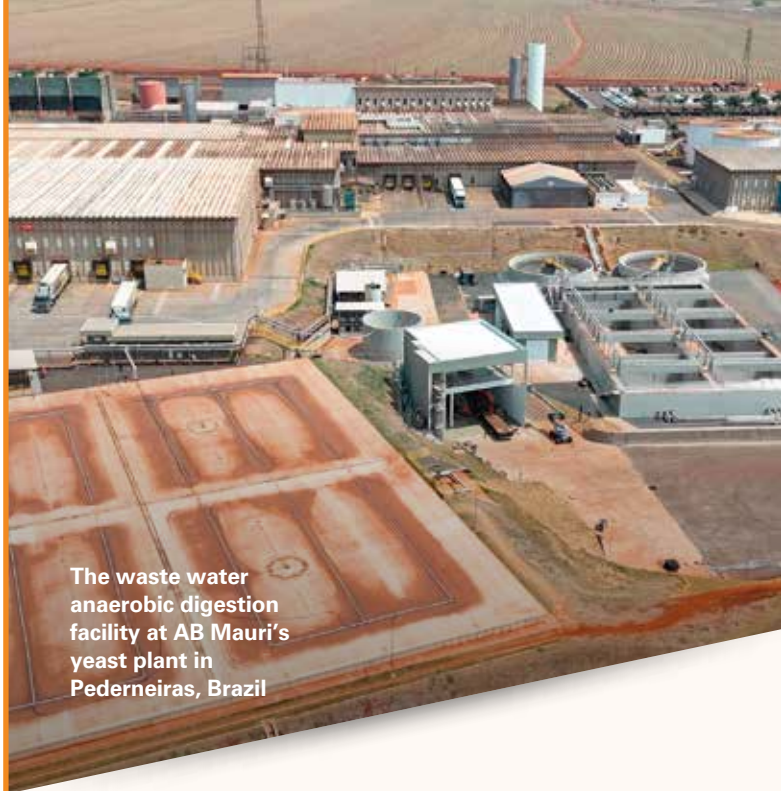
Looking ahead, DigiReDI will create the digital infrastructure to enable us to integrate new software and technologies as they evolve into our further digitised R&D so that we can maintain pace with new scientific advances. We believe this digital infrastructure will significantly improve our product development capabilities in the years to come.

ESG at Ingredients

ESG highlights

- AB Mauri is focused on using water efficiently and returning it safely to the environment after use. Many of its production facilities have complex on-site effluent treatment plants that include biological processes, evaporators and reverse osmosis membrane systems that can produce reusable water and useful co-products. Since 2010, it has invested \$120m in waste water treatment and 2023/24 was another year of progress on this agenda, with the construction of a new biogas co-generation plant in Brazil.
- AB Mauri reduced its Scope 1 and 2 (location-based) GHG emissions by 13% against last year, driven by energy efficiency initiatives, including advanced fermentation aeration, high-efficiency natural gas boilers, and heat recovery technologies. Biogenic carbon emissions from yeast fermentation were also reduced by 4%.
- AB Enzymes, the ABFI industrial biotech business, has continued developing innovative enzyme products for various industries, that enable GHG emissions reductions without compromising product performance. This is a key part of its customer offering and continues to be a central focus for investment and innovation.
- 75% of our Ingredients businesses' waste was recycled, recovered, reused, or sent for another beneficial use in 2023/24. Initiatives this year included transforming waste into animal feed or into fertiliser and recycling of paper and plastics.

Read more about ESG initiatives of our Ingredients businesses on our website at www.abf.co.uk.



The waste water anaerobic digestion facility at AB Mauri's yeast plant in Pederneiras, Brazil

Investing in water stewardship at AB Mauri

Good water stewardship is essential for our yeast and bakery ingredients business.

Water is the medium in which we grow yeast and it is also used for cooling and cleaning equipment in our factories. Our water stewardship strategy focuses on a 'Four R' approach: Return, Reduce, Reuse, and Recycle. Water that we return to the environment must be treated to standards that meet or exceed regulations in the countries where we operate. In some cases, water treatment also results in valuable by-products which can be used to produce fertiliser, animal feed or a source of energy.

Our sites predict future water treatment legal requirements so that upgrades can be future-proofed. Guided by this strategy, we have invested more than \$120m in water treatment since 2010. A recent example of this investment is a new waste water treatment installation paired with a biogas co-generation plant at our site in Pederneiras, Brazil, which will both improve water quality and produce electrical and thermal energy from steam and hot water. The installation utilises digesters: a process that uses anaerobic digestion in the treatment of waste water to produce biogas. It can also then treat this biogas so it can be used as a fuel source and transformed into energy via a co-generation plant.

Following our investment and strategic approach to water stewardship, we have seen a steady year-on-year increase in the proportion of water used that is treated and returned safely to the environment, up from 74% in 2018/19 to 84% in 2023/24. We are approaching the theoretical maximum of this water return KPI due to the water which leaves the site in our products or through production process evaporation. We are now moving to the next water circularity phase focused on Reduce, Reuse and Recycling of water into our facilities, and measuring our performance through an evolution of our KPI metrics.

The Omega Yeast Labs production facility in Chicago, United States

Investing in new capabilities



Brewing a bright future: Yeast's role in craft beer and biotechnological evolution

In August 2024, AB Mauri North America acquired Omega Yeast, a leader in the craft brewing liquid yeast market, to further strengthen and accelerate its speciality yeast business.

We believe there is a good opportunity to expand and enhance the offerings of AB Biotek (an AB Mauri business division) in the beer and wider alcohol beverage market globally.

The origins of AB Biotek's yeast and associated fermentation technologies for beer can be found within the traditions of whisky production in Scotland and Ireland and leading wine producers worldwide. For many decades our products have been preferred by world-leading artisans to produce some of the most iconic whisky brands and award-winning wines.

The craft beer segment has experienced significant growth, driven by consumer demand for diverse and consistent high-quality beers. A critical component in this industry is brewing yeast, which plays a vital role in fermentation and flavour profile development.

In the early days of craft brewing, brewers relied on traditional yeast strains, often sourced from larger breweries or home-brewing communities. However, advances in biotechnology and yeast management have revolutionised the industry.

AB Biotek's fermentation and yeast technology experts have meticulously developed a specialist portfolio of yeast solutions for craft brewers. The strategic acquisition of Omega Yeast significantly enhances our existing brewer's yeast portfolio and brands. It introduces cutting-edge strains and innovative bioengineering capabilities, further strengthening the quality and diversity of our craft brewing solutions.

Omega Yeast is a leading producer of liquid yeast for the craft brewing industry in North America, operating from a state-of-the-art facility in Chicago, Illinois. The business is renowned for its innovative capabilities, catering to a wide range of brewing styles from traditional lagers and ales to West Coast IPAs and hard seltzers.

Omega Yeast offers a diverse range of yeast strains tailored to enable craft brewers to differentiate their products, including traditional styles and innovative advanced solutions such as the NEXT™ Series, featuring bioengineered strains for novel flavours, and the PLUS™ Series, which offers familiar strains with enhanced performance.

These strain evolutions allow brewers to explore new and unique flavour profiles, pushing the boundaries of traditional brewing techniques. Advanced propagation methods ensure consistent quality and performance, improving fermentation reliability. By continuously advancing our yeast technology, we can assist brewers globally to experiment with new brewing methods and styles, keeping the craft beer market dynamic and exciting.

to enhance
our portfolio



Craft beer being enjoyed
at Rockwell Beer Company,
an Omega Yeast customer,
in St. Louis, United States

Sugar

About Sugar

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

Across this group of businesses we employ 29,000 people and operate 19 plants in eight countries, with the capacity to produce approximately 4.5 million tonnes of sugar annually. We farm more than 330,000 hectares across our markets, between ourselves and over 25,000 growers.

In Africa, we have sugar cane operations in Eswatini, Malawi, South Africa, Tanzania and Zambia, and packing operations in Rwanda. We have market-leading consumer brands in these countries, with Bwana Sukari in Tanzania, White Spoon in Zambia and Illovo in multiple markets. In certain markets we also produce co-products such as potable alcohol, furfural and electricity for local grids.

In the UK, British Sugar is the sole processor of the sugar beet crop and in Spain, Azucarera is the largest sugar producer. Our strong domestic brands include Silver Spoon in the UK and the Azucarera brand in Spain. In the UK, we produce a range of co-products including energy, animal feed, bioethanol, betaine and CO₂. We operate one of the largest wheat bioethanol production facilities in the UK, Vivergo.

We also have a 42.5% ownership in Czarnikow Group Limited (CZ), a global supply chain management and advisory company specialising in the food and beverage sector.

Revenue

£2,529m

2023: £2,474m

Actual currency: up 2%

Constant currency: up 11%

Adjusted operating profit

£199m

2023: £179m

Actual currency: up 11%

Constant currency: up 46%

Adjusted operating profit margin

7.9%

2023: 7.2%

Operating profit

£181m

2023: £119m

Actual currency: up 52%

Return on average capital employed

10.9%

2023: 9.7%

Scope 1 & 2 GHG emissions

2,072 kt

2023: 1,973 kt

Water abstracted

859 million m³

2023: 838 million m³

Gross investment

£252m

2023: £205m

Operating review

Sugar segment sales and profitability were strongly ahead of the prior year.

Our European sugar businesses in the UK and Spain, which accounted for approximately half of total Sugar sales, grew strongly in 2024 due in large part to higher sugar prices. In the UK in H1, the benefit from higher prices was more than offset by the fact that low stock levels were carried over from the 2022/23 campaign, whereas H2 benefitted from increased production as a result of the return to a more typical sugar beet crop in the 2023/24 campaign. In Spain, sales also benefitted from increased acreage. Beet prices were high in both the UK and Spain for the 2023/24 campaign. As previously announced, sharper than expected falls in UK and European sugar pricing, due to increased supply in the market, negatively impacted sales and profitability in Q4 2024. Consequently, adjusted operating profit for the European sugar businesses for the full year in 2024 was lower than expected.

Our overall African sugar business, which accounted for approximately 40% of total Sugar sales, grew well in 2024 on a constant currency basis. Growth in Zambia and South Africa was particularly strong, where we benefitted from both strong cane yields and good factory performances. Malawi was resilient and Eswatini delivered a good performance. Across our African businesses, commercial execution was strong and we made further progress across a range of projects to drive continuous improvement in both our manufacturing and agricultural performance. On an actual currency basis, our African sales declined due to the impact of foreign exchange translation, primarily due to currency devaluations in Zambia and Malawi.

We continued to invest in a number of capital projects. The largest is the new sugar mill we are building to expand our capacity in Tanzania, a key growth market, which we expect to complete in 2025. We are also investing in technology infrastructure for our African businesses.



A British Sugar engineer inspecting an evaporator at our factory in Wislington, UK

Improving factory performance and decarbonising at British Sugar

At British Sugar we are using our engineering expertise to make our factories more efficient in ways that will significantly reduce our energy consumption and greenhouse gas emissions. Our work has contributed materially to the reduction in ABF's overall Scope 1 and 2 emissions since 2017/18.

At our Wislington factory in Norfolk, we have designed and invested in a major energy reduction project with the installation of additional evaporators, heat exchangers and processing equipment to significantly reduce the steam required in sugar manufacturing. The project has delivered a step-change reduction in site energy usage, with emissions lowered by 30,000 tonnes of carbon this year and demand for process steam reduced by 25%.

Our engineers are replicating the design principles at our three other UK processing sites to deliver similar results, with ground broken this year for the construction of similar plant and equipment at Bury St Edmunds. When complete, the site's carbon emissions will be cut by around 20,000 tonnes per year.

Alongside these projects, we have switched the fuel source for our animal feed dryers at Bury and Newark to natural gas, reducing carbon emissions by 20,000 tonnes this year. We are also installing a modular gas-fired combined heat and power plant at our Cantley site, which is scheduled to be operational in 2025 and will reduce carbon emissions by around 16,000 tonnes per year. This technology sets us up for fuel flexibility as the plant can be fuelled by hydrogen too.

This work is enabled by the expertise of our in-house teams, who have carried out detailed process mapping across our operations to identify efficiencies. In total, our investments since 2017/18 have delivered a Scope 1 reduction of 21.2% for British Sugar against our baseline year of 2017/18. As technology develops, we will continue to consider all options to further drive decarbonisation across our sites and supply chain.

Sugar continued

During 2024, we closed our sugar business in the north of China and agreed to the sale of its assets. Our sugar operations in Mozambique were impacted by severe flooding in 2023. In 2024, the operations were mothballed and we recognised an additional impairment charge of £6m.

The operational performance of Vivergo, our bioethanol plant in the UK, strengthened this year and it had a substantially reduced operating loss. However, trading margins achieved during the year continued to be variable as a result of volatility in bioethanol prices. As such, we recognised an asset impairment of £18m in 2024.

As previously announced in our trading update on 5 September 2024, we expect the sharp fall in European sugar prices in Q4 2024 to impact performance in our Sugar segment significantly in 2025, with adjusted operating profit expected to be in the range of £50m to £75m. We expect profitability to recover in 2026 to be more in line with 2024, as a result of lower beet prices that have been contracted and a rebalancing of supply and demand in the market.

ESG at Sugar

ESG highlights

- In January 2024, ABF Sugar set near-term and net-zero Scope 1 and 2 and Scope 3 GHG emissions reduction targets validated by the Science Based Targets initiative. Further details can be found on our website.
- ABF Sugar's Scope 1 and 2 emissions increased by 5% compared to last year, due to several factors which included the extended campaign as a result of wet weather. However, it has reduced its Scope 1 and 2 emissions by 18% against its 2018 baseline. British Sugar, the largest contributor to these categories, increased its Scope 1 and 2 emissions by 19% compared to last year due to short-term operational challenges. However, it has reduced by 21% against the baseline year. At its Wissington site, the installation of additional evaporators, heat exchangers, and other equipment has significantly lowered steam usage, reducing emissions by 30 kt of CO₂e annually and reducing process steam demand by 25%.
- ABF Sugar improved water-use efficiency in 2024 by reducing water abstraction per tonne of product by 0.3%. Moreover, 25% of abstracted water was reused during production before being returned to the environment.
- In 2024, 86% of ABF Sugar's total waste was recycled or used in another capacity. ABF Sugar's African operations used bagasse, the fibrous by-product of sugar cane crushing, to generate up to 87% of their factories' annual power needs.
- Our sugar businesses in Africa provide accommodation for more than 60,000 employees and their families who work on sugar estates in rural and remote areas. Throughout the year, these businesses conducted a review of housing and living conditions and have developed comprehensive plans to continuously invest and update their accommodation infrastructure.

Read more about ESG initiatives at ABF Sugar on our website at www.abf.co.uk.



A drone being used for targeted crop spraying on the Ubombo sugar estate in Eswatini



A sugar cane irrigation system at the Ubombo estate in Eswatini

Water irrigation projects creating improved yields and further resilience in Zambia and Eswatini

Growing high-yielding and resilient sugar cane is a major focus for our sugar businesses in Africa and efficient use of water is essential to achieving this goal. We are investing in more precise irrigation systems that maximise efficiency and help sustain the agricultural systems on which our businesses rely.

Specifically, we are currently focused on more efficient irrigation systems at our Nakambala estate and Nanga Farms in Zambia. At Nakambala, we are replacing traditional furrow irrigation with sub-surface drip irrigation and 'synergistic surface irrigation and drainage', a new system that will improve crop yield and soil health. We are actively considering further investments in these systems at Nanga Farms.

Together with the use of precision agriculture technologies, we can concentrate more on areas of the field where the crop experiences weather stress and adapt our field layouts so that every stick of cane receives the precise amount of water it needs.

The projects are driving better yields while improving water use efficiency and providing greater weather resilience. Over the seven-year period of implementation, the investment at the two estates is approximately \$20m.

Our focus on water also benefits the communities in which we operate. In Eswatini, we are making significant strides towards reducing local poverty by partnering with the Eswatini Water and Agricultural Development Enterprise, a government agency, to support the Lower Usuthu Smallholder Irrigation Project which is developing 11,500 hectares of smallholder irrigation.

Some 2,300 households are expected to benefit directly from the project which is also establishing 28 farmer companies to cultivate cane and other crops, providing greater food security and nutrition for local communities.

Our Ubombo Sugar business has invested significantly to optimise factory capacity to enable the processing of the additional cane that will be produced as a result.

Sugar continued



Investing in capacity

The K4 sugar factory and warehouse under construction at Kilombero in Tanzania



Building a new sugar factory to drive growth in Tanzania

The potential for growth in Tanzania's sugar market presents a substantial opportunity for Kilombero Sugar with its strong local brand and our investment in new production capacity.

Tanzania's population is growing by an average of 2.6% per year and there has been an annual increase in sugar consumption in the last decade as a result. There is also a deficit in supply to the local market. In 2021 we decided accordingly to build a new sugar factory, known as 'K4', which will dramatically increase Kilombero's annual production capacity from 145,000 to 270,000 tonnes and should take our share of the Tanzanian consumer sugar market to approximately 40%. The factory will be commissioned in June 2025 and will create 2,000 direct jobs in the cane-to-sugar value chain.

Our significant investment in K4 will enable us to reduce costs per tonne of sugar we produce. The factory will have the latest equipment and be highly automated, with the capability to produce different pack sizes according to demand and store up to 110,000 tonnes of product on site, reducing the need for multiple distribution warehouses. K4 will generate all the energy and electricity it needs for its on-site operations from bagasse, the sugarcane waste product, and each year for the next 10 years it will export 10MW of electricity to the local grid to create an additional revenue stream.

This expanded production capacity requires an increase in the supply of sugar cane from 1.25 million to 2.5 million tonnes per year. This is an opportunity for the local growers. Their numbers are forecast to increase from 6,500 to 12,000, making K4 the largest community-inclusive rural economic development project in Tanzania.

A key strategic priority for the project is community inclusivity. Accordingly, Kilombero Sugar carried out climatic and agronomic reviews of the surrounding farming area and conducted surveys of the local grower community to assess interest in cane cultivation. Kilombero Sugar will further support local cane farmers by providing information and analyses of the farms. The project envisages local growers will supply some 1.5 million tonnes of cane a year, with 75% of the supply expected within the first six years. Kilombero Sugar's cane supply from its own farm will also increase to 1 million tonnes a year, with investment to be made in upgrading irrigation equipment as part of that.

to grow our
presence in Africa

An advertising
image for White
Spoon in Zambia



Agriculture

About Agriculture

AB Agri is an international agri-food business.

We sell our products and services to farmers, feed and food manufacturers, processors and retailers in more than 100 countries. We employ more than 3,000 people globally.

We produce speciality feed ingredients for livestock, horses and pets. We develop pioneering ingredients including feed additive products, high-quality bespoke vitamin and mineral pre-mixes and starter feeds.

Our dairy business in the UK delivers targeted insights that help create continuous improvement for dairy supply chains. We provide products and data insights to major food processors, retailers and directly with farmers, enabling them to produce high-yielding, safe and nutritious dairy products.

AB Agri is also one of the UK's largest compound feed businesses for pig and poultry customers. It is also one of the UK's largest marketers of co-products from the food and drink industries for dairy and beef farmers. We have international manufacturing capabilities extending into Europe and China.

Frontier

We also have a 50% ownership in Frontier, the UK's leading provider of grain marketing and crop production services to customers in the UK. It supplies seed, crop protection products and fertiliser to farmers, as well as providing specialist agronomy advice.

Revenue

£1,650m

2023: £1,840m

Actual currency: down 10%

Constant currency: down 9%

Adjusted operating profit

£41m

2023: £41m

Actual currency: down 0%

Constant currency: up 3%

Adjusted operating profit margin

2.5%

2023: 2.2%

Operating profit

£31m

2023: £32m

Actual currency: down 3%

Return on average capital employed

8.0%

2023: 8.4%

Number of employees

3,446

2023: 3,052

Gross investment

£29m

2023: £92m

Operating review

Agriculture revenue decreased by 9% while adjusted operating profit increased by 3% in 2024.

Our speciality feed and additives businesses performed well. AB Neo, our starter feed business, had good growth in volumes and operating profit. AB Vista, our international feed additives business, grew volumes of both enzyme and non-enzyme additives, albeit continued price competition on certain products impacted sales growth. Premier Nutrition, our specialist premix manufacturing business, had good growth driven by volumes and our nutritional supplements businesses delivered good growth in sales and profit. Our dairy business, which was formed through a number of acquisitions in 2023, performed well as we continued with their integration.

Lower sales in our compound feed businesses reflected reduced commodity prices and continued soft demand in the UK and China. Market conditions in the UK remained challenging due to reduced herd sizes and excess feed production capacity and in China the market was depressed by the economic environment and low farm profitability.

Frontier, our JV that provides grain marketing and crop production services to customers in the UK, was significantly impacted by prolonged wet weather in autumn 2023. This particularly affected the overall performance of Agriculture in 2024.

We continued to invest in long-term growth, with the ongoing build of new premix plants in Vietnam and China.

ESG at Agriculture

ESG highlights

- AB Agri reduced its Scope 1 and 2 emissions (location-based) by 14% in 2024 compared to last year. This reduction was partly due to operational reasons, but also driven by efficiency improvements, technological investments, and a shift to lower-emission fuel sources, including the installation of solar panels.
- AB Agri continues to develop its integrated dairy business which collaborates with various stakeholders along the value chain to develop solutions aimed at reducing the environmental footprint of dairy farms and in particular reducing their GHG emissions.

Read more about ESG initiatives at AB Agri on our website at www.abf.co.uk.



A lab manager testing waste animal feed for use as anaerobic digestion feedstock at Amur Energy's lab in York, UK

Investing in innovation

An AB Vista lab technician at our technology and innovation centre in Wales



AB Vista expands offering to support responsible livestock production

We have identified the need for more holistic solutions to support customers in addressing the challenges ahead, so creating an opportunity to add more value beyond feed additive products.

Since its inception in 2004, AB Vista has grown to be a leading player in supplying enzymes to the global animal feed industry and livestock farm businesses. With a reputation for scientific capability and products backed by extensive trials and evidence, the business has been seeking to expand its offering to better address the biggest challenges facing the industry today – producing more from less and supporting animal health and welfare.

Many of the most common and problematic diseases found in livestock affect the animals' gut, so maintaining gut health is vital in responsible and productive livestock farming systems. Livestock producers can minimise the risk of disease and reduce the use of antibiotics and other therapeutic medicines by focusing on building gut health and immune system robustness, rather than treating animals once disease is prevalent. This increases the number of healthy animals produced.

The gut is a complex area to manage, not least because of the interaction between the animal, its conditions and its unique microbiome comprising billions of microorganisms.

So AB Vista's research has focused in part on identifying biomarkers of microbiome health, such as those that indicate the balance between fibre and protein fermentation and the population of some potentially pathogenic bacteria families.

This research underpins AB Vista's new gut health service for piglets and broiler chicken producers, bringing together its health expertise, its gut health testing and a product portfolio featuring feed additive products which all combine to enhance gut health without the use of medicine. One example of such a product is Progres, a patented natural feed material derived from coniferous trees with active ingredients proven to reduce the damage caused by inflammation in poultry and livestock.

We believe AB Vista is uniquely well positioned because it is now able to combine its well-developed existing routes to market with its recently enhanced offer made up of products, services and expertise. As our capability in diagnostics and data analysis grows further, we hope to enter new markets with this broad solution-led offering.

**to improve
livestock wellbeing**



Piglets on an AB Agri
feed customer's farm
in Norfolk, UK

Financial review



Group performance

Group revenue was £20.1bn, 4% ahead of last year at constant currency, with sales growth in Retail and most of the food businesses. The Group generated an adjusted operating profit of £1,998m, an increase of 32% at actual exchange rates ahead of last year, reflecting a strong margin recovery across the Group as a result of input cost pressures easing. Group adjusted operating profit margin improved from 7.7% last year to 10.0%. Operating profit for the Group of £1,932m was 40% ahead, after charging exceptional items of £35m (2023 – £109m).

For the full year the average rates used to translate the income statement resulted in an adverse translation movement compared to the prior year of £97m, primarily driven by the strengthening of sterling against the US dollar and the euro, as well as against some of our trading currencies in our business in Africa.

Free cash flow of £1,355m increased significantly on last year, an increase of £1,086m.

Segmental summary

The segmental analysis by division is set out in the operating reviews. The segmental analysis by geography is set out in note 1 in the notes to the financial statements.

	Revenue			Adjusted operating profit		
	2024 £m	2023 £m	Change %	2024 £m	2023 £m	Change %
At actual rates						
Retail	9,448	9,008	+4.9	1,108	735	+50.7
Grocery	4,242	4,198	+1.0	511	448	+14.1
Ingredients	2,134	2,157	-1.1	233	214	+8.9
Sugar	2,529	2,474	+2.2	199	179	+11.2
Agriculture	1,650	1,840	-10.3	41	41	–
Central	–	–	–	(100)	(94)	-6.4
	20,003	19,677	+1.7	1,992	1,523	+30.8
Business disposed						
Sugar	70	73		6	(10)	
	20,073	19,750	+1.6	1,998	1,513	+32.1

Adjusted earnings per share

	2024 £m	2023 £m	Change %
Adjusted operating profit	1,998	1,513	+32.1
Finance income	71	48	
Finance expense	(33)	(37)	
Lease interest expense	(102)	(91)	
Other financial income	23	40	
Adjusted profit before taxation	1,957	1,473	+32.9
Taxation on adjusted profit	(453)	(346)	
Adjusted profit after tax	1,504	1,127	+33.5
Adjusted earnings attributable to equity shareholders	1,479	1,103	+34.1
Adjusted earnings per share (in pence)	196.9 p	141.8 p	+38.9

Interest and other financial income

Finance income increased in the year as a result of higher rates of interest earned on our cash and investments. Finance expense reduced as a result of the repayment of our final \$100m Private Placement notes in early April while lease interest expense increased driven in part by our continued store expansion programme in Retail. Other financial income was lower primarily due to foreign exchange losses caused by the devaluation of certain African currencies on non-local currency liabilities.

As a result of the above, on an adjusted basis, profit before tax was up 32.9%, to £1,957m.

Taxation

This year's tax charge on the adjusted profit before tax was £453m, with a reduction in the adjusted effective tax rate to 23.1% from 23.5% last year. The adjusted effective tax rate included the full year impact of the increase in UK corporation tax from 19% to 25% from April 2023 but this was more than offset by the changes to the mix in profits by jurisdiction.

Our current expectation is for the Group's effective tax rate in 2025 to be broadly in line with 2024. This assumes that the limited upward pressure on the rate arising from the introduction of Pillar 2 will be offset by several smaller movements.

Adjusted earnings per share increased by 38.9% to a record 196.9p per share. This increase reflects the higher adjusted profit as well as as a benefit from the reduction in the weighted average number of shares, from 778 million for 2023 to 751 million for 2024, as a result of share buyback programmes executed in the year.

Basic earnings per share

	2024 £m	2023 £m	Change %
Adjusted profit before tax	1,957	1,473	+32.9
Acquired inventory fair value adjustments	(2)	(3)	
Amortisation of non-intangibles	(40)	(41)	
Exceptional items	(35)	(109)	
Profits less losses on sale and closure of businesses	26	(3)	
Profits less losses on disposal of non-current assets	16	28	
Transaction costs	(5)	(5)	
Profit before tax	1,917	1,340	+43.1
Taxation	(437)	(272)	
Profit after tax	1,480	1,068	+38.6
Earnings attributable to equity shareholders	1,455	1,044	+39.4
Basic earnings per share (in pence)	193.7 p	134.2 p	+44.3

Exceptional items

	2024 £m	2023 £m
Grocery - impairment	–	41
Sugar - impairments	24	50
Retail - impairments, right-sizing and fair value write-downs	11	18
	35	109

The income statement this year included a non-cash exceptional impairment charge of £35m.

In the Sugar segment, Vivergo recognised a £18m impairment write-down against assets driven by the volatility of bio-ethanol prices impacting trading margins. Due to the severe flooding in Mozambique last year, the related damage to the sugar crop fields and the inability to plant for the foreseeable future, our sugar business in Mozambique recognised a further £6m impairment write-down against assets.

In the Retail segment, the Group recognised £11m of exceptional impairment charges relating to the German stores impaired in 2022, after additional right-of-use assets were recognised due to rent indexation adjustments in the current financial year.

The prior year exceptional impairment charge of £109m comprised non-cash write-downs of assets specifically £41m for the Don businesses in the Grocery segment, £50m for the Sugar segment including £15m for China North Sugar and £35m for Mozambique and £18m for the Retail segment relating to rent indexation in the German Primark store portfolio.

Profit less losses on sale and closure of businesses of £26m predominantly includes the profit on our sale of our China North Sugar business. Profit less losses on disposal of non-current assets of £16m includes profit on sale of our non-operating investment property portfolio in our Central division for properties in the UK and Australia. The prior year profit of £28m also relates to the sale of other non-operating investment properties in Central mostly in Australia and also included a large property sale in the UK for our Grocery Segment.

Profit before tax of £1,917m was 43.1% ahead of last year, benefitting from the lower level of exceptional items in 2024.

Total tax charge for the year of £437m benefitted from a credit of £16m (2023 – £74m) for tax relief on the amortisation of non-operating intangible assets, the amortisation of acquired inventory fair value adjustments, the profits on disposal of non-current assets, the profits on disposal of businesses and on the exceptional items.

Earnings attributable to equity shareholders were £1,455m and basic earnings per share were 193.7p, 44% ahead of last year, also benefitting from the lower level of shares.

Cash flow

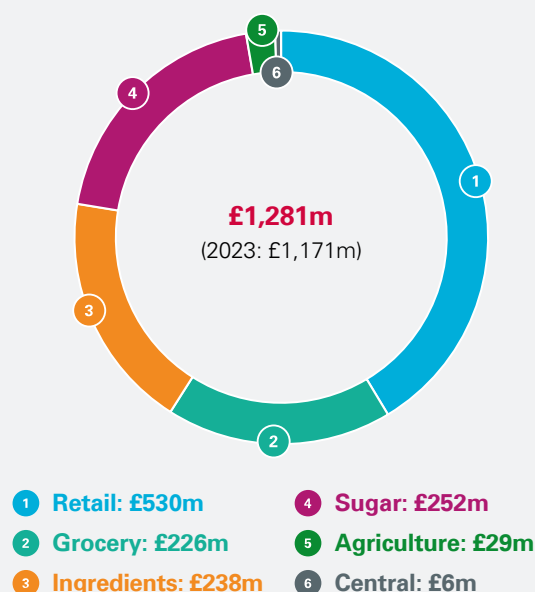
	2024 £m	2023 £m
Adjusted EBITDA	2,910	2,361
Repayment of lease liabilities net of incentives received	(308)	(246)
Working capital	305	(216)
Capital expenditure	(1,184)	(1,073)
Purchase of subsidiaries, joint ventures and associates	(93)	(94)
Sale of subsidiaries, joint ventures and associates	24	4
Net interest paid	(69)	(74)
Taxation	(340)	(341)
Share of adjusted profit after tax from joint ventures and associates	(120)	(127)
Dividends received from joint ventures and associates	105	107
Other	125	(32)
Free cash flow	1,355	269
Share buyback	(562)	(448)
Dividends	(502)	(345)
Movement in loans and current asset investments	(318)	(10)
Cash flow	(27)	(534)

There was a record free cash inflow in the year totalling £1,355m as a result of a combination of record operating profit generated by the Group, and the normalisation of working capital.

Working capital inflows during the current financial year were driven by a number of factors including the normalisation of inventory at Primark as expected, stock reductions in most of our food businesses, reducing inflation overall and various other working capital initiatives.

The capital expenditure increase this year continues from the step up in investment last year following low levels in the prior years. This is driven by the continuation of a number of large capital projects. The increase of the investment in our food businesses primarily relates to projects to build capacity. In Primark the increase reflects the acceleration of our new store programme and expenditure to expand our capabilities in warehouse automation and technology. We expect this higher level of investment to continue in the medium term.

2024 gross investment



The spend on acquisitions this financial year was £93m. The most significant of these were the acquisition of The Artisanal Group ('TAG') in Australia in our Grocery segment, acquisitions in our Ingredients segment of Mapo, Romix and Omega Yeast and the acquisition of our remaining holding of the Roal business in which we previously had a 50% stake.

We disposed of our China North Sugar business.

Cash tax was broadly similar to last year, notwithstanding the significant increase in profit, because of the reallocation of historic overpayments arising from favourable settlements of historical enquiries and returns. We expect this impact to continue in 2025 and overall are expecting a slightly reduced level of cash tax due to the anticipated receipt of the state aid refund.

In Other cash flow, we have seen the benefit of the UK pension fund abatement of £64m (£38m for the defined contribution scheme and £26m for the defined benefit scheme) and an increase in non-cash provisions predominantly as a result of the onerous contract provisions recognised in our Sugar segment.

Below free cash flow, there was cash outflow of £562m from our share buyback programmes, £56m related to the first £500m share buyback early in the financial year, the completion of the second £500m share buyback programme. We also paid £502m for total dividends in this financial year, which reflects the 2023 final and special dividend and interim 2024 dividend. Cash deposits placed with a greater than 90-day term resulted in an increase in current asset investments in the year.

Financing and liquidity

	2024 £m	2023 £m
Short-term loans	(71)	(99)
Long-term loans	(454)	(394)
Lease liabilities	(3,065)	(3,160)
Total debt	(3,590)	(3,653)
Cash, cash equivalents and overdrafts	1,235	1,388
Current asset investments	334	–
Total net debt	(2,021)	(2,265)
Leverage ratio	0.7x	1.0x

Total short and long term loans of £525m at the year end increased by £32m compared to £493m last year, with our final \$100m (£81m) Private Placement notes being repaid in April 2024. This was offset by increased borrowing in our Sugar businesses in Africa, to primarily fund expansion in Tanzania.

Cash, cash equivalents and current asset investments of £1,569m increased by £181m compared to last year, reflecting our positive cash flow. £334m of this is classified as current asset investments, with cash deposits with maturities between three and six months placed to diversify our cash investments and lock in favourable interest rates. Net cash before lease liabilities of £1,044m increased by £149m year-on-year.

Total Liquidity of £2.9bn was £0.2bn higher than last year. Total Liquidity comprises cash, cash equivalents and current asset investments of £1.7bn less non-qualifying borrowings of £0.2bn and inaccessible cash of £0.1bn, plus the £1.5bn committed revolving credit facility ('RCF'), which is free of financial performance covenants. The RCF was extended in the year, taking the final maturity to June 2029.

Lease liabilities reduced by £95m year-on-year as a result of the capital repayment element of the leases and favourable exchange rate movements more than offsetting the impact of new space and lease renewals.

Total net debt reduced by £244m in 2024 to £2,021m at the year end. A combination of higher Adjusted EBITDA and lower Total net debt resulted in a lower Leverage ratio of 0.7x at the year end, compared to 1.0x in 2023.

Pensions

The Group's defined benefit pension schemes aggregate surplus increased by 4% to £1,432m at year end compared to last year's £1,377m. The UK scheme, which accounts for around 90% of the Group's gross pension assets was in surplus by £1,454m (2023 – £1,397m). The most recent triennial actuarial valuation of the UK scheme was carried out as of 5 April 2023. This last valuation showed a funding surplus of £1,013m. Details of the assumptions made in the current and previous year are disclosed in note 13 of the financial statements together with the bases on which those assumptions have been made.

The charge for the year for the Group's defined contribution schemes amounted to £103m (2023 – £95m). This compared with the cash contribution to the defined benefit schemes of £9m (2023 – £36m), the decrease driven by the benefit of the abatement on the UK pension fund.

As agreed with the trustees last year and reconfirmed this year, as a result of this significant increase in the surplus in the UK scheme, the Group will continue to receive a cash flow benefit per year from the abatement of UK employer pension contributions on both the defined benefit and defined contribution schemes, the latter approximately £35m.

Dividend and shareholder returns

Our capital allocation policy is for the Group's financial leverage, expressed as the ratio of Total net debt to Adjusted EBITDA, to be well under 1.5 times whilst financial leverage consistently below 1.0 times may indicate a surplus capital position. Surplus capital may be returned to shareholders by special dividends or share buybacks, subject to the Board's discretion.

In November 2023 we announced our second share buyback programme of £500m, which was completed in August 2024.

At the end of the financial year we had 744 million ordinary shares in issue. The weighted average number of shares for the year was 751 million, which compared to 778 million for the prior financial year. This year's share buyback has had a positive impact on our reported adjusted earnings per share of 6.7p, calculated on a simplified basis.

At the end of the financial year 2024, our financial leverage ratio was 0.7x. In September 2024, we extended the buyback programme by £100m. This has now been completed. The Group continues to prioritise investment in its businesses. Nevertheless, given the outlook for the Group, the strength of the balance sheet and the underlying cash generation of the business, the Board has decided to continue to return additional capital to shareholders. Therefore, the Group will continue with a buyback programme, targeting an additional amount of £500m over the next 12 months.

In addition, the Group is declaring a special dividend of 27.0p per share. The Board is proposing a final dividend of 42.3p per share, which together with the special dividend will be paid on 10 January 2025 to shareholders on the register on 13 December 2024. Taken with the interim dividend of 20.7p per share, the total dividend equates to 90.0p per share, an increase of 50% on the total dividend of 60.0p in the financial year 2023.

Eoin Tonge
Finance Director

Engaging with our stakeholders

Stakeholder engagement

We engage regularly with stakeholders at Group and/or business level, depending on the particular issue.

As illustrated in our operating model on pages 8 to 11, the role of the Group, the corporate centre, and therefore of the Board, is to provide a framework for the sharing of ideas and best practice. There is constant dialogue with the people who run our businesses, giving our corporate leaders a comprehensive overview of their material opportunities and risks, enabling collaboration. We consider this to be an important factor in the success of the Group.

Authority for the operational management of the Group’s businesses is delegated to the Chief Executive for execution or for further delegation by the Chief Executive to the senior management teams of the businesses. This is to ensure the effective day-to-day running and management of the Group. The chief executive of each business within the Group has authority for that business and reports directly to the Chief Executive.

While day-to-day operational decisions are made locally, the Board not only provides input on the principal decisions and strategy, but also supports individual businesses by facilitating the sharing of best practice and know-how between the businesses.

This approach necessarily involves a high degree of delegation of communication with stakeholders to the management of the Group businesses. Where the directors of the Company have not themselves directly engaged with stakeholders, those stakeholder issues are considered at Board level both through reports to the Board by the Chief Executive and/or Finance Director and also by the senior management of the Group’s businesses. Senior management of the businesses are requested, when presenting to the Board on strategy and principal decisions, to ensure that the presentations cover what impact the strategy/principal decision has on the relevant stakeholders and how the views of those stakeholders have been taken into account.

In the following pages, we set out the key stakeholder groups with whom engagement is fundamental to the Group’s ongoing success.

Employees

We employ approximately 138,000 people. Our people are central to our success.



Key matters

- Health, safety and wellbeing
- Diversity, equity and inclusion
- Cost of living
- Culture
- Engagement
- Development

How the businesses engage with this stakeholder group

- Day-to-day engagement
- Email
- Town halls
- Surveys
- Health and safety programmes
- Training
- Notice boards
- Newsletters
- Intranet

How the Board engages and/or is kept informed and takes matters into account

- Richard Reid, as designated Non-Executive Director for engagement with the workforce, meets with employees from a selection of businesses to seek to ensure that the ‘voice’ of each workforce in the Group is heard at Board level.
- The Board receives two specific updates each year from Richard Reid and the Chief People and Performance Officer in respect of progress on workforce engagement and resulting actions.
- Each business division also specifically reports to the Board on workforce engagement within that division.
- The Chief Executive and Finance Director continue to engage with employees both at the corporate centre and at the regional businesses through town halls in the businesses covering business updates and ESG topics.
- The Group Safety and Environment Manager provides the Board with updates on safety trends and progress against key performance indicators, supplemented by updates from the divisions.

See the letter from Richard Reid on pages 95 and 96, which includes details of some of the outcomes from workforce engagement. See also the ‘Our people’ section on pages 58 to 60.

Suppliers

As a diversified international Group, we have many complex supply chains.



Key matters

- Responsible sourcing
- Supply chain sustainability
- Payment practices
- Human and labour rights in our supply chains
- Transparency in supply chains

How the businesses engage with this stakeholder group

- Conversations (face-to-face or virtual)
- Training
- Communication sessions
- Correspondence
- Audits
- Engagement with supplier representatives and NGOs

How the Board engages and/or is kept informed and takes matters into account

- Senior management of each business division (often with the assistance of specialists from within that division) regularly report to the Board on key relationships and projects with suppliers either as part of their business updates to the Board or through reports to the Chief Executive and Finance Director.
- The Board reviews each business segment every year, including a review of ESG matters in the supply chains.

Examples of key matters or projects on which the Board was briefed include:

- human rights and environmental due diligence in respect of our supply chains;
- disruption to ocean freight in the Red Sea and its impact on supply chains; and
- the expansion of the Kilombero sugar plant in Tanzania and the impact on growers.

See further details on pages 19 and 61 in respect of our human rights and environmental due diligence, page 80 in respect of working with suppliers to manage supply chain risks and page 38 in respect of the expansion of the Kilombero plant.

Customers/Consumers

The buyers of our safe, nutritious and affordable food, and clothing that is great value for money.



Key matters

- Healthy and safe products
- Value for money
- Availability of products
- Customer relations
- Social and environmental impact
- Store environment

How the businesses engage with this stakeholder group

- In-store signage (Primark)
- Face-to-face interactions with staff
- Customer surveys
- Websites
- Labelling
- Social media
- Customer/consumer contact lines
- Market data analysis

How the Board engages and/or is kept informed and takes matters into account

- The Board is regularly updated by each business division on its strategy, including in relation to key customers and key activities impacting customers and consumers.
- The Group Director of Financial Control provides the Board with an annual report on food and feed safety.
- The Chief Executive and Finance Director meet each division quarterly to discuss key commercial matters.

Examples of key matters or projects on which the Board was briefed include:

- increased marketing investment in Twinings and Ovaltine;
- Primark's Digital Strategy, including expansion of the Click & Collect offering; and
- the Agriculture division's strategy of connecting data and technology in new ways to help customers improve performance.

See further details on page 20 about Primark's roll-out of Click & Collect, on page 26 about Twinings investing in marketing to grow our international brands and on page 42 about AB Vista investing in innovation to support customers in improving livestock wellbeing.

Communities and the environment

Supporting society and respecting the environment are two of the key ways we live our values and make a difference.



Key matters

- Climate change mitigation and adaptation
- Natural resources and circular economy
- Social impact – including employment opportunities
- Agriculture and farming practices

How the businesses engage with this stakeholder group

- Various environmental programmes
- Dealings with NGOs and other expert programmes and schemes
- Coaching and training programmes
- Community programmes and schemes

How the Board engages and/or is kept informed and takes matters into account

- Senior management of the business divisions report to the full Board on their key ESG matters as part of their business updates.
- The Board reviews risk assessments undertaken by the businesses each year which consider, among other things, climate change impacts and risks.
- The Director of Legal Services and Company Secretary and the Group Corporate Responsibility Director present to the Board (or to individual Board members) on broader corporate responsibility issues that sit beyond our direct manufacturing operations e.g. in the supply chains.

- The Board receives updates from the Chief People and Performance Officer and the Group Safety and Environment Manager on environmental matters in our direct manufacturing operations.
- The Board receives updates and provides views on other sustainability matters. This included individual sessions with non-executive directors on climate-related financial reporting.

See pages 61 to 65 in the Responsibility section of this Annual Report. See also pages 37 and 38 for examples of projects which also benefit surrounding communities.

Shareholders and institutional investors

The Company has a mix of individual and institutional shareholders, including bondholders, whose views are valued.



Key matters

- Strategic updates
- Business and financial performance
- Return on investment
- ESG
- Remuneration

How the businesses engage with this stakeholder group

- Results announcements
- Press releases
- Annual general meeting
- Annual Report
- Website
- Meetings
- Registrar

How the Board engages and/or is kept informed and takes matters into account

- Regulatory News Service (RNS) announcements keep investors updated on business and financial performance and other matters.
- The Chief Executive and/or Finance Director meet with investors throughout the year. The Head of Investor Relations also meets prospective and current investors, as well as analysts who write reports on the Company.
- Each year, the Chairman meets with the Company's largest institutional shareholders to discuss their views, issues or concerns.
- The annual general meeting provides an opportunity for retail shareholders to ask the Board questions.
- The Board also responds either directly or via its in-house company secretarial team to shareholder queries raised throughout the course of the year.

- At each Board meeting, the directors are briefed on meetings that have taken place with institutional shareholders and on feedback received.
- The Remuneration Committee Chair meets with investors and analysts to answer queries and respond to feedback around remuneration issues.
- All shareholders are treated equally and a Relationship Agreement is in place with the Company's controlling shareholders (see page 128 and 129).

See further details on page 93, which includes details on this year's annual general meeting.

Governments

The Group is impacted by changes in laws and public policy.



Key matters

- Climate and environment-related matters
- Tax and business rates
- Agricultural and trade policy
- Public health
- Support of businesses and workers
- Energy support schemes

How the businesses engage with this stakeholder group

- Meetings, calls and correspondence
- Responding to consultations and calls for evidence
- Providing data/insights (e.g. supply challenges)
- Participation in government schemes
- Parliamentary events
- Industry forums
- Site visits
- Attendance at conferences

How the Board engages and/or is kept informed and takes matters into account

- The Company engages with governments to contribute to, and anticipate, important changes in public policy.
- The Board takes into account the interplay between commercial decisions and government policies and aims in its investment decisions.
- The Board is briefed on engagement with governments, which, using the UK as an example, might cover matters specifically related to environmental policies including Extended Producer Responsibility, decarbonisation and the Emissions Trading Scheme, high streets and business rates and taxes, the impact of international conflicts and new government priorities.

Principal decisions

In making decisions throughout the course of the financial year, there is a need to ensure that the consequences promote the long-term success of the Company, as well as maintain our reputation for high standards of business conduct.

Provided in this section are some examples of principal decisions that were taken (or implemented) by the Board during the year and how stakeholder views were taken into account and impacted on those decisions.

Capital structure and shareholder returns

Which stakeholders most affected?

Shareholders/Institutional investors

Consideration of stakeholder views/interests and impact on decision-making

Following completion of the first £500m share buyback announced in November 2022, the Board decided to launch a further £500m share buyback in November 2023. The Board also declared a special dividend, in addition to proposing a final dividend, both payable in January 2024.

In making these decisions, the Board considered the Company's capital allocation policy, which is for the Group's financial leverage (expressed as the ratio of net debt including lease liabilities to adjusted EBITDA) to be well under 1.5 times. As the financial leverage was just under 1.0 times, this indicated a surplus capital position, giving the Board the discretion to return surplus capital to shareholders both by way of a special dividend and a share buyback programme. In exercising that discretion, the Board took into account the outlook for the Group, the strength of the balance sheet and the underlying cash generation of the business. The Board considered that these shareholder returns still allowed the Group the ability to continue to prioritise investment in its businesses. The Board also considered that share buybacks should only be used if they created enhanced value for continuing shareholders.

Following payment of an interim dividend in July 2024, and following completion of the further £500m buyback in August 2024, in September 2024 the Board approved an additional £100m extension to the share buyback.

In deciding to buy back shares, as well as taking into account the Company's capital allocation policy, the Board also took into account ongoing views of various investors (including views expressed in meetings with the Chairman, the Chief Executive and/or Finance Director) and advice from the Company's advisers and brokers that further share buybacks would be an appropriate way to return capital to shareholders.

Investments in digital and data capabilities, technology and brand marketing at Primark

Which stakeholders most affected?

Customers/Consumers

Employees

Consideration of stakeholder views/interests and impact on decision-making

Following the continued investment in digital capability and expansion of Click & Collect services referred to in last year's Annual Report, the Board approved increased investment in Primark's product, digital and brand initiatives.

During the financial year, the Board spent two days with Primark in Madrid and received presentations from senior management of Primark covering a range of matters including updates on Primark's digital strategy and investments in technology, as well as on investments in brand marketing and the ongoing store expansion and store refits.

The Board was updated on the Click & Collect trial in the UK, which demonstrated that the service satisfied unfulfilled demand from both new and existing customers by offering an extended choice beyond the local store offering. The digital initiatives have resulted in increased engagement with customers and the stock-checker facility, combined with other improvements to the websites, were considered to have provided meaningful support to sales. There is continued investment in search engine optimisation, customer relationship management and paid marketing.

Other technology investments discussed and approved by the Board include the continued roll-out of self-checkouts in Primark stores, which we believe will both improve customer experience and reduce costs.



Customers at the self-checkouts in Primark's expanded store in Westfield Stratford, UK. Credit: ITAB.

Approval of various capital projects in our food and ingredients businesses

Which stakeholders most affected?

Customers/Consumers
Communities/Environment
Employees
Shareholders/Institutional investors

Consideration of stakeholder views/interests and impact on decision-making

Throughout the financial year, the Board approved further significant capital expenditure (or increases to existing approved capital expenditure) in our food and ingredients businesses. This included:

- expansion of the AB World Foods production facility at Nowa Sol in Poland to accommodate growing demand;
- proposed investment in a replacement flour mill for George Weston Foods in Ballarat, Victoria; and
- investment in our new yeast plant in Northern India where we consider there to be considerable demand for bakery yeast.

The Board received regular updates on all major capital expenditure projects including decarbonisation projects at British Sugar. These updates also included the key technology projects in the Group.

The decisions to approve projects and initiatives took into account the environmental benefits of improving the carbon efficiency of the businesses. The decisions also factored in our investors' interest in us making the best use of the Company's capital.



A new evaporator installed at British Sugar's factory in Wissington as part of a project to reduce site emissions

Acquisition of various food businesses to build capability and create new growth opportunities

Which stakeholders most affected?

Shareholders/Institutional investors
Customers/Consumers
Employees

Consideration of stakeholder views/interests and impact on decision-making

During the course of the financial year, the Board considered and/or approved a number of acquisitions by divisions within the Group. This included:

- The Artisanal Group in Australia, strengthening the Group's grocery portfolio in Australia by adding a leading manufacturer and wholesaler of high-quality baked goods, primarily serving cafes, restaurants and hotels;
- Omega Yeast Labs, a leading provider of liquid yeast to the craft brewing industry in the United States, complementing AB Mauri's existing portfolio of speciality yeast products;
- Mapo in Italy, supporting AB Mauri's growth in premium frozen baked goods and underpinning the growth potential for our Scrocchiarella dough products; and
- Romix in the UK, bringing new manufacturing capabilities to AB Mauri in respect of products requiring allergen control, including egg-free and gluten-free.

Each of these acquisitions, as well as providing growth opportunities for the Group, was considered to give the capability to offer a broader range of products to our existing customers and potentially access a broader range of customers for our existing businesses. Consideration was also given to the impact of the acquisitions on employees in the respective businesses.

The Board was also updated on disposals during the financial year, including our China North Sugar business and our Africa Sugar business's investment in Gledhow.



The Omega Yeast Labs production facility in Chicago, United States

ESG at ABF



I believe that at ABF we have a clear sense of our social purpose. We work hard every day to provide safe, nutritious and affordable food and good quality, affordable clothing. In fact this sense of purpose underpins not just what we do, but how we do it too. It is engrained in how the Group is run, in how we invest and innovate, and in how we judge success. This core conviction runs through our devolved operating model and binds us together in how we operate across 56 countries and multiple markets.

It will come as no surprise therefore when I say that we have been acting on ESG opportunities and issues for years, well before it became a mainstream priority for the Group as a whole. Our focus on steady, long-term, compounding growth is a natural bedfellow for ESG delivery. Consistent investment and focus and commitment are all required to deliver results in both the world of sustainability, and the commercial and financial world.

Having a strong sense of purpose is of course not enough. We also have to be effective in where and how we invest for change. That means making choices, given we operate through many businesses in many markets. We use materiality as the yardstick for assessing potential projects. By material, we mean material both for the Group and its future, and for the impact the Group has on the world. This assessment leads us to choose very substantial projects when allocating significant capital to drive change and make a real difference.

This year our Group priorities were the continued decarbonisation of British Sugar, human rights in Primark's supply chain, water and effluent at AB Mauri, dealing with social factors in our sugar businesses in Africa, and building a greater understanding of the very complex issue of Scope 3 emissions across the Group as a whole.

These priorities are illustrative of how we are engaged in some of society's most complex issues and decisions. There are trade-offs everywhere, many of them preoccupying governments, regulators and civic society too. It can make no sense for example to offshore domestic production simply to hit domestic carbon emission targets. Nor is it sensible to offshore agriculture if so doing has a net adverse impact on the global environment or on animal welfare. Similarly, food security is increasingly important to populations everywhere and sustainable food production has to be correspondingly every bit as important as sustainable land use. Amid these complexities we will continue to make our decisions as best we can in the context of global considerations and remain committed to doing the right thing for the long-term.

Meeting our obligations may not be easy, but our operating model confers real advantage: as a devolved group, we empower the managers of the businesses to select and deliver many of the projects that deliver on the Group's priorities. These projects are embedded in the Group review processes for good governance and deliver good commercial and financial returns as well as the social or environmental returns.

One area of progress this year has been improvement in our internal reporting. It is important however that reporting is not the sole focus. Delivering outcomes is the real focus, so ensuring teams are freed up to deliver is critical. This is why we have clearly linked financial and non-financial reporting throughout the Group to drive effectiveness.

This interlocking of the financial with the environmental and social makes it a logical step for us to move to combined reporting of these previously separate worlds. This year marks the first combined report for the Group. In this part of our Annual Report and Accounts to shareholders, we set out our material ESG initiatives. We have also developed the Group website to include an expanded Responsibility section where we provide more detail on our initiatives. The website's Responsibility section also provides more functionality for easier access to information and data for download.

I hope you find our reporting here and on the website both useful and helpful in getting a sense of the scale of the work we are undertaking across the Group.

George Weston
Chief Executive
Associated British Foods plc

Non-financial and sustainability reporting requirements

The Group data included in this Report on our environmental and safety KPIs covers the period 1 August 2023 to 31 July 2024.

The Companies Act 2006 requires the Company to disclose certain non-financial and sustainability information within the Annual Report and Accounts.

Accordingly, the disclosures required in the Company's non-financial and sustainability information statement can be found on the following pages in the Strategic Report or are incorporated into the Strategic Report by reference for these purposes:

Information on our business model (pages 8 to 11)

Information on our people (pages 58 to 60)

Information on DEI (page 59)

Information on our Anti-Bribery and Corruption Policy (page 61)

Information on our Speak Up Policy (page 61)

Information on our approach to human rights (page 61)

Information on supporting communities (page 61)

Information on our environmental management (pages 62 to 65)

Information on our climate-related financial disclosures (pages 66 to 77)

Information on our principal risks and uncertainties, including how we manage and mitigate those risks (pages 78 to 86)

For the current and prior reporting years, safety and environment data is from companies over which the Group has financial control. Control is determined with reference to the financial control tests. Control exists where the Group has the power to unilaterally, directly or indirectly, direct the activities of an entity as to affect significantly the returns of the entity. This represents a change over previous years reporting and the comparative numbers have been restated accordingly.

We engaged Ernst & Young (EY) to provide independent limited assurance over the 27 ESG KPIs. These are marked with the symbol Δ in these pages 54 to 65 and on page 13. Of these assured metrics, a number are associated to climate-related risks and opportunities. The EY assurance statement can be found on page 140.

Further information on these can also be found on our website at www.abf.co.uk/responsibility. Our website provides additional information and data relating to the commitments, approach, performance and impact of ABF and our businesses. Our website also includes previous Responsibility Reports, our Modern Slavery Statement and our climate, water and forests reports submitted to Carbon Disclosure Project (CDP).

Our Group ESG governance

All our businesses operate within a clear governance framework defined by the Group. Our devolved business model gives businesses autonomy to manage their own ESG impacts, risks and opportunities within this framework. We adapt our governance process as required to cover all relevant ESG issues, including climate change.

The ABF Board (the Board) has oversight and overall responsibility for ESG across the Group, including climate-related matters. The Board holds our businesses accountable for their management of ESG impacts, risks and opportunities, which includes an annual review of material ESG matters. The Chief Executive and Finance Director have responsibility for assessing and managing material ESG matters across the Group, including in relation to climate change, and reporting this to the Board.

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

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

- our Group Financial Controller who leads the Finance Transformation Team, which is responsible for all social and environmental data reporting and consolidation at Group level.

The Corporate Responsibility Hub (CR Hub) is a central resource available to all our businesses, which provides guidance and support on environmental and social issues. It facilitates a network that brings together professionals across the Group working in these areas so that expertise, experience and best practice can be shared.

From this year, the Finance Transformation team which is part of the Group Finance team also oversees all non-financial data reporting, collaborating closely with the CR Hub to ensure timely and accurate reporting. It coordinates with other finance teams within the businesses across the Group to ensure robust and consistent data collection aligned with assurance requirements. Additionally, dedicated teams covering specific areas such as DEI, health, safety, environment and procurement, ensure the businesses have a comprehensive level of support across ESG matters.

The Board receives regular updates each year on material ESG matters, including climate-related matters. This year these included updates on the following:

- strategic decisions taken by the businesses in addressing climate change and wider ESG issues;
- health and safety performance of our operations;
- environmental performance of our operations;
- employee development, workforce engagement and DEI;
- TCFD requirements;
- our businesses' continued approach and development of transition plans;

- UK mandatory climate disclosures and which entities are in scope; and
 - the EU Corporate Sustainability Reporting Directive (CSRD).
- In addition to these regular updates, in October 2023, two Non-Executive Directors, Dame Heather Rabbatts and Annie Murphy, spent time with our Group Corporate Responsibility Director visiting the Primark Cotton Project in India to see the social and environmental impacts of the programme.

Since 2022, we have included strategic ESG KPIs in our short-term incentive plan (STIP) for executive directors. We report to the Remuneration Committee on progress against these KPIs three times each year. The measures that applied this year, and how we assessed progress against them, are disclosed in the Directors’ Remuneration Report on page 115.

This year, we have further strengthened our governance of ESG matters by creating an ESG Policy and Reporting Group. This Group meets regularly and is responsible for overseeing the ESG reporting strategy, for allocating resource, prioritising activities, and reviewing Group ESG reporting or policy as needed. This Group is supported by subject matter experts (SMEs) across the Group as required.

Responsibility within our businesses

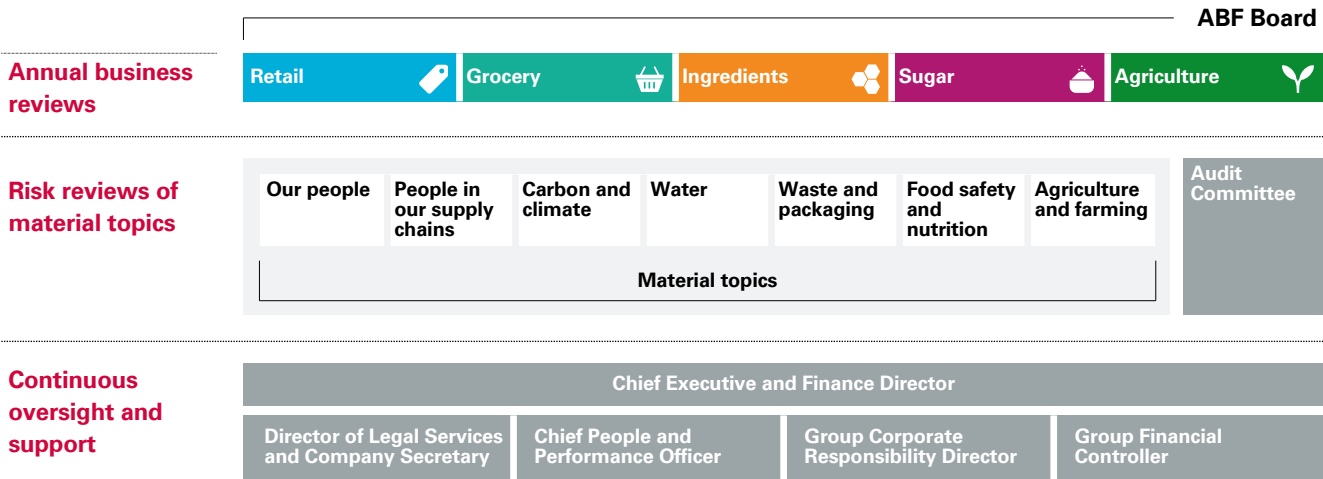
Under ABF’s devolved structure, each of our businesses is required to understand its material ESG impacts, risks and opportunities, and is given the independence to put in place the necessary measures and policies that it believes will effectively manage such matters.

In addition to individual business leaders, divisional chief executives are accountable for their businesses taking the appropriate action in relation to ESG risks, opportunities and impacts, including assessing, managing and mitigating the impact of climate change on their businesses.

Across most of our divisions, ESG measures are part of the personal objectives of the divisional chief executives, with appropriate KPIs to reflect the nature of their business. In addition, since the start of this financial year, all Primark directors have ESG measures for a significant part of their short-term incentive performance targets.

Divisional management presents quarterly to the Chief Executive and Finance Director on business performance including relevant material ESG issues and where appropriate on significant climate-related matters. They also have other regular touch points with the Chief Executive where these matters are also discussed as needed. Additionally, the operating businesses periodically present significant ESG matters to the Board.

Our governance framework chart



Our Group-level policies

We maintain and keep under review a series of Group-level policies and position statements. Ranging from Health, Safety and Wellbeing, Environmental, Animal Health and Welfare, and Board Diversity (which also applies to the Group approach to DEI) to our Supplier Code of Conduct, our policies and position statements articulate the Group’s requirements and set expectations for the actions of our businesses, employees, suppliers and partners.

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

Our Group policies, position statements and Supplier Code of Conduct can be accessed online www.abf.co.uk/responsibility

Materiality

In line with our devolved business model, assessing and prioritising material environmental and social impacts, risks and opportunities starts with our businesses. This process builds on their business-level assessments of overall risk and opportunities, including ESG matters.

At Group-level, we aggregate the material ESG topics and risks identified by our businesses and incorporate a Group perspective. This includes considering topics discussed through stakeholder engagement, including with investors.

Group priorities

We are clear on our Group priorities, these are:

































































- human and labour rights in Primark's supply chain;
- decarbonisation at British Sugar;
- water treatment at AB Mauri;
- employee accommodation and living standards at our sugar businesses in Africa; and
- understanding our wider Scope 3 GHG emissions across our businesses.

We will continue to focus on these Group priorities next year with the additional priority area of human and labour rights in the Twinings and Ovaltine supply chains. The investment and programme of work relating to water treatment and effluent at AB Mauri is almost complete and therefore will be removed as a Group priority in due course. We expect our individual businesses to set their own additional priorities as they see fit.

There will always be a need for the Group to be responsive to new and emerging priorities that may occur at any time. We will seek to ensure that we are able to respond when there is something we need to do.

In addition, the topics presented in the table below have been identified as material for the Group. Most are material for some or all businesses, however the degree to which each topic is material for each business varies.

As part of our ongoing review of our material thematic topics at Group level, we will update the consolidation of topics as necessary. Our current grouping of material topics is detailed below:

Group-level material topics	Impacts on the business segments	Impacts in the value chain
Our people		
Health, safety and wellbeing	    	 
Diversity, equity and inclusion	    	 
Engagement and development	    	 
People in our supply chains and surrounding communities		
Human and labour rights in our supply chains	    	 
Supporting communities	    	 
Carbon and climate		
GHG emissions	    	  
Energy and renewables	    	 
Water		
Water use	    	 
Water treatment	    	 

These topics span our five business segments and influence various stages of our value chain

Our business segments



Our value chain



1. European Financial Reporting Advisory Group.

- our people;
- people in our supply chains and surrounding communities;
- carbon and climate;
- water;
- waste and packaging;
- food safety and nutrition; and
- agriculture and farming practices.

























































Double materiality and CSRD

With divisions operating across the EU, one of our areas of focus this year has been preparing for the upcoming disclosure requirements under CSRD. In 2025/26 some of our European entities will be required to report under CSRD.

At Group level, we are working to support those businesses in scope to ensure they are prepared for the requirements of CSRD. Over the past year we have held briefings and training sessions to outline the requirements, with a specific focus on the double materiality assessment, which will inform the disclosure requirements for each reporting entity.

At Group level, as part of this focus, we have worked closely with internal and external stakeholders to create guidance to assist the businesses as they undertake their double materiality assessments.

This is aligned with the guidance of EFRAG¹ and aims to ensure that the businesses are equipped to conduct their assessments in compliance with the required standard and that the analysis is conducted consistently, in preparation for our groupwide reporting, which will be required in 2028/29.

Group-level material topics	Impacts on the business segments	Impacts in the value chain
Waste and packaging		
Waste and circularity	    	  
Plastic and packaging	    	  
Food safety and nutrition		
Food safety	    	  
Nutrition and health	    	  
Agriculture and farming practices		
Responsible agriculture	    	  
Biodiversity and land use	    	  
Animal health and welfare	    	  

For more detailed information relating to our activities during 2024, visit our website.

Learn more online at www.abf.co.uk

Our people

We employ more than 138,000 Δ people and have operations in 56 countries across the United Kingdom, Europe, Africa, the Americas and Asia Pacific. The people across our businesses are united by our purpose, culture and passion for delivering for our customers. We empower them to innovate and support them to grow and develop.

Health, safety and wellbeing

Our businesses strive to safeguard our people when they are working or travelling for business, including contractors and visitors to our sites. We have cultures, processes and programmes to ensure their safety and wellbeing at all times.

Loss of life in our operations is unacceptable and we expect all colleagues to return home after work as well as when they arrived. As such, we are deeply saddened to report one Δ employee and five Δ contractor fatalities this year. An employee died from drowning in a water canal in Malawi. A contractor was fatally injured during an off-site weather-related traffic accident in Brazil. In Tanzania, a contractor driver was fatally injured by a moving vehicle. In Zambia, a contractor was electrocuted during electric works and in South Africa, a contractor was fatally injured during tree felling. In Malawi, a security contractor died as a result of responding to criminal activity.

Following these tragic events, our priority was to ensure the families and colleagues of those who died were supported. Thorough root cause investigations were conducted by the businesses, and the learnings shared with all our operations. Remedial actions, including a review of our safety culture and training expectations with our contractors, have been implemented to minimise the likelihood of such events reoccurring.

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

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

- providing strong and visible safety leadership from senior management;
- identifying and managing activities with the highest risk of fatal and serious injuries;
- supporting line managers accountable for workplace safety with safety specialists and training approaches;
- actively involving employees in their own health, safety and wellbeing; and
- reporting against both leading and lagging indicators and implementing continuous improvement programmes and activities, taking learnings from other businesses where relevant.

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

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

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

The on-site employee Lost Time Injury (LTI) rate has increased this year from 0.35% in 2023 to 0.38% Δ . The number of on-site employee LTIs has also increased by 13% from 347 to 392 Δ . In Retail there has been an increase of its on-site employee LTI rate this year by 9% from 0.34% to 0.37%. However, the LTIs cover a broad range of situations and over 60% of the LTIs are less severe on average than last year.

The on-site contractor LTI rate this year has increased from 0.32% to 0.34% Δ and the number of on-site contractor LTIs has increased by 20% from 74 to 89 Δ . Our Retail and Sugar segments made up 81% of these LTIs.

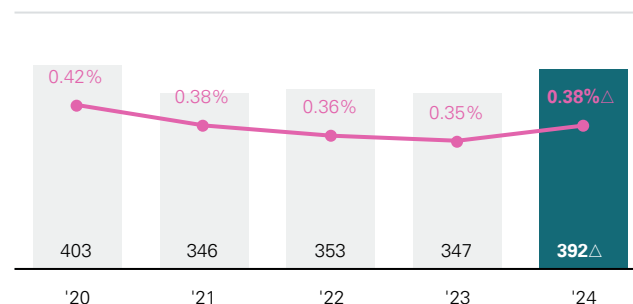
We are pleased to report that 67% of our factories and retail stores have operated for over a year without an on-site employee injury. This demonstrates that despite the risks involved in our activities, such as using powerful machinery or working in fast-paced environments, safety remains our top priority with processes and programmes in place to safeguard our people.

The Group's increase in LTI rate is disappointing; however we are clear on the details of the issues and action plans have been put in place to address them. See our website for further details.

The businesses continue to place even more focus on their safety culture, governance approach and processes to keep their people safe. The majority of businesses have increased or improved the number and quality of safety observations, with additional focus on line manager initiatives to increase their involvement and direct ownership. All businesses have improved their reporting of near misses and have placed increasing focus on reporting and investigating significant events linked to our critical risks.

Supporting our people's mental health and their sense of general wellbeing is evermore important. We continue to invest in support across the Group, including programmes designed to raise awareness and provide practical assistance across all areas of wellbeing, including financial. Our businesses provide wellbeing tools and resources across our operations. The website provides further detail on initiatives undertaken across all our businesses. We are pleased to be recognised by the CCLA Corporate Mental Health Benchmark UK 100 as tier 2 for the support we provide to our people in this area.

Lost Time Injuries and Lost Time Injury rate (%)



Group priority

Employee accommodation and living standards at our sugar businesses in Africa

Our sugar businesses in Africa have sugar estates that are situated in rural and remote areas, creating a need to provide accommodation for many employees and their families. Each operation has a comprehensive plan to continuously invest in its accommodation infrastructure.

In 2024, ABF Sugar began a review of the housing and living conditions across its sugar estates in Zambia, Malawi, Eswatini, South Africa, and Tanzania. The findings of the review have formed the basis for the new ABF Sugar Housing and Living Standards Programme. The programme aims to enhance decent and safe living conditions for employees living on the estates. Each country team has developed an updated set of minimum standards covering various aspects, including occupancy level, number of rooms per household and provision of amenities such as washing and cooking facilities.

The programme is divided into three streams of work:

- immediate actions to address outstanding maintenance and repairs which will be completed in 2024/25. In 2023/24, renovations to approximately 150 houses for employees and their families have been completed at the Nchalo estate in Malawi;
- ensuring all entry level estate houses meet updated minimum standards, with completion expected by 2029 across more than 4,000 houses; and
- investigating future housing options for employees aiming to support the evolving needs and expectations of the workforce.

Diversity, equity and inclusion (DEI)

We believe that engaging diverse talent is a competitive advantage and strengthens the Group's ability to deliver long-term success. Our businesses are dedicated to ensuring we attract and develop diverse talent and establishing meaningful connections with the varied communities we serve.

Our Board Diversity Policy details our approach for all our businesses in the Group and is often enhanced by local diversity policies, DEI teams and dedicated programmes. These initiatives aim to support every employee, including women, ethnic minorities, individuals with disabilities, and members of the LGBTQIA+ community, ensuring equitable access to employment, training, career development and promotion opportunities.

Our Group DEI Network brings together people from across our businesses to share knowledge, best practices and ideas, celebrating diversity in all its forms. We have almost 500 DEI advocates across the Group, and provide access to training and thought leadership from expert external partners across the full range of DEI topics to support them including allyship, handling difficult conversations, neurodiversity inclusion, disability inclusion, racial and ethnic diversity and anti-racism, female careers and leadership, gender identity and LGBTQIA+ inclusion.

We empower and equip our leaders and line managers with the skills needed to create inclusive cultures in their businesses and local settings. We also provide unconscious bias training, cultural awareness programmes, and a range of tools to support our businesses in promoting inclusivity.

For almost 15 years our 'Women in ABF' network, has helped women develop skills, business awareness and build connections that enhance their current performance and future careers prospects. Women across the Group have access to virtual events featuring both internal and external speakers as well as valuable networking opportunities.

We continue to prioritise attracting and developing a broader range of talent, maintaining our focus on gender and ethnicity imbalances through identifying and removing barriers that could discourage talent from being attracted to or joining ABF, or from advancing to leadership positions.

Overall the gender balance of the Group is fairly equal, with women making up 57%^Δ of our total global workforce, increased from 53% in 2019/20. Women also account for an increasing number of our senior management roles, currently at 39% across the Group.

Considering the most senior levels to be those reporting to the divisional chief executives and Group functional directors, our gender balance as reported to the FTSE Women Leaders has improved to 30% from 28% last year and 22% in 2019/20. It is pleasing to see the outcome from the focus we have given to addressing gender imbalances. We commit to a continued focus on ensuring women are represented in our most senior roles.

Our leadership teams are increasingly multicultural and ethnically diverse, with 30 nationalities in our leadership group reporting to the divisional chief executives, business managing directors and group functional directors. We are pleased with the progress that we are making on ethnic diversity in this most senior population. Globally, 14.5% of these roles are held by leaders from minority ethnic backgrounds based on UK definitions, up from 12.4% last year. In the UK, while those of minority ethnic backgrounds are under-represented in our most senior leadership positions, we are pleased to have increased their representation from just over 8% in 2023 to just over 9% this year. We commit to a continued focus on ensuring women and those from ethnic minorities are represented in our most senior roles.

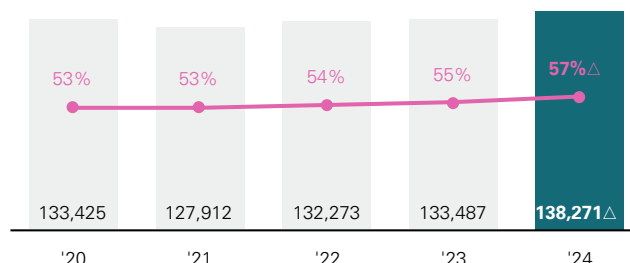
We voluntarily report on our overall gender pay gap for employees in Great Britain (GB) on page 121. Each of our GB-based businesses with over 250 employees also reports on its own gender pay gap, with these reports published on their websites.

These reports share some inspirational business-level insights about the actions being taken to enable all employees to successfully grow their careers with us.

For more information on this topic see www.abf.co.uk/responsibility.

Number of employees, highlighting percentage of women in the workforce

(%)



Gender metrics

	Total employees ¹	Men in workforce	Women in workforce	Percentage of workforce who are women	Number of senior management roles ²	Number of men in senior management roles	Number of women in senior management roles	Percentage of senior management who are women
Retail	82,123	18,646	63,477	77 %	268	143	125	47 %
Grocery	16,692	10,713	5,979	36 %	841	496	345	41 %
Ingredients	6,699	4,837	1,862	28 %	670	443	227	34 %
Sugar	28,679	22,748	5,931	21 %	246	166	80	33 %
Agriculture	3,446	2,208	1,238	36 %	455	259	196	43 %
Central	632	378	254	40 %	82	60	22	27 %
Total	138,271 Δ	59,530	78,741	57 %Δ	2,562	1,567	995	39 %

Board directors are not included in the table above. As at 14 September 2024 we had four women and five men on the Board, but this has increased to five women and five men on 1 October 2024. The Board is pleased that our composition continues to meet the recommendations of the Parker Review and the recommendations of the FTSE Women Leaders Review as well as the targets on gender and ethnic diversity in the UK Listing Rules.

1. Full-time, part-time and seasonal/contractors.

2. Includes directorships of subsidiary undertakings.

See our website for definitions.

Engagement and development

We believe the engagement and development of our people is directly linked to the performance and long-term sustainability of our businesses. A highly engaged workforce drives productivity, innovation, and operational excellence, while robust development programmes ensure we have the talent pipeline necessary to meet future challenges. By investing in our people, we foster a culture of continuous improvement, which translates into stronger financial outcomes, enhanced customer satisfaction, and a competitive edge.

We prioritise open communication within our businesses, offering multiple channels for employees to share their views and engage in two-way dialogue. Alongside direct conversations with managers and leaders, we use engagement surveys, discussion groups, and digital forums to foster feedback.

In his role as Independent Non-Executive Director for workforce engagement, Richard Reid provides assurance to the Board that our businesses have cultures of openness, that our people can share their views, and have their voices heard and acted upon. Read more about workforce engagement on pages 95 and 96.

We are dedicated to attracting and nurturing talent, creating space for professional and personal growth. Our businesses encourage their people to leverage their unique skills and diverse abilities through development opportunities, that equip our people with the skills to excel in their current roles and develop their careers within their business or across the Group.

Our businesses encourage employee involvement in their performance, with many offering incentives to employees based on the performance of the business where they work.

We have multiple development programmes across the Group. For details on these, please visit our website.

Speak Up

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

Our Speak Up Policy empowers our people to raise a grievance or tell us whenever they encounter anything inappropriate, improper, dishonest, illegal or dangerous and ensures that their concerns will be handled confidentially and professionally. Speak Up includes both a telephone line and a web reporting platform, managed by an independent provider.

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

In the year to 30 June 2024, 276 notifications were received, of which:

- 20% were resolved, with outcomes ranging from reviews of processes and support for individual employees to, where necessary, disciplinary procedures being followed;
- 52% were investigated as appropriate and required no action; and
- 28% remain under investigation.

A copy of the ABF Speak Up Policy is available on our website.

Anti-Bribery and Corruption Policy

Our approach to governance is to respect not simply the letter, but also the spirit, of our Anti-Bribery and Corruption Policy and always act with integrity. To ensure the effective implementation of our policy and procedures, each business has its own designated Anti-Bribery and Corruption Officer and we have monitoring systems in place at various levels within the Group including global risk assessments. In addition, all relevant employees are required to complete an e-learning course on the subject when they join the Group and at regular intervals thereafter, and those who work in higher-risk roles are required to attend regular face-to-face training.

A copy of the policy is available online.

People in our supply chains and surrounding communities

Group approach to human and labour rights

Our businesses work with a diverse range of suppliers from large businesses to smallholder farmers. They recognise the importance of the United Nations Guiding Principles on Business and Human Rights (UNGPs) and their guidance on human rights due diligence processes.

Our Group Supplier Code of Conduct is an essential requirement of the responsible business conduct of our businesses.

This Code is based on the core conventions of the International Labour Organization (ILO) and on the Base Code of the Ethical Trading Initiative.

In their application of the Group Supplier Code of Conduct, our businesses continue to develop and improve human rights due diligence processes. Some of them are guided by the UNGPs, the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct, and the ILO Decent Work Agenda.

Our devolved business model enables each of our businesses to adopt tailored risk-based approaches based on their specific supply chains and the nature of their supplier relationships. Assessing where potential negative human rights impacts might exist, combined with supply chain mapping, helps some of our businesses to identify, monitor and where they can address actual issues, to seek remedies, or even anticipate and prevent issues before they arise, prioritising those that are most salient.

Group priority

Human and labour rights in Primark's supply chain

Primark does not own any factories. Given the scale and complexity of Primark's supply chain, human rights are particularly material for the Group, making robust due diligence practices essential. Primark's Ethical Trade and Environmental Sustainability (ETES) programme is one of the key elements of how human rights due diligence is implemented in its product supply chains. Through this programme, Primark conducted over 2,000 social audits over the last year. Primark carries the full cost of these audits, which include rigorous checks for human rights issues and against the requirements of the Primark Supplier Code of Conduct, based on first-hand assessment of the working environment, reviews of relevant documentation and confidential worker interviews. At the end of each audit, supplier factories are issued with a time-bound corrective action plan that outlines any areas for improvement. Primark uses these audits in the approval process for all new tier one factories. Any potential new factories are audited and only if the outcome of the audit is satisfactory can any orders be placed.

Primark's ETES team has over 130 people based in its 10 key sourcing markets. The team works across all aspects of human rights due diligence, from strategy and risk assessment to supporting suppliers and their factories in implementing the Supplier Code of Conduct. Where inherent risks and more systemic issues are identified, Primark's Social Impact team works with suppliers and their factories, as well as partners and other brands, to address these issues through longer-term solutions and projects.

Carbon and climate

As a Group, we have an ambition to achieve net zero by 2050 or sooner. Beyond that broad ambition, we do not set groupwide climate-related plans or commitments. In line with our devolved business model, our businesses set plans and commitments appropriate to their operations and supply chains regarding Scope 1 and Scope 2 greenhouse gas (GHG) emissions, and several of our businesses have set their own GHG emissions reduction commitments.

ABF Sugar and Primark each have specific public commitments for reducing their GHG emissions. The reduction targets for ABF Sugar and Primark have been validated by the Science Based Targets initiative (SBTi), ensuring they align with the latest climate science. This year Primark and ABF Sugar have also published transition plans detailing their strategies for achieving these goals. Achieving net zero across the Group will depend on a number of factors that are beyond our control, however, we will do our utmost to deliver on this objective in our operations.

Energy and renewables

We remain focused on energy efficiency and transitioning to renewable energy where viable. This year our businesses consumed 20,697△ gigawatt hours (GWh) of energy in our operations, which is a 2% decrease compared with last year. Of this total energy, 57%△ was derived from renewable sources, predominantly biomass fuels from by-products generated as part of the production process within our agricultural businesses.

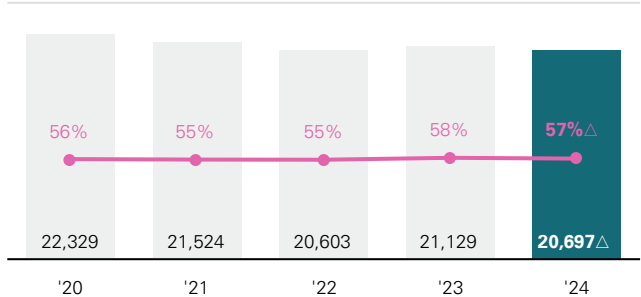
This year 31% of the electricity we bought came from renewable sources, with the majority coming from the UK and European renewable energy markets.

Several of our businesses also export surplus renewable energy back into national grids. During 2024, 887 GWh of renewable energy generated by our sites was exported, with ABF Sugar contributing 96%. Of the renewable energy we generate, 87% comes from bagasse, the plant-based fibre that remains after the extraction of juice from the crushed stalks of sugar cane. Some renewable energy is also derived from the anaerobic digestion of a range of waste materials.

For more examples of energy efficiency actions, see www.abf.co.uk/responsibility.

Total energy consumed highlighting percentage from a renewable source

(GWh)



Scope 1 and 2 GHG emissions

Our Scope 1 and 2 (location-based) GHG emissions increased by 1% this year from 2,834 kt of CO₂e to 2,868 kt of CO₂e. Unless otherwise stated, Scope 2 GHG emissions are location-based figures.

Our Sugar segment is the most significant contributor of Scope 1 and 2 emissions within the Group at 72%. As a result this has been a priority for the Group over many years.

Sugar's Scope 1 and 2 emissions had an increase of 5% this year. The drivers for the increase are as a result of Vivergo (our bio-ethanol plant) returning to near full operating capacity, British Sugar contending with the operational challenges due to difficult wet weather conditions and Azucarera processing more sugar beet. Despite the short-term increase, Sugar has reduced its Scope 1 and 2 emissions by 18% against its 2018 baseline by continuously improving how efficiently it produces sugar, investing in new technology, innovating to use less energy and reducing its use of fossil fuels.

Our Retail, Grocery, Ingredients and Agriculture segments have reduced their Scope 1 and 2 emissions compared with last year which has been driven by decreases in imported electricity, changes to the fuels used as well as investment in on-site renewable generation and purchased power and in more efficient equipment which reduces overall energy use.

Group priority

British Sugar decarbonising its operations

British Sugar, the largest contributor to the Group's Scope 1 GHG emissions at 36%, has made significant investment across its sites to reduce GHG emissions. From the 2018 baseline through to 2023/24, British Sugar invested approximately £96 million in various initiatives, resulting in a cumulative reduction of around 162 kt of CO₂e.

Key initiatives include the energy reduction scheme at the Wigginton site, which targets a 25% reduction in steam usage, and ongoing improvements in pulp pressing processes across multiple sites. Additionally, British Sugar is improving factory performance and efficiency by upgrading heaters, evaporators, and dryers to save energy and reduce coal and gas consumption. These efforts have contributed substantially to lowering Scope 1 emissions.

Looking ahead, British Sugar plans to further its decarbonisation strategy with major projects, such as the implementation of a new modular gas-fired Combined Heat and Power (CHP) plant at its Cantley site, expected to be fully operational by 2025.

Group priority

Scope 3 GHG emissions

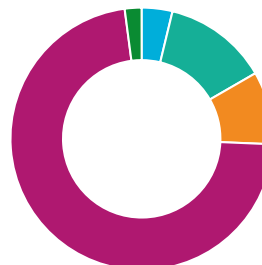
Understanding our total Group GHG emissions will be an important step towards achieving our ambition to meet net zero by 2050. At a Group level, we are supporting the divisions in the process of calculating their material Scope 3 GHG emissions, which will help us identify where to focus our priorities. Most of our divisions have either published or are in the process of calculating their Scope 3 GHG emissions from across their value chains.

Primark first completed this process in 2021 and this year reported 6,211kt of CO₂e for its Scope 3 emissions, which is a 12% decrease compared with 2023. This represents a 0.6% decrease against its 2018/19 baseline, despite the significant increase in volumes. This reduction was achieved through investments in its Environmental Sustainability team and in supplier factory efficiency programmes aimed at supporting GHG emission reductions through targeted training, upskilling, and energy-saving projects.

For more information on this topic see www.abf.co.uk/responsibility.

Scope 1 and 2 (location based) GHG emissions by segment

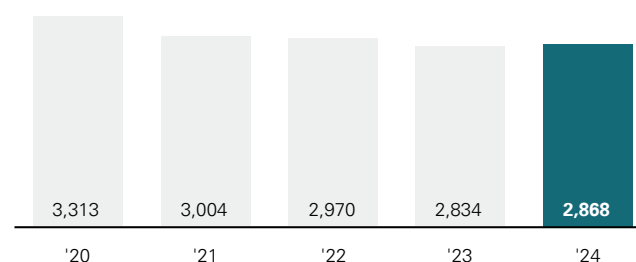
(000 tonnes CO₂e and % of Group total)



Retail	109	(4 %)	Sugar	2,072	(72 %)
Grocery	370	(13 %)	Agriculture	59	(2 %)
Ingredients	258	(9 %)			

Scope 1 and 2 (location-based) GHG emissions

(000 tonnes CO₂e)



Streamlined energy and carbon reporting

	2023			2024		
	UK only	Non-UK	Total	UK only	Non-UK	Total
Scope 1: 000 tonnes of CO ₂ e	1,039	1,164	2,203	1,218	1,035	2,253△
Scope 2 location-based method: 000 tonnes of CO ₂ e	158	472	631	179	436	615△
Scope 2 market-based method: 000 tonnes of CO ₂ e	174	444	618	190	379	569△
Total Scopes 1 and 2 location-based method: 000 tonnes of CO ₂ e	1,197	1,637	2,834	1,397	1,470	2,868
Scope 3 – Primark's Scope 3 emissions: 000 tonnes of CO ₂ e			7,019			6,211
Biogenic carbon emissions: 000 tonnes of CO ₂ e	108	4,080	4,188	142	3,903	4,045△
Intensity ratio: Scopes 1 and 2 emissions per £1m revenue Scopes 1 and 2 location-based method: tonnes CO ₂ e/£1m			143			143
Energy consumed: GWh	5,008	16,121	21,129	5,653	15,045	20,697△

We calculate and disclose our Scope 1 and 2 GHG emissions based on the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard Revised Edition. We use carbon emission factors published by the UK Government in June 2023, other internationally recognised sources and bespoke factors based on laboratory calculations at selected locations. Scope 2 market-based emissions have been calculated in accordance with the GHG Protocol Scope 2 Guidance on procured renewable energy. Energy consumption is calculated using country-specific conversion factors from physical quantities to kWh to provide an accurate representation of our energy consumption.

The Group data in this report on our environmental and safety KPIs covered the period 1 August to 31 July. This excludes Primark selling space, number of countries of operation and employee numbers.

This is different from the period in respect of which the Directors' Report is prepared. Where indicated the information for this period is externally assured and allows for like-for-like comparison with previous years.

Water

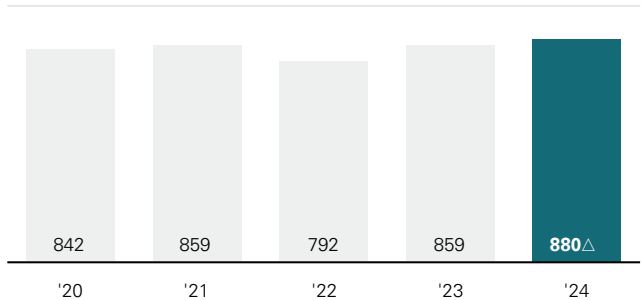
Our businesses aim to reduce the amount of water they abstract for their own operations, reuse process water as much as possible, and return treated waste water to nature after ensuring it meets or exceeds local and national water regulations and standards.

This year, businesses across the Group collectively abstracted 880△ million m³ of water for use in its operations, a 2% increase compared with last year. While this aligns with the increase in production tonnage, the main driver was increased irrigation demand due to drought impacting our sugar businesses in Africa. The total water use of these businesses accounts for 97% of the Group’s total water use.

Of the water used by our businesses, 97% comes from surface water, such as rivers and lakes, as well as man-made dams. Our businesses’ sites are regulated by water permits or licences, and they withdraw water within their agreed limits.

This year, across the Group, 24% of the water abstracted was reused before being returned to the environment. This is both a cost and resource efficient way of managing water. Our sites reuse the water for irrigation, land spreading, cleaning machinery, and horticultural purposes.

Total water abstracted in own operations
(million m³)



Group priority

Waste water treatment at AB Mauri

Waste water treatment at AB Mauri is a priority for the Group. The business carefully assesses water risks affecting each of its sites, and manages any water returned to the environment as safely as possible and to meet legal requirements. To support this approach, AB Mauri has built significant in-house capability in water use and waste water management. Since 2010, it has invested \$120m in waste water treatment. Many of its production facilities have complex on-site effluent treatment plants that include biological processes, evaporators and reverse osmosis membrane systems that can produce reusable water and useful co-products. The selection of technologies addresses the local aquatic sensitivities and water quality objectives. As a minimum, sites equalise their flow so as not to disrupt any downstream municipal processes.

The proportion of water used that is treated and returned safely to the environment, is up from 74% in 2019 to 84% in 2024.

For more information on this topic see www.abf.co.uk/responsibility.

Waste and packaging

Waste and circularity

We have a long history of finding ways to make more from less and maximise the use of by-products and co-products from our operations. We believe that waste materials are simply products for which we have not yet found a use. With that in mind, our businesses are implementing practices to reuse, recycle or reduce food, plastic and textile waste.

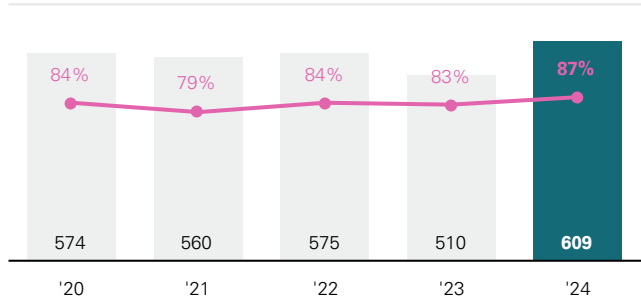
Our businesses produce many commercially viable products from sources potentially considered waste. For example, our sugar businesses have become a major supplier of raw materials for animal feed, an important feedstock source for many different sectors, and is a supplier of raffinate and betaine for use in the petrochemical and pharmaceutical sectors.

Our food and ingredients businesses are highly efficient, and aim to avoid products going to waste by donating surpluses to food banks, community groups and charities. Once no longer fit for human consumption, food waste is used as animal feed or in energy generation.

Across the Group, we generated 609kt of waste in 2024 which is a 19% increase compared with the 510kt tonnes generated in 2023. This increase is primarily due to our sugar business in Spain operating longer campaigns and processing larger quantities of sugar beet, as well as management of settlement ponds to maintain efficient operations. The soil from the settlement ponds is sent off-site for agricultural purposes as fertiliser and soil conditioning.

Of the total waste generated by the Group, 87% was sent for recycling or other beneficial use.

Total waste generated and percentage sent for recycling in our own operations
(000 tonnes)



Plastic and packaging

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

Though we fully recognise the harmful effects of plastic waste on ecosystems, plastic currently plays a vital role in both ensuring the safety and quality of products and reducing food waste by extending the shelf life of food. Our challenge is to use plastic materials responsibly and find solutions that balance the needs of our customers and our desire to reduce the impact of plastics on ecosystems. Where viable, our businesses are doing this by removing unnecessary packaging, switching to more easily recyclable types of plastic and increasing the use of recycled content in the plastics we use.

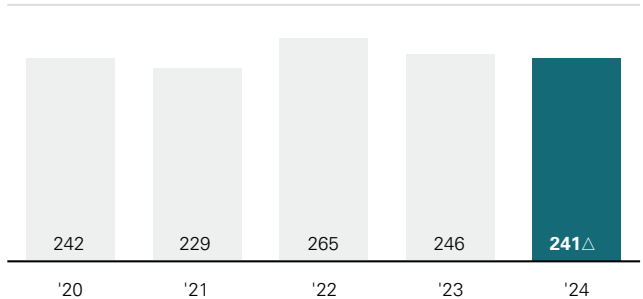
Our businesses also demonstrate their commitment to tackling plastic and packaging challenges by involvement with and support for a number of collaborative industry pacts and programmes, including the WRAP UK Plastics Pact and the Soft Plastic Recycling Scheme in New Zealand.

In 2024, our businesses used 241 ktΔ of packaging compared with 246 kt used in 2023, marking a 2% decrease year-on-year.

For more information on this topic see www.abf.co.uk/responsibility.

Quantity of packaging used

(000 tonnes)



Food safety and nutrition

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

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

For more information on this topic see www.abf.co.uk/responsibility.

Agriculture and farming practices

Our businesses depend on agricultural systems for the majority of the raw materials and ingredients used in our products. Global supply chains need to move towards sustainable farming and crop production, and not just sustainable land use, in order to meet a growing population’s need for food and clothing. We therefore recognise the need to support more sustainable farm management practices and address the most material biodiversity-related impacts, risks and opportunities.

We have a strong association with the UK agricultural sector. Globally, we are a significant purchaser of cotton, sugar beet, sugar cane, tea and cereals.

We expect our businesses to go further than legal compliance by continuously considering and implementing activities, voluntary commitments and internationally recognised management systems to reduce their environmental and social impacts and risks.

This encompasses the responsible stewardship of our environment in line with the following requirements as a minimum:

- Group Environment Policy;
- Group Animal Health and Welfare Position Statement; and
- Group Supplier Code of Conduct.

Our businesses support a wide range of social and environmental interventions at the agricultural and farm level. These involve a number of farm management models, including certified organic production, standards to promote wildlife biodiversity, engagement with smallholder growers in developing markets, and adoption of farm management systems built on driving more sustainable farm productivity.

For more information on this topic see www.abf.co.uk/responsibility.

Climate-related Financial Disclosures ('TCFD')

We are steadfast in our commitment to taking action and our approach is aligned with the goals of the 2015 Paris Climate Agreement to limit the rise in global temperatures to well below 2°C above pre-industrial levels, and to pursue efforts to limit the temperature increase even further to 1.5°C.

This year within our Climate-related Financial Disclosures, we highlight the work that our businesses are undertaking to address risks and embrace opportunities. The risks and opportunities identified previously are still relevant, and the actions identified within last year's transition plans are ongoing and evolving.

Climate-related commitments continue to be defined by our businesses based on their material risks and what is relevant and realistic for them.

Some of our material businesses have had emission reduction commitments validated and approved by the Science Based Targets initiative ('SBTi').

Other Group businesses have identified their own emission reduction targets or are in the process of doing so. Further information can be found on our website.

Our material businesses continue to be ABF Sugar, Primark and Twinings, within Grocery. These businesses comprise 77% of Group adjusted operating profit (2023 – 77%) and 77% of Scope 1 and 2 GHG emissions. Primark is the primary contributor of our reported Scope 3 emissions. Scope 3 emissions account for 96% (2023 – 98%) of Primark's total GHG emissions. See pages 62 to 63 for the detailed disclosure.

The Group considers that it has included climate-related financial disclosures that are consistent with the TCFD recommendations and recommended disclosures, and that comply with the requirements under section 414CB(2A) of the Companies Act 2006.

TCFD disclosure index

TCFD Pillar	TCFD recommendation	Reference
Governance	A) Describe the board's oversight of climate-related risks and opportunities.	page 55
	B) Describe management's role in assessing and managing climate-related risks and opportunities.	pages 55 to 56
Strategy	A) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	pages 68 to 70
	B) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	pages 67 to 70
	C) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including 2°C or lower scenario.	page 67
Risk Management	A) Describe the organisation's process for identifying and assessing climate risk.	page 67
	B) Describe the organisation's processes for managing climate-related risks.	page 67
	C) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	page 67
Metrics and Targets	A) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	pages 68 to 77
	B) Disclose scope 1, 2 and, if appropriate, scope 3 greenhouse gas emissions and the related risks.	page 63
	C) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	pages 68 to 77

Governance

The Board has continued to make strategic decisions regarding our approach to climate change. Some of these decisions include the evolution of ABF Sugar and Primark transition plans and continued work with our businesses and SBTi validation process.

In 2023 we stated our intention to publish Twinings' transition plan in the 2024 TCFD statement. Since then, Twinings has been working on gathering the data needed to assess Scope 3 emissions and to set a baseline against which the business can measure and report progress.

This work is progressing, but we have deferred publication of its baseline and transition plan until the GHG emission reduction targets have been submitted and validated by SBTi.

The Board possesses sufficient competencies to lead the Group in responding to climate-related risks and opportunities. Please refer to pages 90 to 91 for details of the Board.

Risk management

Climate-related considerations are included in a number of processes affecting our financial statements. These include going concern assumptions, impairment assessments, capital expenditure and acquisition considerations.

Identifying, assessing and managing climate-related risks and opportunities

Identifying, assessing and managing ESG risks, including climate-related risks and opportunities, resides with the business where the risk or opportunity sits. This is the same process for all other business risks. Annually, climate-related risks are collated and reviewed at the individual business and divisional level, which includes existing and emerging regulatory requirements.

During the year, we held sessions with every division reviewing current identified risks and opportunities questioning whether they are still appropriate and also to identify any new risks or opportunities. In light of these sessions, we have determined that the current scenario analysis still remains appropriate for the current year. However, this has identified areas of future focus.

We considered the results of the risk refresh exercise conducted this year and concluded that in aggregate, there continued to be no material risks or opportunities. However, we note the prevalence of heat stress on workers within our businesses. This will be a focus of the Group and affected divisions in the coming year.

Where risks or opportunities were identified but not deemed material for the Group, the businesses will incorporate these into their risk registers and their wider ESG strategies as appropriate.

Climate risks and opportunities

Output from the risks and opportunities assessment process		Primark	Sugar	Twinings	Cross-divisional
Climate impact on the Group's key agricultural crops	Physical risks	Cotton yields*	Sugar yields (UK, Eswatini, Malawi, South Africa, Tanzania, Zambia)	Tea yields (Argentina, China, India, Indonesia, Kenya, Sri Lanka)	Wheat yields (Australia, UK) Corn yields (US)
Impact of flooding on the Group's end-to-end supply chain including operations		Coastal and river flood risks: third-party manufacturers (Bangladesh, China) and Primark stores and warehouses	Malawi		Coastal and river flood risks: key Group manufacturing sites
Heat stress		Heat stress impact on farmers			
Resilience of workers to mitigate or adapt to climate change		Heat impact on farmers (Bangladesh, India, Pakistan)			
Transition risks as the world reduces its reliance on carbon	Transition risks	Carbon pricing mechanisms	Carbon pricing mechanisms		
Carbon enablement: providing solutions to reduce carbon	Opportunities		Biofuels, renewable energy		Enzymes, animal feeds, ingredients, on-farm carbon measurement
Efficiency			Fuel substitution, energy efficiency, process optimisation and increased contribution from by-products		

* The focus of the cotton yield analysis was on the Primark Cotton Project locations in India and Pakistan.

Scenario analysis and strategic decisions

This year's risk refresh process and our existing risk process has confirmed that the scenarios previously assessed remain appropriate and no further update is required at this stage. This means that our businesses' actions to tackle risks and embrace opportunities remain relevant and the businesses will continue to evolve these strategies. The results of this and current mitigating actions demonstrate that our business is resilient to climate-related risks and opportunities.

Financial planning

Each business has developed their own plans which detail strategic actions through which they are planning to achieve their carbon reduction targets. These focus on areas that will have the largest or most material impact. They will be embedded in budgets and long-term plans and translate to a balance sheet and income statement impact. Disclosing the individual amounts of these plans would not provide meaningful information for investors as they are part of the overall business and capital plans.

Impact assessment

Risks and opportunities have been considered over the following time horizons:

	Years	Rationale
Short term	2025	Mid-decade
Medium term	2030	Our most material businesses, ABF Sugar, Primark and Twinings have set 2030 emission commitments, which are supported by emission reduction plans
Long term	2050	2050 is consistent with many national and industry targets. Primark is aligned with the UNFCCC Fashion Industry Charter goal of net zero emissions across all three Scopes by 2050

- When assessing our mitigating factors, we have considered several factors:
1. Greater reliance is placed on actions already underway and where we have seen evidence of the success of those actions, for example, the benefits seen by smallholder farmers in Primark’s Cotton Project.
 2. Physical risks from a changing climate are already present, growing and being managed by our businesses. In many cases, risks may worsen but there is time to adapt to their impacts.

Impact assessment	Description
Low	Projected impacts from scenario analysis are positive or not significant
Medium	Impacts judged not to be significant once mitigating actions are considered
High	Impacts judged to be significant even after mitigating actions have been considered

Climate models still have several fixed assumptions and there is some uncertainty around the impacts of climate change and how governments will respond.

Some of the below metrics have been assured by Ernst & Young. These are marked with Δ.

Results of the climate-related risks and opportunities assessment

Given no update to our scenario analysis was required, all physical and transition risks in the table on page 67 are still relevant. We disclose below the risks we believe have the potential to be the most financially significant and/or of the most interest to stakeholders:

Climate impact on cotton yields

2023 assessment			
Low	2030	Medium	2050

Scenarios assessed
2022 RCP2.6 and RCP8.5 / 2024 No update required.

Assessment
The outcomes to 2030 show that effects of climate risks such as extreme temperatures, heavy rainfall and timing/duration of monsoon season range from virtually no impact to a reduction of approximately 4% under RCP8.5.

The outcomes to 2050 project a negative impact on yield of 14% under RCP8.5 and 4% under RCP2.6 before mitigating actions.

- Mitigation**
- Farmers in our Primark Cotton Project (formerly the Primark Sustainable Cotton Programme) are trained in farming methods aimed at increasing cotton yields and reducing inputs including water use, chemical pesticide and fertiliser use, with the goal of helping to address the environmental impacts of growing cotton.
 - Primark is working with its implementation partner to further develop the impact performance indicators and farmer reporting processes of the Primark Cotton Project, allowing for enhanced disclosure in future reports.
 - Primark has developed a cotton sourcing strategy in order to achieve its commitment that all cotton in Primark clothing will be organic, recycled or sourced from the Primark Cotton Project. Part of this strategy is to diversify the sourcing regions of cotton, which can help to mitigate potential climate-related impacts on cotton availability and supply.

2024 update	
Metrics and targets	
• Percentage of Primark’s cotton clothing units sold containing cotton that is organic, recycled or from the Primark Cotton Project: 100% by 2027. 57%Δ (2023 – 46%)	
• Number of farmers trained in the Primark Cotton Project. We have achieved our target number of farmers trained. The total number of farmers to date is 309,394Δ	
Please refer to corporate.primark/en-gb/primark-cares/resources/reports for Primark’s basis of reporting for each metric.	

Impact of climate on sugar yields in Africa (Malawi, South Africa, Tanzania and Zambia)

2023 assessment

Low 2030 **Medium** 2050

Scenarios assessed

2022 RCP2.6 and RCP8.5 / 2024 No update required.

Assessment

Climate impact on sugar yields varies country by country. The outcomes to 2030 under the USDA's EPIC crop model indicate a range from no change to a decline of 10%. The outcomes to 2050 indicate a 5% gain to a 29% decline.

Mitigation

- Our African sugar businesses already experience and manage significant climate variability, so their responses to weather events are well developed.
- We are improving irrigation efficiency and overall farming methods to mitigate the risk of drought, including investing in drip irrigation and river defences to reduce storm damage.

2024 update

Metrics and targets

- Sugar production (tonnes): 3,200kt (2023 – 2,800kt)
- ABF Sugar has a target to reduce its end-to-end supply chain water usage by 30% by 2030. Water usage has increased by 6.7% this year.

Climate impact on tea yields

2023 assessment

Low 2030 **Low** 2050

Scenarios assessed

2022 RCP8.5 / 2024 No update required.

Assessment

The outcomes through 2030 and 2050 show a positive impact on tea yields. However, the crop model has limited representation of acute weather events such as extreme temperatures, heavy rainfall and droughts. We have a well-grounded experience in understanding volatility in regional tea yields as a result of weather events and by extension the world's tea-growing regions. With this, we can respond to extreme weather events by sourcing tea products from multiple locations to continue to produce tea to our set standards. Where this is not an option for single origin blends, the impact would not be material to the business.

Mitigation

- Twinings' sourcing capability coupled with its blending capability enables the business to manage localised yield issues.

2024 update

Metrics and targets

- Since the impact of climate change on tea yields is assessed as low, no metrics are disclosed. We will continue to monitor this risk and will develop a metric at such a time where the risk could be material.

Impact on flooding risk on Primark's third-party manufacturers

2023 assessment

Low 2030 **Medium** 2050

Scenarios assessed

2022 **Bangladesh**: RCP4.5 and RCP8.5 – **China**: RCP8.5 / 2024 No update required.

Assessment

Bangladesh

Bangladesh is exposed to both coastal and river flooding. The flood risk outcomes through to 2030 are minimal, but by 2050 there is a distinct increase.

China

The flood risk in China only changes minimally through to 2030 and 2050. Coastal flooding is projected at 1% in 2030 and less than 2% in 2050. River flooding is projected at less than 5% for 2030 and 2050. Primark has a large geographical spread of supplier factories which would require a large number of rivers and coastlines to flood simultaneously for there to be a material problem.

Mitigation

- Primark's sourcing strategy is focused on geographical diversification, creating a more balanced global footprint and developing risk mitigation strategies to increase flexibility and agility when unexpected events occur.
- The analysis shows that the majority of Primark's suppliers in Bangladesh are located in areas of Dhaka which are less susceptible to flooding.
- We ensure a geographical spread of supplier factories across China.
- Flood Risk Assessment Inspection reports and corrective action plans ('CAP') are issued to factories, along with guidance notes. Remediation meetings are then held with the factories to address items noted in the CAP.
- Structural Integrity Programme – Mott MacDonald flood pilot update:
 - Following on from last year's pilot study covering inspection programmes in Bangladesh, a further 16 factories were identified under phase two. All 16 sites were inspected during the year and CAPs are currently under review. For the phase one locations, the average CAP progress rate is 78%.
 - A similar project is planned for China in autumn this year, targeting 27 factories for the initial pilot.

2024 update

Metrics and targets

- Number of Primark supplier factories (Bangladesh and China) subject to high flood risk. The below figures relate to Primark's most recent flood risk assessment, for which an update on mitigation activities has been provided for the current year.

Bangladesh ravine and coastal assessment – 4.5%

China ravine and coastal assessment – 13.7%

Impact of carbon pricing mechanisms on ABF Sugar

2023 assessment	
Medium	2030
Scenarios assessed 2022 International Energy Agency's Net Zero Emissions by 2025 scenario, Sustainable Development Scenario and Stated Policies Scenario Assessment / 2024 No update required.	
Assessment Incremental impact ranges from £0m to £48m in 2030. ABF Sugar has developed a plan to reduce Scope 1 and 2 emissions by 30% by 2030 (from a 2018 baseline), achieved through a series of fuel substitution and energy efficiency programmes that generally are expected to have a return on investment above 15%. Beyond 2030, while some technologies exist, they are not yet commercially viable.	
Mitigation <ul style="list-style-type: none">• Please refer to the ABF Sugar transition plan on page 70.	
2024 update	
Metrics and targets <ul style="list-style-type: none">• Please refer to the transition plan on pages 70 to 73.	

Impact of carbon pricing mechanisms on Primark

2023 assessment	
Medium	2030
Scenarios assessed 2022 International Energy Agency's Net Zero Emissions by 2025 scenario, Sustainable Development Scenario and Stated Policies Scenario Assessment / 2024 No update required.	
Assessment Incremental impact ranges from £55m to £155m in 2030, driven by hypothetical carbon taxes on Scope 3 upstream emissions. Scope 1 and 2 make up less than 2% of Primark's total emissions. Primark's decarbonisation programme is managed as an integral part of the Primark Cares strategy with a road map to reduce absolute emissions by 50% by 2030 and mitigate potential exposure to increased carbon taxation.	
Mitigation <ul style="list-style-type: none">• Please refer to the Primark transition plan on page 73. The plan focuses on Primark's top five sourcing markets and supporting suppliers in implementing energy efficient measures and making a switch to renewable sources. The plan does not assume the purchase of offsets.	
2024 update	
Metrics and targets <ul style="list-style-type: none">• Please refer to the transition plan on pages 73 to 77.	

Transition plans

ABF Sugar

In 2018 ABF Sugar launched the 2018 Commitments with an aspiration to reduce our carbon footprint (Scope 1 and 2) by 30%. In 2024 ABF Sugar transformed our 2030 commitment to a Science Based Target, under the SBTi. This means we are following the latest science, have targets that will help them articulate our progress in reducing carbon at the factory, in the field and on the move.

SBTi validation is a significant milestone in their journey to manage and align our transition plan.

Governance

There has been no change in the ABF Sugar governance structure from last year. The ABF Sugar Chief Executive and business unit managing directors remain responsible and accountable for overseeing climate-related risks, opportunities, overall strategy and transition plans. Please refer to our website for a more detailed understanding of our governance process.

To ensure plans will be delivered and savings captured for all projects, the 'Results Delivery Office' has developed an integrated approach to measure carbon savings and categorise projects for ESG. All ABF Sugar businesses have access to a central system that provide up-to-date carbon information to track targets and define savings.

Risk management

Each business within ABF Sugar develops action plans to respond to the climate-related risks and opportunities that apply to them. All plans and projects have passed through a well-established governance process that examines each performance improvement proposal against internal rate of return criteria and ESG and climate factors. These plans are then approved by the ABF Sugar Chief Executive and business unit managing directors.

Strategy, metrics and targets

In working towards reducing greenhouse gas emissions (GHG) for Scope 1 and 2, Energy & Industry (E&I), ABF Sugar have categorised our proposed plans and projects into three focuses.

1. Immediate term: Focusing on reducing operation GHG emissions, investing in energy efficiency with the aim of reducing energy consumption and eliminating coal.
2. Short term (to 2030): Targeting key sites and pairing them with key technological resources.
3. Long term (to 2050): Focusing on employing low emission technologies, managing climate-related risks across the value chain, and partnering to innovate at factories across the business.

ABF Sugar does not intend to utilise carbon offsets in their de-carbonisation strategy.

ABF Sugar GHG improvement roadmap

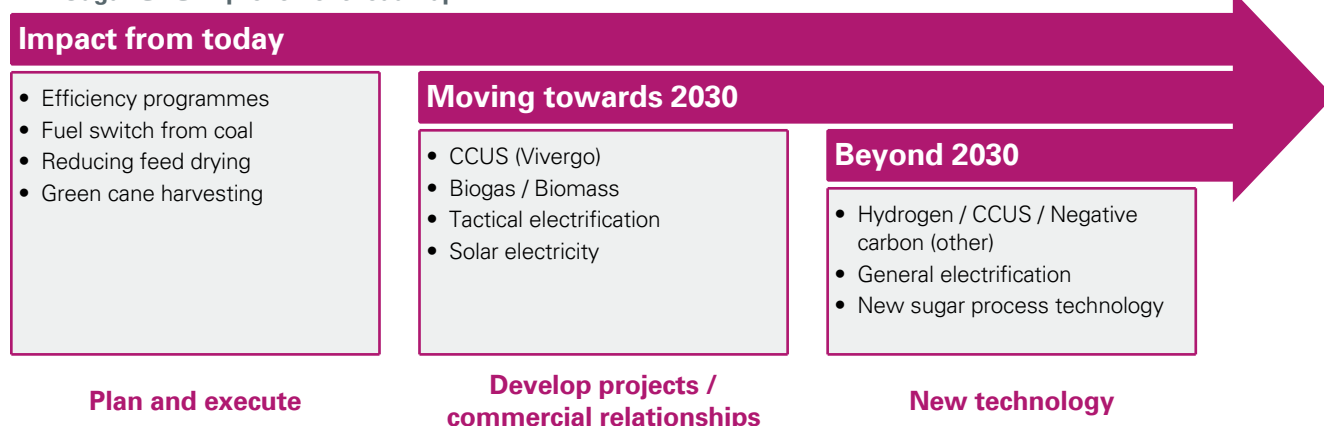


Figure ABF Sugar road map 1.

Progress to target: Energy and Industrial ('E&I')

British Sugar, the largest contributor to this category of emissions, has reduced its Scope 1 and 2 emissions by 21% from baseline year. Another significant contribution comes from the reduction of the use of coal in Illovo South Africa.

ABF Sugar has a continued focus on scope 1 and 2 E&I as this is the most material risk to the business and is an area of significant spend. In 2023/24 ABF Sugar spent approximately £73m on 39 approved projects. To date 30 of these projects have contributed a saving of 53,721 tCO₂e. For their 5-year plan, ABF Sugar is planning to spend 6% of their planned capex to support their climate change strategy and ESG initiatives.

E&I Scope 1 and 2, 52% reduction by 2030

The reductions have been achieved by a focus on three areas – efficiency, fuel switch and investment in new technology. Each business has a decarbonisation plan focused on their area of risk and opportunity, British Sugar is focused on Scope 1 factory emissions reduction plan with projects, efficiency programmes and clear KPIs. The reductions are achieved by capital investments but also understanding and running our factories more efficiently. For example, at our Sezela and Noodsberg factories in South Africa, we have reduced coal usage in boilers through our efficient use of bagasse.

Projects supporting carbon reduction

Entity	British Sugar – Bury
Project	Decarbonisation steam reduction (Phase 1)
Description	This project replaces four existing Roberts type evaporators with three new falling-film type evaporators. This will realise a significant reduction in LP liquid propane gas burn for sugar manufacturing (approx. 25%) as well as increasing engineering reliability of the station. The second main element of the project will be to upgrade the Raw Juice Heating Station. This project will replace the station as a whole, eliminating the planned essential replacement plan spend, and will allow the factory to realise the full gas burn reduction of the three new evaporators as well as improving engineering and process reliability of the site.
Year of approval	2023/24
Expected tCO₂e saving	19,500
Target project close-out date	1 December 2026

Projects supporting carbon reduction continued

Entity	British Sugar – Cantley
Project	Provision of modular steam and power
Description	This project will re-establish a steam generation capacity of up to 60 t/hr at the Cantley Factory to meet a range of business requirements within upcoming Medium Combustion Plant Directive emission limits. The low-pressure 'modular technology' utilised will deliver process/maintenance simplification, improve process safety, as well as enable operational effectiveness through 'Industry 4.0' methodology.
Year of approval	2023/24
Expected tCO₂e saving	16,000
Target project close-out date	1 September 2025

Entity	Azucarera – Guadalete
Project	Pre-scalders and 6th evaporation effect
Description	This project reduces the global energy consumption of the Guadalete factory through the installation of pre-scalders, and implementation of evaporators. In turn, this will improve the heating steam scheme.
Year of approval	2023/24
tCO₂e saving	5,202
Project close-out date	Completed.

Entity	Illovo Sugar – Sezela
Project	Steam traps replacement on juice heaters
Description	Over the years, the steam traps on the juice heaters were replaced with non-return valves (NRVs) which has caused excessive steam wastage. The ideal opportunity is to reinstate the steam traps on the juice heaters to allow energy savings to be made. It will install x13 steam traps on the various heaters and these will be placed before the NRV to ensure the energy is captured. In turn, this will reduce energy and save coal use within the Sezela heaters area.
Year of approval	2022/23
tCO₂e saving	3,605
Project close-out date	Completed

Entity	Azucarera – Miranda
Project	Energetic improvements APRO (Phase 1)
Description	The objective of the project is to modify the heating of the raw juice, improving the use of the pan vapours and reducing the consumption of steam in the heating of the purification stage.
Year of approval	2023/ 2024
Expected tCO₂e saving	1,000
Target project close-out date	1 December 2025

Entity	Illovo Sugar – Ubombo
Project	Entry-level housing upgrade (Phase 8 – 15)
Description	The project involves the phased upgrading of staff housing at agricultural and industrial villages to comply with the minimum Illovo Group entry-level housing standards. As part of the project, houses for employees at Nyetane, Majombe and Shonalanga villages will be electrified to eliminate the usage of domestic coal within the villages.
Year of approval	2023/24
tCO₂e saving	1,177
Project close-out date	Completed

Emission reduction plan

Looking ahead and per figure ABF Sugar roadmap 1, there is a strong pipeline of accretive GHG reduction projects. Each business has its own environmental plan which has been categorised between short and long term.

Short term

- British Sugar: Projects focus on smaller factory energy efficiency/steam reduction, coal elimination and reduction of energy use for pulp drying.
- Our sugar businesses in Africa: across all businesses projects focus on energy efficiency and green cane harvesting, while Illovo Sugar South Africa has coal elimination/ reduction projects too.
- Azucarera: Projects focus on factory energy efficiency and automation as well as the specific Guadalete project.

Long term

- British Sugar: Projects focus on technological advancements for factory energy efficiency/steam reduction and alternate pulp drying technologies
- Illovo Sugar South Africa: Projects are aligned to those in the short term, however, the technology is yet to be developed
- Azucarera: Projects focus on alternate fuel projects, however, current regulations present a challenge at this point in time.

Primark

Governance

A comprehensive governance system has been established at Primark to oversee sustainability and ethics matters, including the delivery of the commitments related to its Primark Cares strategy, which coincides with Primark's transition plan in the medium term. There has been no change in this position from last year. The Primark chief executive officer ('CEO') and Executive Committee remain responsible and accountable for all decision-making and implementation, and ultimately approve the transition plan. Please refer to Primark's most recent reporting for a more detailed understanding of its sustainability and ethics governance structure.

Risk management

In 2021/22 the ABF Group performed an initial assessment of the impact of climate-related risks and opportunities on Primark for which material risks and opportunities underwent scenario analysis. Any identified climate-related risks connected to the implementation of Primark's transition plan are managed through the governance structure described above.

Primark recognises the need to evolve the initial scenario analysis by performing a deeper and more focused assessment of climate-related risks and opportunities across its value chain, ensuring that these get embedded into long-term transition, strategic and financial planning.

Strategy, metrics and targets

In 2021, Primark launched its Primark Cares strategy building on the work of its Ethical Trade and Environmental Sustainability ('ETES') programme. Under Primark Cares, the business has set out a number of public commitments up to 2030 with a focus on three areas, Product, Planet and People, which are expected to accelerate its transition to a lower-carbon economy. As such, in the medium term the Primark Cares strategy coincides with Primark's transition plan.

The strategy includes an overarching objective to halve carbon emissions across Primark's value chain by 2030, from a base year of 2018/19, which is aligned with Primark's commitments under the UNFCCC Fashion Charter for Climate Action (FICCA) and, therefore, the 1.5°C Paris Agreement. Under the FICCA, Primark has also pledged to achieve net zero emissions no later than 2050. The organisation is working to define its plan to reach this long-term goal, taking into consideration uncertainties beyond 2030 in technology development and innovation, as well as the political and regulatory global landscape.

At present, Primark has not included carbon offsets in its transition planning.

Progress to target

Please refer to page 63 for information on Primark's progress to target.

Projects supporting carbon reduction to date

Primark Cares Commitment	Protecting Life on the Planet – Primark will halve carbon emissions across its value chain by 2030
Project	Energy efficiency and renewable energy procurement in the supply chain
Timeline	2018 – present
Description	<p>Primark has been working on a decarbonisation programme with key suppliers, which focuses on improving energy efficiency, reducing the energy intensity of manufacturing goods and moving away from a carbon-intensive fuel mix within manufacturing under tier 1, tier 2 and tier 3 of our supply chain.</p> <p>At the same time, Primark has been working to pool some of the factories in its value chain and assisting them in negotiating contracts so they can use their combined purchasing power to access renewable energy.</p>
Target	Reduce absolute Scope 3 GHG emissions from 'purchased goods and services category' by 50% by 2030 from a 2018/19 base year.
Metric	Annual Scope 3 GHG emissions from purchased goods and services (tCO ₂ e)
Methodology	Primark's Scope 3 calculation methodology has been third-party reviewed by the Carbon Trust. It is not currently public.
Underlying uncertainties, challenges and assumptions	<ul style="list-style-type: none"> • Challenge – maturity of renewable energy procurement in specific sourcing regions • Challenge – supply chain monitoring and reporting for lower tiers
Progress to date	<p>Energy efficiency: Primark keeps scaling up its resource efficiency programme, having now engaged a cumulative total of 108 factories in all key sourcing regions (Bangladesh, India, China, Cambodia) since activities started.</p> <p>Renewable energy procurement: Primark kicked-off activities to support factories with collective renewable power procurement in India, according to the roadmap developed in 2022/23. In particular, a solar power profile was created for all first 39 contributing factories and a collective Request for Proposal ('RFP') will be released to local renewable power developers.</p> <p>Please refer to page 63 for commentary of Primark's Scope 3 emissions.</p>
Primark Cares Commitment	Protecting Life on the Planet – Primark will eliminate single-use plastics and all non-clothing waste by 2027
Project	Eliminate non-clothing waste – Packaging Centre of Excellence
Timeline	Early 2019 – present
Description	<p>A dedicated team, within Primark's Packaging Centre of Excellence, manages the delivery of packaging transformation projects.</p> <p>An example of a project is Primark's durable new plastic clothes hanger design made from a minimum of 90% recycled polypropylene which has been designed for reuse/ to be retained. This design is being phased in for main apparel ranges, with completion due in 2027. Alongside reusing hangers retained in stores, Primark also collects unusable hangers to be recycled and made into new hangers. The move to recycled materials for all hangers is expected to achieve a reduction in Primark's carbon footprint attributable to hangers by 40%.</p>
Target	Eliminate single-use plastics by 2027
Metric	1. % reduction in tonnage of single-use plastic (SUP) packaging against 2022 baseline year 2. % of SUP to overall packaging in tonnes
Methodology	The methodology is publicly available at the Basis of Reporting page of the Primark website corporate.primark.com/en-ie/primark-cares/resources/reports
Underlying uncertainties, challenges and assumptions	<ul style="list-style-type: none"> • Challenge and uncertainty – there are practical limitations, technical constraints and an absence of suitable alternatives that may impact Primark's goal of complete elimination of SUP by 2027
Progress to date	<ul style="list-style-type: none"> • Performance against Primark's baseline will be reported from 2024/25 onwards • Primark's SUP baseline of 21,797 tonnes represents 19.4% of our total packaging footprint for the baseline year

Primark Cares Commitment	Giving Clothes a Longer Life – All Primark clothes will be made from recycled or more sustainably sourced materials by 2030
Project	Clothes made from recycled or more sustainably sourced materials
Timeline	Early 2021 – present
Description	<p>Primark has committed to have all Primark clothes made from recycled or more sustainably sourced materials by 2030. The business works with certification bodies, to certify and validate claims it makes on individual materials relevant to these standards.</p> <p>Primark also works hard to ensure that all Primark Cares products containing recycled fibres meet Primark's quality testing requirements.</p>
Target	All Primark clothes will be made from recycled or more sustainably sourced materials by 2030
Metric	<ol style="list-style-type: none"> 1. Percentage of Primark's clothing units sold containing recycled or more sustainably sourced materials 2. Percentage of Primark's clothing units sold containing cotton that is organic, recycled or sourced from the Primark Cotton Project
Methodology	The methodology is publicly available at the Basis of Reporting page of the Primark website corporate.primark.com/en-ie/primark-cares/resources/reports
Underlying uncertainties, challenges and assumptions	<ul style="list-style-type: none"> • Challenge – restriction on the handling and trade of recycled materials due to regulatory changes • Challenge – some sourcing markets may not have access to all recycled or more sustainable material types • Challenge – for some less commonly used fabrics such as elastane, there are currently no sustainable alternatives available
Progress to date	<p>66% of Primark clothing units sold in 2023/24 contained recycled or more sustainably sourced materials, up from 55% the previous year and 25% in 2021. 57% of Primark cotton clothing units sold in 2023/24 contained organic cotton, recycled cotton, or cotton sourced from the Primark Cotton Project, up from 46% last year. As our Primark Cares initiatives continue to grow in number, Primark is actively working on training and embedding processes to facilitate the conversion to recycled and more sustainably sourced materials. Building on last year's training of 286 suppliers, Primark is continuing its efforts to further educate suppliers on the criteria required for products to meet its Cares standards. The business has already hosted six training sessions in February and March 2024, with plans for additional sessions in July 2024. The aim is to provide clarity to suppliers regarding Primark Cares requirements, including minimums, certification and chain of custody.</p>
Primark Cares Commitment	Protecting Life on the Planet – Primark will halve carbon emissions across its value chain by 2030
Project	Energy efficiency and renewable energy procurement in own operations
Timeline	Early 2021 – present
Description	<p>While significantly smaller than Scope 3, Scope 1 and 2 emissions are areas where the business has the most direct influence.</p> <p>Energy efficiency: Primark uses a system called the Energy Bureau, which allows the business to manage energy consumption remotely by monitoring and modifying environmental parameters, to maintain suitable store conditions in an energy-efficient manner. To further reduce energy consumption, Primark has also been switching to energy-efficient LED lightbulbs in stores globally.</p> <p>Renewable energy: Primark's ambition is to switch all stores to renewable energy, as well as exploring ways to reduce emissions from on-site heating.</p>
Target	Reduce absolute Scope 1 and 2 GHG emissions by 50% by 2030 from a 2018/19 base year
Metric	Annual Scope 1 and 2 (market-based) emissions (tCO ₂ e)
Methodology	Annual Scope 1 and 2 emissions are calculated by ABF at Group level
Underlying uncertainties, challenges and assumptions	<ul style="list-style-type: none"> • Challenge – Misalignment between lease lifetime of some retail properties and payback period for installing new high-efficient equipment • Challenge and uncertainty – Maturity of renewable energy procurement in specific markets
Progress to date	<ul style="list-style-type: none"> • By the end of 2023/24, renewable power contracts were in place in 8 countries, covering approximately 64% of Primark's electricity demand • The number of Primark stores fitted with energy-efficient LED lightbulbs significantly increased, from 141 in July 2023 to 274 in July 2024. At the end of 2023, the Energy Bureau covered more than 179 locations across the UK. <p>Please refer to page 62 for commentary of Primark's Scope 1 and 2 emissions.</p>

Projects supporting carbon reduction to date continued

Primark Cares Commitments	Giving Clothes a Longer Life – Primark clothes will be recyclable by design by 2027. Primark will strengthen the durability of its clothes by 2025.
Project	Giving Clothes a Longer Life
Timeline	Late 2021 – present
Description	<p>Circular design: Since the launch of Primark's Circular Product Standard ('CPS') and its pilot clothing collection designed in line with CPS in April 2023, Primark has focused efforts on:</p> <ul style="list-style-type: none"> • continuing to expand and improve knowledge of circularity within the business via training • scaling up the use of circular design principles in key product categories • investing in additional expertise <p>The CPS is as an integral and foundational part of Primark's overarching public ambition to become a more sustainable and more circular business.</p> <p>Durability: Durability to Primark means the amount of wear or use that a customer can get from an item of clothing over a period of time. Clothing is durable if it remains functional and wearable without requiring too much maintenance or repair, when faced with the challenges of normal wash and wear over its lifetime. As part of the Textiles 2030 initiative, Primark is taking part in a durability project led by WRAP.</p>
Target	<ol style="list-style-type: none"> 1. Primark clothes will be recyclable by design by 2027 2. Primark will strengthen the durability of its clothes by 2025
Metric	<ol style="list-style-type: none"> 1. % of all clothing units sales that are circular by design 2. % of clothing which passed the aspirational level of the durability framework
Methodology	<ol style="list-style-type: none"> 1. Developed in 2023 with support from a third-party consultant primark.a.bigcontent.io/v1/static/Primark-Circular-Product-Standard-2023 2. Will be developed in the next financial year with support from a third-party consultant
Underlying uncertainties, challenges and assumptions	<ul style="list-style-type: none"> • Uncertainty – No industry-wide definition for 'circularity' • Uncertainty – No recognised standard for durability across the fashion industry • Challenge – Today, many items of clothing are inherently hard or impossible to recycle based on their design, componentry, and fabric composition. For example – elastane is widely used within the fashion industry to ensure that a garment has adequate stretch to function and fit, but it is virtually impossible to recycle today. Primark's approach to circular design is category specific and will evolve as textile recycling innovation grows
Progress to date	<p>Circular design:</p> <p>Training: Primark estimates that 80% of product colleagues have completed the foundation course of the Circular Design training by July 2024. This is an increase from 74% last year. Primark's expert level training was trialled in October/November 2023. This training will continue its roll-out.</p> <p>Product categories: Following from the pilot collection in April, sales from circular clothing products have reached 3% of total clothing units sales (August 2023 – July 2024). For Spring / Summer 2024, Primark has seen major progress in menswear, kidswear and womenswear, with an increasing number of products meeting the CPS.</p> <p>Circularity team: The team has grown from one colleague to four in the past 12 months.</p> <p>Durability:</p> <ul style="list-style-type: none"> • Primark has launched its Primark Durability Framework which is guided by the WRAP Clothing Longevity Protocol. Information on the framework is available on the website. • As of January 2024, extended wash testing has been implemented on all machine washable products across all product categories (excluding exempted categories of hand wash and dry clean only products) • Primark's extended wash testing methodology has been standardised and aligned across all machine washable products

Emission reduction plan

Key priority areas for action were identified on the basis of the influence and materiality of emissions categories, assessed from the base year of 2018/19 (see the table below).

These are Primark's Scope 1 and 2 emissions, where the business has direct ownership, and the most significant Scope 3 categories in terms of absolute emissions (purchased goods and services; upstream transportation; use of sold products).

Primark's baseline emissions (2018/19) (% of total emissions across all scopes)

Scope 1 and 2 (location-based)	2.5 %
Scope 3	97.5 %
Of which:	
Purchased goods and services	74.5 %
Capital goods	1.9 %
Fuel and energy-related activities	0.5 %
Upstream transportation	7.9 %
Waste generated in operations	0.1 %
Business travel	0.2 %
Use of sold products	11.8 %
End-of-life treatment of sold products	0.6 %

Scope 1 and 2 emissions

Short term (present – 2025)

- Maintain ISO50001 certification for all stores, offices and distribution centres.
- Develop appropriate regional pathways for heat decarbonisation in Primark properties.

Medium term (2026 – 2030)

- Reduce absolute Scope 1 and 2 GHG emissions by 50% by 2030, from a 2018/19 baseline year.

Scope 3 emissions

Short term (present – 2025)

- Launch an energy efficiency programme, engaging and supporting suppliers' manufacturing facilities on energy demand reduction.
- Launch a renewable energy programme, engaging and supporting suppliers' manufacturing facilities on sourcing low-carbon and renewable energy.
- Optimise inbound transport modes to balance emissions, cost and time.
- Strengthen the durability of Primark's clothes by 2025.

Medium term (2026 – 2030)

- Primark clothes to be recyclable by design by 2027.
- All Primark clothes from recycled or more sustainably sourced materials by 2030.
- More regenerative agricultural practices will be used in the Primark Cotton Project.
- Eliminate single-use plastics and all non-clothing waste by 2027.

Primark acknowledges the uncertainties and challenges connected to the implementation of its medium-term plan, which include: supply chain monitoring and reporting for lower tiers; evolving climate policy in operating markets and sourcing regions; technology innovation and costs; consumer sentiment and behaviour. Primark is planning to address these through targeted long-term actions such as policy advocacy, data systems enhancement, supplier engagement and consumer education. Please refer to Primark's latest reporting for detailed information.

Managing our risks

Our approach to risk management

The delivery of our strategic objectives, sustainable growth and long-term shareholder value is dependent on effective risk management. The diversified nature of our operations, geographical reach, physical and technological assets and currencies are important factors in mitigating the risk of us missing our strategic goals.

As with any business, risks and uncertainties are inherent in our business activities and these risks may have a financial, operational, environmental and reputational impact. It is through a structured approach to risk management that we are able to mitigate and manage risks and embrace opportunities when they arise.

The Board is accountable for effective risk management, for agreeing the principal, including emerging, risks facing the Group and ensuring that these are successfully managed. The Board undertakes a robust annual assessment of the principal risks that would threaten the business model, future performance, solvency or liquidity. The Board also monitors the Group's exposure to risks as part of the business performance reviews conducted at each Board meeting, providing the Board with an opportunity to discuss risk mitigation actions with divisional senior management.

Our decentralised business model empowers the management of our businesses to identify, evaluate and manage the risks they face to ensure each business's compliance with relevant legislation, our business principles and Group policies. Their risk assessments are wide-ranging and consider operational, environmental and other external risks, in the context of the overall materiality, key controls and relevance to the markets in which they operate. The divisional chief executives individually present their division's consolidated risks to the Director of Financial Control and the Finance Director on an annual basis, who review and challenge them.

Emerging risks are identified and considered at both a Group and business unit level, as part of the overall risk management process. They are identified through a variety of horizon-scanning methods including: geopolitical insights; ongoing assessments of competitor activity and market factors; workshops and management meetings focused on risk identification; analysis of existing risks using industry knowledge and experience to understand how these risks may affect us in the future; and representation and participation in key industry associations.

Group functional heads including Legal, Treasury, Tax, IT, Pensions, HR, Procurement and Insurance also assess the key risks in their functional area, together with the controls that are in place or planned to mitigate them. The Director of Financial Control takes these perspectives and combines them with the business risk assessments to create a consolidated view of the Group's risk profile. A summary of these risk assessments is then shared and discussed with the Finance Director and Chief Executive at least annually.

The Director of Financial Control holds meetings with each of the non-executive directors seeking their feedback on the reviews performed and discussing the key risks and mitigating activities identified through the risk assessment exercise. Once all non-executive directors have been consulted, a Board report is prepared summarising the full process and providing an assessment of the status of risk management across the Group. The key risks, mitigating controls and relevant policies are then summarised and the Board confirms the Group's principal risks. These are the risks which could prevent ABF from delivering our strategic objectives. This report also details when formal updates relating to the key risks will be provided to the Board.

Key areas of focus this year

Effective risk management processes and internal controls

We continued to seek improvements in our risk management processes to ensure the quality and integrity of information and the ability to respond swiftly to direct risks. During the year, the Audit Committee on behalf of the Board conducted reviews on the effectiveness of the Group's risk management processes and material internal controls in accordance with the 2018 UK Corporate Governance Code.

Our approach to risk management and systems of internal control is in line with the recommendations in the Financial Reporting Council's (FRC) revised guidance 'Risk management, internal control and related financial and business reporting'.

The Board is satisfied that internal controls were properly maintained, and that principal and emerging risks are being appropriately identified and managed.

Consumer confidence

Household budgets continue to face real pressures and consumer confidence remains low in a number of key markets. Primark's cost leadership position continues to be attractive to the customer. In the food businesses, there is continued demand for private label products.

All of our businesses have developed strategies considering the potential changes in both end consumer and our customer behaviours and demands, the implications for the business and where investment or changes to business models may be appropriate.

Regulatory changes

Our businesses continue to face a large number of regulatory changes with ever-increasing complexity and variations in requirements across the markets in which we operate. For example, the EU Corporate Sustainability Reporting Directive (CSRD) requiring companies operating in the EU to disclose and report on environmental, social affairs and governance issues, the new German Supply Chain Due Diligence Act (LkSG), and changes to data privacy laws.

The extent of change will have an impact on the capacity of management at a time when they are dealing with the ongoing challenges resulting from economic uncertainty, alongside the day-to-day growth of our businesses.

UK Corporate Governance Code 2024

In January 2024, the FRC issued a revised version of the UK Corporate Governance Code. Upon its release, we undertook a detailed review to evaluate the impact that the new Code will have on our governance and risk management arrangements. We have concluded that the key change impacting risk management and controls at ABF relates to Provision 29.

Provision 29 will require companies to make a declaration of the effectiveness of the Group’s material controls as at the balance sheet date in the annual report. The new Code will apply to the Group for its financial year 2025/26, except for Provision 29 which will apply to the Group for its financial year 2026/27.

Whilst this revised provision clarifies the Board’s responsibilities and requires explicit confirmation on the effectiveness of material controls, we believe that our existing risk management and control monitoring and validation processes mean that we are well-placed to meet the new requirements.

Risk appetite

Our approach to risk management gives the authority to our business leaders to make decisions that enable them to deliver our strategy of delivering long-term value for our shareholders and other stakeholders as detailed on pages 8 to 11. They achieve this by identifying and managing their risks within acceptable levels through our devolved operating model and our people, culture and values. These principles underline how we manage the Group within the Board’s risk appetite.

Divisional risks and their impact on business performance are reported during the year and are considered as part of the monthly and quarterly management review process.

Our principal risks and uncertainties

The directors have carried out an assessment of the principal risks facing ABF, including emerging risks, that would threaten our business model, future performance, solvency or liquidity.

ABF is exposed to a variety of other risks related to a range of issues such as human resources, commodity prices, community relations, the regulatory environment and competition. These are managed as part of the risk process and a number of these are referred to in the Responsibility section at pages 54 to 65 and on our website at www.abf.co.uk/responsibility.

Outlined below are the Group’s principal risks and uncertainties which we believe are likely to have the greatest current or near-term impact on our strategic and operational plans and reputation, and the key mitigating activities in place to address them. These are the principal risks of the Group as a whole and are not in any order of priority.

Our risks are grouped into external risks, which may occur in the markets or environment in which we operate, and operational risks, which are related to internal activity linked to our own operations and internal controls.

The ‘Changes since 2023’ describe our experience and activity over the last year.

Key

Risk trending

↑

Increasing risk

↔

Unchanged risk

↓

Decreasing risk

Stakeholders impacted by the risk

Customers

Investors and shareholders

Employees

Suppliers

Communities

Governments

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External risks

Complexity of operating across global markets



Context and potential impact

Associated British Foods operates in 56 countries with sales and supply chains in many more. For example, Primark has a complex supply chain, which is dependent on supplies from countries including China, Bangladesh, India and Turkey. We are therefore exposed to: global market forces; fluctuations in national economies; societal unrest; and evolving legislation.

Geopolitical uncertainty remains high given the ongoing war in Ukraine, the escalation of the conflict in Gaza into Lebanon, the closure of the Suez Canal, the recent resignation of the Prime Minister in Bangladesh and the wider political landscape including elections in the US, and a number of countries in South America, Africa and south east Asia.

Failure to recognise and respond to any of these factors could directly impact the profitability of our operations.

Entering new markets is a risk to any business.

Mitigation

Our approach to risk management considers potential short-term market volatility and evaluates longer-term socio-economic and political scenarios.

By their nature, socio-political events are largely unpredictable. Nonetheless, our businesses have detailed contingency plans which include site-level emergency responses and improved security for employees.

In the event of a major geopolitical event that disrupts Primark’s supply chain, in the short term the risk would be partially mitigated as we have several weeks of stock in warehouses and relatively long lead times, whilst alternative sourcing strategies are implemented.

Our management teams continue to monitor where products and raw materials are sourced from and to work closely with suppliers to secure raw materials, maintain production and provide a reliable supply to our customers.

We engage with governments, local regulators and community organisations to contribute to, and anticipate, important changes in public policy. We conduct rigorous checks when entering or commencing business activities in new markets.

The Group’s financial control framework and Board-adopted tax and treasury policies require all businesses to comply fully with relevant local laws.

Provision is made for known issues based on management’s interpretation of country-specific tax law, EU cases and investigations on tax rulings and their likely outcomes.

Changes since 2023

Whilst supply chain volatility has eased and energy prices have continued to reduce during the year, the ongoing geopolitical situations remain fragile. This could have an impact on the cost and availability of raw materials and key commodities. Our procurement teams continue to work closely with suppliers to maintain the effective operation of our supply chains.

The war in Ukraine means that there remains a risk of volatility in energy prices and of further supply chain disruption.

We have experienced no direct impact by the escalating conflict in Gaza, but we are monitoring the situation. We continue to monitor the situation in the Red Sea and the closure of the Suez Canal but at this stage we have been able to manage without any significant disruption to our supply chain.

The general election in the UK saw a change in government in July 2024 and we are monitoring the direction of the new government. General elections are planned in a number of our key markets, including the US and in a number of countries in South America, Africa and south east Asia. The commercial implications of any governmental changes are being evaluated.

Consumer spending has continued to be resilient in this trading period; however, a number of our countries face the risk of recession that could exacerbate debt problems, raise risks of emerging market crises and trigger market instability. High inflation continues to be a particular challenge for our yeast and bakery ingredients businesses based in Argentina and Turkey.

Geopolitical tensions continue to be a factor in a number of countries in which we or our supply chain operate. We monitor the situation on an ongoing basis and there have been no major impacts for our businesses. For example, we have been able to successfully work with our suppliers to manage the implications of the political unrest in Bangladesh and as a result there has been no material impact on the Primark business.

Fluctuations in commodity and energy prices



Context and potential impact

Changes in commodity and energy prices can have a material impact on the Group's operating results, asset values and cash flows.

Mitigation

The Group purchases a wide range of commodities in the ordinary course of business. We constantly monitor the markets in which we operate and manage certain of these exposures with exchange-traded contracts and hedging instruments.

The commercial implications of commodity price movements are continuously assessed and, where appropriate, are reflected in the pricing of our products.

Changes since 2023

Certain commodity prices have been volatile in the financial year, however most commodity markets on average are falling in price. Energy markets in the UK and Europe have fallen from highs in the prior year. However, the risk of volatility remains as a result of market uncertainty and supply concerns.

The extreme pace of the decline in European sugar prices has impacted our European sugar businesses.

Businesses continue to manage commodity price risk under existing risk management frameworks and, where appropriate, pricing of products.

Movement in exchange rates



Context and potential impact

Associated British Foods is a multinational Group with operations and transactions in many currencies. Changes in exchange rates give rise to transactional exposures within the businesses and to translation exposures when the assets, liabilities and results of overseas entities are translated into sterling upon consolidation.

Mitigation

Our businesses constantly review their currency exposures and their hedging instruments and ensure appropriate actions are taken to manage the impact of currency movements.

Board-approved policies require businesses to hedge transactional currency exposures and committed long-term supply or purchase contracts which are denominated in a foreign currency, using foreign exchange forward contracts. Cash balances and borrowings are largely maintained in the functional currency of the local operations.

Changes since 2023

On average, sterling has strengthened against most of our trading currencies this year, resulting in an operating loss on translation of £97m.

Cash and liability balances held in our businesses in Malawi and Nigeria in non-functional currencies had a devaluation loss of £45m.

Health and nutrition



Context and potential impact

Failure to adapt to changing consumer health choices or to address nutrition concerns in the formulation of our products, related to consumer preferences or government public health policies, could result in a loss of consumer base and impact business performance.

Mitigation

All of our food businesses are individually responsible for managing their product portfolio. Consumer preferences, regulation and market trends are monitored continually. Recipes are regularly reviewed and, where technically feasible, are considered for reformulation to improve their overall nutritional value.

All of our grocery products are labelled with nutritional information, including in many cases front of pack nutrition labelling on our branded grocery products.

We actively consider consumer health in the context of brand development and acquisition activity.

We invest in research with experts to improve our understanding of the science and societal trends.

Changes since 2023

Our Sugar and Grocery businesses have continued to focus on nutrition and health during the year to help consumers improve their diet.

Our businesses always take nutritional factors into account when developing their product ranges. To support this approach, many of our consumer-branded grocery businesses have adopted nutrition policies which set out the businesses' principles of: transparency about nutritional properties of products; consumer choice through product development and reformulation; responsible product development and advertising. Our businesses also operate a formal process to ensure that any health claims across their brands are subject to in-house legal review to ensure they meet necessary legal requirements and are responsibly communicated.

In addition to reformulating existing products, our businesses have launched a range of products with nutritional benefits, all of which are non-HFSS (high in fat, salt or sugar). These include: Patak's Curry Creations, a range of sauce kits; Jordan's Popped Oat Crunch, high fibre breakfast cereal; and Kingsmill Fruit Fingers, a source of fibre.

Operational risks

Workplace health and safety



Context and potential impact

Our operations have the potential for loss of life or workplace injuries to employees and contractors, both on-site and off-site, if the hazards and associated risks are not fully controlled.

Mitigation

The safety, health and wellbeing of our employees and contractors continues to be one of our main priorities. The chief executives of each business, who lead by example, are accountable for the performance of their business.

Our Health, Safety and Wellbeing Policy, refreshed in November 2023, makes it very clear that we require the businesses to continuously improve and to make sure that we understand the hazards and risks of our activities and have in place appropriate controls to look after our people.

We have an external annual independent audit programme to verify implementation of our risk management processes and to support a culture of continuous improvement.

Best practice guidance is shared across the businesses, co-ordinated from the corporate centre, to supplement the delivery of their own programmes. These address our critical risks of moving vehicle interactions, falls of people and materials from height, machinery safety, confined spaces, electrical safety and management of contractors, as well as addressing the more common, but less severe, injuries from manual handling and from slips and trips.

Changes since 2023

Businesses have continued to treat health and safety as the key priority and have delivered numerous improvements during the year.

The safety performance of the Group is reported on our website at www.abf.co.uk/responsibility.

We are deeply saddened to report that in the year there were six work-related fatalities: one employee in an on-site accident and five contractors (one in an off-site accident and four in on-site incidents). These occurred in Brazil and Africa.

Following these tragic events, our priority was to support the families and colleagues of those who died. Our businesses have conducted thorough root cause analyses, have implemented safety changes and communicated the findings to the other businesses.

This year just under £39m was invested in reducing health and safety risks across a wide range of operational hazards.

Product safety and quality



Context and potential impact

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

Mitigation

Product safety is put before economic considerations.

We operate strict food safety and traceability policies within an organisational culture of hygiene and product safety to ensure consistently high standards in our operations and in the sourcing and handling of raw materials and garments.

Food quality and safety audits are conducted across all our manufacturing sites, by independent third parties and customers, and a due diligence programme is in place to ensure the safety of our retail products.

Our sites comply with international food safety and quality management standards and our businesses conduct regular mock product incident exercises.

All businesses set clear expectations of suppliers, with relevant third-party certification or other assessment a condition of doing business. Product testing and trials are undertaken as required and where bespoke raw materials are purchased, the businesses will work closely with the supplier to ensure quality parameters are suitably specified and understood.

All Primark's products are tested to, and must meet, stringent product safety specifications in line with and, in some instances above, legal requirements.

Primark continues to drive and improve product performance for quality and compliance purposes through its product approval processes, in-country inspections centres and management of its supply base.

Changes since 2023

We had no major product recalls during the year. There have been a very small number of product recalls that have been managed and monitored as part of our normal course of business.

Businesses have continued to define and refine KPIs in this area.

Breaches of IT and information security



Context and potential impact

The cyber security risk landscape has continued to evolve, with threats continuing to be prevalent, sophisticated, organised and aggressive. This increasing risk requires continual improvement activities by our cyber security teams to manage our ongoing risk exposure.

Our delivery of efficient and effective business and manufacturing operations is enhanced using relevant technologies and by sharing of information. A successful cyber-attack due to malicious activity by an internal or external threat actor could result in data loss, operational disruption, non-compliance with regulations, or loss of customer confidence.

Mitigation

There is an ongoing programme of investment in both technology and people to enhance the longevity of our IT environments. This ongoing investment includes the control and protection of the IT and manufacturing environments.

We continue to improve our security culture through user awareness training programmes including phishing simulations. This reduces the likelihood of our workforce falling victim to such attacks.

We have established Group IT security policies, technologies and processes, all of which are subject to regular internal audit.

Our cyber security teams implement and monitor security tools and controls to ensure effective and efficient security operations.

Technical security controls are in place over key IT platforms with the Chief Information Security Officer tasked with identifying and responding to potential security risks.

Changes since 2023

We have continued to invest in and make improvements to security policies, procedures and capabilities during the year across our IT estates and manufacturing facilities. We have also continued to strengthen our central cyber security capabilities and support.

The Group has remained vigilant as, like all businesses, we remain subject to attack from increasingly sophisticated malicious actors.

We work with independent third-party security specialists that provide periodic penetration tests.

Coverage of our tools to protect our email systems have been expanded providing greater defence against more advanced threats which have become prevalent with the weaponisation of artificial intelligence.

A new crisis simulation platform has been selected for use by all ABF businesses. This is part of our improvements in cyber major incident response capabilities.

Our supply chain and ethical business practices



Context and potential impact

We have a global diverse business with complex supply chains, most of which depend on agriculture and manufacturing.

The most critical risks in our supply chain are:

- the transparency of the source of raw materials and manufacturing locations and working conditions in our supply chains;
- the inherent vulnerability of workers; and
- ensuring that we have consistency in our approach to due diligence and the leverage to prevent, avoid or mitigate negative social and environmental impacts that may arise.

Mitigation

The processes followed by our businesses to manage supply chain due diligence are key to identifying, mitigating, preventing and ceasing human rights violations. These processes are reviewed on an ongoing basis.

The due diligence requires our businesses to understand the issues specific to the workers within their respective supply chains and, where appropriate, the communities in which they reside. In line with our Group Supplier Code of Conduct, our businesses prohibit all forms of modern slavery, including forced labour and human trafficking. For more information, see our Group Modern Slavery Statement 2024 which is reported on our website at www.abf.co.uk/responsibility.

Compliance with our Group Supplier Code of Conduct is mandatory and this sets out the essential requirements of responsible business conduct. It is based on the International Labour Organization's (ILO) standards as well as the Ethical Trading Initiative's Base Code. We have developed online training modules to facilitate both internal awareness across the Group and to support knowledge of our approach and expectations amongst our suppliers.

Primark is a member of the Ethical Trading Initiative and is recognised for its Ethical Trade and Environmental Sustainability programme. Primark has a well-established Ethical Trade auditing and monitoring programme, which is key for identifying risks within the supply chain and for ensuring that mitigating actions are taken where necessary. Primark's approach to due diligence is explained in its Supply Chain Human Rights Policy which is available at corporate.primark.com/en-gb/policies-and-reports/policies.

Several of our businesses, including UK Grocery, ABF Ingredients and George Weston Foods, monitor their supply chains and engage suppliers using the Sedex (Supplier Ethical Data Exchange) online database.

Twinings recognises the challenges within its tea and herb supply chain and the importance of working closely with our suppliers. Twinings uses a comprehensive community needs assessment framework, developed in consultation with expert external stakeholders, which in addition to labour rights covers housing, water and sanitation, health and nutrition, land, gender and children's rights, farming practices and more.

Some of our businesses, including Primark and Twinings, publish global sourcing maps and provide information about their processes, progress and challenges through corporate reports, websites, stakeholder engagement activities and submissions to benchmarks. This helps our understanding of human rights risks and, where necessary, supports collaboration both locally and across our sectors to identify, mitigate and remediate risks.

Changes since 2023

We continue to report, as required, under relevant regulations, including the UK Modern Slavery Act, the Australian Modern Slavery Act, the US Uyghur Forced Labor Prevention Act (UFLPA) and the recently introduced Canadian Forced Labour and Child Labour Act.

The most significant changes in the year relate to new and emerging regulations which focus on reporting, due diligence and supply chain governance. This has prompted businesses to further review their current governance and supply chain due diligence processes as well as key reporting metrics.

In preparation for the EU Corporate Sustainability Reporting Directive ('CSRD'), which some of our entities will be required to report under from 2025/26, our in-scope businesses have initiated double materiality assessments (DMA), which include detailed value chain mapping, to identify material sustainability matters and reporting metrics.

The established Group ESG Policy and Reporting Steering Committee, oversees the activities to prepare for upcoming material regulations and emerging risks, including requirements for publishing mandatory ESG information.

Our use of natural resources and managing our environmental impact



Context and potential impact

We are reliant on the use of a range of natural resources to deliver our products. Our material environmental impacts come from:

- fuel and energy use;
- agricultural operations giving rise to GHG emissions;
- use of land related to agricultural operations;
- the abstraction and management of water and waste water especially in water-stressed areas; and
- waste which cannot be reused or recycled, including single-use plastics.

Failure to manage these could pose a risk to the environment and local communities, also potentially creating risks to our licences to operate and result in additional costs.

We continue to set key performance indicators to quantify the outcome of our efforts to reduce our environmental impact. We also continue to strengthen our existing data management processes to facilitate the reporting of robust data. There continues to be increased regulatory scrutiny and ESG reporting requirements that we must meet in many countries where we operate. We are committed to remaining compliant with these requirements.

Mitigation

We recognise our role in supporting the transition to a low-carbon economy and we are aligned with the commitment to the goals of the 2015 Paris Climate Agreement.

Climate-related targets continue to be set by our businesses based on their material risks. The reduction methodologies used by ABF Sugar and Primark have been validated by the Science Based Targets initiative (SBTi).

Our businesses are targeting reductions in GHG Scope 1 and 2 emissions through carbon reduction plans, which include both energy efficiency measures and growing the use of renewable energy. British Sugar, which is our most material business for Scope 1 GHG emissions, has a number of projects that focus on factory energy efficiency, steam reduction, coal elimination and reduction of energy use for pulp drying.

Our businesses continuously seek ways to improve the efficiency of both their operations and supply chains by using technologies and techniques to reduce their use of natural resources. Areas of focus include minimising garment, packaging and food waste. At the agricultural and farm level, our businesses support a wide range of environmental interventions. These span many farm management models, including certified organic production, standards to promote wildlife biodiversity, engagement with smallholder growers in developing markets, and adoption of farm management systems built on the principles of sustainable intensifications.

Water is an essential input for clothing and food production. It is a valuable resource and our businesses aim to reduce the amount of water they abstract for their own operations. In addition, we reuse process water as much as possible and treat waste water ensuring it meets or exceeds local and national water standards.

For example, AB Mauri has built significant in-house capability in water use and waste water management to assess water risks at each of its sites and to ensure that any water returned to the environment meets regulations and is managed as safely as possible.

ABF Sugar continues to focus on water usage, particularly in Africa. This year, the division has concentrated activities in two areas: accuracy of water measurement and investment in irrigation efficiency.

An example of how some of our businesses work with their supply chain to encourage responsible use of natural resources is the Primark Cotton Project (PCP). As part of this project, farmers are trained in methods aimed at increasing cotton yields and reducing inputs including water use, chemical pesticide and fertiliser use.

Changes since 2023

The environmental performance of the Group and its businesses is reported in our CDP submissions which can be found on the ABF website at www.abf.co.uk/responsibility. For details on transition plans and our risk management and materiality assessment approach, refer to the 2024 TCFD report and the ABF website at www.abf.co.uk/responsibility.

There have also been new regulations that will require additional levels of reporting, data gathering, and supplier due diligence regarding our impact on the environment.

For example, a number of our businesses will be impacted by the upcoming EU Deforestation Regulation (EUDR). Those in scope of this regulation are working to address the new requirements, including by working with external bodies, suppliers and customers.

The impact of climate change and natural disasters on our operations



Context and potential impact

Our businesses and their supply chains rely on a secure supply of finite natural resources, some of which are vulnerable to external factors such as natural disasters and climate change. Climate change continues to represent a material risk throughout our supply chains and poses challenges to some of our businesses. Most of our businesses rely on agricultural crops with complex supply chains. Long-term climate change will impact agricultural crops, while extreme weather events have the potential to cause disruption to supply chains and operations.

The diversified and devolved nature of the Group means that mitigation or adaptation strategies are considered and implemented by the individual businesses.

Mitigation

Determining the potential medium- to long-term impact of climate risks and opportunities is challenging as the impacts of climate change are uncertain.

Where appropriate, our businesses work with third-party experts to understand division- and location-specific climate-related risks and opportunities. Where risks are considered to be significant, these are incorporated into the relevant business risk registers and mitigating controls and processes identified.

For example, ABF Sugar’s businesses are investing in more sustainable agriculture approaches and trialling more regenerative practices. Initiatives are being carried out on our African estates and across the wider supply chain of the other ABF Sugar businesses. In Spain we have partnered with growers through the Research Association for Sugar Beet Crop Improvement (‘AIMCRA’).

One of the aims is to help strengthen the links between individual farmers and field technicians to enhance the resilience and productivity of crops. Our annual TCFD reporting focuses on ABF Sugar, Primark and Twinings which together comprise 62% of the Group’s adjusted operating profit. A climate-related scenario analysis identified the material risks for the Group, and actions to mitigate these are overseen by the relevant businesses. Further information and updates on our material Group climate-related risk is provided in the TCFD report on page 67.

Changes since 2023

Our review of the current environmental risks and opportunities has determined that the scenario analysis delivered as part of our Group TCFD reporting remains appropriate.

Our businesses continue to implement specific actions, which aim to reduce the impact of climate change and natural disasters on our businesses.

For details on the scenario analysis, transition plans, and our risk management and materiality assessment approach, refer to the TCFD section on pages 66 to 77 and our website at www.abf.co.uk/responsibility.

Viability statement and going concern

Viability statement

The Board has determined that the most appropriate period over which to assess the Company's viability, in accordance with the 2018 UK Corporate Governance Code, is three years. Each business sets a strategic planning time horizon appropriate to its activities which are typically of a three to five year duration. The directors also considered the diverse nature of the Group's activities and the degree to which the businesses change and evolve in the relatively short term. The directors considered the Group's profitability, cash flows and key financial ratios over this period and the potential impact that the principal risks and uncertainties set out on pages 78 to 86 could have on future performance, solvency or liquidity of the Group and its resilience to threats to its viability posed by severe but plausible scenarios. Building on the analysis performed as part of the going concern review, sensitivity analysis was applied to these metrics and the projected cash flows were stress tested against a range of scenarios.

The directors considered the level of performance that would cause the Group to exhaust its available liquidity, the financial implications of making any strategic acquisitions and a variety of additional potentially adverse factors including long-term reputational damage, macroeconomic influences such as fluctuations in commodity markets and climate-related business risks. The impact of potential mitigating actions under the Group's control were also considered in this analysis. The Group is highly diversified operating in 56 countries in different markets, sectors, customer groups, geographies and products. While the principal risks considered all have the potential to affect future performance, none of them are considered individually or collectively to threaten the viability of the Company for the period of the assessment. The Group has a track record of delivering strong cash flows. This has been more than sufficient to meet not only our ongoing financing obligations but also to fund the Group's expansionary capital investment.

The Board's treasury policies are in place to maintain a strong capital base and manage the Group's balance sheet and liquidity to ensure long-term financial stability. These policies are the basis for investor, creditor and market confidence and enable the successful development of the business. The financial leverage policy requires that, in the ordinary course of business, the Board prefers to see the Group's ratio of net debt including lease liabilities to adjusted EBITDA to be well under 1.5x. At the end of this financial year, the financial leverage ratio was 0.7x. In addition, the Group requires a certain level of total liquidity at all times. At the end of the financial year, the Group had total cash, cash equivalents and current asset investments of £1.7bn and an undrawn committed Revolving Credit Facility of £1.5bn. The Group's committed Revolving Credit Facility is free of performance covenants and matures in 2029.

In April 2024, S&P Global Ratings reaffirmed their assignment to the Group of an 'A' grade long-term issuer credit rating. The Group's access to a diverse funding base is supported by the existing £400m public bond due in 2034. Even in a worst-case scenario, with risks modelled to materialise simultaneously and for a sustained period, the possibility of the Group having insufficient resources to meet its financial obligations is considered remote. Based on this assessment, the directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period to 18 September 2027.

Going concern

After making enquiries, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the consolidated financial statements. The forecast for the going concern assessment period to 28 February 2026 has been updated for the business's latest trading in October and is the best estimate of cash flow in the period.

The Board's treasury policies are in place to maintain a strong capital base and manage the Group's balance sheet and liquidity to ensure long-term financial stability. These policies are the basis for investor, creditor and market confidence and enable the successful development of the business. The financial leverage policy requires that, in the ordinary course of business, the Board prefers to see the Group's ratio of total net debt including lease liabilities to adjusted EBITDA to be well under 1.5x. At the end of this financial year, the financial leverage ratio was 0.7x. At the end of the financial year, the Group had total cash, cash equivalents and current asset investments of £1.7bn and an undrawn committed Revolving Credit Facility of £1.5bn. The Revolving Credit Facility is free of performance covenants and matures in 2029, after a further one year extension was made in April 2024. The \$100m of outstanding private placement notes were repaid on 2 April 2024, after which point Group funding is not subject to financial performance covenants.

In reviewing the cash flow forecast for the period, the directors reviewed the trading for both Primark and the food businesses in light of the experience gained from events of the last three years of trading and emerging trading patterns. The directors have a thorough understanding of the risks, sensitivities and judgements included in these elements of the cash flow forecast and have a high degree of confidence in these cash flows.

As a downside scenario, the directors considered the adverse scenario in which inflationary costs are not fully recovered, high levels of volatility in key commodities prices without price adjustments, adverse movement to the cash conversion cycle within the Group and server IT outages leading to extended periods of non-operation. This downside scenario was modelled without taking any mitigating actions within their control. Under this downside scenario the Group forecasts liquidity throughout the period.

In addition, the directors also considered the circumstances which would be needed to exhaust the Group's total liquidity over the assessment period – a reverse stress test. This indicates that, on top of the downside scenario outlined above, annual profit before tax would need to decline by 17% without any price increases or other mitigating actions being taken before total liquidity is exhausted. The likelihood of these circumstances is considered remote for two reasons. Firstly, over such a period, management could take substantial mitigating actions, such as reviewing pricing, taking cost-cutting measures and reducing capital investment. Secondly, the Group has significant business and asset diversification and would be able to, if it were necessary, dispose of assets and/or businesses to raise considerable levels of funds.

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

Michael McLintock
Chairman

George Weston
Chief Executive

Eoin Tonge
Finance Director

Chairman's introduction



Michael McLintock
Chairman

Dear fellow shareholders

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

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

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

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

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

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

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

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

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

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

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

Michael McLintock
Chairman

Compliance with the UK Corporate Governance Code

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

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

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

Board leadership and company purpose

See pages 92 to 96

Chairman's introduction

See page 88

Leadership, values, culture and purpose

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

Strategy

See pages 8 to 13; 92 to 93

Stakeholder and shareholder engagement

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

Division of responsibilities

See page 97 to 98

Commitment, development and information flow

See pages 97 to 98

Composition, succession and evaluation

See pages 97; 99 to 100

Board evaluation

See page 99 to 100

Nomination Committee Report

See pages 101 to 103

Audit, risk and internal control

See pages 104 to 110

Risks, viability and going concern

See pages 78 to 87

Audit Committee Report

See pages 104 to 110

Remuneration

Directors' Remuneration Report

See pages 111 to 127

Board of Directors



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

Other appointments:

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



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

Other appointments:

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

Key to Board Committees

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



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

Other appointments:

- None



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

Other appointments:

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



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

Other appointments:

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



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

Other appointments:

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



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

Other appointments:

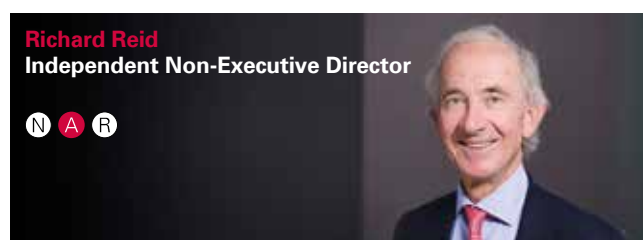
- Chief Executive Officer of Elsevier
- Non-Executive Director of Preqin



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

Other appointments:

- Deputy Chair and Board member of the British Beauty Council



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

Other appointments:

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



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

Other appointments:

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

Board leadership and company purpose

The Board

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

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

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

Purpose, business model and strategy

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

Culture and values

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

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

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

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

Whistleblowing

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

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

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

Conflicts of interest procedure

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

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

Engagement with stakeholders

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

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

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

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

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

Meetings with institutional shareholders

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

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

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

AGM

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

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

Annual Report

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

Responsibility/ESG

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

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

Website (www.abf.co.uk)

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

The work of the Board during the year

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

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

Independent Non-Executive Director for engagement with the workforce



Richard Reid
Independent Non-Executive Director

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

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

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

In the last 12 months I have connected with:

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

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

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

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

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

Board leadership and company purpose continued

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

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

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

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

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

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

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

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

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

Richard Reid
Independent Non-Executive Director

Division of responsibilities

Board composition

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

Chairman

Michael McLintock

Executive Directors

George Weston (Chief Executive)

Eoin Tonge (Finance Director)

Non-Executive Directors

Dame Heather Rabbatts (Senior Independent Director)

Emma Adamo

Graham Allan

Kumsal Bayazit Besson – appointed 1 December 2023

Annie Murphy

Richard Reid

Loraine Woodhouse – appointed 1 October 2024

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

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

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

Chairman and Chief Executive

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

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

The Chief Executive is responsible for leading and managing the Group's business within a set of authorities delegated by the Board and for the implementation of Board strategy and policy. Authority for the operational management of the Group's business has been delegated to the Chief Executive for execution or further delegation by him for the effective day-to-day running and management of the Group. The chief executive of each business within the Group has authority for that business and reports directly to the Chief Executive.

Senior Independent Director

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

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

The non-executive directors

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

Board Committees

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

Board independence

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

Commitment

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

Division of responsibilities continued

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

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

Board meetings

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

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

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

Information flow

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

Board induction

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

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

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

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

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

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

Training, development and engagement

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

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

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

Attendance of directors at Board and Committee meetings

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

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

Composition, succession and evaluation

Board composition and succession

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

Election and re-election of directors

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

Board performance review

2023 internal Board performance review

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

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

2024 externally facilitated Board performance review

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

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

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

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

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

How the 2024 Board performance review was conducted

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

Composition, succession and evaluation continued

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

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

Outcome of the 2024 Board performance review

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

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

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

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

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

Actions proposed to be taken forward from the review are:

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

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

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

Nomination Committee Report



Michael McLintock
Nomination Committee Chair

Members

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

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

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

Meetings

The Committee met two times during the year under review.

Primary responsibilities

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

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

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

Governance

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

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

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

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

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

Committee activities during the year

Succession planning

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

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

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

Board appointments process

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

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

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

Election/re-election of directors

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

Performance review

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

Diversity and inclusion

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

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

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

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

The objectives under our Board Diversity Policy include:

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

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

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

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

Michael McLintock
Nomination Committee Chair

Director skill sets

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

Board and executive management gender and ethnicity metrics

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

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

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

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

Ethnicity representation at Board and executive management level

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

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

Audit Committee Report



Richard Reid
Audit Committee Chair

Members

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

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

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

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

Meetings

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

Primary responsibilities

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

Financial reporting

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

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

Narrative reporting

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

Internal financial controls

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

Whistleblowing and fraud

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

Internal audit

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

External audit

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

Governance

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

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

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

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

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

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

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

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

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

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

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

Board responsibilities on audit, risk and internal control

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

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

Risk management and internal control

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

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

Standards

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

High-level controls

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

Financial reporting

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

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

Internal audit

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

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

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

Assessment of principal risks

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

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

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

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

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

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

Going concern and viability

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

Audit Committee activities during the year

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

Monitoring the integrity of reported financial information

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

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

These reviews considered:

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

The Audit Committee also considered:

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

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

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

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

Set out below are the significant areas of accounting judgement or management estimation and a description of how the Committee concluded that such judgements and estimates were appropriate. These are divided between those that could have a material impact on the financial statements and those that are less likely to have a material impact but nevertheless, by their nature, required a degree of estimation.

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

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

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

Audit Committee assurance

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

Long-term growth rates for periods not covered by the annual budget were challenged to ensure that they were appropriate for the products, industries and countries in which the relevant cash-generating units operate.

The Committee reviewed and challenged the key assumptions made in deriving these projections: discount rates, growth rates, and expected changes in production and sales volumes, selling prices and direct costs. The Committee also considered the adequacy of the disclosures in respect of the key assumptions and sensitivities. Refer to notes 8, 9, 10 and 11 to the financial statements for more details of these assumptions.

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

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

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

Viability statement and going concern

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

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

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

The Committee has reviewed the detailed cash flow forecasts, which incorporate the mitigating actions proposed by management.

The Committee also reviewed and challenged the reverse stress test assumptions to confirm the viability of the Group.

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

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

Post-retirement benefits

Valuation of the Group's pension schemes and post-retirement medical benefit schemes require various subjective judgements to be made including mortality assumptions, discount rates, general and salary inflation, and the rate of increase for pensions in payment and those in deferment.

Audit Committee assurance

Actuarial valuations of the Group's pension scheme obligations are undertaken every three years in the UK by an independent qualified actuary who also provides advice to management on the assumptions to be used in preparing the accounting valuations each year. Actuarial valuations in other jurisdictions are performed as required. Details of the assumptions made in the current and previous year are disclosed in note 13 of the financial statements together with the bases on which those assumptions have been made.

The Committee reviewed the assumptions by comparison with externally derived data and also considered the adequacy of disclosures in respect of the sensitivity of the surplus to changes in these key assumptions.

Other accounting areas requiring management judgement or estimation

Taxation

Current and deferred tax recognised in the financial statements is dependent on subjective judgements as to the outcome of decisions by tax authorities in various jurisdictions around the world and the ability of the Group to use tax losses within the time limits imposed by various tax authorities.

Audit Committee assurance

The Committee reviews the Group's tax policy and principles for managing tax risks annually.

The Committee reviewed and challenged the provisions recorded and the contingent liabilities disclosed at the balance sheet date and management confirmed that they represent their best estimate of the financial exposure faced by the Group.

The external auditor explained to the Committee the work that they had conducted during the year, including how their audit procedures were focused on those provisions requiring the highest degree of judgement.

The Committee discussed with both management and the external auditor the key judgements which had been made. The Committee was satisfied that the judgements were reasonable and that, accordingly, the provision amounts recorded were appropriate.

Misstatements

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

Internal financial control and risk management

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

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

Internal audit

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

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

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

To fulfil its duties, the Committee reviewed:

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

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

Whistleblowing and fraud

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

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

External audit

Auditor independence

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

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

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

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

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

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

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

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

Auditor effectiveness

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

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

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

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

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

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

Auditor appointment for 2024/25

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

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

Auditor tender for 2025/26 onwards

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

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

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

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

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

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

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

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

2023

December

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

2024

January

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

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

February

Launched a dataroom of relevant information for confirmed bidders.

March to May

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

End of May

Receipt of tenders from the two firms.

June

Presentations from the two tendering firms to the Audit Committee.

Audit Committee made a recommendation to the Board

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

Compliance with the Competition and Markets Authority Order

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

Minimum Standard

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

Richard Reid Audit Committee Chair

Annual statement by the Remuneration Committee Chair



Graham Allan
Remuneration Committee Chair

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

Dear shareholders

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

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

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

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

Incentive Plan Outcomes for 2023/24

Short-Term Incentive Plan (STIP) 2023/24

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

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

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

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

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

Long-Term Incentive Plan (LTIP) 2021-24

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

Remuneration decisions for 2024/25

Salary and fees

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

STIP 2024/25

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

Restricted Share Plan (RSP) 2024-27

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

Work of the Committee over the coming year

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

Consideration of wider workforce views and remuneration approaches

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

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

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

Board review

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

2024 AGM

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

Graham Allan

Remuneration Committee Chair

Remuneration summary

Remuneration principles

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

Fair

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

Aligned

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

Clear and simple

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

Remuneration approach

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

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

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

Time horizons for STIP and RSP awards

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

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

Performance alignment

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

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

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

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

Annual remuneration report

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

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

Notes to single total figure of remuneration for the executive directors

Salary

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

Benefits

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

Pension

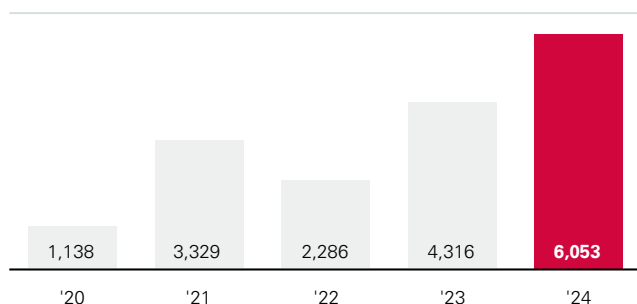
George Weston opted out of the EFRBS on 31 December 2023. Until that date he had an overall benefit promise of 1/45th of final pensionable pay for each year of pensionable service up to 5 April 2016 and 1/50th of final pensionable pay for each year of pensionable service thereafter, subject to a maximum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

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

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

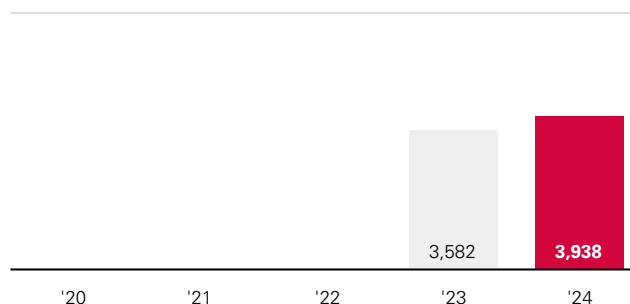
George Weston total remuneration

(£000)



Eoin Tonge total remuneration

(£000)



STIP 2023/24

Achievement against financial targets

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

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

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

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

Achievement against ESG strategic KPIs

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

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

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

Overall achievement

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

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

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

STIP amounts included in the single total figure table

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

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

LTIP 2021-24

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

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

LTIP amounts included in the single total figure table

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

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

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

Other remuneration

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

Implementation of policy in 2024/25

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

Wider Workforce Remuneration

Fair pay

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

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

Fair pay should be...

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

Workforce engagement on remuneration

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

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

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

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

CEO Pay Ratio

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

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

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

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

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

Annual percentage change in remuneration of directors and employees

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

1. George Weston and Eoin Tonge's salary rates increased by 4.5%, which was lower than the rate of 5% that applied for other head office employees.

The increases for employees shown in the table above also reflect changes in the number of roles in the head office.

2. The NED fee increased from £78,250 to £81,750 in December 2023.

3. Michael McLintock's fee increased from £440,000 to £460,000 in December 2023.

4. The additional fee for responsibility for workforce engagement has remained flat at £25,000 and the Senior Independent Director fee increased from £24,500 to £25,000 in December 2023. There was no change to other additional responsibility fees in the period, but the change in the base NED fee detailed above applies to these roles.

5. Benefits data is calculated on the same basis as the benefits data in the single total figure table on page 114 and includes benefits in kind and benefits taken in cash but excludes any pension allowances.

6. Includes cash STIP payments only.

Note: % change being based on whole numbers

2024 gender pay gap reporting

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

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

Gender pay and bonus gaps are calculated by comparing the mean (average) and median (central value in the data list) measures for women to that of men and identifying the percentage difference between the two. As required by the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, we submit data for our relevant legal entities to the UK Government through their website.

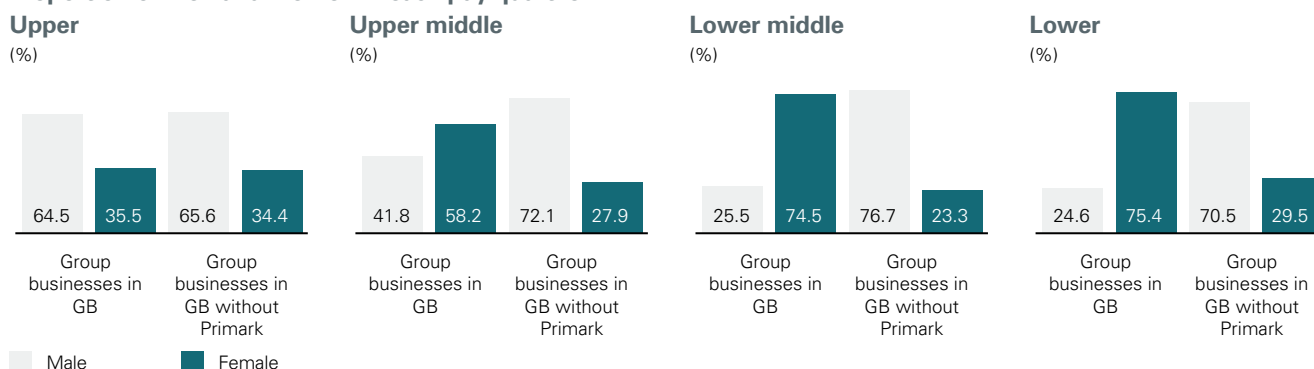
Group

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

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

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

Proportion of men and women in each pay quartile



Food businesses

In the food businesses the pay gap remains in favour of women as we have a significant majority of male employees who work in a manufacturing environment. These employees are being compared to women who, on average, work in middle management.

Primark

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

Ethnicity data

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

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

Executive directors' shareholding and scheme interests

Scheme interests (audited information)

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

LTIP, RSP and Buyout Awards

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

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

1. The price used to determine the number of shares allocated under the LTIP and RSP is the average closing price on the five trading days immediately preceding the main allocation in November/December each year. The details of the buyout awards for Eoin Tonge, including the price used to determine the number of shares allocated was agreed as part of his joining arrangements as set out on page 146 of our 2022 Annual Report.

2. The performance underpins that apply to these RSP allocations are the same as those set out for RSP 2024-27 on page 117.

3. See page 116 for details of performance measures.

4. Performance conditions were met in July 2023 and the shares will vest on 01/07/25.

5. Net vested shares to be retained until 01/07/27, underpins apply in line with those on the 2023-26 RSP award.

STIP – shares

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

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

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

Executive directors' shareholding requirements (audited information)

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

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

1. Calculated using share price as at close of business on 13 September 2024 of 2,189p and rate of base salary as at 14 September 2024.

2. George Weston is a director of Wittington Investments Limited which, together with its subsidiary Howard Investments Limited, held 421,243,985 ordinary shares in Associated British Foods plc as at 14 September 2024.

Directors' service contracts/letters of appointment

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

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

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

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

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

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

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

Executive directors serving as non-executive directors

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

Non-executive Directors' remuneration (audited information)

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

1. Wolfhart Hauser left the Board on 18 January 2024.

2. Graham Allan was appointed as Remuneration Committee Chair on 1 May 2023.

3. Heather Rabbatts was appointed as Senior Independent Director on 1 May 2023.

4. Annie Murphy joined the Board on 6 September 2023.

5. Kumsal Bayazit Besson joined the Board on 1 December 2023.

6. Loraine Woodhouse joined the Board on 1 October 2024.

Non-executive Directors' remuneration

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

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

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

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

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

1. Calculated using share price as at close of business on 13 September 2024 of 2,189p.

2. Emma Adamo is a director of Wittington Investments Limited which, together with its subsidiary, Howard Investments Limited, held 421,243,985 ordinary shares in Associated British Foods plc as at 14 September 2024.

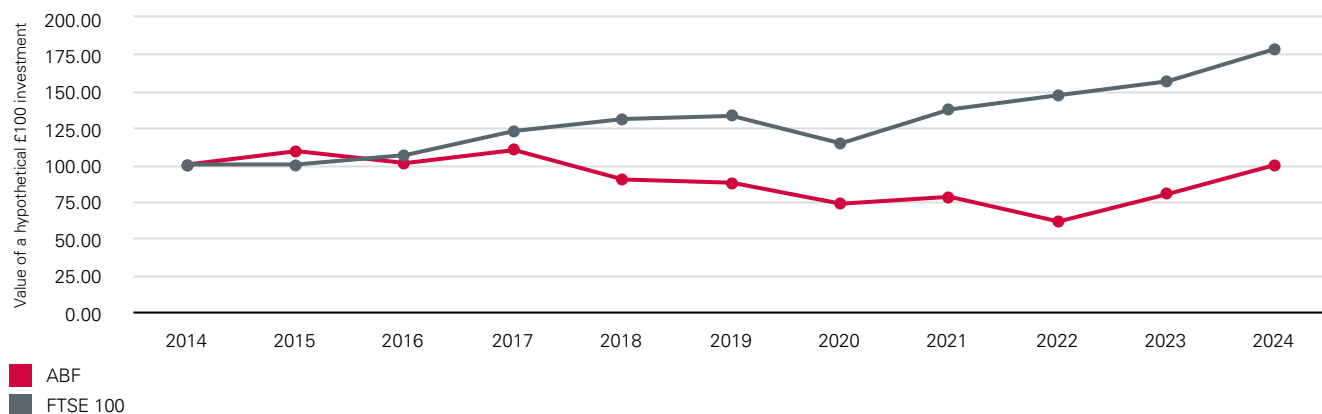
3. Wolfhart Hauser's shareholding is shown as at 18 January 2024 when his appointment ended.

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

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

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

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



Source: DataStream Return Index

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

Relative importance of spend on pay

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

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

Shareholder voting

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

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

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

Members of the Remuneration Committee

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

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

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

Role of the Committee

The Committee is responsible to the Board for determining:

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

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

Remuneration Committee advisers and fees

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

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

Compliance

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

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

Paul Lister
Company Secretary

5 November 2024

Directors' Report

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

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

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

Results and dividends

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

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

Directors

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

Appointment of directors

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

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

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

Power of directors

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

Directors' indemnities and insurance

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

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

Directors' share interests

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

Disclosures required under UK Listing Rule 6.6.1R

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

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

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

Relationship with controlling shareholders

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

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

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

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

Major interests in shares

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

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

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

Share capital

Details of the Company's share capital and the rights attached to the Company's shares are set out in note 22 on page 179. The Company has one class of share capital: ordinary shares of 5 ¹⁵/₂₂p. The rights and obligations attaching to these shares are governed by English law and the Articles.

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

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

Authority to issue shares

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

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

Authority to purchase own shares

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

During the financial year, the Company continued to buy back shares under its announced share buyback programmes in order to reduce the capital of the Company. In the financial year, the Company purchased a total of 23,649,281 of its ordinary shares of 5 ¹⁵/₂₂p (being approximately 3.1% of called-up share capital) for a total consideration of approximately £557,710,000. All such shares were subsequently cancelled. Further details of the Company's share capital are set out on page 179.

Amendment to Articles

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

Significant agreements – change of control

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

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

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

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

Political donations

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

Charitable donations

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

Financial risk management

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

Research and development

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

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

Branches

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

Disclosure of information to auditor

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

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

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

Auditor

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

Annual general meeting

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

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

Paul Lister
Company Secretary

5 November 2024

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

Company No. 293262

Statement of directors' responsibilities

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

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

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

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

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

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

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

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

Responsibility statement of the directors in respect of the Annual Report

We confirm that to the best of our knowledge:

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

On behalf of the Board

Michael McLintock
Chairman

George Weston
Chief Executive

Eoin Tonge
Finance Director

5 November 2024

Independent Auditor's report to the members of Associated British Foods plc

Opinion

In our opinion:

- Associated British Foods plc's consolidated financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the parent company's affairs as at 14 September 2024 and of the Group's profit for the 52 weeks then ended;
- the consolidated financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Associated British Foods plc (the 'parent company') and its subsidiaries (the 'Group') for the 52 weeks ended 14 September 2024 which comprise:

Group	Parent company
Consolidated balance sheet as at 14 September 2024	Balance sheet as at 14 September 2024
Consolidated income statement for the 52 weeks then ended	Statement of changes in equity for the 52 weeks then ended
Consolidated statement of comprehensive income for the 52 weeks then ended	Related notes 1 to 11 to the financial statements including material accounting policy information
Consolidated statement of changes in equity for the 52 weeks then ended	
Consolidated statement of cash flows for the 52 weeks then ended	
Related notes 1 to 30 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the consolidated financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the parent company and we remain independent of the Group and the parent company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group and parent company's ability to continue to adopt the going concern basis of accounting included:

- Understanding the process undertaken by management to evaluate the economic impacts of the principal risks on the Group and to reflect these in the Group's forecasts for the going concern period until 28 February 2026;
- Assessing the reasonableness of forecasts underpinning the going concern assessment which are based on the Board-approved budget;
- Analysing the historical accuracy of forecasting by comparing management's forecasts to actual results, for 2024 and through the post-balance sheet period and performing inquiries to the date of this report to determine whether forecast cash flows are reliable based on past experience;
- Considering whether the Group's forecasts in the going concern assessment were consistent with other forecasts used by the Group in its accounting estimates, including impairment;
- Confirming the opening cash and cash equivalents to the financial statements and the Group's facilities to the agreements and third party confirmations and agreeing the terms of the facilities to the underlying contracts;
- Considering the downside scenario identified by management in their assessment on page 87, assessing whether there are any other scenarios which should be considered, and assessing whether the quantum of the impact of the downside scenario in the going concern period was sufficiently severe whilst remaining plausible;
- Testing the clerical accuracy of the model used to prepare the Group's going concern assessment;
- Performing a reverse stress test to establish the decrease in liquidity that would lead to overall liquidity being exhausted and considering whether this scenario was plausible; and
- Assessing the appropriateness of the Group's disclosure concerning the going concern basis of preparation.

The audit procedures performed to address this risk were performed by the Group audit team.

We observed that the Group achieved the forecasts that it was targeting in 2024. We observed the significant liquidity that the Group has at its disposal that can be utilised if the modelled downside was to materialise. The Group has the facilities disclosed in note 26 which includes details of the maturities of those facilities.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and parent company's ability to continue as a going concern to 28 February 2026.

In relation to the Group and parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	<ul style="list-style-type: none"> We performed an audit of the complete financial information of 107 components and audit procedures on specific balances for a further 11 components. The components where we performed full or specific audit procedures accounted for 87% of adjusted profit before taxation, 87% of revenue and 85% of total assets.
Key audit matters	<ul style="list-style-type: none"> Assessment of the carrying value of goodwill, other intangible assets, property, plant and equipment, investment properties and right-of-use assets. Taxation provisions. Revenue recognition, including the risk of management override.
Materiality	<ul style="list-style-type: none"> We used a Group materiality of £98m which represents 5% of adjusted profit before taxation.

An overview of the scope of the parent company and Group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group.

Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account the level of revenue and adjusted profit before taxation, risk profile (including country risk, controls and internal audit findings and the extent of changes in management, systems and processes and the business environment) and other known factors when assessing the level of work to be performed at each entity.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 539 reporting components of the Group, we selected 118 components, which represent the principal business units within the Group.

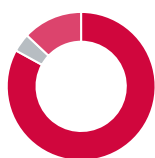
Of the 118 components selected, we performed an audit of the complete financial information of 107 components ("full scope components") which were selected based on their size or risk characteristics. For the remaining 11 components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 87% (2023 – 88%) of the Group's adjusted profit before taxation, 87% (2023 – 87%) of the Group's revenue and 85% (2023 – 86%) of the Group's total assets. For the current period, the full scope components contributed 83% (2023 – 79%) of the Group's adjusted profit before taxation, 84% (2023 – 84%) of the Group's revenue and 83% (2023 – 83%) of the Group's total assets. The specific scope components contributed 4% (2023 – 9%) of the Group's adjusted profit before taxation, 3% (2023 – 3%) of the Group's revenue and 2% (2023 – 3%) of the Group's total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

Of the remaining 421 components that together represent 13% of the Group's adjusted profit before taxation, none are individually greater than 1% of the Group's adjusted profit before taxation. For these components, we performed other procedures, including analytical review, testing of consolidation journals and intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group financial statements.

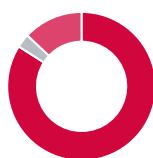
The charts below illustrate the coverage obtained from the work performed by our audit teams.

Adjusted profit before taxation



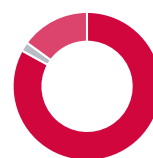
● Full scope components	83 %
● Specific scope components	4 %
● Other procedures	13 %

Revenue



● Full scope components	84 %
● Specific scope components	3 %
● Other procedures	13 %

Total assets



● Full scope components	83 %
● Specific scope components	2 %
● Other procedures	15 %

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the Group audit engagement team, or by component auditors from other EY global network firms operating under our instruction. Of the 107 full scope components, audit procedures were performed on 34 of these directly by the Group audit team and 73 by component audit teams. For the 11 specific scope components, where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

During the current audit cycle, we completed a combination of physical visits to component teams and alternative oversight procedures, including video meetings and live reviews of our local audit teams' working papers based on the risk and size of the components. Our physical visits included the senior statutory auditor visiting components in Ireland, Malawi, the United States of America and the United Kingdom and other senior members of the primary team physically visiting components in the United States of America, the Netherlands, Thailand, Switzerland, South Africa, Spain, Italy, the United Kingdom, Turkey and Poland. The alternative oversight procedures involved using video technology to meet with our component teams to discuss and direct their audit approach. We utilised our global audit software to review key working papers, oversee the work performed in response to the risk areas including asset impairment, tax provisions and revenue recognition and to assess the significant audit findings. We also held meetings with local management and obtained updates on IT systems implementations and local matters including tax, pensions and legal. The Group audit team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed key working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at a consolidated level, gave us appropriate evidence for our opinion on the Group financial statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact Associated British Foods plc. The Group has determined that the most significant future impacts from climate change on their operations will be from the impact on key agricultural crops, the impact of flooding on end to end supply chain including operations, resilience of workers to mitigate/adapt to climate change and transition risks as the world reduces its reliance on Carbon. These are explained on pages 67 to 70 in the Task Force On Climate Related Financial Disclosures and on pages 78 to 86 in the principal risks and uncertainties. The Group does not set group-wide climate-related commitments, in line with their devolved business model, rather the separate businesses set plans and commitments appropriate to their operations and supply chains. They have explained their climate commitments for ABF Sugar and Primark, on pages 70 to 77. All of these disclosures form part of the "Other information", rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit, we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in Material accounting policies (Climate change) how they have reflected the impact of climate change in their financial statements. These disclosures also explain where governmental and societal responses to climate change risks are still developing, and where the degree of certainty of these changes means that they cannot be taken into account when determining asset and liability valuations under the requirements of UK adopted International Accounting Standards.

Whilst the Group have stated their commitment to the aspirations of the Paris Agreement to achieve net zero emissions by 2050, they are currently unable to determine the full future economic impact on their business model, operational plans and customers to achieve this and therefore as set out above the potential impacts are not fully incorporated in these financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 85 to 86 and whether these have been appropriately reflected in asset values where these are determined through modelling future cash flows, being goodwill, other intangible assets, property, plant and equipment, investment properties, right-of-use assets and deferred tax assets. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures.

Based on our work, whilst we have not identified the impact of climate change on the financial statements to be a standalone key audit matter, we have considered the impact on the carrying value of goodwill, other intangible assets, property, plant and equipment, investment properties and right-of-use assets key audit matter. Details of the impact, our procedures and findings are included in our explanation of the key audit matter below.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Assessment of the carrying value of goodwill, other intangible assets, property, plant and equipment, investment properties and right-of-use assets (2024 – £10,354m; 2023 – £9,986m)</p> <p>The Group has significant carrying amounts of goodwill, other intangible assets, property, plant and equipment, investment properties and right-of-use assets. The most sensitive impairment tests covered Jordans Dorset Ryvita ('JDR') (£133m), the Don business (carrying value £111m) and Azucarera (carrying value £235m).</p> <p>Don and JDR continue to operate in environments where there is significant retailer pressure on price and competitor activity, which is further exacerbated by high inflationary costs and operational challenges.</p> <p>Azucarera operates in a traded commodity market and as such is exposed to trends in market price. There has been recent downward pressure on the price of European sugar which is not expected to abate in the short term.</p> <p>There is a risk that these cash generating units ('CGUs') or groups of CGUs may not achieve the anticipated business performance to support their carrying value, or that the estimated fair value less cost to sell of a disposal group may not support its carrying value. This could lead to an impairment charge that has not been recognised by management.</p> <p>Significant estimation is required in forecasting the future cash flows of each CGU or, in the case of goodwill, group of CGUs, together with the rate at which they are discounted.</p> <p>This risk existed in the prior year as well. We focus our audit effort on those businesses where we believe there is greater risk of impairment.</p> <p>Refer to the Audit Committee Report (page 107); accounting policies (pages 151 to 153); accounting estimates and judgements (page 154); and notes 8, 9, 10 and 11 to the consolidated financial statements (pages 164 to 169).</p>	<p>We understood the methodology applied by management in performing its impairment test for each of the relevant CGUs or groups of CGUs and walked through the controls over the process but did not test their operating effectiveness.</p> <p>For CGUs where there were indicators of impairment or low levels of headroom, including the three CGUs described, we performed detailed testing to critically assess and corroborate the key inputs to the impairment tests, including:</p> <ul style="list-style-type: none"> Analysing the historical accuracy of budgets to actual results to determine whether forecast cash flows are reliable; For JDR, we critically challenged and evaluated the key assumptions adopted in managements' forecasts. Where assumptions in our opinion could not be supported or appeared, in our view, optimistic these have been risk adjusted and/or removed in our analysis. We calculated the breakeven level of operating profit required and assessed this in the context of historical performance of the business; For Don, we challenged management's key assumptions within the impairment model for optimism and performed an independent assessment of the fair value of underlying assets. We used specialists to assess property and brand values in line with IFRS 13; For Azucarera, we challenged the key assumptions adopted in management's forecasts by performing stress test analysis on the key estimates, assessing the impact on the underlying cash flows. This included sensitising assumptions relating to crop yields and the impact of climate factors on these; In conjunction with our valuation specialists, assessing the discount rates used by independently determining a range of acceptable rates for each CGU, considering market data and comparable organisations, and comparing these ranges to the rates used by management; Validating the long-term growth rates assumed by comparing them to economic and industry forecasts that we obtained independently; and Considering any contra evidence obtained during the course of the audit. <p>For all CGUs we calculated the degree to which the key inputs and assumptions would need to fluctuate before an impairment is triggered and we considered the likelihood of this occurring. We performed our own sensitivities on the Group's forecasts. We then determined whether adequate headroom remained using these sensitivities and our independent assessment.</p> <p>We assessed the disclosures in notes 8, 9, 10 and 11 against the requirements of IAS 36, in particular in respect of the requirement to disclose further sensitivities for CGUs where a reasonably possible change in a key assumption would cause an impairment.</p> <p>The JDR, Don and Azucarera CGUs were subject to full scope audit procedures by the respective component teams, directed, and reviewed, by the Group audit team.</p>	<p>For JDR, Don and Azucarera, we concluded that no impairments were required at the period end, based on the results of our work.</p> <p>Assets relating to JDR and Azucarera remain sensitive to reasonably possible changes in key assumptions. Management discloses these sensitivities appropriately in the intangible assets and property, plant and equipment notes to the consolidated financial statements, in accordance with the requirements of IAS 36.</p>

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Tax provisions for uncertain tax positions £82m (2023 –£55m) included within the income tax liability of £133m (2023 – £109m).</p> <p>The global nature of the Group's operations results in complexities in the payment of, and accounting for, tax.</p> <p>Management applies judgement in assessing tax exposures in each jurisdiction, which require interpretation of local tax laws.</p> <p>Given this judgement, there is a risk that tax provisions are misstated.</p> <p>This risk existed in the prior year as well. Refer to the Audit Committee Report (page 108); accounting policies (page 150); accounting estimates and judgements (page 154); and note 5 to the consolidated financial statements (pages 161 to 162).</p>	<p>We understood:</p> <ul style="list-style-type: none"> • The Group's process for determining the completeness and measurement of provisions for tax; • The methodology for the calculation of the tax provision and considered whether this is compliant with IFRIC 23 requirements; and • Management's controls over tax reporting but did not test the operating effectiveness of these controls. <p>The Group audit team, including tax specialists, evaluated the tax positions taken by management in each significant jurisdiction in the context of local tax law outcomes, correspondence with tax authorities and the status of any tax audits. Our work utilised additional support from country tax specialists in five jurisdictions where the Group had more significant tax exposures.</p> <p>We assessed the Group's transfer pricing judgements, considering the way in which the Group's businesses operate and the correspondence and agreements reached with tax authorities.</p> <p>We considered the impact of BEPS 2.0 to the extent legislation is enacted and whether this creates any additional tax uncertainties for which a provision is required.</p> <p>In evaluating management's accounting, we developed our own range of acceptable provisions for the Group's tax exposures, based on the evidence we obtained. We then compared management's provision to our independently determined range.</p>	<p>We have evaluated the Group's tax provisions and challenged the judgements applied.</p> <p>We consider provisions for uncertain tax positions to be within an acceptable range in the context of the Group's overall tax exposures.</p>

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Revenue recognition, including the risk of management override £20,073m (2023 – £19,750m)</p> <p>There continues to be pressure to meet expectations and targets. Management reward and incentive schemes, based on achieving profit targets and working capital as a percentage of revenue targets, may also place pressure on management to manipulate revenue recognition.</p> <p>The majority of the Group's sales arrangements are generally straightforward, being on a point of sale basis and requiring little judgement to be exercised. However, in the Grocery segment, management estimates the level of trade promotions and rebates to be applied to its sales to customers, adding a level of judgement to revenue recognition. Rebates and other promotions are approximately 3% (2023 – 3%) of the Group's gross revenue.</p> <p>There is a risk that management may override controls intentionally to misstate revenue transactions, either through the judgements made in estimating rebates in the Grocery segment or by recording fictitious revenue transactions across the business.</p> <p>This risk existed in the prior year as well. Refer to the accounting policies (page 149) and note 1 to the consolidated financial statements (pages 155 to 158).</p>	<p>We understood the revenue recognition policies and how they are applied, including the relevant controls, we did not test the operating effectiveness of these controls.</p> <p>We discussed key contractual arrangements with management and obtained relevant documentation, including in respect of trade promotions and rebate arrangements. Where rebate arrangements existed, on a sample basis, we obtained third-party confirmations or performed appropriate alternative procedures, including reviewing contracts and recalculating rebates. We also performed hindsight analysis over changes to prior period rebate estimates to challenge the assumptions made, including assessing the estimates for evidence of management bias.</p> <p>For several businesses, including Primark, as part of our overall revenue recognition testing, we used data analysis tools on revenue transactions in the period to test the correlation of revenue to cash and sample tested to cash receipts to verify the occurrence of revenue. This provided us with assurance over £17.2bn (86%) (2023 – £17.1bn (87%)) of revenue recognised by the Group. For those in-scope businesses where we did not use data analysis tools, we performed alternative procedures over revenue recognition such as detailed transaction testing to invoices and payments.</p> <p>We performed other audit procedures specifically designed to address the risk of management override of controls in addition to the correlation testing including journal entry testing, applying particular focus to manual journals.</p> <p>We performed full and specific scope audit procedures over this risk area in 79 locations, which covered 87% of the Group's revenue.</p> <p>The audit procedures performed to address this risk were performed by component teams and reviewed by the Group audit team.</p>	<p>Based on the procedures performed, including those in respect of trade promotions and rebates in the Grocery segment, we did not identify any evidence of management override or material misstatement in the revenue recognised in the period.</p>

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £98m (2023 – £66m), which is 5% (2023 – 5%) of adjusted profit before taxation. We believe that adjusted profit before taxation provides us with the most relevant performance measure to the stakeholders of the entity and therefore have determined Group materiality based on this number. We determined materiality for the parent company to be £79m (2023 – £49m), which is 2% (2023 – 2%) of equity.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2023 – 75%) of our planning materiality, namely £73m (2023 – £50m).

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality.

The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component.

In the current year, the range of performance materiality allocated to components was £2m to £43m (2023 – £1m to £20m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £1m (2023 – £1m) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report set out on pages 1 to 131, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 87
- Directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on pages 87;
- Director's statement on whether they have a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on pages 87;
- Directors' statement on fair, balanced and understandable set out on page 105;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 106;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 105; and
- The section describing the work of the Audit Committee set out on page 104 to 110.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 131 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK adopted International Accounting Standards, United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006 and the UK Corporate Governance Code) and the relevant tax laws and regulations in the jurisdictions in which the Group operates. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being the UK Listing Rules of the UK Listing Authority, and those laws and regulations relating to health and safety, employee matters, food standards and food safety.
- We understood how Associated British Foods plc is complying with those frameworks by observing the oversight of those charged with governance, the culture of honesty and ethical behaviour and whether a strong emphasis is placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings or influence the perceptions of analysts.

We considered the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. To support in these procedures, we engaged forensics specialists to assist in assessing risk factors, and where appropriate, to aid in designing procedures to address the risk.

- Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and testing the authorisation of certain significant supplier contracts and payments related to capitalisation of assets, and were designed to provide reasonable assurance that the financial statements were free from material fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved: journal entry testing, with a focus on manual consolidation journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of legal counsel, Group management, internal audit, divisional management and all full and specific scope management; and focused testing, as referred to in the key audit matters section above.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

Following the recommendation from the Audit Committee, we were appointed by the shareholders on 4 December 2015 to audit the financial statements for the 52 weeks ending 17 September 2016 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is nine years, covering the 52 weeks ending 17 September 2016 until the 52 weeks ending 14 September 2024. The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Simon O'Neill (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor

Birmingham

5 November 2024

Independent Assurance Statement to Associated British Foods plc

Scope

We have been engaged by Associated British Foods plc ('Associated British Foods' or the 'Group') to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, hereafter referred to as the engagement, to report on the Group selected non-financial indicators as listed below in Table 1 (the 'Subject Matter') for the year ended 31 July 2024 (or for the 52 weeks ended 14 September 2024 for metrics marked with an asterisk) contained in the Group's 2024 Annual Report and in the 2024 Data subsection of the Responsibility section of the Associated British Foods website (together the 'Reports').

The Subject Matter, as listed in Table 1, is also marked with a Δ symbol in the Reports:

Table 1. List of selected non-financial indicators

Topic	Indicator name
Associated British Foods – Group	
Health and Safety (H&S)	<ul style="list-style-type: none"> • 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 on-site • Number of LTIs to contractors on-site • LTIs rate (%) to employees on-site • LTIs rate (%) to contractors on-site
Environment	<ul style="list-style-type: none"> • Total energy consumed (GWh) • Total electricity exported (GWh) • Percentage of renewable energy (%) • Total energy exported (GWh) • Biogenic carbon emissions (tCO₂e) • Greenhouse gas emissions (tCO₂e) consisting of <ul style="list-style-type: none"> • Scope 1 • Scope 2 location-based • Scope 2 market-based • 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) • Total water abstracted (m³) • Water reused or recycled (m³) • Effluent leaving the site for final disposal (m³)
People	<ul style="list-style-type: none"> • Number of employees* • Percentage of women in workforce (%)*
Operational	<ul style="list-style-type: none"> • Tonnes of product
Business segment specific – Primark	
Environment	<ul style="list-style-type: none"> • Greenhouse gas emissions (Scope 1, 2 and 3) (tCO₂e) • Percentage of our clothing unit sales containing recycled or more sustainably sourced materials (%) • Number of farmers trained in Primark Cotton Project • Selling space (sqm)* • Number of countries of operation*

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Reports, and accordingly, we do not express a conclusion on this information.

Criteria applied by Associated British Foods

In preparing the Subject Matter, Associated British Foods has applied the 'Methodologies' and 'Scope of reporting' published within the 2024 Data subsection of the Responsibility section of the Associated British Foods website (the 'Criteria').

Associated British Foods' responsibilities

Associated British Foods' management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)')* and the terms of reference for this engagement as agreed with Associated British Foods plc on 28 June 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Engaging with selected members of the Group's leadership and senior management to discuss the governance structures around the preparation of the Subject Matter.
- Meeting with key data owners within each division and the central team to understand the processes for recording, aggregating, calculating, and reporting the Subject Matter as it relates to the Group's consolidated figures.
- Undertaking analytical procedures on the Subject Matter and making enquiries of management to obtain explanations for any significant differences we identified.
- Analysing each division's contribution to the Group's consolidated figures to identify material risk areas and applying analytical procedures to assess the accuracy and completeness of the Subject Matter, consistent with the established Criteria.
- Testing, on a sample basis, underlying source information to check the accuracy of the Subject Matter.
- Recalculating the group-level computations to assess the accuracy of data aggregation and consolidation for reporting purposes.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the year ended 31 July 2024 (or for the 52 weeks ended 14 September 2024 for metrics marked with an asterisk), in order for it to be in accordance with the Criteria.

Use of our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance statement or its conclusions to any persons, or for any purpose other than that for which it was prepared.

Accordingly, we accept no liability whatsoever, whether in contract, tort or otherwise, to any third party for any consequences of the use or misuse of this assurance statement or its conclusion.

Ernst & Young LLP

Birmingham

5 November 2024

Consolidated income statement

for the 52 weeks ended 14 September 2024

		2024 £m	2023 £m
Continuing operations	Note		
Revenue	1	20,073	19,750
Operating costs before exceptional items	2	(18,239)	(18,410)
Exceptional items	2	(35)	(109)
		1,799	1,231
Share of profit after tax from joint ventures and associates	12	117	124
Profits less losses on disposal of non-current assets		16	28
Operating profit		1,932	1,383
Adjusted operating profit	1	1,998	1,513
Profits less losses on disposal of non-current assets		16	28
Amortisation of non-operating intangibles	8	(40)	(41)
Acquired inventory fair value adjustments	2	(2)	(3)
Transaction costs	2	(5)	(5)
Exceptional items	2	(35)	(109)
Profits less losses on sale and closure of businesses	23	26	(3)
Profit before interest		1,958	1,380
Finance income	4	71	48
Finance expense	4	(135)	(128)
Other financial income	4	23	40
Profit before taxation		1,917	1,340
Adjusted profit before taxation		1,957	1,473
Profits less losses on disposal of non-current assets		16	28
Amortisation of non-operating intangibles	8	(40)	(41)
Acquired inventory fair value adjustments	2	(2)	(3)
Transaction costs	2	(5)	(5)
Exceptional items	2	(35)	(109)
Profits less losses on sale and closure of businesses	23	26	(3)
Taxation – UK (excluding tax on exceptional items)		(108)	(40)
– UK (on exceptional items)		5	–
– Overseas (excluding tax on exceptional items)		(335)	(300)
– Overseas (on exceptional items)		1	68
	5	(437)	(272)
Profit for the period		1,480	1,068
Attributable to			
Equity shareholders		1,455	1,044
Non-controlling interests		25	24
Profit for the period		1,480	1,068
Basic and diluted earnings per ordinary share (pence)	7	193.7	134.2
Dividends per share paid and proposed for the period (pence)	6	63.0	47.3
Special dividend per share proposed for the period (pence)	6	27.0	12.7

Consolidated statement of comprehensive income

for the for the 52 weeks ended 14 September 2024

	Note	2024 £m	2023 £m
Profit for the period recognised in the income statement		1,480	1,068
Other comprehensive income			
Remeasurements of defined benefit schemes	13	38	(7)
Deferred tax associated with defined benefit schemes		(10)	4
Items that will not be reclassified to profit or loss		28	(3)
Effect of movements in foreign exchange		(349)	(470)
Net gain on hedge of net investment in foreign subsidiaries		–	1
Net loss on other investments held at fair value through other comprehensive income		(5)	–
Deferred tax associated with movements in foreign exchange		–	(5)
Current tax associated with movements in foreign exchange		(2)	6
Movement in cash flow hedging position		(51)	(260)
Deferred tax associated with movement in cash flow hedging position		13	40
Deferred tax associated with movement in other investments		1	–
Share of other comprehensive loss of joint ventures and associates		(10)	(18)
Effect of hyperinflationary economies		59	40
Items that are or may be subsequently reclassified to profit or loss		(344)	(666)
Other comprehensive loss for the period		(316)	(669)
Total comprehensive income for the period		1,164	399
Attributable to			
Equity shareholders		1,159	397
Non-controlling interests		5	2
Total comprehensive income for the period		1,164	399

Consolidated balance sheet

at 14 September 2024

	Note	2024 £m	2023 £m
Non-current assets			
Intangible assets	8	1,896	1,870
Property, plant and equipment	9	6,098	5,674
Investment properties	10	105	107
Right-of-use assets	11	2,255	2,335
Investments in joint ventures	12	286	303
Investments in associates	12	95	91
Employee benefits assets	13	1,506	1,446
Income tax		–	23
Deferred tax assets	14	223	193
Other receivables	15	30	63
Total non-current assets		12,494	12,105
Current assets			
Inventories	16	2,942	3,207
Biological assets	17	94	99
Trade and other receivables	15	1,697	1,778
Derivative assets	26	28	96
Current asset investments	18,25	334	–
Income tax		102	102
Cash and cash equivalents	18	1,323	1,457
Total current assets		6,520	6,739
Total assets		19,014	18,844
Current liabilities			
Lease liabilities	11	(267)	(335)
Loans and overdrafts	19	(159)	(168)
Trade and other payables	20	(2,934)	(2,953)
Derivative liabilities	26	(97)	(69)
Income tax		(133)	(109)
Provisions	21	(78)	(55)
Total current liabilities		(3,668)	(3,689)
Non-current liabilities			
Lease liabilities	11	(2,798)	(2,825)
Loans	19	(454)	(394)
Provisions	21	(60)	(48)
Deferred tax liabilities	14	(682)	(626)
Employee benefits liabilities	13	(74)	(69)
Total non-current liabilities		(4,068)	(3,962)
Total liabilities		(7,736)	(7,651)
Net assets		11,278	11,193
Equity			
Issued capital	22	42	44
Other reserves	22	177	179
Translation reserve	22	(383)	(42)
Hedging reserve	22	(45)	2
Retained earnings		11,395	10,910
Total equity attributable to equity shareholders		11,186	11,093
Non-controlling interests		92	100
Total equity		11,278	11,193

The financial statements on pages 142 to 210 were approved by the Board of Directors on 5 November 2024 and were signed on its behalf by:

Michael McLintock
Chairman

Eoin Tonge
Finance Director

Consolidated cash flow statement

for the 52 weeks ended 14 September 2024

	Note	2024 £m	2023 £m
Cash flow from operating activities			
Profit before taxation		1,917	1,340
Profits less losses on disposal of non-current assets		(16)	(28)
Profits less losses on sale and closure of businesses		(26)	3
Transaction costs	2	5	5
Finance income	4	(71)	(48)
Finance expense	4	135	128
Other financial income	4	(23)	(40)
Share of profit after tax from joint ventures and associates	12	(117)	(124)
Amortisation	8	100	82
Depreciation (including of right-of-use assets)		849	804
Exceptional items	2	35	109
Acquired inventory fair value adjustments		2	3
Effect of hyperinflationary economies		21	14
Net change in the fair value of current biological assets		(22)	(11)
Share-based payment expense	24	31	18
Pension costs less contributions		58	(8)
Decrease/(increase) in inventories		169	(94)
Decrease/(increase) in receivables		23	(107)
Increase/(decrease) in payables		113	(15)
Purchases less sales of current biological assets		1	(9)
Increase/(decrease) in provisions		30	(27)
Cash generated from operations		3,214	1,995
Income taxes paid		(340)	(341)
Net cash generated from operating activities		2,874	1,654
Cash flow from investing activities			
Dividends received from joint ventures and associates	12	105	107
Purchase of property, plant and equipment		(1,124)	(997)
Purchase of intangibles		(60)	(76)
Lease incentives received		40	62
Sale of property, plant and equipment		43	48
(Increase)/decrease in current asset investments	25	(334)	3
Purchase of subsidiaries, joint ventures and associates	23	(93)	(94)
Sale of subsidiaries, joint ventures and associates		24	4
Purchase of other investments		(4)	(4)
Interest received		71	44
Net cash used in investing activities		(1,332)	(903)
Cash flow from financing activities			
Dividends paid to non-controlling interests		(13)	(7)
Dividends paid to equity shareholders	6	(502)	(345)
Interest paid		(140)	(118)
Repayment of lease liabilities	25	(348)	(308)
Decrease in short-term loans	25	(50)	(13)
Increase in long-term loans	25	66	–
Share buyback		(562)	(448)
Movement from changes in own shares held		(20)	(46)
Net cash used in financing activities		(1,569)	(1,285)
Net decrease in cash and cash equivalents	25	(27)	(534)
Cash and cash equivalents at the beginning of the period		1,388	1,995
Effect of movements in foreign exchange		(126)	(73)
Cash and cash equivalents at the end of the period	25	1,235	1,388

Consolidated statement of changes in equity

for the 52 weeks ended 14 September 2024

	Note	Attributable to equity shareholders					Non-controlling interests	Total equity
		Issued capital	Other reserves	Translation reserve	Hedging reserve	Retained earnings		
		£m	£m	£m	£m	£m	£m	£m
Balance as at 17 September 2022		45	178	422	154	10,649	11,448	106
Total comprehensive income								
Profit for the period recognised in the income statement		–	–	–	–	1,044	1,044	24
Remeasurements of defined benefit schemes		–	–	–	–	(7)	(7)	–
Deferred tax associated with defined benefit schemes	13	–	–	–	–	4	4	–
Items that will not be reclassified to profit or loss		–	–	–	–	(3)	(3)	–
Effect of movements in foreign exchange		–	–	(448)	–	–	(448)	(22)
Net gain on hedge of net investment in foreign subsidiaries		–	–	1	–	–	1	–
Deferred tax associated with movements in foreign exchange		–	–	(5)	–	–	(5)	–
Current tax associated with movements in foreign exchange		–	–	6	–	–	6	–
Movement in cash flow hedging position		–	–	–	(260)	–	(260)	–
Deferred tax associated with movement in cash flow hedging position		–	–	–	40	–	40	–
Share of other comprehensive income of joint ventures and associates		–	–	(18)	–	–	(18)	–
Effect of hyperinflationary economies		–	–	–	–	40	40	–
Items that are or may be subsequently reclassified to profit or loss		–	–	(464)	(220)	40	(644)	(22)
Other comprehensive income		–	–	(464)	(220)	37	(647)	(22)
Total comprehensive income		–	–	(464)	(220)	1,081	397	2
Inventory cash flow hedge movements								
Amounts transferred to cost of inventory		–	–	–	68	–	68	–
Total inventory cash flow hedge movements		–	–	–	68	–	68	–
Transactions with owners								
Dividends paid to equity shareholders	6	–	–	–	–	(345)	(345)	–
Net movement in own shares held		–	–	–	–	(28)	(28)	–
Share buyback		(1)	1	–	–	(448)	(448)	–
Deferred tax associated with share-based payments		–	–	–	–	1	1	–
Dividends paid to non-controlling interests		–	–	–	–	–	–	(8)
Total transactions with owners		(1)	1	–	–	(820)	(820)	(8)
Balance as at 16 September 2023		44	179	(42)	2	10,910	11,093	100

Consolidated statement of changes in equity continued

for the 52 weeks ended 14 September 2024

	Note	Attributable to equity shareholders					Non-controlling interests	Total equity
		Issued capital	Other reserves	Translation reserve	Hedging reserve	Retained earnings		
		£m	£m	£m	£m	£m	£m	£m
Balance as at 16 September 2023		44	179	(42)	2	10,910	11,093	100
Total comprehensive income								
Profit for period recognised in income statement		–	–	–	–	1,455	1,455	25
Remeasurements of defined benefit schemes	13	–	–	–	–	38	38	–
Deferred tax associated with defined benefit schemes		–	–	–	–	(10)	(10)	–
Items that will not be reclassified to profit or loss		–	–	–	–	28	28	–
Effect of movements in foreign exchange		–	–	(329)	–	–	(329)	(20)
Net loss on other investments held at fair value through OCI		–	(5)	–	–	–	(5)	–
Current tax associated with movements in foreign exchange		–	–	(2)	–	–	(2)	–
Movement in cash flow hedging position		–	–	–	(51)	–	(51)	–
Deferred tax associated with movement in cash flow hedging position		–	–	–	13	–	13	–
Deferred tax associated with movement in other investments		–	1	–	–	–	1	–
Share of other comprehensive income of joint ventures and associates		–	–	(10)	–	–	(10)	–
Effect of hyperinflationary economies		–	–	–	–	59	59	–
Items that are or may be subsequently reclassified to profit or loss		–	(4)	(341)	(38)	59	(324)	(20)
Other comprehensive income		–	(4)	(341)	(38)	87	(296)	(20)
Total comprehensive income		–	(4)	(341)	(38)	1,542	1,159	5
Inventory cash flow hedge movements								
Amounts transferred to cost of inventory		–	–	–	(9)	–	(9)	–
Total inventory cash flow hedge movements		–	–	–	(9)	–	(9)	–
Transactions with owners								
Dividends paid to equity shareholders	6	–	–	–	–	(502)	(502)	–
Net movement in own shares held		–	–	–	–	11	11	–
Share buyback		(2)	2	–	–	(568)	(568)	–
Current tax associated with share-based payments		–	–	–	–	2	2	–
Dividends paid to non-controlling interests		–	–	–	–	–	–	(13)
Total transactions with owners		(2)	2	–	–	(1,057)	(1,057)	(13)
Balance as at 14 September 2024		42	177	(383)	(45)	11,395	11,186	92

Material accounting policies

for the 52 weeks ended 14 September 2024

Associated British Foods plc is domiciled in the United Kingdom. The Company's consolidated financial statements for the 52 weeks ended 14 September 2024 comprise those of the Company, its subsidiaries and its interest in joint ventures and associates.

The directors authorised the consolidated financial statements for issue on 5 November 2024. The directors prepared and approved the consolidated financial statements in accordance with UK-adopted IAS ('Adopted IFRS').

The Company has elected to prepare the parent company financial statements under FRS 101. These are presented on pages 211 to 217.

Basis of preparation

The Company presents its consolidated financial statements in sterling, rounded to the nearest million, prepared on the historical cost basis except that current biological assets and certain financial instruments are stated at fair value, and assets classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements under Adopted IFRS requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, income and expenses and the disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on experience. Actual results may differ from these estimates.

Judgements made by management in the application of Adopted IFRS that have a significant effect on the financial statements, and estimates with a significant risk of material adjustment next year, are discussed in Accounting estimates and judgements detailed on page 154.

The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognised prospectively from when the estimates are revised.

The accounting policies set out below apply to all periods presented, except where stated otherwise.

Details of accounting standards which came into force in the year are set out at the end of this note.

The Group's consolidated financial statements are prepared to the Saturday nearest to 15 September. Accordingly, they have been prepared for the 52 weeks ended 14 September 2024 (2023 – 52 weeks ended 16 September 2023).

To avoid delay in the preparation of the consolidated financial statements, the results of certain subsidiaries, joint ventures and associates are included to 31 August each year.

Adjustments have been made where appropriate for significant transactions or events occurring between 31 August and 14 September.

The Group's business activities, together with factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 87. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial review on pages 44 to 47.

In addition, the principal risks and uncertainties on pages 78 to 86 and note 26 on pages 183 to 194 provide details of the Group's policy on managing its financial and commodity risks.

Going concern

After making enquiries, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the consolidated financial statements.

The forecast for the going concern assessment period to 28 February 2026 has been updated for the business's latest trading in October and is the best estimate of cash flow in the period.

The Board's treasury policies are in place to maintain a strong capital base and manage the Group's balance sheet and liquidity to ensure long-term financial stability. These policies are the basis for investor, creditor and market confidence and enable the successful development of the business. The financial leverage policy requires that, in the ordinary course of business, the Board prefers to see the Group's ratio of total net debt including lease liabilities to adjusted EBITDA to be well under 1.5x. At the end of this financial year, the financial leverage ratio was 0.7x. At the end of the financial year, the Group had total cash, cash equivalents and current asset investments of £1.7bn and an undrawn committed Revolving Credit Facility of £1.5bn. The Revolving Credit Facility is free of performance covenants and matures in 2029, after a further one year extension was made in April 2024. The \$100m of outstanding private placement notes were repaid on 2 April 2024, after which point Group funding is not subject to financial performance covenants.

In reviewing the cash flow forecast for the period, the directors reviewed the trading for both Primark and the food businesses in light of the experience gained from events of the last three years of trading and emerging trading patterns. The directors have a thorough understanding of the risks, sensitivities and judgements included in these elements of the cash flow forecast and have a high degree of confidence in these cash flows.

As a downside scenario, the directors considered the adverse scenario in which inflationary costs are not fully recovered, high levels of volatility in key commodities prices without price adjustments, adverse movement to the cash conversion cycle within the Group and server IT outages leading to extended periods of non-operation. This downside scenario was modelled without taking any mitigating actions within their control. Under this downside scenario the Group forecasts liquidity throughout the period.

In addition, the directors also considered the circumstances which would be needed to exhaust the Group's total liquidity over the assessment period – a reverse stress test. This indicates that, on top of the downside scenario outlined above, annual profit before tax would need to decline by 17% without any price increases or other mitigating actions being taken before total liquidity is exhausted. The likelihood of these circumstances is considered remote for two reasons. Firstly, over such a period, management could take substantial mitigating actions, such as reviewing pricing, taking cost-cutting measures and reducing capital investment. Secondly, the Group has significant business and asset diversification and would be able to, if it were necessary, dispose of assets and/or businesses to raise considerable levels of funds.

Climate change

In preparing the consolidated financial statements, management has considered the impact of climate change, particularly in the context of the TCFD disclosures set out on pages 66 to 77 and the Group's sustainability targets. These considerations did not have a material impact on the financial reporting judgements and estimates, consistent with the assessment that climate change is not expected to have a significant impact on the Group's going concern assessment to 28 February 2026 nor the viability of the Group over the next three years.

Management has considered the impact of climate change on a number of key estimates within the financial statements, including the estimates of future cash flows used in impairment assessments of the carrying value of goodwill and other non-current assets. The assessment with respect to the impact of climate change will be kept under review by management, as the future impacts depend on factors outside of the Group's control, which are not all currently known.

Basis of consolidation

These consolidated financial statements include the results of the Company and its subsidiaries from the date that control commences to the date that control ceases.

They also include the Group's share of the after-tax results, other comprehensive income and net assets of its joint ventures and associates on an equity-accounted basis from the point at which joint control or significant influence respectively commences, to the date that it ceases.

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to direct the activities of an entity so as to affect significantly the returns of that entity.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for within equity.

All the Group's joint arrangements are joint ventures, which are entities over whose activities the Group has joint control, typically established by contractual agreement and requiring the venturers' unanimous consent for strategic, financial and operating decisions.

Associates are those entities in which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity, but which does not amount to control or joint control.

Where the Group's share of losses exceeds its interest in a joint venture or associate, the carrying amount is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

Control, joint control and significant influence are generally assessed by reference to equity shareholdings and voting rights.

Business acquisitions

On acquisition of a business, the Group attributes fair values to the identifiable assets, liabilities and contingent liabilities acquired, reflecting conditions at the date of acquisition. These include aligning accounting policies with those of the Group.

The Group finalises provisional fair values within 12 months of the date of acquisition and, where significant, reflects them by restatement of the comparative period in which the acquisition occurred.

The Group measures non-controlling interests at the proportionate share of the net identifiable assets acquired.

The Group remeasures existing equity interests in the acquiree to fair value at the date of acquisition, with any resulting gain or loss taken to the income statement.

Goodwill arising on acquisition of a business is the excess of the remeasured carrying amount of any existing equity interest plus the fair value of consideration payable for the additional stake over the fair value of the share of net identifiable assets and liabilities acquired (including separately identified intangible assets), net of non-controlling interests. Total consideration does not include transaction costs, which the Group expenses as incurred.

The Group measures contingent consideration at fair value at the date of acquisition, classified as a liability or equity (usually as a liability).

Other than for the finalisation of provisional fair values, the Group accounts for changes in contingent consideration classified as a liability in the income statement.

Revenue

Revenue represents the value of sales made to customers after deduction of discounts, sales taxes and a provision for returns. Discounts include sales rebates, price discounts, customer incentives, some promotional activities and similar items. Revenue does not include sales between group companies.

The Group recognises revenue when performance obligations are satisfied, goods are delivered to customers and control of goods is transferred to the buyer.

In the food businesses, the Group generally recognises revenue from the sale of goods on dispatch or delivery to customers, dependent on shipping terms, and provides for discounts and returns as a reduction to revenue when sales are recorded, based on management's best estimate of the amount required to meet claims by customers, taking into account contractual and legal obligations, historical trends and past experience.

In the Retail business, the Group generally recognises revenue from the sale of goods when a customer purchases goods and provides for returns as a reduction to revenue when sales are recorded, based on management's best estimate of the amount required to meet claims by customers, taking into account historical trends and past experience.

Borrowing costs

The Group accounts for borrowing costs using the effective interest method. The Group capitalises borrowing costs directly attributable to the acquisition, construction or production of qualifying items of property, plant and equipment as part of their cost.

Foreign currencies

Individual group companies record transactions in foreign currencies at the exchange rate at the date of the transaction, and translate monetary assets and liabilities in foreign currencies at the exchange rate at the balance sheet date, with any resulting differences taken to the income statement, unless designated in a hedging relationship, in which case hedge accounting applies.

Material accounting policies

for the 52 weeks ended 14 September 2024

On consolidation, the Group translates the assets and liabilities of operations denominated in foreign currencies into sterling at the exchange rate at the balance sheet date and the income statements of those operations into sterling at average exchange rates.

The Group records differences arising from the retranslation of opening net assets of group companies, together with differences arising from the restatement of the net results of group companies from average exchange rates to those at the balance sheet date, in the translation reserve in equity.

Pensions and other post-employment benefits

The Group's pension and other post-employment benefit arrangements comprise defined benefit plans, defined contribution plans and other unfunded post-employment plans.

For defined benefit plans, the income statement charge comprises the cost of benefits earned by members and benefit improvements granted to members during the year, as well as net interest income/expense calculated by applying the liability discount rate to the opening net pension asset or liability.

The Group records the difference between the market value of scheme assets and the present value of scheme liabilities on a scheme-by-scheme basis as net pension assets (to the extent recoverable) or liabilities.

The Group recognises remeasurements and movements in irrecoverable surpluses in other comprehensive income.

The Group charges contributions payable in respect of defined contribution plans to operating profit as incurred.

The Group accounts for other unfunded post-employment plans in the same way as defined benefit plans.

Share-based payments

The Group recognises the fair value of share awards at grant date as an employee expense with a corresponding increase in equity, spread over the period during which employees become unconditionally entitled to the shares.

The Group adjusts the amount recognised to reflect expected and actual levels of vesting except where the failure to vest is as a result of not meeting a market condition.

Income tax

Income tax on profit or loss comprises current and deferred tax. The Group recognises income tax in the income statement except to the extent that it relates to items taken directly to equity.

Current tax is the tax expected to be payable on taxable income, using tax rates enacted or substantively enacted, together with any adjustment to tax payable in respect of prior periods.

The Group provides for deferred tax using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

The Group does not provide for the following temporary differences: initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The Group bases the amount of deferred tax provided on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

The Group recognises deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

The Group offsets deferred tax assets and liabilities if, and only if, it has a legally enforceable right to set off current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

As required by IAS 12, the Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group recognises income tax arising from dividend distributions at the same time as the liability to pay the related dividend.

Financial assets and liabilities

The Group recognises financial assets and liabilities when it becomes a party to the contractual provision of the relevant financial instrument.

Trade and other receivables

The Group records trade and other receivables initially at fair value and subsequently at amortised cost. This generally results in recognition at nominal value less an expected credit loss provision, which is recognised based on management's expectation of losses without regard to whether or not a specific impairment trigger has occurred.

Other non-current receivables

Other non-current receivables comprise minority shareholdings in private companies.

The Group records minority shareholdings in private companies initially at fair value, including directly attributable transaction costs, and subsequently at fair value through other comprehensive income.

On disposal of a minority shareholding, the cumulative gain or loss previously recognised in other comprehensive income is included directly in retained earnings, without recycling it to the income statement.

Bank and other borrowings

The Group records bank and other borrowings initially at fair value, which equals the proceeds received, net of direct issue costs, and subsequently at amortised cost. The Group accounts for finance charges, including premiums payable on settlement or redemption and direct issue costs, using the effective interest rate method.

Trade payables

The Group records trade payables initially at fair value and subsequently at amortised cost. This generally results in recognition at nominal value.

Cash, cash equivalents and current asset investments

Cash and cash equivalents comprise bank and cash balances, deposits and short-term investments with original maturities of three months or less.

Current asset investments comprise bank deposits and short-term investments with maturities of between three and six months.

For the purposes of the cash flow statement, the Group includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management as a component of cash and cash equivalents.

Derivative financial instruments and hedging

The Group primarily uses derivatives to manage economic exposure to financial and commodity risks. The principal instruments used are foreign exchange, interest rate and commodity contracts, futures, swaps and options. The Group does not use derivatives for speculative purposes.

The Group recognises derivatives at fair value based on market prices or rates, or calculated using discounted cash flow or option pricing models.

The Group recognises changes in the fair value of derivatives in the income statement unless the derivative is designated in a hedging relationship, when recognition of the change in fair value depends on the nature of the item being hedged.

The purpose of hedge accounting is to mitigate the impact on the Group of changes in foreign exchange or interest rates and commodity prices.

At the inception of each hedging relationship, the Group documents the hedging instrument, the hedged item, the risk management objectives and strategy for undertaking the hedge, and assesses hedge effectiveness.

During the life of each hedging relationship, the Group performs testing to demonstrate that the hedge remains effective.

For derivatives hedging future cash flows, the Group recognises the change in fair value through other comprehensive income in either the cost of hedging reserve (for the element of the change in fair value relating to the currency spread) or in the hedging reserve (for the remaining change in fair value). Any ineffective portion is recognised immediately in the income statement.

When the future cash flow results in the recognition of a non-financial asset or liability, then at the time that asset or liability is recognised, the Group includes the associated gains and losses previously recognised in the hedging reserve in the initial measurement of that asset or liability.

When the future cash flow does not result in the recognition of a non-financial asset or liability, the Group includes the associated gains and losses previously recognised in the hedging reserve in the income statement in the same period in which the hedged item affects profit or loss.

Hedges of the Group's net investment in foreign operations principally comprise borrowings in the currency of the investment's net assets.

For derivative or non-derivative financial instruments used as hedges of the Group's net investment in foreign operations, the Group recognises the change in fair value through other

comprehensive income in the net investment hedging reserve. Any ineffective portion is recognised immediately in the income statement.

The Group discontinues hedge accounting when a hedging instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. At that time, the Group retains the cumulative associated gain or loss recognised in the hedging reserve until the forecast transaction occurs. Gains or losses on hedging instruments relating to an underlying exposure that no longer exists are taken to the income statement.

The Group economically hedges foreign currency exposure on recognised monetary assets and liabilities but does not normally seek hedge accounting. The Group records any derivatives held to hedge this exposure at fair value through profit and loss.

Intangible assets other than goodwill

Non-operating intangible assets are generally intangible assets that arise on business combinations and typically include technology, brands, customer relationships and grower agreements. The Group acquires operating intangible assets in the ordinary course of business, typically including computer software, land use rights and emissions trading licences.

The Group records intangible assets other than goodwill at cost less accumulated amortisation and impairment charges.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. Estimated useful lives are generally deemed to be no longer than:

- Technology and brands – up to 15 years
- Customer relationships – up to 10 years
- Grower agreements – up to 10 years
- Operating intangibles – up to 10 years

Goodwill

Goodwill is defined under 'Business acquisitions' on page 149. Certain commercial assets associated with the acquisition of a business are not capable of being recognised in the acquisition balance sheet. In such circumstances, goodwill is recognised, which may include, but is not necessarily limited to, workforce assets and the benefits of expected future synergies.

Goodwill is subject to an annual impairment review.

Research and development

The Group expenses research and development expenditure as incurred, unless development expenditure relates to products or processes which are technically and commercially feasible, in which case it is capitalised. The Group records capitalised development expenditure at cost less accumulated amortisation and impairment charges.

Impairment

The Group reviews the carrying amount of intangible assets and property, plant and equipment at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the Group estimates the asset's recoverable amount. For goodwill and intangibles without a finite life, the Group does this at least annually.

The Group recognises an impairment charge in the income statement whenever the carrying amount of an asset or its CGU exceeds its recoverable amount.

Material accounting policies

for the 52 weeks ended 14 September 2024

The Group allocates impairment charges recognised in respect of CGUs first to reduce the carrying amount of any goodwill relating to that CGU and then to reduce the carrying amount of the other assets in the CGU on a pro rata basis.

Calculation of recoverable amount

The recoverable amount of assets is the greater of fair value less costs to sell and value in use. In assessing value in use, the Group discounts estimated future cash flows to present value using a pre-tax discount rate reflective of current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the Group determines recoverable amount for the CGU to which the asset belongs.

Reversals of impairment

The Group does not subsequently reverse impairments of goodwill. For other assets, the Group may reverse an impairment charge if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the new carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment charge had previously been recognised.

Property, plant and equipment

The Group records property, plant and equipment at cost less accumulated depreciation and impairment charges.

The Group charges depreciation to the income statement on a straight-line basis over the estimated useful economic life of each item sufficient to reduce it to its estimated residual value. Land is not depreciated. Estimated useful economic lives are generally deemed to be no longer than:

Freehold buildings	up to 66 years
Plant and equipment, fixtures and fittings	
• sugar factories, yeast plants, mills and bakeries	up to 20 years
• other operations	up to 12 years
Vehicles	up to 10 years
Sugar cane roots	up to 10 years

Investment properties

The Group records investment properties at cost less accumulated depreciation and impairment charges.

The Group charges depreciation to the income statement on a straight-line basis over the estimated useful economic life of each property sufficient to reduce it to its estimated residual value. Land is not depreciated. Estimated useful economic lives are generally deemed to be no longer than:

Freehold buildings	up to 66 years
Leasehold buildings	term of lease

The book value of investment properties was not previously material and was included in property, plant and equipment and right-of-use assets. This book value is now more significant and the Group has decided to disclose investment properties separately on the face of the balance sheet.

For ease of comparison, the comparative balance sheet has been re-presented. There is no change to any balance sheet sub-total, net assets, profit, earnings or cash flows and therefore no opening balance sheet has been disclosed. The reclassification for the 2023 opening position was £120m and for the 2023 balance sheet was £107m.

Leases

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or a series of payments, the right to use a specific asset for an agreed period.

Where the Group is a lessee, the following accounting policy is applied.

Right-of-use assets

The Group records right-of-use assets at cost at the commencement date of the lease, which is the date the underlying asset is available for use, less any accumulated depreciation and impairment losses, and adjusted for subsequent remeasurement of lease liabilities.

Cost includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The Group charges depreciation to the income statement on a straight-line basis over the shorter of the estimated useful life and the lease term.

Lease liabilities

The Group records lease liabilities at the commencement date of the lease at the present value of lease payments to be made over the lease term, discounted using the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease is not readily determinable.

Lease payments include fixed payments, including in-substance fixed payments, and variable lease payments that depend on an index or a rate, less any lease incentives receivable.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

The Group subsequently measures lease liabilities at amortised cost using the effective interest rate method. The Group records the accretion and settlement of interest through accruals and reduces the carrying amount of lease liabilities for the capital element of lease payments made.

The carrying amount of lease liabilities is remeasured when there is a change in future lease payments due to a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment of whether to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option.

It also applies the low-value asset recognition exemption to groups of underlying leases considered uniformly low-value. The Group expenses lease payments on short-term leases and leases of low-value assets in the income statement as incurred.

Lessor accounting

The Group classifies subleases based on the right-of-use asset of the head lease. A portion of the right-of-use asset is derecognised based on the ratio of sublease income to head lease payments. Finance lease receivables are recorded at the net investment, with any difference recognised in the income statement. Finance income is recognised over the lease term, while operating lease income is recognised on a straight-line basis.

Current biological assets

The Group records current biological assets at fair value less costs to sell.

The basis of valuation for growing cane is estimated sucrose content valued at estimated sucrose price for the following season, less estimated costs for harvesting and transport.

When harvested, the Group transfers growing cane to inventory at fair value less costs to sell.

Inventories

The Group records food inventories at the lower of cost and net realisable value. Cost includes raw materials, direct labour and expenses and an appropriate proportion of production and other overheads, calculated on a first-in first-out basis.

The Group records retail inventories at the lower of cost and net realisable value using the retail method, calculated on the basis of selling price less appropriate trading margin. All retail inventories are finished goods.

On acquisition of a business, the Group records inventories at fair value. Subsequently, the Group charges the book value of the inventories to adjusted operating profit as they are sold or used. Any significant fair value uplift is charged below adjusted operating profit as the inventories are sold or used.

Grants

The Group recognises grants only when there is reasonable assurance that the Group will comply with the conditions attached and that the grants will be received. Grants receivable as compensation for expenses already incurred are recognised in profit or loss in the period in which they become receivable.

Hyperinflation

The Argentinian economy was designated hyperinflationary from 1 July 2018. The Turkish economy was designated hyperinflationary from 1 July 2022.

The Group has applied IAS 29 *Financial Reporting in Hyperinflationary Economies* to its Argentinian operations from the beginning of the 2019 financial year and to its Turkish operations from the beginning of the 2022 financial year. IAS 29 requires that hyperinflationary adjustments are reflected from the start of the reporting period in which it is applied.

The adjustments required by IAS 29 are set out below:

- adjustment of historical cost non-monetary assets and liabilities from their date of initial recognition to the balance sheet date to reflect the changes in purchasing power of the currency caused by inflation, according to the official indices for Argentina published by the Federación Argentina de Consejos Profesionales de Ciencias Económicas ('FACPCE') and for Turkey published by Turkish Statistical Institute ('TUIK');

- adjustment of the components of the income statement and cash flow statement for the inflation index since their generation, with a balancing entry in the income statement and a reconciling item in the cash flow statement, respectively;
- adjustment of the income statement to reflect the impact of inflation on holding monetary assets and liabilities in local currency;
- the financial statements of the Group's Argentinian and Turkish operations have been translated into sterling at the closing exchange rate at 14 September 2024 (ARS 1261.46: £1; TRL 44.63:£1); and
- the cumulative impact corresponding to previous years has been reflected in other comprehensive income in the year.

In Argentina, the FACPCE index was 2044.2832 at 31 August 2023 and 6883.4412 at 31 August 2024. The inflation index for the year is therefore 3.367.

In Turkey, the TUIK index was 58.94 at 31 August 2023 and 51.97 at 31 August 2024. The inflation index for the year is therefore 0.882.

The Venezuelan economy has been designated hyperinflationary for a number of years, but the impact on the Group's results remains immaterial.

New accounting standards

The Group adopted the following accounting standards and amendments during the year with no significant impact:

- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- IFRS 17 Insurance Contracts, Amendments to IFRS 17, Initial Adoption of IFRS 17 and IFRS 9 – Comparative Information

The Group is assessing the impact of the following standards, interpretations and amendments that are not yet effective.

Where already endorsed by the UKEB, these changes will be adopted on the effective dates noted. Where not yet endorsed by the UKEB, the adoption date is less certain:

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16), effective 2025 financial year
- Amendments to IAS 1 Presentation of Financial Statements, effective 2025 financial year
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1), effective 2025 financial year
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7), effective 2025 financial year
- Lack of Exchangeability (Amendments to IAS 21), effective 2026 financial year
- IFRS 18 Presentation and Disclosures in Financial Statements, effective 2028 financial year (not yet endorsed by UKEB)
- Amendments to the Classification and Measurement of Financial Instruments effective 2027 financial year (not yet endorsed by UKEB).

Accounting estimates and judgements

for the 52 weeks ended 14 September 2024

Significant accounting estimates

The preparation of the Group's consolidated financial statements includes the use of estimates and assumptions. Although the estimates used are based on management's best information about current circumstances and future events and actions, actual results may differ from those estimates.

The accounting estimates with a significant risk of a material change to the carrying value of assets and liabilities within the next year are set out below.

Forecasts and discount rates

The carrying values of a number of items on the balance sheet are dependent on estimates of future cash flows arising from the Group's operations which, in some circumstances, are discounted to arrive at a net present value.

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

The recovery of deferred tax assets is dependent on the generation of sufficient future taxable profits. The Group recognises deferred tax assets to the extent that it is considered probable that sufficient taxable profits will be available in the future. This involves a significant degree of estimation uncertainty.

When considering sources of future taxable profit, the Group firstly considers existing deferred tax liabilities. However, the majority of deferred tax assets are recognised based on future profit forecasts, including the deferred tax assets in the Group's most material jurisdictions of the United Kingdom, the United States, Australia, Germany and Spain.

When relying on profit forecasts, the assessment of whether to recognise deferred tax assets is based on the following year's budget and expectations of the future performance of individual businesses (or groups of businesses in the case of national tax groups). Where possible, this is consistent with forecasts used for impairment assessments. Forecasts for impairment assessments are discounted, but this is not permitted for recognition of deferred tax assets.

Deferred tax assets are reduced when it is no longer considered probable that the related tax benefit will be realised.

The widespread nature of the Group's activities across multiple jurisdictions means that it is not practical to provide detailed sensitivities in respect of individual deferred tax assets.

Further details of deferred tax assets are included in note 14.

Post-retirement benefits

The Group's defined benefit pension schemes and similar arrangements are assessed annually in accordance with IAS 19 Employee Benefits. The accounting valuations, assessed using assumptions determined with independent actuarial advice, resulted in a significant net surplus as at 14 September 2024, principally relating to the UK defined benefit scheme, which is separately disclosed.

The net surplus is highly sensitive to the market value of scheme assets, to discount rates used in assessing liabilities, to actuarial assumptions (including price inflation, rates of pension and salary increases, mortality and other demographic assumptions) and to the level of contributions.

Further details are included in note 13, including associated sensitivities.

Other areas of judgement and accounting estimates

The consolidated financial statements include other areas of judgement and accounting estimates. While these areas do not meet the definition of significant accounting estimates or critical accounting judgements, the recognition and measurement of certain material assets and liabilities are based on assumptions and/or are subject to longer term uncertainties. The other areas of judgement and accounting estimates are set out below.

Biological assets

In valuing growing cane, estimating sucrose content requires management to assess expected cane and sucrose yields for the following season considering weather conditions and harvesting programmes. Estimating sucrose price requires management to assess into which markets the forthcoming crop will be sold and to assess domestic and export prices as well as related foreign currency exchange rates. The carrying value of growing cane and associated sensitivities is disclosed in note 17.

Income tax

The Group is exposed to a range of uncertain tax positions.

It provides for open tax matters, where it believes it is probable that payments will be required, including those for routine tax audits, which are by nature complex and may take a number of years to resolve. Uncertainty is driven by the resolution of the issue and estimation process in arriving at the amount. The Group has recognised potential current corporate tax liabilities for a number of uncertain tax positions, none of which are individually material. The provision for these uncertain tax positions is £82m (2023 – £55m). The increase reflects a change in judgement on a number of exposures as well as an additional year of risk where applicable. The majority of the provisions relate to transfer pricing risks across a number of jurisdictions in which the Group has operations. Transfer pricing is a complex area with resolution of matters taking many years. Given the underlying nature of these risks, the timing of when they will resolve is uncertain.

The Group has applied IFRIC 23 Uncertainty over Income Tax Treatments to measure uncertain tax positions. The Group calculates each provision using management's best estimate of the liability based on interpretation of tax law in each jurisdiction and ongoing monitoring of tax cases and rulings. The Group believes it has adequate provision for these matters. Final conclusion of each matter may result in an outcome different to any amounts provided, but the Group has concluded that this is unlikely to have a material impact.

Notes forming part of the financial statements

for the 52 weeks ended 14 September 2024

1. Operating segments

The Group has five operating segments, as described below. These are the Group's operating divisions, based on the management and internal reporting structure, which combine businesses with common characteristics, primarily in respect of the type of products offered by each business, but also the production processes involved and the manner of the distribution and sale of goods. The Board is the chief operating decision-maker.

Inter-segment pricing is determined on an arm's length basis. Segment result is adjusted operating profit, as shown on the face of the consolidated income statement. Segment assets comprise all non-current assets except employee benefits assets, income tax assets, deferred tax assets and all current assets except cash and cash equivalents, current asset investments and income tax assets. Segment liabilities comprise trade and other payables, derivative liabilities, provisions and lease liabilities.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and expenses, cash, borrowings, employee benefits balances and current and deferred tax balances.

Segment non-current asset additions are the total cost incurred during the period to acquire segment assets that are expected to be used for more than one year, comprising property, plant and equipment, right-of-use assets, operating intangibles and biological assets.

Geographical information

In addition to the required disclosure for operating segments, disclosure is also given of certain geographical information about the Group's operations, based on the geographical groupings: United Kingdom; Europe & Africa; The Americas; and Asia Pacific.

Revenues are shown by reference to the geographical location of customers. Profits are shown by reference to the geographical location of the businesses. Segment assets are based on the geographical location of the assets.

Businesses disposed are shown separately and comparatives are re-presented for businesses sold or closed during the year. The Group comprises the following operating segments:

Retail

Buying and merchandising value clothing and accessories through the Primark and Penneys retail chains.

Grocery

The manufacture of grocery products, including hot beverages, sugar, vegetable oils, balsamic vinegars, bread and baked goods, cereals, ethnic foods and meat products, which are sold to retail, wholesale and foodservice businesses.

Ingredients

The manufacture of yeast and bakery ingredients as well as speciality ingredients focused on enzymes, procession extracts, health and nutrition and pharmaceutical delivery systems.

Sugar

The growing and processing of sugar beet and sugar cane for production of a range of sugar and other products in Africa, the UK and Spain.

Agriculture

The manufacture of speciality feed ingredients, premix and compound animal feed, as well as the provision of other products and services for the agriculture sector.

	Revenue		Adjusted operating profit	
	2024 £m	2023 £m	2024 £m	2023 £m
Operating segments				
Retail	9,448	9,008	1,108	735
Grocery	4,242	4,198	511	448
Ingredients	2,134	2,157	233	214
Sugar	2,529	2,474	199	179
Agriculture	1,650	1,840	41	41
Central	–	–	(100)	(94)
	20,003	19,677	1,992	1,523
Business disposed				
Sugar	70	73	6	(10)
	20,073	19,750	1,998	1,513
Geographical information				
United Kingdom	7,297	7,271	708	488
Europe & Africa	7,830	7,552	754	559
The Americas	2,513	2,420	406	353
Asia Pacific	2,363	2,434	124	123
	20,003	19,677	1,992	1,523
Business disposed				
Asia Pacific	70	73	6	(10)
	20,073	19,750	1,998	1,513

Notes forming part of the financial statements

for the 52 weeks ended 14 September 2024

1. Operating segments *continued*

2024

	Retail £m	Grocery £m	Ingredients £m	Sugar £m	Agriculture £m	Central £m	Total £m
Revenue from continuing businesses	9,448	4,262	2,342	2,652	1,659	(360)	20,003
Internal revenue	–	(20)	(208)	(123)	(9)	360	–
External revenue from continuing businesses	9,448	4,242	2,134	2,529	1,650	–	20,003
Business disposed	–	–	–	70	–	–	70
Revenue from external customers	9,448	4,242	2,134	2,599	1,650	–	20,073
Operating profit	1,100	493	219	181	31	(92)	1,932
Adjusted operating profit before joint ventures and associates	1,108	438	201	192	33	(100)	1,872
Share of adjusted profit after tax from joint ventures and associates	–	73	32	7	8	–	120
Business disposed	–	–	–	6	–	–	6
Adjusted operating profit	1,108	511	233	205	41	(100)	1,998
Finance income						71	71
Finance expense	(96)	(1)	(1)	(3)	(1)	(33)	(135)
Other financial income						23	23
Adjusted profit before taxation	1,012	510	232	202	40	(39)	1,957
Profits less losses on disposal of non-current assets	3	5	–	–	–	8	16
Amortisation of non-operating intangibles	–	(20)	(11)	–	(9)	–	(40)
Acquired inventory fair value adjustments	–	(1)	(1)	–	–	–	(2)
Transaction costs	–	(2)	(2)	–	(1)	–	(5)
Exceptional items	(11)	–	–	(24)	–	–	(35)
Profits less losses on sale and closure of businesses	–	–	11	15	–	–	26
Profit before taxation	1,004	492	229	193	30	(31)	1,917
Taxation						(437)	(437)
Profit for the period	1,004	492	229	193	30	(468)	1,480
Segment assets (excluding joint ventures and associates)	7,282	2,798	2,104	2,252	620	89	15,145
Investments in joint ventures and associates	–	57	116	53	155	–	381
Segment assets	7,282	2,855	2,220	2,305	775	89	15,526
Cash and cash equivalents						1,323	1,323
Current asset investments						334	334
Income tax						102	102
Deferred tax assets						223	223
Employee benefits assets						1,506	1,506
Segment liabilities	(4,347)	(685)	(415)	(437)	(178)	(172)	(6,234)
Loans and overdrafts						(613)	(613)
Income tax						(133)	(133)
Deferred tax liabilities						(682)	(682)
Employee benefits liabilities						(74)	(74)
Net assets	2,935	2,170	1,805	1,868	597	1,903	11,278
Non-current asset additions	702	212	180	329	43	2	1,468
Depreciation and non-cash lease adjustments	(574)	(100)	(70)	(77)	(21)	(7)	(849)
Amortisation	(39)	(31)	(15)	(4)	(11)	–	(100)

2023

	Retail £m	Grocery £m	Ingredients £m	Sugar £m	Agriculture £m	Central £m	Total £m
Revenue from continuing businesses	9,008	4,222	2,366	2,591	1,849	(359)	19,677
Internal revenue	–	(24)	(209)	(117)	(9)	359	–
External revenue from external customers	9,008	4,198	2,157	2,474	1,840	–	19,677
Business disposed	–	–	–	73	–	–	73
Revenue from external customers	9,008	4,198	2,157	2,547	1,840	–	19,750
Operating profit	717	402	201	119	32	(88)	1,383
Adjusted operating profit before joint ventures and associates	735	368	190	172	25	(94)	1,396
Share of adjusted profit after tax from joint ventures and associates	–	80	24	7	16	–	127
Business disposed	–	–	–	(10)	–	–	(10)
Adjusted operating profit	735	448	214	169	41	(94)	1,513
Finance income	–	–	–	–	–	48	48
Finance expense	(86)	(1)	(1)	(3)	–	(37)	(128)
Other financial income	–	–	–	–	–	40	40
Adjusted profit before taxation	649	447	213	166	41	(43)	1,473
Profits less losses on disposal of non-current assets	–	19	–	–	–	9	28
Amortisation of non-operating intangibles	–	(23)	(13)	–	(5)	–	(41)
Acquired inventory fair value adjustments	–	(1)	–	–	(2)	–	(3)
Transaction costs	–	–	–	–	(2)	(3)	(5)
Exceptional items	(18)	(41)	–	(50)	–	–	(109)
Profits less losses on sale and closure of businesses	–	–	3	(6)	–	–	(3)
Profit before taxation	631	401	203	110	32	(37)	1,340
Taxation	–	–	–	–	–	(272)	(272)
Profit for the period	631	401	203	110	32	(309)	1,068
Segment assets (excluding joint ventures and associates)	7,530	2,759	2,011	2,179	640	110	15,229
Investments in joint ventures and associates	–	58	133	48	155	–	394
Segment assets	7,530	2,817	2,144	2,227	795	110	15,623
Cash and cash equivalents						1,457	1,457
Income tax						125	125
Deferred tax assets						193	193
Employee benefits assets						1,446	1,446
Segment liabilities	(4,326)	(689)	(407)	(501)	(196)	(166)	(6,285)
Loans and overdrafts						(562)	(562)
Income tax						(109)	(109)
Deferred tax liabilities						(626)	(626)
Employee benefits liabilities						(69)	(69)
Net assets	3,204	2,128	1,737	1,726	599	1,799	11,193
Non-current asset additions	711	154	174	289	20	4	1,352
Depreciation and non-cash lease adjustments	(526)	(114)	(62)	(75)	(19)	(8)	(804)
Amortisation	(31)	(26)	(15)	(3)	(7)	–	(82)

Notes forming part of the financial statements

for the 52 weeks ended 14 September 2024

1. Operating segments *continued*

2024

	United Kingdom £m	Europe & Africa £m	The Americas £m	Asia Pacific £m	Total £m
Revenue from external customers	7,297	7,830	2,513	2,433	20,073
Segment assets	5,537	6,599	1,810	1,580	15,526
Non-current asset additions	367	726	209	166	1,468
Depreciation (including of right-of-use assets)	(289)	(411)	(97)	(52)	(849)
Amortisation	(21)	(65)	(8)	(6)	(100)
Acquired inventory fair value adjustments	–	(2)	–	–	(2)
Transaction costs	(2)	(1)	–	(2)	(5)
Exceptional items	(19)	(16)	–	–	(35)

2023

	United Kingdom £m	Europe & Africa £m	The Americas £m	Asia Pacific £m	Total £m
Revenue from external customers	7,271	7,552	2,420	2,507	19,750
Segment assets	5,690	6,651	1,792	1,490	15,623
Non-current asset additions	305	732	217	98	1,352
Depreciation (including of right-of-use assets)	(279)	(374)	(84)	(67)	(804)
Amortisation	(17)	(56)	(4)	(5)	(82)
Acquired inventory fair value adjustments	(2)	(1)	–	–	(3)
Transaction costs	(4)	(1)	–	–	(5)
Exceptional items	–	(53)	–	(56)	(109)

The Group's operations in the following countries met the criteria for separate disclosure:

	Revenue		Non-current assets	
	2024 £m	2023 £m	2024 £m	2023 £m
Australia	1,409	1,407	656	541
Spain	1,972	1,836	713	651
United States	1,690	1,580	950	887

2. Operating costs

	Note	2024 £m	2023 £m
Operating Costs			
Cost of sales (including amortisation of intangibles)		15,191	15,587
Distribution costs		1,682	1,603
Administration expenses		1,366	1,220
Exceptional items		35	109
		18,274	18,519
Operating costs are stated after charging/(crediting):			
Employee benefits expense	3	3,408	3,158
Amortisation of non-operating intangibles	8	37	38
Amortisation of operating intangibles	8	63	44
Acquired inventory fair value adjustments		2	3
Depreciation of property, plant and equipment and investment properties	9,10	555	531
Depreciation of right-of-use assets and non-cash lease adjustments	11	294	273
Transactions costs		5	5
Effect of hyperinflationary economies		21	14
Other operating income		(43)	(35)
Research and development expenditure		49	42
Fair value gains on financial assets and liabilities held for trading		(13)	(19)
Fair value losses on financial assets and liabilities held for trading		19	22
Foreign exchange gains on operating activities		(43)	(48)
Foreign exchange losses on operating activities		47	62

Amortisation of non-operating intangibles of £40m (2023 – £41m) shown as adjusting items in the income statement, include £3m (2023 – £3m) incurred by joint ventures, in addition to the amounts shown above.

Exceptional items

2024

The income statement this year included a non-cash exceptional impairment charge of £35m.

In the Sugar segment, Vivergo recognised a £17m impairment write-down against property, plant and equipment and £1m against right-of-use assets driven by the volatility of ethanol prices impacting trading margins. Due to the severe flooding in Mozambique last year, the related damage to the sugar crop fields and the inability to plant for the foreseeable future, our sugar business in Mozambique recognised a further £3m impairment write-down against property, plant and equipment and £3m against working capital.

In the Retail segment, the Group recognised £11m of exceptional impairment charges still relating to the German stores impaired in 2022, after additional right-of-use assets were recognised due to rent indexation adjustments in the current financial year.

2023

The prior year exceptional impairment charge of £109m comprised non-cash write-downs of assets predominantly against property, plant and equipment and right-of-use assets specifically £41m for the Don businesses in the Grocery segment, £50m for the Sugar segment including £15m for China North Sugar and £35m for Maragra, our sugar business in Mozambique, and £18m for the Retail segment relating to the German Primark store portfolio.

	2024 £m	2023 £m
Auditor's Remuneration		
Fees payable to the Company's auditor and its associates in respect of the audit		
Group audit of these financial statements	1.7	1.7
Audit of the Company's subsidiaries' financial statements	8.8	8.5
Total audit remuneration	10.5	10.2
Fees payable to the Company's auditor and its associates in respect of non-audit services		
Audit-related assurance services	0.4	0.4
All other services	0.7	0.6
Total non-audit remuneration	1.1	1.0

Notes forming part of the financial statements

for the 52 weeks ended 14 September 2024

3. Employees

		2024	2023
Average number of employees			
United Kingdom		44,110	42,071
Europe & Africa		74,766	73,411
The Americas		7,663	6,769
Asia Pacific		11,732	11,236
		138,271	133,487
	Note	2024 £m	2023 £m
Employee benefits expense			
Wages and salaries		2,852	2,657
Social security contributions		391	355
Contributions to defined contribution schemes	13	103	95
Charge for defined benefit schemes	13	31	33
Equity-settled share-based payment schemes	24	31	18
		3,408	3,158

Details of directors' remuneration, share incentives and pension entitlements are shown in the Remuneration Report on pages 111 to 127.

4. Interest and other financial income and expense

	Note	2024 £m	2023 £m
Finance income			
Cash, cash equivalents and current asset investments		71	48
		71	48
Finance expense			
Bank loans and overdrafts		(19)	(23)
All other borrowings		(12)	(11)
Lease liabilities	11	(102)	(91)
Other payables		(2)	(3)
	25	(135)	(128)
Other financial income			
Interest income on employee benefit scheme assets	13	206	185
Interest charge on employee benefit scheme liabilities	13	(131)	(123)
Interest charge on irrecoverable surplus	13	(2)	(2)
Net financial income from employee benefit schemes		73	60
Net foreign exchange losses on financing activities		(50)	(20)
Total other financial income		23	40

Finance expense on bank loans and overdrafts is net of interest capitalised of £5m (2023 – £nil).

5. Income tax expense

	2024 £m	2023 £m
Current tax expense		
UK – corporation tax at 25% (2023 – 21.8%)	51	26
Overseas – corporation tax	337	249
UK – under/(over) provided in prior years	4	(14)
Overseas – under provided in prior years	10	18
	402	279
Deferred tax expense		
UK – deferred tax	61	54
Overseas – deferred tax	(16)	28
UK – over provided in prior years	(13)	(26)
Overseas – under/(over) provided in prior years	3	(63)
	35	(7)
Total income tax expense in the income statement	437	272
Reconciliation of effective tax rate		
Profit before taxation	1,917	1,340
Less share of profit after taxation from joint ventures and associates	(117)	(124)
Profit before taxation excluding share of profit after taxation from joint ventures and associates	1,800	1,216
Nominal tax charge at UK corporation tax rate of 25% (2023 – 21.8%)	450	265
Effect of higher and lower tax rates on overseas earnings	(92)	(16)
Effect of changes in tax rates on the income statement	7	5
Expenses not deductible for tax purposes	101	66
Disposal of assets covered by tax exemptions or unrecognised capital losses	(9)	(2)
Deferred tax not recognised	(24)	39
Adjustments in respect of prior years	4	(85)
	437	272
Other comprehensive income or equity		
Deferred tax associated with defined benefit schemes	10	(4)
Deferred tax associated with share-based payments	–	(1)
Current tax associated with share-based payments	(2)	–
Deferred tax associated with movements in cash flow hedging position	(13)	(40)
Deferred tax associated with movements in foreign exchange	–	5
Current tax associated with movements in foreign exchange	2	(6)
Deferred tax in reserves on other investment reserves	(1)	–
	(4)	(46)

The UK corporation tax rate of 19% increased to 25% from 1 April 2023.

The EU state aid case relating to the Group Financing Exemption in the UK's controlled foreign company legislation concluded on 19 September 2024 with no further appeals being permitted. The Court of Justice of the European Union ('CJEU') found in favour of the UK Government and the UK companies appealing the case. Therefore, there is no longer a potential liability (2023 – £26m) for the Group relating to the case. In prior years the Group considered a provision was not required and therefore there is no impact on the tax charge in the year. Payments were made to HM Revenue & Customs ('HMRC') in 2021 following the receipt of charging notices. These payments, totalling £22.9m, will now be refunded to the Group by HMRC.

In the prior year an exceptional prior year tax credit of £58m was recognised in relation to deferred tax asset recognition in Germany.

Notes forming part of the financial statements

for the 52 weeks ended 14 September 2024

5. Income tax expense *continued*

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates, including the UK. The legislation will be effective for the Group's 2025 financial year. The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes. This assessment is based on data available from the Group's 2023 consolidated financial statements and the 2023 financial year Country-by Country Report. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbour relief does not apply. Of these jurisdictions, the most noteworthy is Ireland, where the statutory tax rate is 12.5% and where there will be a local top up tax to 15%. Based on a high-level assessment, the impact in 2023 of Pillar 2 on the ABF adjusted effective tax rate would have been less than 1%. The Pillar 2 legislation is complex and still evolving. We will continue to monitor the impact of future developments.

We recognise the importance of complying fully with all applicable tax laws as well as paying and collecting the right amount of tax in every country in which the Group operates. Our tax strategy, approved by the Board, is based on seven tax principles that are embedded in the financial and non financial processes and controls of the Group. This tax strategy is available in the Policies section of the Group's website.

Deferred taxation balances are analysed in note 14.

6. Dividends

	2024 pence per share	2023 pence per share	2024 £m	2023 £m
2022 final	–	29.9	–	235
2023 interim	–	14.2	–	110
2023 final and special	45.8	–	348	–
2024 interim	20.7	–	154	–
	66.5	44.1	502	345

The 2024 interim dividend was declared on 23 April 2024 and paid on 5 July 2024. Given the outlook for the Group, the strength of the balance sheet and the underlying cash generation of the business, we have declared the payment of a special dividend, to be paid as a second interim dividend at 27.0p per share at an estimated cost of £199m.

The Board has proposed a final dividend of 42.3p per share at an estimated cost of £312m. The combined 2024 final and special dividend of 69.3p, with an estimated value of £511m, will be paid on 10 January 2025 to shareholders on the register on 13 December 2024.

Dividends relating to the period including the special dividend were 90.0p per share totalling £666m (2023 – 60.0p per share totalling £459m).

7. Earnings per share

The calculation of basic earnings per share at 14 September 2024 was based on the net profit attributable to equity shareholders of £1,455m (2023 – £1,044m), and a weighted average number of shares outstanding during the year of 751 million (2023 – 778 million).

The calculation of the weighted average number of shares excludes the shares held by the Employee Share Ownership Plan Trust on which the dividends are being waived. The weighted average number of shares has reduced as a result of our first and second share buyback programmes. In the year, we repurchased 23.6 million shares which were cancelled.

Adjusted earnings per ordinary share, which exclude the impact of profits less losses on disposal of non-current assets and the sale and closure of businesses, amortisation of acquired inventory fair value adjustments, transaction costs, amortisation of non-operating intangibles, exceptional items and any associated tax credits, is shown to provide clarity on the underlying performance of the Group.

Amortisation of non-operating intangibles of £40m (2023 – £41m) shown as adjusting items in the income statement, include £3m (2023 – £3m) incurred by joint ventures.

The diluted earnings per share calculation takes into account the dilutive effect of share incentives. The diluted, weighted average number of shares is 751 million (2023 – 778 million). There is no material difference between basic and diluted earnings.

	2024 £m	2023 £m
Adjusted profit for the period	1,479	1,103
Disposal of non-current assets	16	28
Sale and closure of businesses	26	(3)
Acquired inventory fair value adjustments	(2)	(3)
Transaction costs	(5)	(5)
Exceptional items	(35)	(109)
Tax effect on above adjustments and exceptional tax	6	64
Amortisation of non-operating intangibles	(40)	(41)
Tax credit on non-operating intangibles amortisation	10	10
Profit for the period attributable to equity shareholders	1,455	1,044

	2024 pence per share	2023 pence per share
Adjusted earnings per share	196.9	141.8
Disposal of non-current assets	2.1	3.6
Sale and closure of businesses	3.5	(0.4)
Acquired inventory fair value adjustments	(0.3)	(0.4)
Transaction costs	(0.6)	(0.6)
Exceptional items	(4.6)	(14.0)
Tax effect on above adjustments and exceptional tax	0.8	8.2
Amortisation of non-operating intangibles	(5.4)	(5.3)
Tax credit on non-operating intangibles amortisation	1.3	1.3
Earnings per ordinary share	193.7	134.2

Notes forming part of the financial statements

for the 52 weeks ended 14 September 2024

8. Intangible assets

	Non-operating						Operating	Total
	Goodwill	Technology	Brands	Customer relationships	Grower agreements	Other	Other	
	£m	£m	£m	£m	£m	£m	£m	£m
Cost								
At 17 September 2022	1,414	285	488	290	110	5	697	3,289
Acquisitions – externally purchased	–	–	4	–	–	–	143	147
Acquired through business combinations	39	2	9	21	–	–	3	74
Other disposals	–	–	–	(15)	–	(5)	(69)	(89)
Transfer to assets classified as held for sale	–	–	–	–	–	–	15	15
Effect of hyperinflationary economies	2	–	–	–	–	–	–	2
Effect of movements in foreign exchange	(79)	(15)	(15)	(11)	(16)	–	(25)	(161)
At 16 September 2023	1,376	272	486	285	94	–	764	3,277
Acquisitions – externally purchased	–	–	–	–	–	–	126	126
Acquired through business combinations	77	2	28	5	–	–	2	114
Businesses disposed	–	–	–	–	–	–	(14)	(14)
Other disposals	–	–	–	–	–	–	(63)	(63)
Effect of hyperinflationary economies	8	–	–	–	–	–	–	8
Effect of movements in foreign exchange	(42)	(10)	(12)	(8)	1	–	(15)	(86)
At 14 September 2024	1,419	264	502	282	95	–	800	3,362
Amortisation and impairment								
At 17 September 2022	122	221	415	226	110	5	322	1,421
Amortisation for the year	–	9	15	14	–	–	44	82
Other disposals	–	–	–	(15)	–	(5)	–	(20)
Transfer to assets classified as held for sale	–	–	–	–	–	–	4	4
Impairment	–	–	–	–	–	–	1	1
Effect of movements in foreign exchange	(12)	(13)	(11)	(8)	(16)	–	(21)	(81)
At 16 September 2023	110	217	419	217	94	–	350	1,407
Amortisation for the year	–	9	13	15	–	–	63	100
Businesses disposed	–	–	–	–	–	–	(3)	(3)
Other disposals	–	–	–	–	–	–	(1)	(1)
Effect of movements in foreign exchange	(2)	(9)	(12)	(7)	1	–	(8)	(37)
At 14 September 2024	108	217	420	225	95	–	401	1,466
Net book value								
At 17 September 2022	1,292	64	73	64	–	–	375	1,868
At 16 September 2023	1,266	55	67	68	–	–	414	1,870
At 14 September 2024	1,311	47	82	57	–	–	399	1,896

Amortisation of non-operating intangibles of £40m (2023 – £41m) shown as an adjusting item in the income statement includes £3m (2023 – £3m) incurred by joint ventures in addition to the amounts shown above.

Impairment

As at 14 September 2024, the consolidated balance sheet included goodwill of £1,311m (2023 – £1,266m). Goodwill is allocated to the Group's cash-generating units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the business combination that gave rise to the goodwill, as follows:

CGUs or group of CGUs	Primary reporting segment	Discount rate	2024 £m	2023 £m
Acetum	Grocery	12.4 %	89	91
ACH	Grocery	13.9 %	182	193
AB Mauri	Ingredients	14.8 %	292	267
Twinings Ovaltine	Grocery	13.3 %	119	119
Illovo	Sugar	23.6 %	90	89
AB World Foods	Grocery	13.3 %	78	78
Other (not individually significant)	Various	Various	461	429
			1,311	1,266

A CGU, or group of CGUs, to which goodwill has been allocated must be assessed for impairment annually, or more frequently if events or circumstances indicate that the carrying amount may not be recoverable. There has been no change in CGUs or group of CGUs from the prior year.

The carrying value of goodwill is assessed by reference to its value in use reflecting the projected cash flows of each of the CGUs or group of CGUs. These projections are based on the most recent budget, which has been approved by the Board and reflects management's expectations of sales growth, operating costs and margin, taking into consideration past experience and external sources of information. Long-term growth rates for periods not covered by the annual budget reflect the products, industries and countries in which the relevant CGU, or group of CGUs, operate.

Management expects to achieve growth over the next three to five years in excess of the long-term growth rates for the applicable country or region. In these circumstances, budgeted cash flows are extended, generally to between three and five years, using specific growth assumptions and taking into account the specific business risks.

The key assumptions in the most recent annual budget on which the cash flow projections are based relate to discount rates, growth rates and expected changes in volumes, selling prices and direct costs.

The cash flow projections have been discounted using a pre-tax weighted average cost of capital for each business, adjusted for country, industry and market risk. Inflation assumptions used to calculate discount rates are aligned with those used in the cash flow projections. The rates used were between 10.4% and 23.6% (2023 – between 10.2% and 23.7%).

The long-term growth rates beyond the initial budgeted cash flows, applied in the value in use calculations for goodwill allocated to each of the CGUs or groups of CGUs that are significant to the total carrying amount of goodwill, were in a range between 2% and 5.7%, consistent with the inflation factors included in the discount rates applied (2023 – between 0% and 6%).

Changes in volumes, selling prices and direct costs are based on past results and expectations of future changes in the market.

Sensitivity to changes in key assumptions

Impairment testing is dependent on management's estimates and judgements, particularly as they relate to the forecasting of future cash flows, the discount rates selected and expected long-term growth rates. Each of the Group's CGUs had headroom under the annual impairment review.

In light of the supply side inflationary pressures combined with the cost of living pressures faced by our UK Grocery business, management performed a detailed impairment review of Jordans Dorset Ryvita, and concluded that no impairment was required. Key drivers of the forecast improvement in performance include completion of a number of margin improvement initiatives, implementation of planned strategic initiatives and the completion of ongoing new product development. Headroom was £65m on a CGU carrying value of £133m (2023 – headroom of £59m on a CGU carrying value of £137m).

The discount rate used was 11.5% and would have to increase to more than 15.4% before value in use fell below the CGU carrying value. The long-term growth rate applied into perpetuity was 2.5%.

Notes forming part of the financial statements

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9. Property, plant and equipment

	Note	Land and buildings £m	Plant and machinery £m	Fixtures and Fittings £m	Assets under construction £m	Sugar cane roots £m	Total £m
Cost							
At 17 September 2022		2,825	4,419	4,419	605	105	12,373
Opening balance adjustment – investment property re-representation	10	(112)	–	–	(26)	–	(138)
Acquisitions – externally purchased		20	86	431	449	16	1,002
Acquired through business combinations		–	4	–	–	–	4
Other disposals		(24)	(57)	(3)	(1)	(1)	(86)
Transfers from assets under construction		28	191	87	(306)	–	–
Transfer to assets classified as held for sale		37	75	2	–	–	114
Effect of movements in hyperinflation		–	78	19	–	–	97
Effect of movements in foreign exchange		(93)	(257)	(84)	(34)	(19)	(487)
At 16 September 2023		2,681	4,539	4,871	687	101	12,879
Acquisitions – externally purchased		44	105	350	597	18	1,114
Acquired through business combinations		21	49	1	3	–	74
Interest capitalised		–	–	–	5	–	5
Transfer to investment properties	10	(3)	–	–	–	–	(3)
Other disposals		(7)	(99)	(39)	–	(1)	(146)
Disposal of subsidiaries		(35)	(71)	(2)	–	–	(108)
Transfers from assets under construction		24	234	231	(489)	–	–
Effect of movements in hyperinflation		–	76	10	–	–	86
Effect of movements in foreign exchange		(45)	(177)	(85)	(49)	(22)	(378)
At 14 September 2024		2,680	4,656	5,337	754	96	13,523
Depreciation and impairment							
At 17 September 2022		834	3,120	2,760	–	60	6,774
Opening balance adjustment – investment property re-representation	10	(36)	–	–	–	–	(36)
Depreciation for the year		50	183	287	–	9	529
Impairment		22	56	3	–	2	83
Other disposals		(22)	(46)	(3)	–	(1)	(72)
Transfer to assets classified as held for sale		20	75	2	–	–	97
Effect of movements in hyperinflation		–	64	17	–	–	81
Effect of movements in foreign exchange		(33)	(158)	(50)	–	(10)	(251)
At 16 September 2023		835	3,294	3,016	–	60	7,205
Depreciation for the year		46	184	315	–	8	553
Impairment		5	14	1	–	–	20
Transfer of investment properties	10	(1)	–	–	–	–	(1)
Other disposals		(4)	(77)	(39)	–	(1)	(121)
Disposal of subsidiaries		(36)	(72)	1	–	–	(107)
Effect of movements in hyperinflation		–	56	8	–	–	64
Effect of movements in foreign exchange		(15)	(109)	(50)	–	(14)	(188)
At 14 September 2024		830	3,290	3,252	–	53	7,425
Net book value							
At 17 September 2022		1,991	1,299	1,659	605	45	5,599
At 16 September 2023		1,846	1,245	1,855	687	41	5,674
At 14 September 2024		1,850	1,366	2,085	754	43	6,098
					2024	2023	
					£m	£m	
Capital expenditure commitments – contracted but not provided for					430	493	

Impairment

The methodology used to assess property, plant and equipment for impairment is the same as that described for impairment assessments of goodwill. See note 8 for further details. In addition where the fair value less costs of disposal is higher than value in use, this methodology has been used to determine the recoverable amount. This method uses inputs that are unobservable, using the best information available in the circumstances for valuing the CGU, and therefore falls into the Level 3 category of fair value measurement.

In Grocery, for the Australian Don business, management performed a detailed impairment review and of the methodologies available to assess impairment, the Group applied the 'fair value less costs of disposal' approach to identify its best estimate of impairment. Management have concluded that no further impairment was required. Headroom was A\$39m on a CGU carrying value of A\$218m. An impairment of A\$72m (£39m) was recorded in the prior year under the value-in-use methodology.

Azucarera's operating performance has been impacted by the sharp decline in European sugar pricing due to increased supply in the market. Accordingly, management performed a detailed impairment review and concluded no impairment was required. Headroom was €1.2m on a CGU carrying value of €279m. The impairment model assumed a long-term growth rate beyond the forecast period of 2% (2023 – 2%) and a discount rate of 10.6% (2023 – 10.2%).

The CGU carrying value is sensitive to assumptions around sugar and beet prices, beet crop area and discount rate. A sensitivity of +/- 5% on long-term beet area affects value-in-use by +/- €14m; and increasing the discount rate used by 1% causes the value-in-use to reduce by €39m. Applying sensitivities to these assumptions, a change of +/- 5% on long-term sugar prices affects carrying value by +/- €52m, and an increase in the long-term beet price of +/- 5% per tonne changes value-in-use by +/- €29m.

In the year there was a £17m (2023 – £nil) impairment of property, plant and equipment assets related to the Vivergo business (included within exceptional items).

10. Investment properties

Reconciliation of carrying amount

	Note	Total £m
Cost		
At 17 September 2022		–
Opening balance adjustment – investment property representation	9,11	162
Acquisitions – externally purchased		4
Disposals		(10)
Effect of movement in foreign exchange		(8)
At 16 September 2023		148
Acquisitions – externally purchased		8
Disposals		(9)
Transfer from property, plant and equipment	9	3
Effect of movement in foreign exchange		(2)
At 14 September 2024		148
Depreciation and impairment		
At 17 September 2022		–
Opening balance adjustment – investment property representation	9,11	42
Depreciation for the year		2
Disposals		–
Effect of movement in foreign exchange		(3)
At 16 September 2023		41
Depreciation for the year		2
Transfer from property, plant and equipment	9	1
Effect of movement in foreign exchange		(1)
At 14 September 2024		43
Net book value		
At 17 September 2022		–
At 16 September 2023		107
At 14 September 2024		105

The directors consider that the carrying amount of investment properties approximates fair value.

Notes forming part of the financial statements

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11. Leases

Most of the Group's right-of-use assets are associated with our leased property portfolio in the Retail segment.

Right-of-use assets

	Note	Land and buildings £m	Plant and machinery £m	Fixtures and fittings £m	Total £m
Cost					
At 17 September 2022		3,502	76	1	3,579
Opening balance adjustment – investment property re-presentation	10	(24)	–	–	(24)
Additions		182	17	–	199
Lease incentives		(53)	–	–	(53)
Acquired through business combinations		1	–	–	1
Other disposals		(1)	(4)	–	(5)
Other movements		80	5	–	85
Effect of movements in foreign exchange		(72)	(4)	–	(76)
At 16 September 2023		3,615	90	1	3,706
Additions		199	15	1	215
Lease incentives		(46)	–	–	(46)
Acquired through business combinations		–	8	–	8
Other disposals		–	(2)	–	(2)
Other movements		92	(1)	–	91
Effect of movements in foreign exchange		(65)	(9)	–	(74)
At 14 September 2024		3,795	101	2	3,898
Depreciation and impairment					
At 17 September 2022		1,073	50	–	1,123
Opening balance adjustment – investment property re-presentation		(6)	–	–	(6)
Depreciation for the year		257	16	–	273
Impairment		13	1	–	14
Other disposals		(1)	(4)	–	(5)
Effect of movements in foreign exchange		(25)	(3)	–	(28)
At 16 September 2023		1,311	60	–	1,371
Depreciation for the year		277	17	–	294
Impairment		12	–	–	12
Other disposals		–	(2)	–	(2)
Effect of movements in foreign exchange		(28)	(4)	–	(32)
At 14 September 2024		1,572	71	–	1,643
Net book value					
At 17 September 2022		2,429	26	1	2,456
At 16 September 2023		2,304	30	1	2,335
At 14 September 2024		2,223	30	2	2,255

Impairment

The methodology used to assess right-of-use assets for impairment is the same as that described for impairment assessments of goodwill. See note 8 for further details. In the year there was a £12m (2023 – £14m) impairment of right-of-use assets related to Primark and the Viverno business (included within exceptional items).

Lease liabilities

	Land and buildings £m	Plant and machinery £m	Fixtures and fittings £m	Total £m
Cost				
At 17 September 2022	3,237	29	–	3,266
Additions	180	18	–	198
Interest expense relating to lease liabilities	89	2	–	91
Repayment of lease liabilities	(373)	(18)	–	(391)
Other movements	80	5	–	85
Other disposals	(5)	–	–	(5)
Effect of movements in foreign exchange	(60)	(3)	–	(63)
At 16 September 2023	3,148	33	–	3,181
Additions	198	14	1	213
Interest expense relating to lease liabilities	100	2	–	102
Repayment of lease liabilities	(431)	(18)	–	(449)
Acquisition of businesses	–	8	–	8
Other movements	89	(1)	–	88
Effect of movements in foreign exchange	(52)	(4)	–	(56)
At 14 September 2024	3,052	34	1	3,087
			2024	2023
			£m	£m
Current			289	356
Non-current			2,798	2,825
			3,087	3,181

Lease liabilities comprise capital payable of £3,065m (2023 – £3,160m) and interest payable £22m (2023 – £21m). The interest payable is all current and disclosed within trade and other payables. Repayments comprise capital of £348m (2023 – £308m) and interest of £101m (2023 – £83m).

Other information relating to leases

The Group had the following expense relating to short-term leases and low-value leases:

	2024	2023
	£m	£m
Land and buildings	–	2
Plant and machinery	2	1
	2	3

The Group expensed £nil (2023 – £1m) of variable lease payments that do not form part of the lease liability. Cash outflows of £1m (2023 – £2m) that do not form part of the lease liability are expected to be made in the next 12 months.

Rental receipts of £2m (2023 – £3m) were recognised relating to operating leases. The total of future minimum rental receipts expected to be received is £39m (2023 – £43m). £8m (2023 – £10m) is due to be received in respect of sub-leasing right-of-use assets.

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12. Investments in joint ventures and associates

	Joint Ventures £m	Associates £m
At 17 September 2022	301	85
Acquisitions	9	–
Profit for the period	106	18
Dividends received	(102)	(5)
Effects of movements in foreign exchange	(11)	(7)
At 16 September 2023	303	91
Transfers	(15)	–
Profit for the period	94	23
Dividends received	(90)	(15)
Effects of movements in foreign exchange	(6)	(4)
At 14 September 2024	286	95

Details of joint ventures and associates are listed in note 29.

Included in the consolidated financial statements are the following items that represent the Group's share of the assets, liabilities and profit of joint ventures and associates:

	Joint Ventures		Associates	
	2024 £m	2023 £m	2024 £m	2023 £m
Non-Current Assets	199	222	45	47
Current Assets	470	541	435	500
Current Liabilities	(342)	(414)	(385)	(454)
Non-current Liabilities	(58)	(67)	(1)	(3)
Goodwill	21	25	1	1
Non-controlling interest	(4)	(4)	–	–
Net Assets	286	303	95	91
Revenue	2,001	2,539	1,880	1,605
Profit for the period	94	106	23	18

13. Employee entitlements

The Group operates a number of defined benefit and defined contribution retirement benefit schemes in the UK and overseas.

The defined benefit schemes expose the Group to a variety of actuarial risks including demographic assumptions such as mortality and financial assumptions such as discount rate, inflation risk and market (investment) risk. The Group is not exposed to any unusual, entity-specific or scheme-specific risks. All schemes comply with local legislative requirements.

UK defined benefit scheme

The Group's principal UK defined benefit scheme is the Associated British Foods Pension Scheme (the 'Scheme'), which is a funded final salary scheme that is closed to new members. Defined contribution arrangements are in place for other employees. The UK defined benefit scheme represents 90% (2023 – 90%) of the Group's defined benefit scheme assets and 85% (2023 – 85%) of defined benefit scheme liabilities. The Scheme is governed by a trustee board which is independent of the Group and which agrees a schedule of contributions with the Company each time a formal funding valuation is performed.

The most recent triennial funding valuation of the Scheme was carried out as at 5 April 2023, using the current unit method, and revealed a surplus of £1,013m. The market value of the Scheme assets was £3,648m, representing 138% of members' accrued benefits after allowing for expected future salary increases.

The Scheme's assets are managed using a risk-controlled investment strategy, which includes a liability-driven investment policy that seeks to match, where appropriate, the profile of the liabilities. This includes the use of derivative instruments to hedge inflation, interest and foreign exchange risks. The Scheme utilises both market and solvency triggers to develop the level of hedges in place. To date, the Scheme is fully hedged for 91% of inflation sensitivity and 90% of interest rate risk. It is intended to hedge 90% of total exposure.

The Scheme is forbidden by the trust deed from holding direct investments in the equity of the Company, although it is possible that the Scheme may hold indirect interests through investments in some equity funds.

Overseas defined benefit schemes

The Group also operates defined benefit retirement schemes in a number of overseas businesses, which are primarily funded final salary schemes, as well as a small number of unfunded post-retirement medical benefit schemes, which are accounted for in the same way as defined benefit retirement schemes.

Defined contribution schemes

The Group operates a number of defined contribution schemes for which the charge was £54m in the UK and £49m overseas, totalling £103m (2023 – UK £47m, overseas £48m, totalling £95m).

Actuarial assumptions

The principal actuarial assumptions for the Group's defined benefit schemes at the year end were:

	2024 UK %	2024 Overseas %	2023 UK %	2023 Overseas %
Discount rate	4.8	0 - 15.7	5.5	1 - 15.8
Inflation	2.5 - 3	0 - 52	2.7 - 3.4	0 - 17.4
Rate of increase in salaries	3 - 4	0 - 95.6	3.7 - 4.3	0 - 150.0
Rate of increase for pensions in payment	1.9 - 2.9	0 - 78	1.9 - 3.1	0 - 49.0
Rate of increase for pensions in deferment (where provided)	2.5	0 - 3.6	2.5 - 2.8	0 - 3.9

Discount rates are determined by reference to market yields at the balance sheet date on high-quality corporate bonds consistent with the estimated term of the obligations. This has been done in conjunction with independent actuaries in each jurisdiction.

The UK inflation assumption includes assumptions on both the Retail Price Index and Consumer Price Index measures of inflation on the basis that the gap between the two measures is expected to remain stable in the long term.

The mortality assumptions used to value the UK defined benefit schemes in 2024 are derived from the S3 mortality tables with improvements in line with the 2023 projection model prepared by the Continuous Mortality Investigation of the UK actuarial profession (2023 – S3 mortality tables with improvements in line with the 2022 projection model), with a 0-year rating movement for males and females (2023 – 0-year rating movement for males and females), both with a long-term trend of 1.75% (2023 – 1.75%). These mortality assumptions take account of experience to date, and assumptions for further improvements in life expectancy of scheme members. Examples of the resulting life expectancies in the UK defined benefit schemes are as follows:

	2024		2023	
Life expectancy from age 65 (in years)	Male	Female	Male	Female
Member aged 65 in 2024 (2023)	21.8	24.2	21.8	24.2
Member aged 65 in 2044 (2043)	23.7	26.2	23.7	26.2

An allowance has been made for cash commutation in line with emerging scheme experience. Other demographic assumptions for the UK defined benefit schemes are set having regard to the latest trends in scheme experience and other relevant data.

The assumptions are reviewed and updated as necessary as part of the periodic funding valuation of the schemes.

For the overseas schemes, regionally appropriate assumptions for mortality, financial and demographic factors have been used.

A sensitivity analysis on the principal assumptions used to measure UK defined benefit scheme liabilities at 14 September 2024 is:

	Change in assumption	Impact on scheme liabilities
Discount rate	increase/decrease by 0.1 %	increase/decrease by 1.2 %
Inflation	increase/decrease by 0.1 %	increase by 0.6%/decrease by 1 %
Rate of real increase in salaries	increase/decrease by 0.1 %	increase/decrease by 0.1 %
Rate of mortality	members assumed to be one year younger/older	increase/decrease by 3.1 %

A sensitivity to the rate of increase in pensions in payment and pensions in deferment is represented by the inflation sensitivity, as all pensions increases and deferred revaluations are linked to inflation.

The sensitivity analysis above has been determined based on reasonably possible changes in the respective assumptions occurring at the end of the period and may not be representative of the actual change. It is based on a change in the specific assumption while holding all other assumptions constant. When calculating the sensitivities, the same method used to calculate scheme liabilities recognised in the balance sheet has been applied. The method and assumptions used in preparing the sensitivity analysis have not changed since the prior year.

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13. Employee entitlements *continued*

Balance sheet

	2024			2023		
	UK £m	Overseas £m	Total £m	UK £m	Overseas £m	Total £m
Equities	898	160	1,058	1,020	172	1,192
Government bonds	568	154	722	455	89	544
Corporate and other bonds	872	40	912	619	55	674
Property	242	35	277	314	36	350
Cash and other assets	1,157	41	1,198	1,145	57	1,202
Scheme assets	3,737	430	4,167	3,553	409	3,962
Scheme liabilities	(2,307)	(390)	(2,697)	(2,176)	(373)	(2,549)
Aggregate net surplus	1,430	40	1,470	1,377	36	1,413
Irrecoverable surplus	–	(38)	(38)	–	(36)	(36)
Net pension asset	1,430	2	1,432	1,377	–	1,377
Analysed as						
Schemes in surplus	1,454	52	1,506	1,397	49	1,446
Schemes in deficit	(24)	(50)	(74)	(20)	(49)	(69)
	1,430	2	1,432	1,377	–	1,377
Unfunded liability included in the present value of scheme liabilities above	(24)	(34)	(58)	(20)	(32)	(52)

* The surpluses in the plans are only recoverable to the extent that the Group can benefit from either refunds formally agreed or from future contribution reductions.

UK Scheme

Scheme assets include £99m (2023 – £64m) of derivative instruments, £597m (2023 – £409m) of corporate debt instruments and £1,559m (2023 – £1,119m) of government debt.

Corporate and other bonds assets of £872m (2023 – £619m) include £49m (2023 – £235m) of assets whose valuation is not derived from quoted market prices. The valuation for all other equity assets, government bonds, and corporate and other bonds is derived from quoted market prices. The carrying value of UK property assets is based on a 30 June market valuation, adjusted for purchases, disposals and price indexation between the valuation and the balance sheet date. Cash and other assets includes £828m (2023 – £888m) of assets whose valuation is not derived from quoted market prices.

For financial reporting in the Group's financial statements, liabilities are assessed by actuaries using the projected unit method.

The accounting value is different from the result obtained using the funding basis, mainly due to different assumptions used to project scheme liabilities.

The defined benefit scheme liabilities comprise 20% (2023 – 18%) in respect of active participants, 22% (2023 – 21%) for deferred participants and 58% (2023 – 61%) for pensioners.

The weighted average duration of the defined benefit scheme liabilities at the end of the year is 12 years for both UK and overseas schemes (2023 – 12 years for both UK and overseas schemes).

The Group recognises the accounting surplus as it has the ability to use the surplus to meet employer contributions to the UK Scheme, covering both the defined benefit and defined contribution sections. This has been agreed with the independent Trustee Board for the new financial year. See the Cash flow section below for further details.

A UK High Court judgment in 2023 was upheld by the Court of Appeals on 25 July 2024. This confirmed that actuarial confirmations should have been provided for amendments made to contracted-out schemes in the period between 6 April 1997 and 5 April 2016, including for amendments that only affected future service benefits. The UK Scheme Trustee commissioned a review of historic scheme amendment documentation to check for appropriate evidence that the required actuarial confirmations were given in respect of relevant deeds of amendment. The review concluded that there was appropriate evidence in relation to all relevant deeds of amendment which changed contracted-out benefits over the relevant period and that no further action is required.

Income statement

The charge to the income statement for employee benefit schemes comprises:

	Note	2024 £m	2023 £m
Charged to operating profit:			
Defined benefit schemes			
• Current service cost	3	(31)	(31)
• Past service cost	3	–	(2)
Defined contribution schemes	3	(103)	(95)
Total operating cost		(134)	(128)
Reported in other financial income:			
Net interest income on the net pension asset		75	62
Interest charge on irrecoverable surplus	4	(2)	(2)
Net financial income from employee benefit schemes		73	60
Net impact on profit before tax		(61)	(68)

Cash flow

Group cash flow in respect of employee benefits schemes comprises contributions paid to funded schemes of £9m (2023 – £36m) and benefits paid in respect of unfunded schemes of £2m (2023 – £5m). Contributions to funded defined benefit schemes are subject to periodic review. Contributions to defined contribution schemes amounted to £65m (2023 – £95m).

Total contributions to funded schemes and benefit payments by the Group in respect of unfunded schemes in 2024 are currently expected to be approximately £1m in the UK and £9m overseas, totalling £10m (2023 – UK £3m, overseas £10m, totalling £13m).

As part of the triennial funding valuation of the UK Scheme as at 5 April 2023, which was finalised with the independent trustee board in September 2023, the Company agreed an abatement of all UK employer contributions to the UK Scheme, covering both the defined benefit and defined contribution sections from the start of the 2024 financial year, since when the employer contributions have been met from the surplus in the UK Scheme. This is subject to a solvency check, assessed annually by the Scheme Actuary.

Other comprehensive income

Remeasurements of the net pension asset recognised in other comprehensive income are as follows:

	2024 £m	2023 £m
Other comprehensive income		
Loss/(return) on scheme assets excluding amounts included in net interest in the income statement	182	(238)
Actuarial (losses)/gains arising from changes in financial assumptions	(140)	264
Actuarial gains arising from changes in demographic assumptions	6	18
Experience losses on scheme liabilities	(10)	(57)
Change in unrecognised surplus	–	6
Remeasurements of the net pension asset/(liability)	38	(7)

Notes forming part of the financial statements

for the 52 weeks ended 14 September 2024

13. Employee entitlements *continued*

Reconciliation of change in assets and liabilities

	2024 assets £m	2023 assets £m	2024 liabilities £m	2023 liabilities £m	2024 net £m	2023 net £m
At the beginning of the year	3,962	4,151	(2,549)	(2,795)	1,413	1,356
Current service cost	–	–	(31)	(31)	(31)	(31)
Employee contributions	6	7	(6)	(7)	–	–
Employer contributions	9	36	–	–	9	36
Abatement of employer contributions to defined contribution schemes	(38)	–	–	–	(38)	–
Benefit payments	(157)	(161)	159	166	2	5
Past service cost	–	–	–	(2)	–	(2)
Interest income/(expense)	206	185	(131)	(123)	75	62
Loss/(return) on scheme assets less interest income	182	(238)	–	–	182	(238)
Actuarial (losses)/gains arising from changes in financial assumptions	–	–	(140)	264	(140)	264
Actuarial gains arising from changes in demographic assumptions	–	–	6	18	6	18
Experience losses on scheme liabilities	–	–	(10)	(57)	(10)	(57)
Effect of movements in foreign exchange	(3)	(18)	5	18	2	–
At end of year	4,167	3,962	(2,697)	(2,549)	1,470	1,413

Reconciliation of change in irrecoverable surplus

	Note	2024 £m	2023 £m
At the beginning of the year		(36)	(42)
Change recognised in other comprehensive income		–	6
Interest charge on irrecoverable surplus	4	(2)	(2)
Effect of movements in foreign exchange		–	2
At end of year		(38)	(36)

14. Deferred tax assets and liabilities

	Property, plant and equipment £m	Intangible assets £m	Employee benefits £m	Financial assets and liabilities £m	Provisions and other temporary assets £m	Leases £m	Tax value of carry- forward losses £m	Total £m
At 17 September 2022	187	117	324	40	(75)	(78)	(26)	489
Amount charged/(credited) to the Income Statement	73	(3)	12	–	(11)	(30)	(53)	(12)
Amount (credited)/charged to equity	–	–	(5)	(40)	5	–	–	(40)
Acquired through business combinations	–	7	1	–	(1)	–	(1)	6
Effect of changes in tax rates on the income statement	3	–	2	–	–	–	–	5
Effect of hyperinflationary economies taken to operating profit	4	–	–	–	–	–	–	4
Transfer from assets/liabilities held for sale	(5)	–	–	–	–	–	–	(5)
Effect of movements in foreign exchange	(19)	(3)	–	–	3	3	2	(14)
At 16 September 2023	243	118	334	–	(79)	(105)	(78)	433
Amount charged/(credited) to the Income Statement	46	(10)	2	–	(21)	(4)	15	28
Amount charged/(credited) to equity	–	–	9	(13)	(1)	–	–	(5)
Acquired through business combinations	7	6	–	–	(7)	–	–	6
Effect of changes in tax rates on the income statement	6	–	–	–	2	(1)	–	7
Effect of changes in tax rate on equity	–	–	1	–	–	–	–	1
Effect of hyperinflationary economies taken to operating profit	6	–	–	–	–	–	–	6
Effect of movements in foreign exchange	(14)	(5)	–	–	(3)	3	2	(17)
At 14 September 2024	294	109	346	(13)	(109)	(107)	(61)	459

Provisions and other temporary differences include provisions of £(118)m (2023 – £(103)m), biological assets of £35m (2023 – £33m), tax credits of £(10)m (2023 – £(9)m) and other temporary differences of £(16)m (2023 – £nil).

Certain deferred tax assets and liabilities have been offset in the table above. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2024 £m	2023 £m
Deferred tax assets	(223)	(193)
Deferred tax liabilities	682	626
	459	433

Deferred tax assets have not been recognised in respect of tax losses of £328m (2023 – £358m). Of these tax losses, £187m (2023 – £186m) will expire at various dates between 2024 and 2029 (2023: 2023 and 2028). Tax losses not recognised also include capital losses in Ireland and Australia of £16m and £86m respectively (2023 – £16m and £98m). Deferred tax assets have also not been recognised in respect of other temporary differences of £237m (2023 – £353m). This includes £88m (2023 – £160m) relating to property, plant and equipment and leases in Germany which were derecognised following the impairment in 2022. These deferred tax assets have not been recognised on the basis that their future economic benefit is uncertain.

In addition, the Group's overseas subsidiaries have net unremitted earnings of £2,476m (2023 – £2,527m), resulting in temporary differences of £1,514m (2023 – £1,426m). No deferred tax has been provided in respect of these differences since the timing of the reversals can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes forming part of the financial statements

for the 52 weeks ended 14 September 2024

15. Trade and other receivables

	Note	2024 £m	2023 £m
Non-current – other receivables			
Loans and receivables	26	–	31
Other non-current investments	26	30	32
		30	63
Current – trade and other receivables			
Trade receivables	26	1,271	1,319
Other receivables		213	223
Accrued income		21	26
	26	1,505	1,568
Prepayments and other non-financial receivables		192	210
		1,697	1,778

The directors consider that the carrying amount of receivables approximates fair value. For details of credit risk exposure on trade and other receivables, see note 26.

Prior year trade and other receivables included £32m in respect of finance lease receivables, which related to property, plant and equipment leased to a joint venture of the Group (see note 28).

16. Inventories

	2024 £m	2023 £m
Raw materials and consumables	474	599
Work in progress	103	78
Finished goods and goods held for resale	2,365	2,530
	2,942	3,207
Write-down of inventories	(141)	(123)

17. Biological assets

	Growing cane £m	Other £m	Total £m
At 17 September 2022	97	8	105
Transferred to inventory	(121)	(14)	(135)
Purchases	3	6	9
Impairment	(7)	–	(7)
Changes in fair value	135	11	146
Effect of movements in foreign exchange	(19)	–	(19)
At 16 September 2023	88	11	99
Transferred to inventory	(93)	(11)	(104)
Purchases	–	7	7
Other disposals	–	(8)	(8)
Changes in fair value	113	11	124
Effect of movements in foreign exchange	(24)	–	(24)
At 14 September 2024	84	10	94

Impairment

The methodology used to assess current biological assets for impairment is the same as that described for impairment assessments of goodwill. See note 8 for further details.

In the prior year there was a £7m impairment charge booked on current biological assets in Mozambique due to the severe flooding and damage to the sugar crop fields and that was included within exceptional items. This year there was no impairment booked on these assets.

Growing cane

The fair value of growing cane is determined using inputs that are unobservable, using the best information available in the circumstances for valuing the growing cane and therefore falls into the Level 3 category of fair value measurement. The following assumptions were used in the determination of the estimated sucrose tonnage at 14 September 2024:

	South Africa	Malawi	Zambia	Eswatini	Tanzania
Expected areas to harvest (hectares)	6,393	18,194	14,966	10,486	9,339
Estimated yield (tonnes cane/hectare)	64.6	89.0	114.9	96.1	81.9
Average maturity of growing cane	45.8 %	66.8 %	65.7 %	67.7 %	46.2 %

The following assumptions were used in the determination of the estimated sucrose tonnage at 16 September 2023:

	South Africa	Malawi	Zambia	Eswatini	Tanzania
Expected areas to harvest (hectares)	5,729	18,819	15,700	10,580	9,578
Estimated yield (tonnes cane/hectare)	67.9	100.1	114.0	92.0	80.2
Average maturity of growing cane	46.4 %	67.4 %	65.7 %	67.7 %	46.2 %

A 1% change in the unobservable inputs could increase or decrease the fair value of growing cane as follows:

	2024		2023	
	+1%	(1)%	+1%	(1)%
	£m	£m	£m	£m
Estimated sucrose content	1.3	(1.3)	1.6	(1.6)
Estimated sucrose price	1.6	(1.6)	1.9	(1.9)

18. Cash, cash equivalents and current asset investments

	Note	2024 £m	2023 £m
Current asset investments		334	–
Cash and cash equivalents			
Cash at bank and in hand		551	481
Cash equivalents		772	976
Cash and cash equivalents in the balance sheet	25, 26	1,323	1,457
Reconciliation to the cash flow statement			
Bank overdrafts	19, 25	(88)	(69)
Cash and cash equivalents in the cash flow statement		1,235	1,388
Cash, cash equivalents and current asset investments in the balance sheet		1,657	1,457

Cash at bank and in hand generally earns interest at rates based on the applicable daily bank deposit rate.

Cash equivalents generally comprise bank deposits placed for periods of up to three months and money market funds which earn interest at a short-term deposit rate.

Current asset investments comprise bank deposits for periods between three and six months which earn interest at a short-term deposit rate.

The carrying amount of cash, cash equivalents and current asset investments approximates fair value.

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19. Loans and overdrafts

	Note	2024 £m	2023 £m
Current loans and overdrafts			
Secured loans		3	–
Unsecured loans and overdrafts	25	156	168
		159	168
Non-current loans			
Secured loans		60	–
Unsecured loans	25	394	394
		454	394
	26	613	562

	Note	2024 £m	2023 £m
Secured loans			
• Other floating rates		63	–
Unsecured loans and overdrafts			
• Bank overdrafts	18	88	69
• GBP floating rate		44	–
• GBP fixed rate		391	392
• USD floating rate		9	8
• USD fixed rate		–	81
• EUR floating rate		4	1
• Other floating rate		9	9
• Other fixed rate		5	2
	26	613	562

Secured loans comprise amounts borrowed from commercial banks and are secured by charges over the assets of subsidiaries. Bank overdrafts generally bear interest at floating rates.

20. Trade and other payables

	2024 £m	2023 £m
Current – trade and other payables		
Trade payables	1,159	1,177
Accruals	1,276	1,271
	2,435	2,448
Deferred income and other non-financial payables	499	505
	2,934	2,953

For payables with a remaining life of less than one year, carrying amount is deemed to reflect fair value.

In a small number of businesses, the Group utilises supplier financing arrangements to enable participating suppliers, at each supplier's sole discretion, to sell any or all amounts due from the Group to a third party bank earlier than the invoice due date, at better financing rates than the supplier alone could achieve. Payment terms for suppliers are identical, irrespective of whether they choose to participate. Contractual terms and invoice due dates are unchanged and the Group considers amounts owed to the third party bank as akin to amounts owed to the supplier. Such amounts are therefore included within trade payables and associated cash flows are included within operating cash flows, as they continue to be part of the Group's normal operating cycle.

At year end, the value of invoices sold by suppliers under supply chain financing arrangements was £55m (2023 – £75m).

21. Provisions

	Restructuring	Onerous contracts	Deferred consideration	Other	Total
	£m	£m	£m	£m	£m
At 16 September 2023	18	–	6	79	103
Created	22	13	9	50	94
Utilised	(9)	–	(4)	(14)	(27)
Released	(8)	–	–	(21)	(29)
Effect of movements in foreign exchange	–	–	–	(3)	(3)
At 14 September 2024	23	13	11	91	138
Current	22	12	6	38	78
Non-current	1	1	5	53	60
	23	13	11	91	138

Financial liabilities within provisions comprised deferred consideration in both years (see note 26).

Restructuring

Restructuring provisions include business restructure costs, including redundancy, associated with the Group's announced reorganisation plans. These restructuring provisions are largely expected to be utilised in the next financial year.

Onerous contracts

Onerous contract provisions relate to potential losses to be incurred on fixed-price agreements in the Sugar segment as a result of the current decline in the European market sugar price.

Deferred consideration

Deferred consideration comprises estimates of amounts due to the previous owners of businesses acquired by the Group which are often linked to performance or other conditions.

Other

Other provisions mainly comprise litigation claims, and warranty claims arising from the sale and closure of businesses. The extent and timing of the utilisation of these provisions is more uncertain given the nature of the claims and the period of the warranties.

22. Share capital and reserves

Share capital

At 14 September 2024, the Company's issued and fully paid share capital comprised 744,303,807 ordinary shares of 5 ¹⁵/₂₂p each carrying one vote per share (2023 – 767,953,088). Total nominal value was £42m (2023 – £44m). The Company repurchased and cancelled 23,649,281 shares during the year at a cost of £562m (2023 – 23,721,095 shares at a cost of £448m).

At 14 September 2024, the Company recognised a current liability of £6m in accruals in respect of shares yet to be delivered under the share buyback programme (2023 – nil). At 14 September 2024, the Company had a contractual right to terminate the share buyback programme, so the liability recognised is limited to the Company's obligation to pay for shares already purchased on its behalf at 14 September 2024 but not yet paid for.

Other reserves

£173m of other reserves arose from the cancellation of share premium account by the Company in 1993. £2m arose in 2010 following redemption of two million £1 deferred shares at par. £3m has arisen since 2023 following the purchase and subsequent cancellation of shares (2023 – £1m).

The remaining £4m comprises a £5m unrealised gain on investments held at fair value through other comprehensive income, net of £1m deferred tax (2023 – £3m, £4m and £1m, respectively).

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Group's net investment in foreign subsidiaries.

Hedging reserve

The hedging reserve comprises all changes in the value of derivatives to the extent that they are effective cash flow hedges, net of amounts recycled from the hedging reserve on occurrence of the hedged transaction or when the hedged transaction is no longer expected to occur.

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23. Acquisitions and disposals

Acquisitions

2024

In the first half, the Grocery division acquired Capsicana, a provider of Latin American products including tortillas, pastes, kits and seasoning mixes. Also in the first half, the Ingredients division acquired the remaining 50% stake of its existing joint venture Roal, making it a wholly owned subsidiary. The acquisition gave rise to negative goodwill of £7m which was released to the income statement through profit on disposal of business.

In the second half, the Ingredients division acquired Mapo, an Italian manufacturer of premium frozen baked goods, to support AB Mauri's Scrocchiarella product range, Omega Yeast Labs, a leading provider of liquid yeast to the craft brewing industry in the US, for £36m, and Romix, a specialist blender of baking ingredients in the UK.

Also in the second half, the Grocery division acquired The Artisanal Group, a leading manufacturer and wholesaler of high-quality baked goods in Australia, for £35m.

	Pre-acquisition carrying values £m	Recognised values on acquisition			
		TAG (The Artisanal Group) £m	Omega Yeast £m	Other £m	Total £m
Net assets					
Intangible assets	1	15	8	14	37
Property, plant and equipment and right-of-use assets	73	8	11	63	82
Working capital	6	(1)	–	9	8
Cash	7	2	1	4	7
Loans	(25)	(25)	–	–	(25)
Capital payable	(39)	–	–	(39)	(39)
Lease liabilities	–	–	(8)	–	(8)
Provisions	–	–	–	(1)	(1)
Taxation	(4)	(5)	–	(1)	(6)
Net identifiable assets and liabilities	19	(6)	12	49	55
Goodwill		41	24	12	77
Negative goodwill released to the income statement		–	–	(7)	(7)
Total consideration		35	36	54	125
					Recognised values on acquisition £m
Satisfied by					
Cash consideration					96
Consideration already paid					5
Net assets already owned					15
Deferred consideration					9
					125
Net cash					
Cash consideration					96
Cash and cash equivalents acquired					(7)
					89

Pre-acquisition carrying amounts were the same as recognised values on acquisition apart from £36m of non-operating intangibles in respect of brands, technology and customer relationships, and £9m of property, plant and equipment, together with a £(2)m related deferred tax liability, an inventory uplift of £2m, lease liabilities of £(8)m, £(1)m of provisions and goodwill of £77m. Cash flow on acquisition of subsidiaries, joint ventures and associates of £93m comprised £89m cash consideration and £4m deferred consideration paid in respect of previous acquisitions.

2023

In the first half, the Agriculture division acquired Kite Consulting, Advance Sourcing and Progres. Kite Consulting is a specialist dairy consultant and Advance Sourcing provides specialist products to create value by improving herd performance and supports dairy farmers to improve herd efficiency and resilience. Progres in Finland uses a patented additive to support gut health.

Also in the first half, the Ingredients division acquired Vital Solutions in Germany, which specialises in natural science-based ingredients for application in dietary supplements and functional foods.

In the second half, the Agriculture division acquired IFCN, a dairy research and consulting company and National Milk Records plc (NMR) for £48m. NMR is the leading agri-tech supplier of management information and testing services to the UK dairy supply chain.

2024

The Sugar division sold its remaining assets in north China for £24m net of restructuring costs. Profit on sale was £12m compared to assets of £12m. The Sugar division also disposed of a 30% associate interest in South Africa which enabled the release of a £5m non-cash provision taken in the prior year and charged £2m for the closure of a small joint venture in South Africa. On completion of the buyout of the Roal joint venture in Finland, the Ingredients division released £7m negative goodwill arising. The Ingredients division also released £4m of surplus provisions relating to closed factories in China.

2023

The Ingredients division sold property, plant and equipment in China to its local joint venture partner for a profit of £3m. The Sugar division booked a £6m non-cash provision for a financial guarantee when its 30% associate in South Africa went into business rescue.

24. Share-based payments

The annual charge in the income statement for equity-settled share-based payments schemes was £31m (2023 – £18m). The Group had the following principal equity-settled share-based payment plans in operation during the period:

Associated British Foods 2016 Long-term Incentive Plan ('the 2016 LTIP')

The 2016 LTIP was approved and adopted by the Company at the AGM held on 9 December 2016. It takes the form of conditional allocations of shares which are released if, and to the extent that, performance targets are satisfied, typically over a three-year vesting period.

Associated British Foods 2016 Short-term Incentive Plan ('the 2016 STIP')

The 2016 STIP was approved and adopted by the Board on 2 November 2016. It takes the form of conditional allocations of shares which are released at the end of a three-year vesting period if, and to the extent that, performance targets are satisfied, over a one-year performance period. Further information regarding the operation of the above plans can be found in the Remuneration Report on pages 111 to 127. Total conditional allocations under the Group's equity-settled share-based payment plans are as follows:

	Balance outstanding at the beginning of the period	Granted/awarded	Vested	Expired/lapsed	Balance outstanding at the end of the period
2024	6,977,182	2,170,822	(1,202,101)	(1,422,362)	6,523,541
2023	6,090,005	3,113,056	(607,140)	(1,618,739)	6,977,182

Employee Share Ownership Plan Trust

Shares subject to allocation under the Group's equity-settled share-based payment plans are held in a separate Employee Share Ownership Plan Trust funded by the Company. Voting rights attached to shares held by the Trust are exercisable by the trustee, who is entitled to consider any recommendation made by a committee of the Company. At 14 September 2024 the Trust held 4,348,890 (2023 – 4,734,992) ordinary shares of the Company. The market value of these shares at the year end was £95m (2023 – £99m). The Trust has waived its right to dividends. Movements in the year were a release of 1,202,101 shares and the purchase of 815,999 shares (2023 – release of 607,140 shares and the purchase of 2,300,000 shares).

Fair values

The weighted average fair value of conditional grants made was determined by taking the market price of the shares at the time of grant and discounting for the fact that dividends are not paid during the vesting period. The weighted average fair value of the conditional shares allocated during the year was 2,196p (2023 – 1,544p) and the weighted average share price was 2,362p (2023 – 1,660p). The dividend yield used was 2.5% (2023 – 2.5%).

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25. Analysis of net debt

	At 16 September 2023 £m	Cash flow £m	Acquisition and disposals £m	New leases, non-cash items and transfers £m	Exchange adjustments £m	At 14 September 2024 £m
Short-term loans	(99)	50	(25)	–	3	(71)
Long-term loans	(394)	(66)	–	–	6	(454)
Lease liabilities	(3,160)	348	(8)	(301)	56	(3,065)
Total liabilities from financing activities	(3,653)	332	(33)	(301)	65	(3,590)
Cash at bank and in hand, cash equivalents and overdrafts	1,388	(27)	–	–	(126)	1,235
Current asset Investments	–	334	–	–	–	334
Net debt including lease liabilities	(2,265)	639	(33)	(301)	(61)	(2,021)

	At 17 September 2022 £m	Cash flow £m	Acquisition and disposals £m	New leases, non-cash items and transfers £m	Exchange adjustments £m	At 16 September 2023 £m
Short-term loans	(31)	13	(1)	(87)	7	(99)
Long-term loans	(480)	–	(1)	87	–	(394)
Lease liabilities	(3,252)	308	–	(279)	63	(3,160)
Total liabilities from financing activities	(3,763)	321	(2)	(279)	70	(3,653)
Cash at bank and in hand, cash equivalents and overdrafts	1,995	(534)	–	–	(73)	1,388
Current asset Investments	4	(3)	–	–	(1)	–
Net debt including lease liabilities	(1,764)	(216)	(2)	(279)	(4)	(2,265)

Reconciliation of net debt to balance sheet	Note	2024 £m	2023 £m
Cash and cash equivalents	18	1,323	1,457
Current asset investments	18	334	–
Current loans and overdrafts	19	(159)	(168)
Non-current loans	19	(454)	(394)
Net cash before lease liabilities		1,044	895
Lease liabilities	11	(3,065)	(3,160)
Net debt including lease liabilities		(2,021)	(2,265)

Roll forward of the liabilities associated with interest paid	Note	2024 £m	2023 £m
Opening balance		(25)	(18)
Interest expense	4	(135)	(128)
Interest paid		140	118
Interest capitalised	4	(5)	–
Effect of hyperinflationary economies		–	3
Closing balance		(25)	(25)

26. Financial instruments

a) Carrying amount and fair values of financial assets and liabilities

	2024 £m	2023 £m
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	1,323	1,457
Current asset investments	334	–
Trade and other receivables	1,505	1,568
Other non-current receivables	–	31
At fair value through other comprehensive income		
Investments	30	32
At fair value through profit or loss		
Derivative assets not designated in a cash flow hedging relationship:		
• currency derivatives (excluding cross-currency swaps)	6	11
• commodity derivatives	1	–
Designated cash flow hedging relationships		
Derivative assets designated and effective as cash flow hedging instruments:		
• currency derivatives (excluding cross-currency swaps)	10	40
• cross-currency swaps	–	24
• interest rate derivatives	1	4
• commodity derivatives	10	17
Total financial assets	3,220	3,184
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	(2,435)	(2,448)
Secured loans	(63)	–
Unsecured loans and overdrafts (fair value 2024 – £345m; 2023 – £470m)	(550)	(562)
Lease liabilities (fair value 2024 – £3,394m; 2023 – £3,178m)	(3,065)	(3,160)
Deferred consideration	(11)	(6)
At fair value through profit and loss		
Derivative liabilities not designated in a cash flow hedging relationship:		
• currency derivatives (excluding cross-currency swaps)	(18)	(6)
Designated net investment hedging relationships		
Derivative liabilities designated as net investment hedging instruments:		
• cross-currency swaps	–	(7)
Designated cash flow hedging relationships		
Derivative liabilities designated and effective as cash flow hedging instruments:		
• currency derivatives (excluding cross-currency swaps)	(66)	(4)
• commodity derivatives	(13)	(52)
Total financial liabilities	(6,221)	(6,245)
Net financial liabilities	(3,001)	(3,061)

Except where stated, carrying amount is equal to fair value.

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26. Financial instruments *continued*

Valuation of financial instruments carried at fair value

Financial instruments carried at fair value on the balance sheet comprise derivatives and investments. The Group classifies these financial instruments using a fair value hierarchy that reflects the relative significance of both objective evidence and subjective judgements on the inputs used in making the fair value measurements:

- Level 1: financial instruments are valued using observable inputs that reflect unadjusted quoted market prices in an active market for identical instruments. An example of an item in this category is a widely traded equity instrument with a normal quoted market price.
- Level 2: financial instruments are valued using techniques based on observable inputs, either directly (i.e. market prices and rates) or indirectly (i.e. derived from market prices and rates). An example of an item in this category is a currency derivative, where forward exchange rates and yield curve data, which are observable in the market, are used to derive fair value.
- Level 3: financial instruments are valued using techniques involving significant unobservable inputs.

b) Derivatives

All derivatives are classified as current on the face of the balance sheet. The table below analyses the carrying amount of derivatives and their contractual/notional amounts, together with an analysis of derivatives by the level in the fair value hierarchy into which their fair value measurement method is categorised.

	2024				2023			
	Contractual/ notional amounts £m	Level 1 £m	Level 2 £m	Total £m	Contractual/ notional amounts £m	Level 1 £m	Level 2 £m	Total £m
Financial assets								
Currency derivatives (excluding cross-currency swaps)	1,305	–	16	16	2,402	–	51	51
Cross-currency swaps	–	–	–	–	84	–	24	24
Interest rate derivatives	400	–	1	1	400	–	4	4
Commodity derivatives	169	1	10	11	163	5	12	17
	1,874	1	27	28	3,049	5	91	96
Financial liabilities								
Currency derivatives (excluding cross-currency swaps)	3,460	–	(84)	(84)	626	–	(10)	(10)
Cross-currency swaps	–	–	–	–	65	–	(7)	(7)
Commodity derivatives	219	–	(13)	(13)	275	(2)	(50)	(52)
	3,679	–	(97)	(97)	966	(2)	(67)	(69)

c) Cash flow hedging reserve

The following table identifies the movements in the cash flow hedging reserve during the year, and the periods in which the cash flows are expected to occur. The periods in which the cash flows are expected to impact profit or loss are materially the same.

	2024					2023				
	Currency derivatives (excluding cross-currency) £m	Cross-currency swaps £m	Interest rate derivatives £m	Commodity derivatives £m	Total £m	Currency derivatives (excluding cross-currency) £m	Cross-currency swaps £m	Interest rate derivatives £m	Commodity derivatives £m	Total £m
Opening balance	(28)	(2)	(2)	30	(2)	(41)	–	2	(115)	(154)
Losses/(gains) recognised in the hedging reserve	68	–	1	6	75	73	5	(5)	339	412
Amount removed from the hedging reserve and included in the income statement:										
• revenue	8	–	–	(5)	3	(6)	–	–	(7)	(13)
• cost of sales	–	–	–	(28)	(28)	–	–	–	(132)	(132)
• other financial (income)/expense	(1)	2	–	–	1	–	(7)	–	–	(7)
Amounts removed from the hedging reserve and included in a non-financial asset:										
• inventory	18	–	–	(9)	9	(52)	–	–	(16)	(68)
Deferred tax	(21)	–	–	8	(13)	(2)	–	1	(39)	(40)
Closing balance	44	–	(1)	2	45	(28)	(2)	(2)	30	(2)
Cash flow are expected to occur:										
• within six months	26	–	–	2	28	(15)	–	–	25	10
• between six months and one year	18	–	(1)	–	17	(13)	(2)	(2)	4	(13)
• between one and two years	–	–	–	–	–	–	–	–	1	1
	44	–	(1)	2	45	(28)	(2)	(2)	30	(2)

Of the closing balance of £45m, £45m is attributable to equity shareholders and £nil to non-controlling interests (2023 – £(2)m, £(2)m attributable to equity shareholders and £nil to non-controlling interests). Of the net movement in the year of £47m, £47m is attributable to equity shareholders and £nil to non-controlling interests (2023 – £151m, £151m attributable to equity shareholders and £nil to non-controlling interests).

The balance remaining in the commodity cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied is £1m (2023 – £3m).

The balance in the cost of hedging reserve was not significant at 14 September 2024 or 16 September 2023.

d) Financial risk identification and management

The Group is exposed to the following financial risks from the use of financial instruments:

- market risk; and
- credit risk.

The Group's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Risk management policies and governance committees have been established and are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its policies and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group sources and sells products and manufactures goods in many locations around the world. These operations expose the Group to potentially significant price volatility in the financial and commodity markets. Risk management teams have been established to manage this exposure by entering into a range of products, including physical and financial forward contracts, futures, swaps, and, where appropriate, options. These teams work closely with Group Treasury and report regularly to executive management.

Notes forming part of the financial statements

for the 52 weeks ended 14 September 2024

26. Financial instruments *continued*

Treasury activities and commodity hedging are conducted within a clearly defined framework of Board-approved policies and guidelines to manage the Group's financial and commodity risks. Group Treasury works closely with the Group's commercial and procurement teams to manage commodity risks. Group Treasury policy seeks to ensure that adequate financial resources are available at all times for the management and development of the Group's businesses, whilst effectively managing its market risk and credit risk. The Group's risk management policy explicitly forbids the use of financial or commodity derivatives for speculative purposes.

e) Foreign currency translation

The Group presents its financial statements in sterling. As a result of its worldwide operations, the Group is exposed to foreign currency translation risk where overseas operations have a functional currency other than sterling. Changes in foreign currency exchange rates impact the translation into sterling of both the income statement and net assets of these foreign operations.

The Group typically finances its operations using own funds generated in the functional currency of its operations and where appropriate, by borrowing locally in the same functional currency. This reduces net asset values reported in functional currencies other than sterling, thereby reducing the economic exposure to fluctuations in foreign currency exchange rates on translation.

The Group also finances its operations by obtaining funding at Group level through external borrowings and, where they are not in sterling, these borrowings may be designated as net investment hedges. This enables gains and losses arising on retranslation of these foreign currency borrowings to be charged to other comprehensive income, providing a partial offset in equity against the gains and losses arising on translation of the net assets of foreign operations.

The Group held cross-currency interest rate swaps to hedge its fixed rate non-sterling debt which matured during the year. These were reported as cash flow hedges and net investment hedges. The change in fair value of the hedging instrument, to the degree effective, is retained in other comprehensive income. Under IFRS 9, the currency basis on the cross-currency swaps is excluded from the hedge designation and recognised in other comprehensive income – cost of hedging. The value of the currency basis is not significant. Effectiveness was measured using the hypothetical derivative approach. The hypothetical derivative was based on the critical terms of the debt and therefore the only ineffectiveness that might arise was in relation to credit risk. Credit risk was monitored regularly and was not a significant factor in the hedge relationship.

The Group does not actively hedge the translation impact of foreign exchange rate movements on the income statement (other than via the partial economic hedge arising from the servicing costs on non-sterling borrowings).

The Group designates certain of its intercompany loan arrangements as quasi-equity for the purposes of IAS 21. The effect of the designation is that any foreign exchange volatility arising within the borrowing entity and/or the lending entity is accounted for directly within other comprehensive income.

A net foreign exchange loss of £nil (2023 – £2m) on retranslation of these loans has been taken to the translation reserve on consolidation, all of which was attributable to equity shareholders. The Group held cross-currency swaps that were designated as hedges of its net investments in euros, whose change in fair value of £nil charged to the translation reserve, all of which was attributable to equity shareholders (2023 – £1m debited to the translation reserve).

f) Market risk

Market risk is the risk of movements in the fair value of future cash flows of a financial instrument or forecast transaction as underlying market prices change. The Group is exposed to changes in the market price of commodities, interest rates and foreign exchange rates. These risks are known as 'transaction' (or recognised) exposures and 'economic' (or forecast) exposures.

(i) Commodity price risk

Commodity price risk arises from the procurement of raw materials and sale of finished goods linked to market indices, the consequent exposure to changes in market prices.

The Group purchases a wide range of commodities in the ordinary course of business and has some sales contracts which are linked to financial market indices. Exposure to changes in the market price of certain of these commodities including sugar raws, energy, wheat, edible oils, soya beans, tea, lean hog, cocoa and rice is managed through the use of forward physical contracts and hedging instruments, including futures, swaps and options primarily to convert floating prices to fixed prices. The use of such contracts to hedge commodity exposures is governed by the Group's risk management policies and is continually monitored by Group Treasury. Commodity derivatives also provide a way to meet customers' pricing requirements whilst achieving a price structure consistent with the Group's overall pricing strategy.

Some of the Group's commodity forward contracts are classified as 'own use' contracts, since they are entered into, and continue to be held, for the purposes of the Group's ordinary operations. In this instance the Group takes physical delivery of the commodity concerned. Own use contracts do not require accounting entries until the commodity purchase actually crystallises. Where possible, other commodity derivatives are accounted for as cash flow hedges (typically with a one-to-one hedge ratio), but there are some commodity derivatives for which the strict requirements of hedge accounting cannot be satisfied. Such commodity derivatives are used only where the business believes they provide an economic hedge of an underlying exposure. These instruments are classified as held for trading and are marked to market through the income statement.

The majority of the Group's forward physical contracts and commodity derivatives have maturities of less than one year.

The Group's sensitivities in respect of commodity derivatives for a +/- 20% movement in underlying commodity prices are £19m (2023 – £16m) and £(16)m (2023 – £(13)m), respectively.

(ii) Interest rate risk

Interest rate risk comprises two primary elements:

- interest price risk results from financial instruments bearing fixed interest rates. Changes in floating interest rates therefore affect the fair value of these financial instruments; and
- interest cash flow risk results from financial instruments bearing floating rates. Changes in floating interest rates affect cash flows on interest receivable or payable.

The Group's policy is to manage its mix of fixed and floating rate debt, cash and investments so that a significant change in interest rates does not have a material negative impact on the Group's cash flows.

At 14 September 2024, £396m (65%) (2023 – £475m and 85%) of total debt was subject to fixed rates of interest, the majority of which is the 2034 public bond. Floating rate debt comprises other bank borrowings bearing interest rates for various time periods up to 12 months, by reference to the relevant market rate for the currency and location of the borrowing.

The Group's cash, cash equivalents and current asset investments are subject to floating rates of interest, fixed for periods up to 6 months by reference to the relevant market rate for the currency of the cash placing or investment.

£400m of sterling interest rate swaps have been entered into so that the floating interest rate received on an equivalent balance of the Group's cash and cash equivalents is fixed for the 12-month period to September 2025.

(iii) Foreign currency risk

The Group conducts business worldwide and consequently in many foreign currencies. As a result, it is exposed to movements in foreign currency exchange rates which affect the Group's transaction costs. The Group also publishes its financial statements in sterling and is therefore exposed to movements in foreign exchange rates on the translation of the results and underlying net assets of its foreign operations into sterling.

Translation risk is discussed in section e) on page 186.

Transaction (recognised) risk

Currency transaction exposure occurs where a business makes sales and purchases in a currency other than its functional currency, or where the functional currency value of the sale or purchase is linked to a currency other than its functional currency. It also arises where monetary assets and liabilities of a business are not denominated in its functional currency, and where dividends or surplus funds are remitted from overseas. The Group's policy is to match transaction exposures wherever possible, and to hedge actual exposures and firm commitments as soon as they occur by using forward foreign currency contracts.

The Group uses derivatives (principally forward foreign currency contracts) to hedge its exposure to movements in exchange rates on its foreign currency trade receivables and payables. The Group does not seek formal fair value hedge accounting for such transaction hedges. Instead, such derivatives are classified as held for trading and marked to market through the income statement. This offsets the income statement impact of the retranslation of the foreign currency trade receivables and payables.

Economic (forecast) risk

The Group principally uses forward foreign currency contracts to hedge its exposure to movements in exchange rates on its highly probable forecast foreign currency sales and purchases. The Group does not formally define the proportion of highly probable forecast sales and purchases to hedge, but agrees an appropriate percentage on an individual basis with each business by reference to the underlying commercial model of the business, the Group's risk management policies and prevailing market conditions. The Group designates currency derivatives used to hedge its highly probable forecast transactions as cash flow hedges. Under IFRS 9, the spot component is designated in the hedging relationship and forward points and currency basis are excluded and recognised in other comprehensive income – cost of hedging. The cost of hedging value during the period and at the balance sheet date was not material. The economic relationship is based on critical terms and a one-to-one hedge ratio. To the extent that cash flow hedges are effective, gains and losses are deferred in equity until the forecast transaction occurs, at which point the gains and losses are recycled either to the income statement or to the non-financial asset acquired.

The majority of the Group's currency derivatives have original maturities of less than one year.

The Group's most significant currency transaction exposures are:

- sourcing for Primark – costs are denominated in a number of currencies, predominantly US dollars, euros and sterling.
- sugar sales in British Sugar to movements in the sterling/euro exchange rate.

Elsewhere, a number of businesses make sales and purchase a variety of raw materials in foreign currencies (primarily US dollars and euros), giving rise to transaction exposures. In all other material respects, businesses tend to operate in their functional currencies.

Notes forming part of the financial statements

for the 52 weeks ended 14 September 2024

26. Financial instruments continued

The table below illustrates the effects of hedge accounting on the consolidated balance sheet and consolidated income statement by disclosing separately by risk category, and each type of hedge, the details of the associated hedging instrument and hedged item.

	2024					
	Contract notional £m	Carrying amount assets/ (liabilities) £m	Furthest maturity date	Hedge ratio %	Change in fair value of hedging instrument used to determine hedge ineffectiveness £m	Change in fair value of hedged item used to determine hedge effectiveness £m
Current						
Designated cash flow hedging relationships						
• currency derivatives	3,449	(56)	Sep-25	100 %	(63)	63
• commodity derivatives	343	(2)	Aug-25	100 %	(1)	1
• interest rate derivatives	400	1	Sep-25	100 %	1	(1)
Non-current						
Designated cash flow hedging relationships						
• currency derivatives	20	–	May-27	100 %	–	–
• commodity derivatives	2	–	Nov-25	100 %	–	–
	2023					
	Contract notional £m	Carrying amount assets/ (liabilities) £m	Furtherest maturity date	Hedge ratio %	Change in fair value of hedging instrument used to determine hedge ineffectiveness £m	Change in fair value of hedged item used to determine hedge effectiveness £m
Current						
Designated cash flow hedging relationships						
• currency derivatives (excluding cross-currency swaps)	2,024	36	Sep-24	100 %	36	(36)
• cross-currency swaps	84	24	Mar-24	100 %	6	(6)
• commodity derivatives	427	(35)	Sep-24	100 %	(35)	35
• interest rate derivatives	400	4	Sep-24	100 %	4	(4)
Designated net investment hedging relationships:						
• currency derivatives (cross-currency swaps)	65	(6)	Mar-24	100 %	–	–
Non-current						
Designated cash flow hedging relationships						
• currency derivatives (cross-currency swaps)	21	–	Apr-25	100 %	–	–
• commodity derivatives	11	–	Feb-25	100 %	–	–

Hedging relationships are typically based on a one-to-one hedge ratio. The economic relationship between the hedged item and the hedging instrument is analysed on an ongoing basis. Sources of possible ineffectiveness include changes in forecast transactions as a result of timing or value or, in certain cases, different indices linked to the hedged item and the hedging instrument. As at 14 September 2024, £3,471m of forward foreign currency contracts designated as cash flow hedges were outstanding (2023 – £2,045m), largely in relation to purchases of USD (£2,779m) and sales of EUR (£219m) with varying maturities up to May 2027. Weighted average hedge rates for these contracts are GBPUSD: 1.276, EURUSD: 1.098 and GBPEUR: 1.158. Weighted average hedge rates for the cross-currency swaps for 2023 were GBPUSD: 1.70 and GBPEUR: 1.26. Commodity derivatives designated as cash flow hedges related to a range of underlying hedged items, with varying maturities up to November 2025.

The analysis of the Group's foreign currency exposure to financial assets and liabilities by currency of denomination is as follows:

	2024				
	Sterling £m	US dollar £m	Euro £m	Other £m	Total £m
Financial assets					
Cash and cash equivalents	1	189	63	27	280
Current asset investments	–	208	–	–	208
Trade and other receivables	1	42	73	17	133
	2	439	136	44	621
Financial liabilities					
Trade and other payables	(19)	(342)	(34)	(9)	(404)
Unsecured loans and overdrafts	–	–	(4)	–	(4)
	(19)	(342)	(38)	(9)	(408)
Currency derivatives					
Gross amounts receivable	81	3,403	183	259	3,926
Gross amounts payable	(2)	(156)	(351)	(330)	(839)
	79	3,247	(168)	(71)	3,087
	62	3,344	(70)	(36)	3,300
	2023				
	Sterling £m	US dollar £m	Euro £m	Other £m	Total £m
Financial assets					
Cash and cash equivalents	–	264	17	32	313
Trade and other receivables	–	50	56	19	125
	–	314	73	51	438
Financial liabilities					
Trade and other payables	(17)	(381)	(41)	(6)	(445)
Unsecured loans and overdrafts	–	(81)	–	1	(80)
	(17)	(462)	(41)	(5)	(525)
Currency derivatives					
Gross amounts receivable	67	1,890	112	466	2,535
Gross amounts payable	(3)	(161)	(299)	(179)	(642)
	64	1,729	(187)	287	1,893
	47	1,581	(155)	333	1,806
	Average rate		Closing rate		
	2024	2023	2024	2023	
US dollar	1.26	1.22	1.32	1.24	
Euro	1.17	1.15	1.19	1.16	

Sensitivity analysis – translation impact of non-functional assets and liabilities

The following sensitivity analysis illustrates the impact that a 10% strengthening of the Group's transactional currencies against local functional currencies would have had on profit and equity. The analysis covers currency translation exposures at year end on businesses' financial assets and liabilities that are not denominated in the functional currencies of those businesses. A similar but opposite impact would be felt on both profit and equity if the Group's main operating currencies weakened against local functional currencies by a similar amount.

The exposure to foreign exchange gains and losses on translating the financial statements of subsidiaries into sterling is not included in this sensitivity analysis, as there is no impact on the income statement, and the gains and losses are recorded directly in the translation reserve in equity (see below for a separate sensitivity). This sensitivity is presented before taxation and non-controlling interests.

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26. Financial instruments *continued*

	2024 impact on profit for the period £m	2024 impact on total equity £m	2023 impact on profit for the period £m	2023 impact on total equity £m
10% strengthening of non-functional currencies				
Sterling	1	7	1	6
US dollar	29	333	21	164
Euro	22	8	(2)	(19)
Other	23	31	29	32

Sensitivity analysis – translation of foreign operations profit before tax

A second sensitivity analysis calculates the impact on the Group's profit before tax if the average rates used to translate the results of the Group's foreign operations into sterling were adjusted to show a 10% strengthening of sterling. A similar but opposite impact would be felt on profit before tax if sterling weakened against the other currencies by a similar amount.

	2024 impact on profit for the period £m	2023 impact on profit for the period £m
10% strengthening of sterling against		
US dollar	(26)	(24)
Euro	(38)	(22)
Other	(39)	(27)

g) Credit risk

Credit risk is the risk that counterparties to financial transactions can not perform according to the terms of the contract. The Group's businesses are principally exposed to counterparty credit risk when dealing with their customers, suppliers, and from financial institutions.

The immediate credit exposure of financial derivatives is represented by those financial derivatives that have a net positive fair value by counterparty at 14 September 2024. The Group considers its maximum exposure to credit risk to be:

	Note	2024 £m	2023 £m
Cash and cash equivalents	18	1,323	1,457
Current asset investments	18	334	–
Trade and other receivables	15	1,505	1,568
Other non-current receivables	15	–	31
Investments	15	30	32
Derivative assets at fair value through profit and loss		6	11
Derivative assets in designated cash flow hedging relationships		21	78
		3,219	3,177

The Group uses changes in credit ratings and other metrics to identify significant changes to the financial profile of its counterparties.

Counterparty risk profile and management

The table below analyses the Group's current asset investments, cash equivalents and derivative assets by credit exposure:

2024

Long term issuer rating	Current asset investments £m	Cash equivalents £m	Derivatives				Total £m
			Currency derivatives £m	Cross-currency swaps £m	Interest rate swaps £m	Commodities £m	
AAA	–	90	–	–	–	–	90
AA	30	–	–	–	–	–	30
A	304	641	3	–	1	6	955
BBB	–	5	3	–	–	–	8
BB	–	14	–	–	–	–	14
Not rated	–	22	–	–	–	–	22
Total	334	772	6	–	1	6	1,119

2023

Long term issuer rating	Current asset investments £m	Cash equivalents £m	Derivatives				Total £m
			Currency derivatives £m	Cross-currency swaps £m	Interest rate swaps £m	Commodities £m	
AA	–	50	2	–	–	–	52
A	–	874	39	17	4	1	935
Not rated	–	52	–	–	–	7	59
Total	–	976	41	17	4	8	1,046

Cash of £551m (2023 – £481m) has been excluded from this analysis as the balances are available on demand. The significant majority of cash balances and short-term deposits are held with strong investment-grade banks or financial institutions.

Trade and other receivables

Significant concentrations of credit risk are very limited as a result of the Group's large and diverse customer base. The Group has an established credit policy applied by each business under which the credit status of each new customer is reviewed before credit is advanced. This includes external credit evaluations where possible and in some cases bank references. Credit limits are established for all significant or high-risk customers, which represent the maximum amount permitted to be outstanding without requiring additional approval from the appropriate level of management. Outstanding debts are continually monitored by each business. Credit limits are reviewed on a regular basis, and at least annually. Customers that fail to meet the Group's benchmark creditworthiness may only transact on a prepayment basis. Aggregate exposures are monitored at Group level.

Many customers have been transacting with the Group for many years and the incidence of bad debts has been low. Where appropriate, goods are sold subject to retention of title so that, in the event of non-payment, the Group may have a secured claim. The Group does not typically require collateral in respect of trade and other receivables.

The Group provides for impairment of financial assets including trade and other receivables based on known events, and makes a collective provision for losses yet to be identified, based on historical data. The majority of the provision comprises specific amounts.

To measure expected credit losses, gross trade receivables are assessed regularly by each business locally with reference to considerations such as the current status of the relationship with the customer, the geographical location of each customer, and days past due (where applicable).

Expected losses are determined based on the historical experience of write-offs compared to the level of trade receivables. These historical loss expectations are adjusted for current and forward-looking information where it is identified to be significant. The Group considers factors such as national economic outlooks and bankruptcy rates of the countries in which its goods are sold to be the most relevant factors. Where the impact of these is assessed as significant, the historical loss expectations are amended accordingly.

The Group considers credit risk to have significantly increased for debts aged 180 days or over and expects these debts to be provided for in full. Where the Group holds insurance or has a legal right of offset with debtors who are also creditors, the loss expectation is applied only to the extent of the uninsured or net exposure.

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26. Financial instruments *continued*

Trade receivables are written off when there is no reasonable expectation of recovery, indicators of which may include the failure of the debtor to engage in a payment plan, and failure to make contractual payments within 180 days past due.

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region of origin was:

	2024	2023
	£m	£m
UK	547	584
Europe & Africa	389	398
The Americas	214	216
Asia Pacific	355	370
	1,505	1,568

Trade receivables can be analysed as follows:

	2024	2023
	£m	£m
Not overdue	1,095	1,157
Up to one month past due	141	121
Between one and two months past due	19	29
Between two and three months past due	11	10
More than three months past due	32	30
Expected loss provision	(27)	(28)
	1,271	1,319

Trade receivables are stated net of the following expected loss provision:

	2024	2023
	£m	£m
Opening balance	28	27
Increase charged to the income statement	7	7
Amounts released	(3)	(2)
Amounts written off	(4)	(2)
Effect of movements in foreign exchange	(1)	(2)
Closing balance	27	28

No trade receivables were written off directly to the income statement in either year.

The geographical and business line complexity of the Group, combined with the fact that expected credit loss assessments are all performed locally, means that it is not practicable to present further analysis of expected credit losses.

In relation to other receivables not forming part of trade receivables, a similar approach has been taken to assess expected credit losses. No significant expected credit loss has been identified.

The directors consider that the carrying amount of trade and other receivables approximates fair value.

Cash and cash equivalents

Policies including choice of bank, opening of bank accounts and repatriation of funds must be agreed with Group Treasury. The Group has not recorded impairments against cash or cash equivalents, nor have any recoverability issues been identified with such balances.

h) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations as they fall due. Group Treasury is responsible for monitoring and managing group liquidity and ensures that the Group always has access to sufficient cash balances and headroom on committed credit facilities to meet unforeseen circumstances. The Group also has access to uncommitted credit facilities which provide short-term funding flexibility.

Liquidity availability headroom is monitored via the use of detailed cash flow forecasts prepared by each business, which are reviewed at least quarterly, or more often, as required. Actual results are compared to budget and forecast each period, and variances investigated and explained. Particular focus is given to management of working capital.

The Board's treasury policies are in place to maintain a strong capital base and manage the Group's balance sheet to ensure long-term financial stability. This includes maintaining access to significant total liquidity comprised of both cash and undrawn committed credit facilities. These policies are the basis for investor, creditor and market confidence and enable the successful development of the business.

Details of the Group's borrowing facilities are given in section i) on page 194.

The following table analyses the contractual undiscounted cash flows relating to financial liabilities at the balance sheet date and compares them to carrying amounts:

		2024						
		Due within 6 months	Due between 6 months and 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due after 5 years	Contracted amount	Carrying amount
	Note	£m	£m	£m	£m	£m	£m	£m
Non-derivative financial liabilities								
Trade and other payables	20	(2,356)	(80)	–	–	–	(2,436)	(2,435)
Secured loans	19	(3)	(1)	(17)	(47)	(19)	(87)	(63)
Unsecured loans and overdrafts	19	(147)	(9)	(22)	(31)	(450)	(659)	(550)
Lease liabilities	11	(225)	(232)	(443)	(1,201)	(2,153)	(4,254)	(3,065)
Deferred consideration	21	(1)	(5)	(5)	–	–	(11)	(11)
Derivative financial liabilities								
• Currency derivatives (net payments)		(47)	(28)	–	–	–	(75)	(84)
• Commodity derivatives (net payments)		(11)	–	–	–	–	(11)	(13)
Total financial liabilities		(2,790)	(355)	(487)	(1,279)	(2,622)	(7,533)	(6,221)

		2023						
		Due within 6 months	Due between 6 months and 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due after 5 years	Contracted amount	Carrying amount
	Note	£m	£m	£m	£m	£m	£m	£m
Non-derivative financial liabilities								
Trade and other payables	20	(2,380)	(68)	–	–	–	(2,448)	(2,448)
Unsecured loans and overdrafts	19	(80)	(101)	(13)	(30)	(460)	(684)	(562)
Lease liabilities	11	(197)	(210)	(406)	(1,057)	(2,074)	(3,944)	(3,160)
Deferred consideration	21	(2)	(1)	(3)	–	–	(6)	(6)
Derivative financial liabilities								
• Currency derivatives (excluding cross-currency swaps) (net payments)		(4)	–	–	(3)	–	(7)	(10)
• Commodity derivatives (net payments)		(46)	(5)	(1)	–	–	(52)	(52)
Total financial liabilities		(2,709)	(385)	(423)	(1,090)	(2,534)	(7,141)	(6,238)

The above tables do not include forecast data for liabilities which may be incurred in the future but which were not contracted at 14 September 2024.

The principal reasons for differences between carrying values and contractual undiscounted cash flows are coupon payments on the fixed rate debt to which the Group is already committed, future interest payments on the Group's lease liabilities, and cash flows on derivative financial instruments which are not aligned with their fair value.

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26. Financial instruments *continued*

i) Borrowing facilities

The Group has substantial borrowing facilities available to it totalling £2,009m (2023 – £2,002m). The undrawn committed facilities at 14 September 2024 amounted to £1,532m (2023 – £1,516m). Uncommitted facilities at 14 September 2024 totalled £343m (2023 – £363m) of which £207m (2023 – £287m) was undrawn.

In addition to the above facilities there are also £210m (2023 – £149m) of undrawn and available credit lines for the purposes of issuing letters of credit and guarantees in the normal course of business.

The Group has issued a public bond of £400m due in 2034. Included are deferred financing costs totalling £9m which have been capitalised against the bond and are to be amortised over its term.

Uncommitted bank borrowing facilities are normally reaffirmed by the banks annually, although they can be withdrawn at any time. Refer to note 9 for details of the Group's capital commitments and to note 27 for a summary of the Group's guarantees.

An assessment of the Group's current liquidity position is given in the Financial Review on page 47.

j) Capital management

The capital structure of the Group is presented in the consolidated balance sheet. For the purpose of the Group's capital management, capital includes issued capital and all other reserves attributable to equity shareholders, totalling £11,186m (2023 – £11,093m).

The consolidated statement of changes in equity provides details on equity and note 19 provides details of loans and overdrafts. Short and medium-term funding requirements are provided by a variety of loan and overdraft facilities, both committed and uncommitted, with a range of counterparties and maturities. Longer-term debt funding is sourced from the 2034 Public Bond and committed revolving credit facilities.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to enable successful future development of the business. The financial leverage policy is that, in the ordinary course of business, the Board prefers to see the Group's ratio of total net debt including lease liabilities to Adjusted EBITDA to be well under 1.5 times at each half year and year end reporting date. The Board monitors return on capital by division and determines the overall level of dividends payable to shareholders.

From time to time the trustee of the Employee Share Ownership Plan Trust purchases the Company's shares in the market to satisfy awards under the Group's incentive plans. Once purchased, shares are not sold back into the market. The Group does not have a defined share buyback plan.

There were no changes to the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries is subject to externally-imposed capital requirements.

27. Contingencies

Litigation and other proceedings against the Group are not considered material in the context of these financial statements.

As at 14 September 2024, Group companies have provided guarantees in the ordinary course of business amounting to £1,695m (2023 – £1,724m).

In 2021, a Thai court ruled in favour of the Group's Ovaltine business in Thailand in a legal action it brought against one of its suppliers in respect of a contractual dispute. The court concluded that between 2009 and 2019 the supplier had overcharged Ovaltine Thailand and should pay compensation of 2.2 billion Thai baht (£50m; 2023 – £50m). The relevant contractual relationship between the Group and its supplier terminated at the end of 2019. The supplier appealed the judgement, which was overturned in October 2023. Ovaltine Thailand filed an objection to the appeal in May 2024 which is pending. The Group has not yet recorded an asset in respect of this matter.

28. Related parties

The Group has a controlling shareholder relationship with its parent company, Wittington Investments Limited, with the trustees of the Garfield Weston Foundation and with certain other individuals who hold shares in the Company. Further details of the controlling shareholder relationship are included in note 29. The Group has a related party relationship with its associates and joint ventures (see note 29) and with its directors. In the course of normal operations, related party transactions entered into by the Group have been contracted on an arm's length basis.

Details of the directors are given on pages 90 and 91. Their interests in the Company, including family interests, are given on pages 123 and 125. Key management personnel are considered to be the directors. Their remuneration is disclosed in the Directors' Remuneration Report on pages 111 to 127.

Material transactions and year end balances with related parties were as follows:

	Sub note	2024 £'000	2023 £'000
Charges to Wittington Investments Limited in respect of services provided by the Company and its subsidiary undertakings		984	985
Sales to fellow subsidiary undertakings on normal trading terms	1	19	18
Sales to companies with common key management personnel on normal trading terms	2	9,740	9,912
Amounts due from companies with common key management personnel	2	770	1,028
Sales to joint ventures on normal trading terms		23,172	40,645
Sales to associates on normal trading terms		103,248	88,753
Purchases from joint ventures on normal trading terms		463,030	482,267
Purchases from associates on normal trading terms		76,185	97,844
Amounts due from joint ventures		3,899	36,986
Amounts due from associates		7,804	8,745
Amounts due to joint ventures		30,240	17,609
Amounts due to associates		1,219	7,161

1. The fellow subsidiary undertaking is Fortnum and Mason plc.

2. The company with common key management personnel is the George Weston Limited group, in Canada.

Prior year amounts due from joint ventures included £32m (£4m of which was current) of finance lease receivables (see note 15) and the remainder was trading balances. In the current year all amounts due are trading balances.

29. Group entities

Control of the Group

The Garfield Weston Foundation ('the Foundation') is an English charitable trust established in 1958 by the late W. Garfield Weston. The Foundation has no direct interest in the Company, but at 14 September 2024 was the beneficial owner of 683,073 shares (2023 – 683,073 shares) in Wittington Investments Limited ('Wittington') representing 79.2% (2023 – 79.2%) of that company's issued share capital and the Foundation is therefore the Company's ultimate controlling party. At 14 September 2024, the trustees of the Foundation comprised nine grandchildren of the late W. Garfield Weston of whom five are children of the late Garry H. Weston.

The largest group in which the results of the Company are consolidated is that headed by Wittington, the accounts of which are available at Companies House, Crown Way, Cardiff CF14 3UZ. It is the ultimate holding company, is incorporated in Great Britain and is registered in England.

At 14 September 2024, Wittington, together with its subsidiary Howard Investments Limited, held 421,243,985 ordinary shares (2023 – 431,515,108) representing in aggregate 56.6% (2023 – 56.2%) of the total issued ordinary share capital of the Company.

Wittington, and through their control of Wittington, the trustees of the Foundation, are controlling shareholders of the Company. Certain other individuals, including certain members of the Weston family who hold shares in the Company (and including two of the Company's directors, George Weston and Emma Adamo) are, under the UK Listing Rules, treated as acting in concert with Wittington and the trustees of the Foundation and are therefore also treated as controlling shareholders of the Company. Wittington, the trustees of the Foundation and these individuals together comprise the controlling shareholders of the Company and, at 14 September 2024, have a combined interest in approximately 60.3% (2023 – 59.8%) of the Company's voting rights. Information on the relationship agreement between the Company and its controlling shareholders is set out on page 128 of the Directors' Report.

Notes forming part of the financial statements

for the 52 weeks ended 14 September 2024

29. Group entities continued

Subsidiary undertakings

A list of the Group's subsidiaries as at 14 September 2024 is given below. The entire share capital of subsidiaries is held within the Group except where ownership percentages are shown. These percentages give the Group's ultimate interest and therefore allow for situations where subsidiaries are owned by partly owned intermediate subsidiaries. Where subsidiaries have different classes of shares, this is largely for historical reasons and the effective percentage holdings given represent both the Group's voting rights and equity holding. Shares in ABF Investments plc and ABF Investments (No. 2) Limited are held directly by Associated British Foods plc. All other holdings in subsidiaries are owned by members of the Associated British Foods plc group. All subsidiaries are consolidated in the Group's financial statements.

Subsidiary undertakings	% effective holding if not 100%	Subsidiary undertakings	% effective holding if not 100%
United Kingdom			
England & Wales			
<i>Weston Centre, 10 Grosvenor Street, London, W1K 4QY</i>			
A.B. Exploration Limited		Allied Bakeries Limited	
A.B.F. Holdings Limited		Allied Grain (Scotland) Limited	
A.B.F. Nominees Limited		Allied Grain (South) Limited	
A.B.F. Properties Limited		Allied Grain (Southern) Limited	
AB Agri Limited		Allied Grain Limited	
AB Foods Australia Limited		Allied Mills (No.1) Limited	
AB Ingredients Limited (dissolved 8 October 2024)		Allied Mills Limited	
AB Mauri (UK) Limited		Allinson Limited	
AB Mauri China Limited		Associated British Foods Pension Trustees Limited	
AB Mauri Europe Limited		Atrium 100 Properties Limited	
AB Sugar China Holdings Limited		Atrium 100 Stores Holdings Limited	
AB Sugar China Limited		Atrium 100 Stores Limited	
AB Sugar China North Limited (dissolved 29 October 2024)		B.E. International Foods Limited	
AB Technology Limited (dissolved 8 October 2024)		Banbury Agriculture Limited	
AB World Foods (Holdings) Limited		British Sugar (Overseas) Limited	
AB World Foods Limited		British Sugar plc	
ABF (No.1) Limited		BSO (China) Limited	
ABF (No.2) Limited		Capsicana Ltd	
ABF (No.3) Limited		Cereform Limited	
ABF BRL Finance Ltd		Dairy Consulting Limited	
ABF Energy Limited		Davjon Food Limited	
ABF Europe Finance Limited		Dorset Cereals Limited	
ABF European Holdings Limited		Eastbow Securities Limited	
ABF Finance Limited		Elsenham Quality Foods Limited	
ABF Food Tech Investments Limited		Fishers Feeds Limited	
ABF Funding		Fishers Seeds & Grain Limited	
ABF Grain Products Limited		Food Investments Limited	
ABF Green Park Limited		G. Costa (Holdings) Limited	
ABF Grocery Limited		G. Costa and Company Limited	
ABF HK Finance Limited		Germain's (U.K.) Limited	
ABF Ingredients Limited		Greencoat Farm Limited	
ABF Investments (No.2) Limited		Greencoat Limited	
ABF Investments plc		H 5 Limited	
ABF Japan Limited		Illovo Sugar Africa Holdings Limited	
ABF MXN Finance Limited		John K. King & Sons Limited	
ABF Overseas Limited		Kingsgate Food Ingredients Limited	
ABF PM Limited		KO2 Limited	
ABF UK Finance Limited		LeafTC Limited	
ABF ZMW Finance Limited		Mauri Products Limited	
ABN (Overseas) Limited		Mountsfield Park Finance Limited	
ABNA Feed Company Limited		Natural Vetcare Limited	
ABNA Limited		Nutrition Trading (International) Limited	
Acetum (UK) Limited		Nutrition Trading Limited	
Agrilines Limited		Patak (Spices) Limited	
		Patak Food Limited	
		Patak's Breads Limited	
		Patak's Foods 2008 Limited	

Subsidiary undertakings	% effective holding if not 100%
Premier Nutrition Products Limited	
Pride Oils Public Limited Company	
Primark (U.K.) Limited	
Primark Austria Limited	
Primark Mode Limited	
Primark Stores Limited	
Primark US Holdings Limited (previously ABF US Holdings Limited)	
Primary Diets Limited	
Pro-Active Nutrition Limited	
Proper Nutty Limited	
R. Twining and Company Limited	
Reflex Nutrition Limited	
Roses Nutrition Ltd	
Seedcote Systems Limited	
Shep-Fair Products Limited	
Spectrum Aviation Limited	
Speedibake Limited	
Sunblest Bakeries Limited	
The Billington Food Group Limited	
The Home Grown Sugar Company Limited	
The Jordans & Ryvita Company Limited	
The Natural Sweetness Company Limited	
The Roadmap Company Limited	
The Silver Spoon Company Limited	
Tip Top Bakeries Limited	
Trident Feeds Limited	
Twining Crosfield & Co Limited	
Vivergo Fuels Limited	
W. Jordan & Son (Silo) Limited	
W.Jordan (Cereals) Limited	
Wereham Gravel Company Limited (The)	
Westmill Foods Limited	
Weston Biscuit Company Limited (The)	
Weston Foods Limited	
Weston Research Laboratories Limited	
Worldwing Investments Limited	
<i>Fox Talbot House, Unit 4 Greenways Business Park, Bellinger Close, Chippenham, Wiltshire, SN15 1BN</i>	
National Livestock Records Limited	
National Milk Records Limited	
National Milk Records Trustee Company Limited	
Nordic Star Ltd	
<i>Bright Street, Leigh, WN7 5QH</i>	
Romix Foods Limited	
Romix Nutrition Limited	
Northern Ireland	
<i>1 College Place North, Belfast, BT1 6BG</i>	
James Neill, Limited	
<i>Unit 4, 211 Castle Road, Randalstown, Co. Antrim, BT41 2EB</i>	
Jordan Bros. (N.I.) Limited	
Nutrition Services (International) Limited	
Vistavet Limited	
Scotland	
<i>180 Glentana Road, Glasgow, G22 7UP</i>	
ABN (Scotland) Limited	

Subsidiary undertakings	% effective holding if not 100%
<i>32 Kelvin Avenue, Hillington Park, Glasgow, G52 4LT</i>	
National Milk Laboratories Limited	
<i>Miller Samuel LLP, RWF House, 5 Renfield Street, Glasgow, G2 5EZ</i>	
Korway Foods Limited	
Korway Holdings Limited	
Patak's Chilled Foods Limited	
Patak's Frozen Foods Limited	
Argentina	
<i>Mariscal Antonio José de Sucre 632, 2nd Floor, Buenos Aires 1428, Argentina</i>	
AB Mauri Hispanoamerica S.A.	
Compañía Argentina De Levaduras S.A.I.C.	
Australia	
<i>170 South Gippsland Highway, Dandenong VIC 3175, Australia</i>	
ABF Wynyard Park Limited Partnership	
<i>35-37 South Corporate Avenue, Rowville, VIC 3178, Australia</i>	
AB Food & Beverages Australia Pty Limited	
<i>Building A, Level 2, 11 Talavera Road, North Ryde, NSW 2113, Australia</i>	
AB Mauri Overseas Holdings Limited	
AB Mauri Pakistan Pty Limited	
AB Mauri ROW Holdings Pty Limited	
AB Mauri South America Pty Limited	
AB Mauri South West Asia Pty Limited	
AB Mauri Technology & Development Pty Limited	
AB Mauri Technology Pty Limited	
AB World Foods Pty Ltd	
Anzchem Pty Limited	
Artisanal Finance Pty Ltd	
Artisanal Holdings Pty Ltd	
Artisanal Operations Pty Ltd	
AusPac Ingredients Pty Ltd	
Brasserie Bread Operations Pty Ltd	
CCD Animal Health Pty Ltd	
Food Investments Pty. Limited	
George Weston Foods (Victoria) Pty Ltd	
George Weston Foods Limited	
Indonesian Yeast Company Pty Limited	
Mauri Fermentation Brazil Pty Limited	
Mauri Fermentation Chile Pty Limited	
Mauri Fermentation China Pty Limited	
Mauri Fermentation India Pty Limited	
Mauri Fermentation Indonesia Pty Limited	
Mauri Fermentation Malaysia Pty. Limited	
Mauri Fermentation Philippines Pty Limited	
Mauri Fermentation Vietnam Pty Limited	
Mauri Yeast Australia Pty. Limited	
N&C Enterprises Pty. Ltd	
Noisette Bakery Pty Ltd	
Noisette Bakery Unit Trust	
Noisette Retail Pty Ltd	
Serrol Ingredients Pty Limited	
The Jordans and Ryvita Company Australia Pty Ltd	
Yumi's Quality Foods Pty Ltd	

Notes forming part of the financial statements

for the 52 weeks ended 14 September 2024

29. Group entities continued

Subsidiary undertakings	% effective holding if not 100%
Austria	
Annagasse 6/3. OG, 1010 Vienna, Austria	
Primark Austria Ltd & Co KG	
Krottenbachstrasse 82-88/Stg 1/Top 5, 1190 Vienna, Austria	
Nutrilabs GmbH	
Bangladesh	
Level 13, Shanta Western Tower, Bir Uttam Mir Shawkat Road, 186 Tejgaon I/A, Dhaka 1208, Bangladesh	
Twinings Ovaltine Bangladesh Limited	
Belgium	
Chaussée de la Hulpe 177/20, 1170 Bruxelles, Belgium	
Primark SA	
Industriepark 2d, 9820 Merelbeke, Belgium	
AB Mauri Belgium NV	
Brazil	
Avenida Dra. Ruth Cardoso, no. 7.221, 11th Floor, Room 1.101 (parte), Condomínio Edifício Birmann 21, Pinheiros, CEP 05425-902, City of São Paulo, State of São Paulo, Brazil	
AB Enzimas Brasil Comercial Ltda	
AB Vista Brasil Comércio De Alimentação Animal Ltda	
Avenida Tietê, L-233 Barranca do Rio Tietê, City of Pederneiras, State of São Paulo, CEP 17.280-000, Brazil	
AB Mauri Brasil Ltda. (previously AB Brasil Indústria e Comércio de Alimentos Ltda.)	
Canada	
Blake, Cassels & Graydon LLP, 199 Bay Street, Suite 4000, Toronto, Ontario M5L 1A9, Canada	
AB Mauri (Canada) Limited	
Chile	
Miraflores Street No. 222, 28th Floor, Santiago, Chile	
Calsa Chile Inversiones Limitada	
China	
1 Industrial North Street, Zhangjiakou, Zhangbei County, Hebei Province, China	
Hebei Mauri Food Co., Ltd.	
14 Juhai Road, Jinghai Development Zone, Tianjin, China	
ABNA (Tianjin) Feed Co., Ltd.	
145 Xincheng Road, Tengao Economic Development Zone, Anshan, Liaoning 114225, China	
ABNA Feed (Liaoning) Co., Ltd.	
17 Xiangyang Street, Tu Township, Chayouqianqi, Inner Mongolia, China	
Botian Sugar Industry (Chayou Qianqi) Co., Ltd.	
8 Lancun Road, Economic and Technical Development Zone, Minhang, Shanghai 200245, China	
Shanghai AB Food & Beverages Co., Ltd.	
868 Yongpu Road, Pujiang Town, Minhang District, Shanghai 201112, China	
ABNA (Shanghai) Feed Co., Ltd.	
Building 1, 35 Chi Feng Road, Yangpu District, Shanghai, 200092, China	
AB Mauri Foods (Shanghai) Company Limited	90%
Chuangxin Road, Tonggu Industry Zone, Sandu Town, Tonggu County, Jiangxi Province, China	
AB Agri Pumeixin Tech (Jiangxi) Co., Ltd.	
No 28, South Shunjin Road, Yintai District, Tongchuan, Shaanxi Province, China	
AB Agri Animal Nutrition (Shaanxi) Co., Ltd.	

Subsidiary undertakings	% effective holding if not 100%
<i>No. 1 Botian Road, Economic Development Zone, Zhangbei County, Zhangjiakou City, Hebei Province, China</i>	
Botian Sugar Industry (Zhangbei) Co., Ltd.	
<i>No. 1 Tongcheng Street, A Cheng District, Harbin, Heilongjiang Province, China</i>	
AB (Harbin) Food Ingredients Co., Ltd. (in liquidation)	
<i>No. 68-1, Shuanglong Road, Fushan District, Yantai City, Shandong Province, China</i>	
Yantai Mauri Yeast Co., Ltd.	92%
<i>North Huang He Road, Rudong Economic Development District, Nantong City, Jiangsu Province, China</i>	
AB Agri Animal Nutrition (Nantong) Co., Ltd.	
AB Agri Animal Nutrition (Rudong) Co., Ltd.	
<i>Room 1110, No. 368, Changjiang Road, Nangang Concentrated District, Economic Development Zone, Harbin, China</i>	
Botian Sugar Industry Co., Ltd.	
<i>Room 2802, Raffles City Changning, No.1189 Changning Road, Changning District, Shanghai, 200051, China</i>	
AB Enzymes Trading (Shanghai) Co., Ltd.	
<i>Unit 03, 28th Floor (actual 24th) of Qiantan Xinde Center, No. 18, Lane 666, Haiyang West Road, China (Shanghai) Pilot Free Trade Zone, China</i>	
ABNA Management (Shanghai) Co., Ltd.	
ABNA Trading (Shanghai) Co., Ltd.	
<i>Room 2906, Raffles City Changning, No. 1189 Changning Road, Changning District, Shanghai, 200051 China</i>	
Associated British Foods Holdings (China) Co., Ltd	
<i>Room 7-1068, No. 68 Shijiu Hubei Road, Chunxi Street, Gaochun District, Nanjing City, Jiangsu Province, China</i>	
AB Agri Pumeixin Tech (Jiangsu) Co., Ltd.	
<i>Shu Shan Modern Industrial Zone of Shou County, Huainan City, Anhui Province, China</i>	
ABNA Feed (Anhui) Co., Ltd.	
<i>Room 2401, No. 2461, 24th Floor, No. 77 Jianguo Road, Chaoyang District, Beijing, China</i>	
AB Mauri (Beijing) Food Sales and Marketing Company Limited	
Colombia	
<i>Carrera 35 No. 34A – 64, Palmira, Valle del Cauca, Colombia</i>	
Fleischmann Foods S.A.	
Czech Republic	
<i>Nadrazní 523, 349 01 Stribro, Czech Republic</i>	
Bodit Tachov s.r.o.	
<i>Palladium, Na Porici 1079/3a, Prague 1, 110 00, Czech</i>	
Primark Prodejny s.r.o.	
Denmark	
<i>Middelfartvej 77, Baaring, 5466 Asperup, Denmark</i>	
Cowconnect ApS	
<i>Skjernvej 42, Troestrup, 6920 Videbæk, Denmark</i>	
AB Neo A/S	
Ecuador	
<i>Medardo Ángel Silva 13 y Panamá, Manzana 12, El Recreo, Eloy Alfaro, Durán, Guayas, Ecuador</i>	
ABCALSA S.A.	

	% effective holding if not
Subsidiary undertakings	100%
Eswatini	
<i>Ubombo Sugar Limited, Old Main Road, Big Bend, Eswatini</i>	
Bar Circle Ranch Limited	60%
Illovo Swaziland Limited	60%
Moyeni Ranch Limited	60%
Ubombo Sugar Limited	60%
Finland	
<i>Koskelontie 19 B, Espoo, FI-02920, Finland</i>	
AB Vista Finland Oy	
Alimetrics Research Oy	
<i>Tykkimäentie 15b (PO Box 57), Rajamäki, FI-05201, Finland</i>	
AB Enzymes Finland Oy (previously Roal Oy)	
France	
<i>2 Rue des Moulins, 75001 Paris, France</i>	
ABFI France SAS	
<i>25 Rue Anatole France, 92300 Levallois-Perret, France</i>	
Twinings & Co SAS	
<i>40/42, Avenue Georges Pompidou, 69003 Lyon, France</i>	
AB Mauri France SAS	
<i>845 Chemin du Vallon du Maire, 13240 Septemes les Vallons, France</i>	
SPI Pharma SAS	
<i>Centre Commercial Régional Créteil Soleil, Niveau 3, 101 Avenue du Général de Gaulle, 94000 Créteil, France</i>	
Primark France SAS	
<i>ZAE Via Europa, 3 Rue d'Athènes, 34350 Vendres, France</i>	
Fytexia SAS	
Fytexia Group SAS	
Germany	
<i>Feldbergstrasse 78, 64293, Darmstadt, Germany</i>	
AB Enzymes GmbH	
<i>Hausinger Strasse 4-8, 40764, Langenfeld, Germany</i>	
Vital Solutions GmbH	
<i>Kennedyplatz 2, 45127, Essen, Germany</i>	
Primark Mode Ltd. & Co. KG	
Primark Property GmbH	
<i>Marie-Kahle-Allee 2, D-53113, Bonn, Germany</i>	
Westmill Foods Europe GmbH	
<i>Schauenburgerstrasse 116, 24118, Kiel, Germany</i>	
IFCN AG	
<i>Wandsbeker Zollstrasse 59, 22041, Hamburg, Germany</i>	
ABF Deutschland Holdings GmbH	
Ohly GmbH	
Ohly Grundbesitz GmbH	
Rheinische Presshefe- und Spritwerke GmbH	
<i>Westendstrasse 28, 60325, Frankfurt am Main, Germany</i>	
Wander GmbH	
Greece	
<i>28, Dimitriou Soutsou Str, Athens, GR 115 21, Greece</i>	
PSH Teal Single Member S.A.	
Guernsey	
<i>Dorey Court, Admiral Park, St. Peter Port, GY1 2HT, Guernsey</i>	
Talisman Guernsey Limited	

	% effective holding if not
Subsidiary undertakings	100%
Hong Kong	
<i>5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong</i>	
Associated British Foods Asia Pacific Holdings Limited	
Hungary	
<i>Károlyi utca 12. 3. em., Budapest, 1053, Hungary</i>	
Primark Üzletek Korlátolt Felelősségű Társaság (Primark Üzletek Kft.)	
India	
<i>Plot No. 218 & 219, Bommassandra Jigani Link Road, Rajapura Hobli, Jigani Anekal Taluk, Bengaluru, Karnataka, 560105, India</i>	
AB Mauri India Private Limited	
<i>First Floor, Regent Sunny Side, 80 Ft Road, 8th Block, Koramangala Bengaluru, Karnataka, 560030, India</i>	
SPI Specialties Pharma Private Limited	
<i>G3/41, New Budge Budge Trunk Road, Old Dakghar, Kolkata, West Bengal, 700141, India</i>	
Twinings Private Limited	
Indonesia	
<i>Wisma GKBI Lt.39, Suite 3901, No.28 Jl. Jend. Sudirman, Jakarta, Indonesia</i>	
PT AB Food & Beverages Indonesia (in liquidation)	
Ireland	
<i>1 Stokes Place, St. Stephen's Green, Dublin 2, Ireland</i>	
Allied Mills Ireland Limited	
<i>13 Classon House, Dundrum Business Park, Dundrum, Dublin 14, D14 W9Y3, Ireland</i>	
Nutritional Advanced Formulas (Ireland) Limited	
<i>47 Mary Street, Dublin 1, Ireland</i>	
Abdale Finance Limited	
Primark Holdings Unlimited Company	
Primark Pension Trustees Limited	
<i>Arthur Ryan House, 22-24 Parnell Street, Dublin 1, Ireland</i>	
Primark Austria Limited	
Primark Handel Limited	
Primark Limited	
Primark Mode Limited	
<i>Unit 5, Hebron House, Macdonagh Junction, Kilkenny, R95 T91Y, Ireland</i>	
Intellync Technology Limited	
Italy	
<i>Via Gran Sasso, 33, Corbetta, 20011, Milan, Italy</i>	
B Natural S.r.l.	
<i>Via Milano 42, 27045, Casteggio, (Pavia), Italy</i>	
AB Mauri Italy S.p.A.	
ABF Italy Holdings S.r.l.	
<i>Via Rizzotto 46, 41126, Modena (MO), Italy</i>	
Acetaia Fini Modena S.r.l.	
<i>Via Sandro Pertini 440, 41032, Cavezzo (MO), Italy</i>	
Acetum S.p.A. Società Benefit	
<i>Viale Monte Nero, 84, 20135, Milan, Italy</i>	
AB Agri Italy S.r.l.	
<i>Via Pantanaccio, SNC., 04100, Latina, Italy</i>	
Mapo S.r.l.	
<i>Largo Francesco Richini 2/A, 20122, Milan, Italy</i>	
Primark Italy S.r.l.	

Notes forming part of the financial statements

for the 52 weeks ended 14 September 2024

29. Group entities continued

Subsidiary undertakings	% effective holding if not 100%
Japan	
36F Atago Green Hills Mori Tower, 2-5-1 Atago, Minato-ku, Tokyo 105-6236, Japan	
Twinings Japan Co Ltd	50%
Malawi	
Illovo House, Churchill Road, Limbe, Malawi	
Dwangwa Sugar Corporation Limited	76%
Illovo Sugar (Malawi) Plc	76%
Malawi Sugar Limited	
Malaysia	
Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, 59200 Jalan Kerinchi, Kuala Lumpur, Malaysia	
AB Mauri Malaysia Sdn. Bhd.	52%
Malta	
171 Old Bakery Street, Valletta, VLT 1455, Malta	
Relax Limited	70%
Mauritius	
10th Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius	
Illovo Group Financing Services	
Illovo Group Holdings Limited	
Illovo Group Marketing Services Limited	
Kilombero Holdings Limited	
Sucoma Holdings Limited	
Mexico	
Avenida Javier Barros Sierra 495, Piso 7, Oficina 07-102, Col. Santa Fe, Alvaro Obregón, Ciudad de México, 01219, México	
ACH Foods Mexico, S. de R.L. de C.V.	
Paseo de la Reforma 1015, Piso 6, Suite/Oficina 06W123, Colonia Lomas de Santa Fe, Delegación Cuajimalpa de Morelos, Mexico City, 05348, Mexico	
AB CALSA, S.A. de C.V.	
Mozambique	
KM75 EN1, Maçiana, Distrito de Manhica, Provincia de Maputo, Mozambique	
Maragra Açúcar, S.A.	
Netherlands	
7122 JS Aalten, Dinxperlosestraatweg 122, Netherlands	
Germaines Seed Technology B.V.	
Laarderhoogtweg 25, 1101 EB Amsterdam, Netherlands	
Westmill Foods Europe B.V.	
Mijlweg 77, 3316 BE, Dordrecht, Netherlands	
AB Mauri Netherlands B.V.	
AB Mauri Netherlands European Holdings B.V.	
Foods International Holding B.V.	
Oude Kerkstraat 55 4878 AK, Etten-Leur, Netherlands	
Mauri Technology B.V.	
Van Oldenbarneveltplaats 36, 3012 AH, Rotterdam, Netherlands	
Primark Fashion B.V.	
Primark Netherlands B.V.	
Primark Stil B.V.	
Weena 505, 3013AL Rotterdam, Netherlands	
AB Vista Europe B.V.	

Subsidiary undertakings	% effective holding if not 100%
New Zealand	
57 Forge Road, Silverdale 0932, New Zealand	
Dad's Pies Limited	
Building 3, Level 2, Central Business Park, 666 Great South Road, Ellerslie, Auckland 1051, New Zealand	
AusPac Ingredients NZ Limited	
Building 6, Level 2, Central Business Park, 666 Great South Road, Ellerslie, Auckland 1051, New Zealand	
Allied Foods (NZ) Limited	
George Weston Foods (NZ) Limited	
Nigeria	
23 Oba Akinjobi Street, GRA, Ikeja, Lagos, Nigeria	
Twinings Ovaltine Nigeria Limited	
Pakistan	
21KM Ferozepur Road, 2 KM Hadyara Drain, Lahore, Pakistan	
AB Mauri Pakistan (Private) Limited	60%
Peru	
Av. Republica de Argentina No. 1227, Z.I. La Chalaca, Callao, Peru	
Calsa Perú S.A.C.	
Philippines	
1201-1202 Prime Land Building, Market Street, Madrigal Business Park, Ayala Alabang, Muntinlupa, 1770, Philippines	
AB Mauri Philippines, Inc.	
86 E Rodriguez Jr. Ave., Ugong Norte, QC, 1604, Pasig City, Metro Manila, Philippines	
AB Food & Beverages Philippines, Inc.	99%
Poland	
Przemysłowa 2, 67-100 Nowa Sól, Lubuskie, Poland	
AB Foods Polska Spółka z ograniczoną odpowiedzialnością (AB Foods Polska Sp. z o.o.)	
Towarowa 28,00-839 Warsaw, Poland	
Primark Sklepy Spółka z ograniczoną odpowiedzialnością (Primark Sklepy Sp. z o.o.)	
ul. Główna 3A, Bruszczewo, 64-030, Śmigiel, Poland	
AB Neo Polska Spółka z ograniczoną odpowiedzialnością (AB Neo Polska Sp. z o.o.)	
ul. Rabowicka 29/31, 62-020, Swarzędz – Jasin, Poland	
R. Twining and Company Spółka z ograniczoną odpowiedzialnością (R. Twining and Company Sp. z o.o.)	
Portugal	
Avenida Salvador Allende, No. 99, Oeiras, Julião da Barra, Paço de Arcos e Caxias, 2770-157, Paço de Arcos, Portugal	
AB Mauri Portugal, S.A.	96%
Rua Castilho 50, 1250-071, Lisbon, Portugal	
Lojas Primark Portugal - Exploração, Gestão e Administração de Espaços Comerciais S.A.	
Romania	
District 1, 165 Calea Floreasca, One Tower, 12th Floor, Bucharest, Romania	
Primark Magazine S.R.L.	
Rwanda	
Nyarugenge District, Nyarugenge Sector, Kigali City, Rwanda	
Illovo Sugar (Kigali) Limited	

Subsidiary undertakings	% effective holding if not 100%
Singapore	
63 Chulia Street, OCBC Centre East, #15-01, 049514, Singapore	
AB Vista Asia Pte. Limited	
9 Raffles Place, #26-01 Republic Plaza, 048619, Singapore	
AB Mauri Investments (Asia) Pte Ltd	
Slovakia	
Staromestska 3, 811 03 Bratislava - Stare Mesto, Slovakia	
Primark Slovakia s.r.o.	
Slovenia	
Bleiweisova cesta 30, Ljubljana, 1000, Slovenia	
Primark Trgovine, trgovsko podjetje, d.o.o.	
South Africa	
1 Nokwe Avenue, Ridgeside, Umhlanga Rocks, Kwazulu Natal, 4320, South Africa	
CGS Investments (Pty) Limited	
East African Supply (Pty) Limited	
Glendale Sugar (Pty) Ltd	
Illovo Distributors (Pty) Limited	
Illovo Sugar (South Africa) Proprietary Limited	
Illovo Sugar Africa Proprietary Limited	
Illprop (Pty) Limited	
Lacsa (Pty) Limited	
Noodsberg Sugar Company (Pty) Ltd	
Reynolds Brothers (Pty) Ltd	
S.A. Sugar Distributors (Pty) Limited	
Spain	
8, 2 Calle Via Servicio I, 2, 19190 Torija, Guadalajara, Spain	
Primark Logística, S.L.U. Sociedad Unipersonal	
Avienda Virgen de Montserrat 44, Castellolí, 08719, Barcelona, Spain	
Germains Seed Technology, S.A.	
Calle Escultor Coomonte No. 2, Entreplanta, Benavente, Zamora, Spain	
Agroteo S.A.	
Calle Cardenal Marcelo Spínola, 42, Madrid, 28016, Spain	
AB Azucarera Iberia, S.L. Sociedad Unipersonal	
AB Vista Iberia, S.L.	
Calle Comunidad de Murcia, Parcela LIE-1-03, Plataforma Logística de Fraga, 22520, Huesca, Spain	
Alternative Swine Nutrition, S.L.	
Calle Escoles Pies 49, Planta Baja, 08017, Barcelona, Spain	
DR Healthcare España, S.L.U.	
Calle Levadura, 5, 14710, Villarrubia, Córdoba, Spain	
AB Mauri Food, S.A	
ABF Iberia Holding S.L.	
Gran Via 32, 5a Planta, 28013, Madrid, Spain	
Primark Tiendas, S.L.U.	
Plaza Pablo Ruiz Picasso S/N, Torre Picasso, Planta 37, Madrid, Spain	
Illovo Sugar España, S.L.	
Sri Lanka	
124 Templers Road, Mount Lavinia, Sri Lanka	
AB Mauri Lanka (Private) Limited	

Subsidiary undertakings	% effective holding if not 100%
Sweden	
Retzius väg 8, 171 65, Solna, Sweden	
Larodan AB	
Switzerland	
Fabrikstrasse 10, CH-3176, Neuenegg, Switzerland	
Wander AG	
Taiwan	
3F-1, No. 161, Sec 4, Nanking E Rd, Taipei City 104, Taiwan (R.O.C.)	
AB Food and Beverages Taiwan, Inc.	
Tanzania	
Msolwa Mill Office, Kidatu, Morogoro, Tanzania	
Illovo Distillers (Tanzania) Limited	
Illovo Tanzania Limited	
Kilombero Sugar Company Limited	
Thailand	
1 Empire Tower, 24th Floor, Unit 2412-2413, South Sathorn Road, Yannawa, Sathorn, Bangkok, 10120, Thailand	
AB World Foods Asia Ltd.	
11th Floor, 2535 Sukhumvit Road, Kwaeng Bangchak, Khet Prakanong, Bangkok, 10260, Thailand	
AB Food & Beverages (Thailand) Ltd.	
ABF Holdings (Thailand) Ltd.	
229/110 Moo 1, Teparak Road, T. Bangsaothong, A. Bangsaothong, Samutprakarn, 10540, Thailand	
Jasol Asia Pacific Limited (dissolved 20 September 2024)	
Turkey	
Aksakal Mahallesi, Kavakpinari, Kume Evleri No. 27, Bandirma/Balikesir, 10245, Turkiye	
Mauri Maya Sanayi A.S.	
United Arab Emirates	
Office 604A, Jafza LOB 15, Jebel Ali Freezone, Dubai, PO BOX 17620, United Arab Emirates	
AB Mauri Middle East FZE	
United States of America	
158 River Road, Unit A, Clifton, NJ 07014, United States	
Modena Fine Foods, Inc.	
158 River Road, Unit B, Clifton, NJ 07014, United States	
Balsamic Express LLC	
208 S. LaSalle Street, Suite 814, Chicago, IL 60604, United States	
Omega Yeast Labs, LLC	
251 Little Falls Drive, Wilmington, DE 19808, United States	
Fytexia Corp.	
C T Corporation System, 155 Federal Street Suite 700, Boston, MA 02110, United States	
Primark GCM LLC	
C T Corporation System, 330 N. Brand Blvd., Glendale, CA 91203, United States	
Pennypacker, LLC	
CT Corporation System, 818 West Seventh Street, Suite 930, Los Angeles CA 90017, United States	
AB Mauri Food Inc.	
The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, United States	
AB Agri US, Inc.	

Notes forming part of the financial statements

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29. Group entities *continued*

	% effective holding if not
Subsidiary undertakings	100%
AB Enzymes, Inc.	
AB Vista, Inc.	
AB World Foods US, Inc.	
ABF North America Corp.	
ABF North America Holdings, Inc.	
Abitec Corporation	
ACH Capital Ventures, Inc.	
ACH Food Companies, Inc.	
ACH Jupiter LLC	
BakeGood, LLC	
Germaines Seed Technology, Inc.	
PGP International, Inc.	
Primark US Corp.	
Prosecco Source, LLC	
SPI Pharma, Inc.	
SPI Polyols, LLC	
Twinings North America, Inc.	
Uruguay	
<i>Carlos Antonio Lopez 7547, Montevideo, Uruguay</i>	
Levadura Uruguaya S.A.	
Venezuela	
<i>Oficinas Once 3 (11-3) y Once 4 (11-4), Torre Mayupan, Av. Principal San Luis, Urbanización San Luis, Caracas, Bolivarian Republic of Venezuela</i>	
Alimentos Fleischmann, C.A.	
Compañía de Alimentos Latinoamericana de Venezuela (CALSA) S.A.	
Vietnam	
<i>La Nga Commune, Dinh Quan District, Dong Nai Province, Vietnam</i>	
AB Mauri Vietnam Limited	66%
<i>Viettel Tower, Floor 6A2, 285 Cach Mang Thang Tam Str., Ward 12, District 10, HCMC, Vietnam</i>	
AB Agri Vietnam Company Limited	
Zambia	
<i>Nakambala Estates, Plot No. 118a Lubombo Road, Off Great North Road, Zambia</i>	
Illovo Sugar (Zambia) Limited	
Nanga Farms Limited	75%
Zambia Sugar plc	75%

Joint ventures

A list of the Group's joint ventures as at 14 September 2024 is given below. All joint ventures are included in the Group's financial statements using the equity method of accounting.

Joint ventures	% holding	Joint ventures	% holding
United Kingdom		<i>9 Tonggang Road, Shage Village, Nanpu Town, Quangang Area, Quanzhou, Fujian Province, China</i>	
England & Wales		AB Mauri Yihai Kerry (Quanzhou) Yeast Technology Co., Ltd.	50%
<i>Weston Centre, 10 Grosvenor Street, London, W1K 4QY</i>		<i>Intersection of Jiaotong Avenue and Zhoushan Road, Gang District, Zhoukou, Henan Province, China</i>	
Boothmans (Agriculture) Limited	50%	AB Mauri Yihai Kerry (Zhoukou) Yeast Technology Co., Ltd.	50%
Forward Agronomy Limited	50%	<i>Room 608, 6th Floor, 1379, Bocheng Road, Pudong New District, Shanghai, China</i>	
Frontier Agriculture Limited	50%	AB Mauri Yihai Kerry Food Marketing (Shanghai) Co., Ltd.	50%
G F P (Agriculture) Limited	50%	<i>Room 607, 6th Floor, 1379, Bocheng Road, Pudong New District, Shanghai, China</i>	
GH Grain (No.2) Limited	50%	AB Mauri Yihai Kerry Investment Company Limited	50%
GH Grain Limited	50%	<i>1828 Tiejueshan Road, Huangdao District, Qingdao, Shandong Province, China</i>	
Grain Harvesters Limited	50%	Qingdao Xinghua Cereal Oil and Foodstuff Co., Ltd.	25%
Intracrop Limited	50%	France	
Nomix Limited	50%	<i>59, Chemin du Moulin, 695701, Carron, Dardilly, France</i>	
North Wold Agronomy Limited	50%	Synchronis	50%
Phoenix Agronomy Limited	50%	Germany	
SOYL Limited	50%	<i>Brede 4, 59368, Werne, Germany</i>	
The Agronomy Partnership Limited	50%	UNIFERM FI GmbH (previously INA Nahrungsmittel GmbH)	50%
<i>Berth 36, Test Road, Eastern Docks, Southampton, Hampshire, SO14 3GG</i>		UNIFERM GmbH & Co. KG	50%
Southampton Grain Terminal Limited	50%	UNIFERM Verwaltungs GmbH	50%
<i>C/o Nomix Enviro Limited, Witham St Hughs, Lincoln, LN6 9TN</i>		<i>Brede 8, 59368, Werne, Germany</i>	
Nomix Enviro Limited	50%	UNIOLOG GmbH	50%
<i>Northants Apc, Rushton Road, Kettering, NN14 1FL</i>		Ireland	
Navara Oat Milling Limited	38%	<i>Rathcore Golf & Country Club, Rathcore, Co. Meath, A83 KP98, Ireland</i>	
<i>Platinum Building Cowley Road, St John's Innovation Park, Cambridge, CB4 0DS</i>		Independent Milk Laboratories Limited	50%
Yagro Ltd	50%	Poland	
<i>Riverside, Wissington Road, Nayland, Colchester, Essex, CO6 4LT</i>		<i>ul. Wybieg, nr 5, lok 9, Miesjsc, KOD 61-315, Poznan, Poland</i>	
Anglia Grain Holdings Limited	50%	Uniferm Polska Sp. z o.o.	50%
Anglia Grain Services Limited	50%	South Africa	
<i>Unit 8, Burnside Business Park, Burnside Road, Market Drayton, TF9 3UX</i>		<i>1 Nokwe Avenue, Ridgeside, Umhlanga Rocks, Kwazulu Natal 4320, South Africa</i>	
B.C.W. (Agriculture) Limited	50%	Glendale Distilling Company	50%
Scotland		Spain	
<i>Kingseat, Newmachar, Aberdeenshire, AB21 0UE</i>		<i>Calle Raimundo Fernández, Villaverde 28, Madrid, Spain</i>	
Euroagkem Limited	50%	Compañía de Melazas, S.A. (in liquidation)	50%
Lothian Crop Specialists Limited	50%	United States of America	
Australia		<i>The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, United States</i>	
<i>Building A, Level 2, 11 Talavera Road, North Ryde, NSW 2113, Australia</i>		Stratas Foods LLC	50%
Fortnum & Masons Pty Limited	33%	Stratas Receivables I LLC	50%
Chile			
<i>Ave. Balmaceda 3500, Valdivia, Chile</i>			
Levaduras Collico S.A.	50%		
China			
<i>1 East Ren Min Road, Regiment 66, Cocodala, Xinjiang, China</i>			
AB Mauri Yihai Kerry (Cocodala) Food Co., Ltd.	50%		
<i>Xinsha Industrial Zone, Machong Town, Dongguan, Guangdong Province, China</i>			
AB Mauri Yihai Kerry (Dongguan) Food Co., Ltd.	50%		
<i>Ta Ha Comprehensive Industrial Park, Fuyu County Economic Development Area, Qiqihar, Heilongjiang Province, China</i>			
AB Mauri Yihai Kerry (Fu Yu) Yeast Technology Co., Ltd.	50%		

Notes forming part of the financial statements

for the 52 weeks ended 14 September 2024

29. Group entities continued

Associates

A list of the Group's associates as at 14 September 2024 is given below. All associates are included in the Group's financial statements using the equity method of accounting.

Associates	% holding
United Kingdom	
England & Wales	
<i>Pacioli House, Duncan Close, Moulton Park Industrial Estate, Northampton, NN3 6WL</i>	
Bakers Basco Limited	20%
<i>Paternoster House, 65 St. Paul's Churchyard, London, EC4M 8AB</i>	
C. Czarnikow Limited	43%
C. Czarnikow Sugar Futures Limited	43%
C. Czarnikow Sugar Limited	43%
Czarnikow Group Limited	43%
Sugarworld Limited	43%
Australia	
<i>283 Flagstaff Rd, Murray Bridge SA 5253, Australia</i>	
Big River Pork Pty Ltd	20%
Murray Bridge Bacon Pty Ltd	20%
<i>32 Davis Road, Wetherill Park, Sydney, NSW 2164, Australia</i>	
New Food Coatings Pty Ltd	50%
Bahrain	
<i>Suite No. 1959 Diplomatic Commercial Office, Tower B, Building No. 1565, Road 1722, Diplomatic Area/Manama 317 Bahrain</i>	
Czarnikow Supply Chain Sales for Food & Beverage Ingredients Bahrain W.L.L.	43%
Brazil	
<i>Av Dos Vinhedos, 71, Floor 11, Room 1101, Uberlandia, Minas Gerais, Brazil</i>	
2C Energia S.A.	22%
<i>Avenida Presidente Juscelino Kubitschek, 2041, Floor 11, Vila Olimpia, CEP 04.543-011, São Paulo/SP, Brazil</i>	
Cz Energy Comercializadora De Etanol S.A.	21%
Czarnikow Brasil Ltda	43%
China	
<i>Rm 1105-1106, 181 Yanjiang West Road, Yuexiu, Guangzhou, Guangdong, 510120, China</i>	
C. Czarnikow Sugar (Guangzhou) Company Ltd.	43%
Colombia	
<i>Edificio Nova Tempo, Oficina 309, Carrera 43A No. 14 - 109, Av. El Poblado, El Poblado, Medellín, Antioquia, Colombia</i>	
Czarnikow Colombia S.A.S.	43%
India	
<i>House No. 1-8-373/A, Chiran Fort Lane, Begumpet, Hyderabad, 500003, India</i>	
C. Czarnikow Sugar (India) Private Limited	43%
Indonesia	
<i>Komplex Puri Mutiara Blok A21-22, JL. Griya Utama, Sunter Agung, Jakarta, 14350, Indonesia</i>	
P.T. Jaya Fermex	49%
PT Indo Fermex	49%
PT Sama Indah	49%
Israel	
<i>26, Harokmim st., Holon Azireli Center Building B, Israel</i>	
Sucarim (C.I.S.T.) Ltd	43%
Italy	
<i>Via Borgogna, 2-20122, Milan, Italy</i>	
Czarnikow Italia S.r.l.	43%

Associates	% holding
Kenya	
<i>I & M Bank House, Second Ngong Avenue, P.O. Box 10517, Nairobi 00100, Kenya</i>	
Czarnikow East Africa Limited	43%
Mauritius	
<i>ENL House, Vivea Business Park, Moka, Mauritius</i>	
Sukpak Ltd	30%
Mexico	
<i>Jaime Balmes #8 Loc. 3-A, Los Morales Polanco, México City, 11510, Mexico</i>	
C. Czarnikow Sugar (Mexico), S.A. de C.V.	43%
New Zealand	
<i>27D Smales Road, East Tamaki, Auckland, 2013, New Zealand</i>	
New Food Coatings (New Zealand) Limited	50%
Philippines	
<i>5F Don Jacinto Building, Dela Rosa cor. Salcedo Streets, Legaspi Village, 1229 Makati City, Philippines</i>	
CZ Philippines, Inc.	43%
<i>Unit A, 103 Excellence Avenue, Carmelray Industrial Park 1, Canlubang, Calamba, Laguna, Philippines</i>	
New Food Coatings (Philippines), Inc.	50%
Singapore	
<i>3 Phillip Street, #14-01 Royal Group Building, 048693, Singapore</i>	
C. Czarnikow Sugar Pte. Limited	43%
Tanzania	
<i>7th Floor, Amani Place, Ohio Street, PO Box 38568, Dar-es-Salaam, Tanzania</i>	
Czarnikow Tanzania Limited	43%
<i>Msolwa Mill Office, Kidatu, Morogoro, Tanzania</i>	
Kilombero Sugar Distributors Limited	20%
Thailand	
<i>1203, 12th Floor, Metropolis Building, 725 Sukhumvit Road, North Klongton, Wattana, Bangkok, 10110, Thailand</i>	
Czarnikow (Thailand) Limited	43%
<i>909 Moo 15, Teparak Road, Tambol Bangsaonthong, King Amphur Bangsaonthong, Samutprakarn, Thailand</i>	
Newly Weds Foods (Thailand) Ltd	50%
Uganda	
<i>Coral Criscent, Kololo IV, Central Division, Kampala, Central, Uganda</i>	
Czarnikow Uganda Limited	43%
United States of America	
<i>333 SE 2nd Avenue, Suite 2860, Miami, FL 33131, United States</i>	
C. Czarnikow Sugar Inc.	43%
Vietnam	
<i>14th Floor, Tower 1, Saigon Center Building, 65 Le Loi, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam</i>	
Czarnikow (Vietnam) Limited	43%

In accordance with section 479A of the Companies Act 2006 (the 'Act'), and subject to compliance with the requirements of that section including the provision of a statutory guarantee from Associated British Foods plc, the following subsidiaries are exempt from the requirements of the Act relating to the audit of individual accounts in respect of the financial year ended 14 September 2024:

Company name	Company number	Company name	Company number
A.B. Exploration Limited	00487323	A.B.F. Properties Limited	00683361
AB Mauri China Limited	12109070	ABF UK Finance Limited	07267422
AB Mauri Europe Limited	02883738	ABF ZMW Finance Limited	13485724
AB Sugar China Holdings Limited	09468366	ABN (Overseas) Limited	00145374
AB Sugar China Limited	09469163	Atrium 100 Properties Limited	04502487
ABF (No.1) Limited	04668120	Atrium 100 Stores Holdings Limited	04660969
ABF (No.2) Limited	03369799	Atrium 100 Stores Limited	05007953
ABF (No.3) Limited	00155305	British Sugar (Overseas) Limited	02400085
ABF BRL Finance Ltd	11001902	BSO (China) Limited	03799608
ABF Finance Limited	04659735	G. Costa (Holdings) Limited	03679738
ABF Food Tech Investments Limited	00172141	Mountsfield Park Finance Limited	07882348
ABF Funding	05380813	Primark Austria Limited	07770764
ABF HK Finance Limited	07761084	Primark US Holdings Limited	05659249
ABF Japan Limited	00492278	Twining Crosfield & Co Limited	00144900
ABF PM Limited	00486887	Worldwing Investments Limited	02778854

Notes forming part of the financial statements

for the 52 weeks ended 14 September 2024

30. Alternative performance measures

In reporting financial information, the Board uses various APMs which it believes provide useful additional information for understanding the financial performance and financial health of the Group. These APMs should be considered in addition to IFRS measures and are not intended to be a substitute for them. Since IFRS does not define APMs, they may not be directly comparable to similar measures used by other companies.

The Board also uses APMs to improve the comparability of information between reporting periods and geographical units (such as like-for-like sales) by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid users in understanding the Group's performance.

Consequently, the Board and management use APMs for performance analysis, planning, reporting and incentive-setting.

APM	Closest equivalent IFRS measure	Definition/purpose	Reconciliation/calculation
Like-for-like sales	No direct equivalent	The like-for-like sales metric enables measurement of the performance of our retail stores on a comparable year-on-year basis. This measure represents the change in sales at constant currency in our retail stores adjusted for new stores, closures and relocations. Refits, extensions and downsizes are also adjusted for if a store's retail square footage changes by 10% or more. For each change described above, a store's sales are excluded from like-for-like sales for one year. No adjustments are made for disruption during refits, extensions or downsizes if a store's retail square footage changes by less than 10%, for cannibalisation by new stores, or for the timing of national or bank holidays. It is measured against comparable trading days in each year.	Consistent with the definition given
Adjusted operating profit	Operating profit	Adjusted operating profit is stated before amortisation of non-operating intangibles, transaction costs, amortisation of fair value adjustments made to acquired inventory, profits less losses on disposal of non-current assets and exceptional items. Items defined above which arise in the Group's joint ventures and associates are also treated as adjusting items for the purposes of Adjusted operating profit.	A reconciliation of this measure is provided on the face of the consolidated income statement and by operating segment in note 1 of the financial statements
Adjusted operating (profit) margin	No direct equivalent	Adjusted operating (profit) margin is Adjusted operating profit as a percentage of revenue.	See note A
Adjusted profit before tax	Profit before tax	Adjusted profit before tax is stated before amortisation of non-operating intangibles, transaction costs, amortisation of fair value adjustments made to acquired inventory, profits less losses on disposal of non-current assets, profits less losses on sale and closure of businesses and exceptional items. Items defined above which arise in the Group's joint ventures and associates are also treated as adjusting items for the purposes of Adjusted profit before tax.	A reconciliation of this measure is provided on the face of the consolidated income statement and by operating segment in note 1 of the financial statements
Adjusted earnings and Adjusted earnings per share	Earnings and earnings per share	Adjusted earnings and Adjusted earnings per share are stated before amortisation of non-operating intangibles, transaction costs, amortisation of fair value adjustments made to acquired inventory, profits less losses on disposal of non-current assets, profits less losses on sale and closure of businesses and exceptional items, together with the related tax effect. Items defined above which arise in the Group's joint ventures and associates are also treated as adjusting items for the purposes of Adjusted earnings and Adjusted earnings per share.	Reconciliations of these measures are provided in note 7 of the financial statements
Exceptional items	No direct equivalent	Exceptional items are items of income and expenditure which are significant and unusual in nature and are considered of such significance that they require separate disclosure on the face of the income statement.	Exceptional items are included on the face of the consolidated income statement with further detail provided in note 2 of the financial statements

APM	Closest equivalent IFRS measure	Definition/purpose	Reconciliation/calculation
Constant currency	Revenue and Adjusted operating profit (non-IFRS) measure	Constant currency measures are derived by translating the relevant prior year figures at current year average exchange rates, except for countries where CPI has escalated to extreme levels, in which case actual exchange rates are used. There are currently three countries where the Group has operations in this position – Argentina, Venezuela and Turkey.	See note B
Effective tax rate	No direct equivalent	This measure is the tax charge for the year expressed as a percentage of profit before tax.	Whilst the Effective tax rate is not disclosed, a reconciliation of the tax charge on profit before tax at the UK corporation tax rate to the actual tax charge is provided in note 5 of the financial statements
Adjusted effective tax rate	No direct equivalent	This measure is the tax charge for the year excluding tax on adjusting items expressed as a percentage of Adjusted profit before tax.	The tax impact of reconciling items between profit before tax and Adjusted profit before tax is shown in note 7 of the financial statements
Dividend cover	No direct equivalent	Dividend cover is the ratio of Adjusted earnings per share to dividends per share relating to the year.	See note C
Capital expenditure	No direct equivalent	Capital expenditure is a measure of investment in non-current assets in existing businesses. It comprises cash outflows from the purchase of property, plant and equipment and intangibles.	See note D
Gross investment	No direct equivalent	Gross investment is a measure of investment in non-current assets in existing businesses and acquisition of new businesses. It comprises capital expenditure, cash outflows from the purchase of subsidiaries, joint ventures and associates, additional shares in subsidiary undertakings purchased from non-controlling interests and other investments.	See note E
Net cash/debt before lease liabilities	No direct equivalent	This measure comprises cash, cash equivalents and overdrafts, current asset investments and loans.	A reconciliation of this measure is shown in note 25 of the financial statements
Net cash/debt including lease liabilities	No direct equivalent	This measure comprises cash, cash equivalents and overdrafts, current asset investments, loans and lease liabilities.	A reconciliation of this measure is shown in note 25 of the financial statements
Adjusted EBITDA	Adjusted operating profit (non-IFRS) measure	Adjusted EBITDA is stated before depreciation, amortisation and impairments charged to Adjusted operating profit.	See note F
Financial leverage ratio	No direct equivalent	Financial leverage is the ratio of net cash/debt including lease liabilities to Adjusted EBITDA.	See note F

Notes forming part of the financial statements

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30. Alternative performance measures *continued*

APM	Closest equivalent IFRS measure	Definition/purpose	Reconciliation/calculation
Free cash flow	No direct equivalent	<p>This measure represents the cash that the Group generates from its operations after maintaining and investing in its capital assets. All the items below Adjusted EBITDA can be found on the face of the cash flow statement or derived directly from it.</p> <p>Working capital comprises the movements in inventories, receivables and payables within net cash generated from operating activities.</p> <p>Net interest paid is the sum of interest received within net cash used in investing activities and interest paid within net cash used in financing activities.</p> <p>Share of adjusted profit after tax from joint ventures and associates is the amount on the face of the cash flow statement, plus the £3m (2023 – £3m) non-operating intangible amortisation which is not included in Adjusted EBITDA.</p> <p>Other includes all other items from net cash generated from operating activities and net cash used in investing activities except for the purchase and sale of subsidiaries, joint ventures and associates, plus dividends paid to non-controlling interests and the movement from changes in own shares held.</p>	See note G
Total liquidity	No direct equivalent	<p>Total liquidity comprises cash, cash equivalents and current asset investments, less non-qualifying borrowings and an estimate of inaccessible cash, plus the qualifying credit facilities.</p> <p>Cash, cash equivalents and current asset investments are set out in note 18.</p> <p>Non-qualifying borrowings are current loans and overdrafts and any non-current borrowings that are uncommitted or that contain covenants that could be breached in a severe downside scenario. Current loans and overdrafts are set out in note 19.</p> <p>Inaccessible cash is generally located in jurisdictions where there is limited access to foreign currency or where there are exchange controls. It is estimated at 5% of cash and cash equivalents.</p> <p>Qualifying credit facilities have a maturity of more than 18 months, are committed, and either contain no performance covenants, or where they do, they are assessed as highly unlikely to be breached even in a severe downside scenario. At 14 September 2024, this comprised the RCF.</p>	See note H
(Average) capital employed	No direct equivalent	<p>Capital employed is derived from the management balance sheet and does not reconcile directly to the statutory balance sheet. All elements are calculated in accordance with Adopted IFRS.</p> <p>Average capital employed for each segment and for the Group is calculated by averaging capital employed for each period of the year based on the reporting calendar of each business.</p>	Consistent with the definition given
Return on (average) capital employed	No direct equivalent	<p>This measure expresses Adjusted operating profit as a percentage of Average capital employed.</p>	Consistent with the definition given
(Average) working capital	No direct equivalent	<p>Working capital is derived from the management balance sheet and does not reconcile directly to the statutory balance sheet. All elements are calculated in accordance with Adopted IFRS.</p> <p>Average working capital for each segment and for the Group is calculated by averaging working capital for each period of the year based on the reporting calendar of each business.</p>	Consistent with the definition given
(Average) working capital as a percentage of revenue	No direct equivalent	<p>This measure expresses (Average) working capital as a percentage of revenue.</p>	Consistent with the definition given

Note A

	Retail £m	Grocery £m	Ingredients £m	Sugar £m	Agriculture £m	Central and disposed business £m	Total £m
2024							
External revenue from continuing businesses	9,448	4,242	2,134	2,529	1,650	70	20,073
Adjusted operating profit	1,108	511	233	199	41	(94)	1,998
Adjusted operating margin %	11.7%	12.1%	10.9%	7.9%	2.5%		10.0%
2023							
External revenue from continuing businesses	9,008	4,198	2,157	2,474	1,840	73	19,750
Adjusted operating profit	735	448	214	179	41	(104)	1,513
Adjusted operating margin %	8.2%	10.7%	9.9%	7.2%	2.2%		7.7%

Note B

	Retail £m	Grocery £m	Ingredients £m	Sugar £m	Agriculture £m	Central and disposed business £m	Total £m
2024							
External revenue from continuing businesses at actual rates	9,448	4,242	2,134	2,529	1,650	70	20,073
2023							
External revenue from continuing businesses at actual rates	9,008	4,198	2,157	2,474	1,840	73	19,750
Impact of foreign exchange	(94)	(108)	(62)	(199)	(22)	(4)	(489)
External revenue from continuing businesses at constant currency	8,914	4,090	2,095	2,275	1,818	69	19,261
% change at constant currency	+6%	+4%	+2%	+11%	-9%		+4%

	Retail £m	Grocery £m	Ingredients £m	Sugar £m	Agriculture £m	Central and disposed business £m	Total £m
2024							
Adjusted operating profit at actual rates	1,108	511	233	199	41	(94)	1,998
2023							
Adjusted operating profit at actual rates	735	448	214	179	41	(104)	1,513
Impact of foreign exchange	(3)	(13)	(6)	(43)	(1)	–	(66)
Adjusted operating profit at constant currency	732	435	208	136	40	(104)	1,447
% change at constant currency	+51%	+17%	+12%	+46%	+3%		+38%

Note C

	2024	2023
Adjusted earnings per share (in pence)	196.9	141.8
Dividend relating to the period (in pence) - excluding special dividend proposed	63.0	47.3
Dividend cover	3	3

Note D

	2024	2023
From the cash flow statement	£m	£m
Purchase of property, plant and equipment	1,124	997
Purchase of intangibles	60	76
Capital expenditure	1,184	1,073

Notes forming part of the financial statements

for the 52 weeks ended 14 September 2024

30. Alternative performance measures *continued*

Note E

	2024	2023
	£m	£m
From the cash flow statement		
Purchase of property, plant and equipment	1,124	997
Purchase of intangibles	60	76
Purchase of subsidiaries, joint ventures and associates	93	94
Purchase of shares in subsidiary undertaking from non-controlling interests	–	–
Purchase of other investments	4	4
Gross investment	1,281	1,171

Note F

	2024	2023
	£m	£m
Adjusted operating profit	1,998	1,513
Charged to adjusted operating profit:		
Depreciation of property, plant and equipment and investment properties	555	531
Amortisation of operating intangibles	63	44
Depreciation of right-of-use assets and non-cash lease adjustments	294	273
Adjusted EBITDA	2,910	2,361
Net debt including lease liabilities	(2,021)	(2,265)
Financial leverage ratio	0.7x	1.0x

Note G

	2024	2023
	£m	£m
Adjusted EBITDA (see note F)	2,910	2,361
Repayment of lease liabilities net of incentives received	(308)	(246)
Working capital	305	(216)
Capital expenditure (see note D)	(1,184)	(1,073)
Purchase of subsidiaries, joint ventures and associates	(93)	(94)
Sale of subsidiaries, joint ventures and associates	24	4
Net interest paid	(69)	(74)
Income taxes paid	(340)	(341)
Share of adjusted profit after tax from joint ventures and associates	(120)	(127)
Dividends received from joint ventures and associates	105	107
Other	125	(32)
Free cash flow	1,355	269

Note H

	2024	2023
	£m	£m
Cash and cash equivalents	1,323	1,457
Current asset investments	334	–
Current loans and overdrafts	(159)	(168)
Non-qualifying non-current borrowings*	(63)	–
Estimated inaccessible cash	(66)	(73)
Qualifying credit facilities	1,500	1,500
Total liquidity	2,869	2,716

* At 14 September 2024, non-current borrowings on the face of the balance sheet included the £400m public bond due in 2034 (carrying value £391m) as qualifying borrowings.

Company balance sheet

at 14 September 2024

	Note	2024 £m	2023 £m
Fixed assets			
Intangible assets	1	–	–
Right-of-use assets	2	3	6
Investments in subsidiaries	3	3,137	1,296
		3,140	1,302
Current assets			
Debtors			
• due within one year	4	3,619	4,165
• due after one year	4	94	129
Employee benefits assets – due after one year	5	1,454	1,397
Derivative assets		15	31
Current asset investments		334	–
Cash and cash equivalents		797	924
		6,313	6,646
Creditors: amounts falling due within one year			
Bank loans and overdrafts – unsecured		(44)	(81)
Lease liabilities	2	(3)	(3)
Other creditors	7	(4,488)	(4,411)
Derivative liabilities		(13)	–
		(4,548)	(4,495)
Net current assets		1,765	2,151
Total assets less current liabilities		4,905	3,453
Creditors: amounts falling due after one year			
Bank loans - unsecured		(395)	(394)
Lease liabilities	2	–	(3)
Amounts owed to subsidiaries		(213)	(200)
Employee benefits liabilities	5	(24)	(20)
Deferred tax liabilities	6	(343)	(325)
		(975)	(942)
Net assets		3,930	2,511
Capital and reserves			
Issued capital	8	42	44
Capital redemption reserve	8	5	3
Hedging reserve	8	2	2
Profit and loss reserve	8	3,881	2,462
Equity shareholders' funds		3,930	2,511

The Company's profit for the 52 weeks ended 14 September 2024 was £2,448m (52 weeks ended 16 September 2023 – £1,043m).

The financial statements on pages 211 to 217 were approved by the Board of Directors on 5 November 2024 and were signed on its behalf by:

Michael McLintock
Chairman

Eoin Tonge
Finance Director

Company statement of changes in equity

for the 52 weeks ended 14 September 2024

	Share capital	Capital redemption reserve	Hedging reserve	Profit and loss reserve	Total
	£m	£m	£m	£m	£m
Balance as at 17 September 2022	45	2	–	2,263	2,310
Total comprehensive income					
Profit for period recognised in the income statement	–	–	–	1,043	1,043
Remeasurement of defined benefit schemes	–	–	–	(33)	(33)
Deferred tax associated with defined benefit schemes	–	–	–	10	10
Items that will not be reclassified to profit or loss	–	–	–	(23)	(23)
Movements in cash flow hedging position	–	–	4	–	4
Deferred tax associated with movement in cash flow hedging position	–	–	(2)	–	(2)
Items that are or may be subsequently reclassified to profit or loss	–	–	2	–	2
Other comprehensive income	–	–	2	(23)	(21)
Total comprehensive income	–	–	2	1,020	1,022
Transactions with owners					
Dividends paid to equity shareholders	–	–	–	(345)	(345)
Net movement in own shares held	–	–	–	(28)	(28)
Share buyback	(1)	1	–	(448)	(448)
Total transactions with owners	(1)	1	–	(821)	(821)
Balance as at 16 September 2023	44	3	2	2,462	2,511
Total comprehensive income					
Profit for period recognised in the income statement	–	–	–	2,448	2,448
Remeasurement of defined benefit schemes	–	–	–	38	38
Deferred tax associated with defined benefit schemes	–	–	–	(10)	(10)
Items that will not be reclassified to profit or loss	–	–	–	28	28
Movements in cash flow hedging position	–	–	–	–	–
Deferred tax associated with movement in cash flow hedging position	–	–	–	–	–
Items that are or may be subsequently reclassified to profit or loss	–	–	–	–	–
Other comprehensive income	–	–	–	28	28
Total comprehensive income	–	–	–	2,476	2,476
Transactions with owners					
Dividends paid to equity shareholders	–	–	–	(502)	(502)
Net movement in own shares held	–	–	–	11	11
Deferred tax associated with share-based payments	–	–	–	2	2
Share buyback	(2)	2	–	(568)	(568)
Total transactions with owners	(2)	2	–	(1,057)	(1,057)
Balance as at 14 September 2024	42	5	2	3,881	3,930

Accounting policies

for the 52 weeks ended 14 September 2024

Basis of preparation

The Company presents its financial statements in sterling, rounded to the nearest million, prepared on the historical cost basis, except that derivative financial instruments are stated at fair value, and in accordance with FRS 101 and the Companies Act 2006.

As permitted by FRS 101, the Company takes advantage of the disclosure exemptions available in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and certain related party transactions. Where required, equivalent disclosures are given in the consolidated financial statements.

As permitted by section 408(4) of the Companies Act 2006, a separate income statement and statement of comprehensive income for the Company are not included in these financial statements. The principal accounting policies adopted are described below. They have all been applied consistently to all years presented.

Intangible assets

Intangible assets comprise operating intangibles.

Operating intangibles are stated at cost less accumulated amortisation and impairment charges. Amortisation is charged to the income statement on a straight-line basis over the estimated useful economic lives of intangible assets from the date they are available for use. The estimated useful lives are generally deemed to be no longer than five years.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any provision for impairment.

Impairment

The Company reviews the carrying amount of investments in subsidiaries and other assets at each balance sheet date to determine whether there is any indication of impairment.

If any such indication exists, the Company estimates the asset's recoverable amount. The Company recognises an impairment charge in the income statement whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of assets is the greater of their fair value less costs to sell and their value in use. In assessing value in use, the Company discounts estimated future cash flows to present value using a pre-tax discount rate reflective of current market assessments of the time value of money and the risks specific to the asset.

The Company may reverse an impairment charge if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the new carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment charge had previously been recognised.

Financial assets and liabilities

The Company recognises financial assets and financial liabilities, except for derivatives, initially at fair value and subsequently at amortised cost.

Derivatives

The Company uses derivatives to manage its economic exposure to financial risks. The principal instruments used are foreign exchange contracts and swaps and interest rate swaps. The Company recognises derivatives at fair value based on market prices or rates, or calculated using discounted cash flow or option pricing models. The Company recognises changes in the value of derivatives in the income statement unless the derivative is designated in a hedging relationship, when recognition of any change in fair value depends on the nature of the item being hedged.

Accounting policies

for the 52 weeks ended 14 September 2024

Pensions

The Company operates one defined contribution and two defined benefit pension schemes. The Company is the principal employer of the Associated British Foods Pension Scheme, which is a funded final salary scheme that is closed to new members, as well as a small unfunded final salary scheme.

The accounting policy for pensions is the same as for the Group, which is set out on page 150.

Income tax

The accounting policy for income tax is the same as for the Group, which is set out on page 150.

Share-based payments

The Company recognises the fair value of share awards at grant date as an employee expense with a corresponding increase in equity, spread over the period during which employees become unconditionally entitled to the shares.

The Company adjusts the amount recognised to reflect expected and actual levels of vesting except where the failure to vest is as a result of not meeting a market condition.

Where the Company grants allocations of shares to employees of its subsidiaries, these are accounted for on the same basis as allocations to employees of the Company, except that the fair value is recognised as an increase to investment in subsidiaries with a corresponding increase in equity.

Cash, cash equivalents and current asset investments

Cash and cash equivalents comprise bank and cash balances, deposits and short-term investments with original maturities of three months or less.

Current asset investments comprise bank deposits and short-term investments with maturities of between three and six months.

Leases

The accounting policy for leases is the same as for the Group, which is set out on page 152.

Significant accounting estimates

The preparation of the Company's financial statements includes the use of estimates and assumptions. Although the estimates used are based on management's best information about current circumstances and future events and actions, actual results may differ from those estimates. The accounting estimates with a significant risk of a material change to the carrying value of assets and liabilities within the next year are forecasts and discount rates, and pensions.

These are set out in Accounting estimates and judgements in the consolidated financial statements on page 148.

Other areas of judgement and accounting estimates

The Company's financial statements include other areas of judgement and accounting estimates. While these areas do not meet the definition of significant accounting estimates or critical accounting judgements, the recognition and measurement of certain material assets and liabilities are based on assumptions and/or are subject to longer term uncertainties.

New accounting standards

The Company adopted the following accounting standards and amendments during the year with no significant impact:

- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- IFRS 17 Insurance Contracts, Amendments to IFRS 17, Initial Adoption of IFRS 17 and IFRS 9 – Comparative Information

Notes to the Company financial statements

for the 52 weeks ended 14 September 2024

1. Intangible assets

	Operating intangibles £m
Cost	
At beginning and end of year	9
Amortisation	
At beginning and end of year	9
Net book value	
At beginning and end of year	–

2. Leases

Right-of-use assets

	2024 £m	2023 £m
Cost		
At beginning and end of year	18	18
Depreciation		
At beginning of year	12	9
Depreciation for the year	3	3
At end of year	15	12
Net book value		
At beginning of year	6	9
At end of year	3	6

Lease liabilities

	2024 £m	2023 £m
Cost		
At beginning of year	6	10
Repayment of lease liabilities	(3)	(4)
At end of year	3	6
Current	3	3
Non-current	–	3
	3	6

Leases relate to land and buildings.

3. Investments in subsidiaries

	2024 £m	2023 £m
At beginning of year	1,296	1,287
Additions	3,664	9
Disposals	(1,823)	–
At end of year	3,137	1,296

Additions in the year comprise £3,646m invested in a number of the Company's subsidiaries pursuant to a group re-organisation and £18m relating to the allocation of shares under equity-settled share-based payment plans to employees of the Company's subsidiaries (2023 – £9m relating to the allocation of shares under equity-settled share-based payment plans to employees of the Company's subsidiaries). Disposals in the year related to the transfer of subsidiaries to a new wholly owned holding company within the group (2023 – nil).

Notes to the Company financial statements

for the 52 weeks ended 14 September 2024

4. Debtors

	2024 £m	2023 £m
Amounts falling due within one year		
Amounts owed by subsidiaries	3,510	4,079
Other debtors	21	16
Corporation tax recoverable	88	70
	3,619	4,165
Amounts falling due after one year		
Amounts owed by subsidiaries	94	129

5. Employee entitlements

	2024 assets £m	2023 assets £m	2024 liabilities £m	2023 liabilities £m	2024 net £m	2023 net £m
Reconciliation of change in assets and liabilities						
At the beginning of the year	3,553	3,735	(2,176)	(2,391)	1,377	1,344
Current service cost	–	–	(15)	(23)	(15)	(23)
Employee contributions	4	5	(4)	(5)	–	–
Employer contributions	3	28	–	–	3	28
Abatement of employer contributions to defined contribution schemes	(38)	–	–	–	(38)	–
Benefit payments	(141)	(140)	132	139	(9)	(1)
Interest income/(expense)	189	169	(115)	(107)	74	62
Return on scheme assets less interest income	166	(244)	–	–	166	(244)
Actuarial gains arising from changes in financial assumptions	–	–	(126)	252	(126)	252
Actuarial gains arising from changes in demographic assumptions	–	–	7	19	7	19
Experience losses on scheme liabilities	–	–	(9)	(60)	(9)	(60)
At end of year	3,736	3,553	(2,306)	(2,176)	1,430	1,377

The net pension asset of £1,430m comprises a funded scheme with a surplus of £1,454m and an unfunded scheme with a deficit of £24m.

Further details of the Associated British Foods Pension Scheme are contained in note 13 of the consolidated financial statements.

6. Deferred tax assets and liabilities

	Employee benefits £m	Share-based payments £m	Other £m	Total £m
At 17 September 2022	(336)	3	9	(324)
Amount charged to the income statement	(16)	3	6	(7)
Amount charged to equity	10	–	(2)	8
Disposals	(2)	–	–	(2)
At 16 September 2023	(344)	6	13	(325)
Amount charged to the income statement	(4)	–	(6)	(10)
Amount charged to equity	(10)	2	–	(8)
At 14 September 2024	(358)	8	7	(343)

7. Other creditors

	2024 £m	2023 £m
Amounts falling due within one year		
Accruals and deferred income	82	69
Amounts owed to subsidiaries	4,406	4,342
	4,488	4,411

8. Capital and reserves

Share capital

At 14 September 2024, the Company's issued and fully paid share capital comprised 744,303,807 ordinary shares of 5 ¹⁵/₂₂p each carrying one vote per share (2023 – 767,953,088). Total nominal value was £42m (2023 – £44m). The Company repurchased and cancelled 23,649,281 shares during the year at a cost of £562m (2023 – 23,721,095 shares at a cost of £448m).

At 14 September 2024, the Company recognised a current liability of £6m in accruals in respect of shares yet to be delivered under the share buyback programme (2023 – nil). At 14 September 2024, the Company had a contractual right to terminate the share buyback programme, so the liability recognised is limited to the Company's obligation to pay for shares already purchased on its behalf at 14 September 2024 but not yet paid for.

Capital redemption reserve

£2m arose in 2010 as a transfer to capital redemption reserve following redemption of two million £1 deferred shares at par. £3m has arisen since 2023 following the purchase and subsequent cancellation of shares (2023 – £1m). The capital redemption reserve is regarded as non-distributable.

Dividends

Details of dividends paid and proposed are provided in note 6 to the consolidated financial statements.

Share-based payments

Details of the Company's equity-settled share-based payment plans are provided in note 24 to the consolidated financial statements.

Hedging reserve

The hedging reserve comprises all changes in the value of derivatives to the extent that they are effective cash flow hedges, net of amounts recycled from the hedging reserve on occurrence of the hedged transaction or when the hedged transaction is no longer expected to occur.

9. Contingent liabilities

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the guarantee contract is treated as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

At year end, the Company had provided £515m of guarantees in the ordinary course of business (2023 – £480m).

10. Related parties

The Company has a controlling shareholder relationship with its parent company, Wittington Investments Limited, with the trustees of the Garfield Weston Foundation and with certain other individuals who hold shares in the Company. Further details of the controlling shareholder relationship are included in note 28 to the consolidated financial statements. The Company has a related party relationship with its subsidiaries, associates and joint ventures and directors. In the course of normal operations, related party transactions entered into by the Company have been contracted on an arm's length basis.

Material transactions and year end balances with related parties (excluding wholly owned subsidiaries) were as follows:

		2024	2023
	Sub note	£'000	£'000
Charges to Wittington Investments Limited in respect of services provided by the Company		984	985
Interest income earned from non-wholly owned subsidiaries	1	421	1,647
Amounts due from non-wholly owned subsidiaries	1	15,899	14,780

1. Details of the Company's subsidiaries, joint ventures and associates are set out in note 29 of the consolidated financial statements.

11. Other information

Emoluments of directors

The remuneration of the directors of the Company is shown in the Remuneration Report for the Group on pages 111 to 127.

Employees

The Company had an average of 229 employees (2023 – 208). Remuneration was £35m (2023 – £34m).

Audit fees

Note 2 to the consolidated financial statements of the Group provides details of the remuneration of the Company's auditors.

Progress report

Saturday nearest to 15 September

	2020 £m	2021 £m	2022 £m	2023 £m	2024 £m
Revenue	13,937	13,884	16,997	19,750	20,073
Adjusted operating profit	1,024	1,011	1,435	1,513	1,998
Exceptional items	(156)	(151)	(206)	(109)	(35)
Transaction costs	(2)	(3)	(6)	(5)	(5)
Amortisation of non-operating intangibles	(59)	(50)	(47)	(41)	(40)
Acquired inventory fair value adjustments	(15)	(3)	(5)	(3)	(2)
Profits less losses on disposal of non-current assets	18	4	7	28	16
Profit less losses on sale and closure of businesses	(14)	20	(23)	(3)	26
Finance income	11	9	19	48	71
Finance expense	(124)	(111)	(111)	(128)	(135)
Other financial income/(expense)	3	(1)	13	40	23
Profit before taxation	686	725	1,076	1,340	1,917
Taxation	(221)	(227)	(356)	(272)	(437)
Profit for the period	465	498	720	1,068	1,480
Basic and diluted earnings per ordinary share (pence)	57.6	60.5	88.6	134.2	193.7
Adjusted earnings per share (pence)	81.1	80.1	131.1	141.8	196.9
Dividends per share (pence)	nil	26.7	43.7	47.3	63.0

Glossary

AGM	Annual General Meeting
APM	Alternative Performance Measure
the Board	the board of Associated British Foods plc
CDP	Carbon Disclosure Project
CGU	Cash-generating unit
the Company	Associated British Foods plc
CPI	Consumer Price Index (UK)
ESG	Environmental, Social and Governance
ESOP	Employee Share Ownership Plan
FCA	Financial Conduct Authority
FRC	Financial Reporting Council
FRS 101	Financial Reporting Standard 101 Reduced Disclosure Framework
GHG	Greenhouse gas emissions
GMP	Guaranteed Minimum Pension
the Group	Associated British Foods plc, its subsidiaries and its interests in joint ventures and associates
HSE	Health, Safety and Environment
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standard(s)
LTIP	Long-term incentive plan
Net finance expense	the sum of finance income, finance expense and other financial income/expense on the face of the consolidated income statement
RCF	Revolving Credit Facility
ROI	Return on investment (see ESG glossary for further information)
RSP	Restricted Share Plan
SBTi	the Science Based Targets initiative
STIP	Short-term incentive plan
TCFD	The Task Force on Climate-related Financial Disclosures
UKEB	UK Endorsement Board
UK MCD	UK Mandatory Climate Disclosures

Company directory

Associated British Foods plc

Registered office Weston Centre
10 Grosvenor Street
London W1K 4QY

Company registered in
England and Wales,
number 293262

Company Secretary

Paul Lister

Registrar

Equiniti Aspect House
Spencer Road
Lancing BN99 6DA

Auditor

Ernst & Young LLP
Chartered Accountants

Brokers

UBS AG London Branch
5 Broadgate
London EC2M 2QS

Barclays Bank PLC
5 The North Colonnade
Canary Wharf

Timetable

Annual general meeting
6 December 2024

Interim results to be announced
29 April 2025

Website

www.abf.co.uk

Warning about share fraud

From time to time, companies, their subsidiary companies, and shareholders can be the subject of investment scams. The perpetrators obtain lists of shareholders or subsidiaries and make unsolicited phone calls or correspondence concerning investment matters.

They may offer to sell worthless or high-risk shares and may offer to buy your current shareholdings at an unrealistic price. They will often also inform you of untrue scenarios to make you think that you need to sell your shares or to justify an offer that seems too good to be true. These operations are commonly known as 'boiler rooms'.

Shareholders are advised to be very wary of any offers of unsolicited advice, discounted shares, premium prices for shares they own or unsolicited investment opportunities. If you receive any such unsolicited calls, correspondence or investment advice:

- ensure you get the correct name of the person and firm;
- check that the firm is on the Financial Conduct Authority (FCA) Register to ensure they are authorised at register.fca.org.uk/;
- use the details on the FCA Register to contact the firm;
- call the FCA Consumer Helpline (0800 111 6768) if there are no contact details in the Register or you are told they are out of date; and
- if you feel uncomfortable with the call or the calls persist, simply hang up.

Forward-looking statements

Certain statements included in this report may constitute 'forward-looking statements'. Forward-looking statements are all statements that do not relate to historical facts and events, and include statements concerning the Company's plans, objectives, goals, financial condition, strategies and future operations and performance and the assumptions underlying these forward-looking statements. The Company often, but not always, uses the words 'may', 'will', 'could', 'believes', 'assumes', 'intends', 'estimates', 'expects', 'plans', 'seeks', 'approximately', 'aims', 'projects', 'anticipates' or similar expressions, or the negative thereof, to generally identify forward looking statements. Forward-looking statements may be set forth in a number of places in this report. The Company has based these forward-looking statements on the current view with respect to future events and financial performance. These views involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements contained in this report and from past results, performance or achievements. Although the Company believes that the estimates and the projections reflected in its forward-looking statements are reasonable, if one or more of the risks or uncertainties materialise or occur, including those which the Company has identified in its report, or if any of the Company's underlying assumptions prove to be incomplete or incorrect, the Company's actual results of operations may vary from those expected, estimated or projected. These forward-looking statements are made only as at the date of this report. Except to the extent required by law, the Company is not obliged to, and does not intend to, update or revise any forward-looking statements made in this report whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to the Company, or persons acting on the Company's behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this report. As a result of these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements and persons needing advice should consult an independent financial adviser. This report does not constitute an invitation to underwrite, subscribe for or otherwise acquire or dispose of any shares or other securities in the Company. No statement in this report is intended to be, nor should be construed as, a profit forecast or a profit estimate.